



Barry L. Kluger
Inspector General

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December 23, 2014

Wael Hibri
Senior Director
MTA Business Service Center
333 W. 34th Street
New York, NY 10001

**Re: Missing Applicant Data in BSC
Hiring System
MTA/OIG #2014-15**

Dear Mr. Hibri:

As you well know, the MTA Business Service Center (BSC) uses PeopleSoft, an integrated software system, to manage personnel information and financial data. Candidates for all non-civil service MTA jobs apply online using PeopleSoft's Employment interface, which is designed to help MTA staff process job applications efficiently and consistently across the agencies. BSC receives an extremely high number of applications—over 467,000 in 2013¹—and requires a reliable computerized system to manage this workload effectively.

In April 2014, MTA Audit Services, the Authority's internal auditor, released a report entitled *Audit of LIRR's Recruitment Process* (MTA-14-005) (the Audit Services Report). Also this spring, the Office of the MTA Inspector General (OIG) conducted its own independent assessment of the BSC's administration of the job application process. Our review is part of a recent series of investigations and audits we completed to address certain problematic MTA agency hiring practices.

Although the problems identified by Audit Services and the OIG may occur with relative infrequency, it is vital that the BSC—the centralized application processing center—improve its performance in the application process to help ensure that (1) the hiring agencies have complete and accurate information about the candidates and their qualifications, and (2) the process is—and is perceived to be—reliable and fair. We discussed our findings and recommendations with BSC management who were responsive, accepted our recommendations and have begun improvements.

¹ This number includes multiple applications by various individuals for different positions and duplicate applications for the same position, as well as a high volume of individual applications for high-demand positions (e.g. as conductors or with MTA Police).

FINDINGS

Screening Results Do Not Always Appear in PeopleSoft

Each MTA agency is responsible for its own hiring. Hiring personnel have access to the PeopleSoft database to review the applicants' information and résumés. When applying through PeopleSoft to BSC for an open MTA position, each applicant is required to answer a series of screening questions, formulated by the hiring department and related to that job's requirements, and also attach his or her résumé. In essence, this screening consists of yes/no questions designed to establish whether the applicant meets certain basic criteria (e.g. having a college diploma). BSC staff then sends the hiring agencies two lists: one reflecting the applicants who "passed" the screening questions and the other reflecting those who "failed."

Notably, though, the Audit Services Report revealed two basic flaws in PeopleSoft that negatively affect BSC's management of the LIRR recruitment process: First, the system does not consistently reflect each applicant's screening responses, and second, it placed some applicants on a list of qualified candidates even though those applicants had failed to meet the basic screening criteria. Audit Services recommended that by the second quarter of 2014, BSC Human Resources should work with BSC Information Technology Services Division (BSC IT Services) to "determine why certain screening results [were] not appearing in PeopleSoft," and to establish the root cause as to why candidates "received a passing result for the screening even though they did not meet specific qualification requirements for the job and enhance PeopleSoft controls to ensure that similar errors do not occur in the future." Notably, BSC accepted this recommendation and agreed to implement it.

Nevertheless, BSC staff acknowledged at a meeting with the OIG in April that they had not started the process to implement the recommendation, i.e., determine why some results are not appearing. The staff admitted further that they had no current plans to look into it. When OIG pressed BSC to act upon the recommendation it had accepted for implementation, BSC analysts then took action and ultimately determined that the missing results stemmed from two causes: applicant "status changes" and "duplicate applications."

- A "status change" occurs whenever a PeopleSoft user at BSC or the hiring agency changes the status of an applicant. For instance, an applicant can be "rejected" if a hiring official considers him or her unsuitable for a job; "linked" if someone considers a candidate suited for a job for which he or she did not apply; "routed" if a user decides to forward an applicant to another hiring official at the hiring agency; or "Ready to Hire."

In this example, if the first application is screened and then routed for hiring for another position, and then a second application is received, when the applicant is finally hired using the first application, he or she will appear to be missing from the screening results since he or she had been routed prior to the second screening.

To manage the heavy volume of applications, at the hiring agency's request BSC staff members often run several preliminary screenings for a single job opening before running the final screening and then closing the job announcement on the MTA website. If an applicant undergoes a status change during the preliminary screening process, a mechanism in PeopleSoft automatically removes the applicant from the regular applicant pool. As explained by a BSC official, this is because PeopleSoft is designed to run screening questions only once, after the job posting is closed. Because the applicant has already been screened, the next time the screening results are run, that applicant's responses would not be found because they have already been processed.

