



Barry L. Kluger
Inspector General

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December 23, 2014

Joseph Giulietti
President
MTA Metro-North Railroad
347 Madison Avenue, 12th Floor
New York, NY 10017-3739

**Re: Inadequate Management Controls in
Metro-North Railroad's
Communications Division
MTA/OIG #2014-26**

Dear Mr. Giulietti:

Recently, the Office of the MTA Inspector General (OIG) conducted an investigation regarding potential violations of the MTA Code of Ethics by an employee assigned to the Communications Division (Communications) of the Maintenance of Way Department of Metro North Railroad. During the course of that investigation, we found numerous examples of inadequate and often non-existent controls over the work activities of the employees assigned to the Communications Field Systems unit (CFS), a subdivision of the Communications Division.

CFS is responsible for the inspection, testing and maintenance of Metro-North's fiber optic network, which plays a vital role in train operations because it connects Metro-North's Control Center at Grand Central to the switching and signaling systems located throughout Metro-North's operation. The unit is also responsible for maintaining the agency's cellular and telephone communications systems. Approximately 40 employees are assigned to this unit.

As you know, the OIG recently worked closely with Metro-North top management to address both the managerial deficiencies and individual acts of misconduct documented in our 2013 reports on machinists and field crews assigned to the railroad's Track and Structures divisions, respectively.¹ Both reports found serious and widespread abuses, including employee time-stealing and falsification of records, gross lack of productivity, and poor supervision of field crews.

In our briefings to your senior staff earlier this year regarding our previous reports, we noted that preliminary findings from our investigation regarding Communications indicated the same lack

¹ MTA/OIG #2013-05, *Productivity of Road Machinists in Metro-North Railroad's Work Equipment Division*, and MTA/OIG 2013-16, *Abuse of Time, Falsification of Records and Gross Lack of Productivity by Foremen and Employees of the Structures Division of Metro-North Railroad*. Both Track (which includes the Work Equipment Division) and Structures are also parts of the Maintenance of Way Department.

of internal controls and inadequate supervision that we had found in the Track and Structures divisions. Senior management at Metro-North requested a full briefing at the conclusion of our Communications Division investigation. In that vein, on October 15, 2014 members of my senior staff met with both Metro-North's Vice President for Engineering and its Chief Engineer to discuss our findings pertaining to the management deficiencies uncovered during that investigation. This letter, which contains our recommendations, summarizes the issues that my staff discussed with railroad senior management at that time.

2001 MTA Auditor General Report Highlighted Management Deficiencies

Systemic deficiencies regarding the management of field crews in Communications were first brought to light in 2001 by the MTA Auditor General (Audit Services). Specifically, the Audit Services report, which focused on processes used by Communications to monitor the repair work performed by its maintenance staff, found inadequate documentation and accountability. Regarding CFS in particular, Audit