- Duplicate applications result when a candidate applies for a single position more than once using the same applicant ID number. In its current version, at least, PeopleSoft only reflects the screening results for the most recent submission. Thus, if hiring personnel open an earlier submission, the screening results would not appear, making the application look incomplete and increasing the likelihood that agencies will disregard it.

It should be noted that these issues could be eliminated if each job posting had its screening results run only once. However, given that positions are often re-posted and screening repeated on both new applicants and prior applicants, this solution may not be workable.

Whether caused by status changes or duplication, the omission of screening results is usually discovered by the BSC Employment group during its reconciliation process, which manually compares the total number of original applicants to the total number of screened applicants (both "passed" and "failed") for a particular job. While reconciliation is certainly a valuable internal control to ensure that no applicant is lost in the process, it would be beneficial in terms of effectiveness and efficiency if the upcoming new PeopleSoft version (as discussed below) could include an automated reconciliation process. To improve consistency, BSC also plans to install an audit function in PeopleSoft to document each time an applicant's status is changed and who changed it. We agree that this would also be a valuable enhancement to the system.

Applications without Résumés

In addition to the missing screening results, BSC IT Services acknowledged to OIG the existence of two other flaws in the way that PeopleSoft processed the applications. First, despite the critical importance of the applicants' résumés, the software permitted candidates to submit an application without that attachment. Second, even when a résumé was attached, PeopleSoft occasionally "dropped" it, meaning that these résumés are no longer available to hiring managers and other users.

BSC IT staff members explained that résumés are dropped because BSC IT did not install manufacturer-produced patches to MTA's highly customized PeopleSoft program, which at the time could not have supported the changes. Because the installation of the patches would

represent a complex undertaking costing millions of dollars, BSC decided to wait and install the latest full version of the PeopleSoft product. According to BSC officials, that implementation will most likely resolve the issue of dropped résumés.² However, because BSC just began requesting procurement proposals for this newly released software, the entire installation process leading to remediation could extend well into next year.

Until BSC has implemented the new PeopleSoft version, BSC must be proactive about alerting the hiring agencies to the current software glitches resulting in dropped and unattached résumés, and the agencies in turn must be proactive about reaching out for missing résumés from applicants who passed the screening process. The hiring agencies must also be alert to the fact that if they route applicants prior to the job posting being closed and the final screening commencing, the list of screened applicants may appear to be missing applications. This will help make the process more efficient and fair, and help ensure that all qualified applicants receive consideration.

RECOMMENDATIONS

BSC is ultimately responsible for ensuring that complete applicant information is visible and easily accessible to staff at every MTA hiring agency so that all qualified applicants have a fair and equal opportunity in the hiring process. In furtherance of that responsibility, OIG recommends that BSC do the following:

- 1) Remind all MTA users not to effectively reject an application simply because the applicant's résumé is missing unless and until BSC resolves the PeopleSoft glitches resulting in dropped and unattached résumés.
- 2) After implementing the newest version of PeopleSoft, BSC IT should test its functionality as to dropped and missing résumés and screening results, to ensure that the deficiencies have been corrected.
- 3) Consider procuring an available enhancement to prevent duplicate applications when BSC upgrades to the latest version of PeopleSoft.

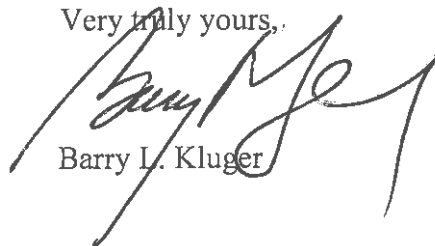
² Patches are a mechanism for delivering fully tested and integrated product fixes on a regular basis. They are usually related to security or application stability. The patches in question are specifically designed for the factory version of PeopleSoft 9.0, but since installing that version in 2011, BSC has made numerous modifications to the system to meet the MTA's particular business needs. Since patches are delivered in bulk and must be taken as a whole, the effect of accepting the patches to PeopleSoft 9.0 would have essentially meant updating the HRIS module to the software's current configuration, including PeopleSoft release 9.1 – a monumental and expensive task. The latest version of this software, PeopleSoft 9.2, is designed to include all of the functionality that the patches would have added to 9.0.

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Business Service Center officials concurred with all recommendations.

As always, we appreciate the courtesy and cooperation afforded to us at all times by you and your staff. If you have any questions regarding this final report please do not hesitate to contact me directly or Executive Deputy Inspector General Elizabeth Keating at (212) 878-0022.

Very truly yours,

A handwritten signature in black ink, appearing to read "Barry L. Kluger", written over the typed name below.

Barry L. Kluger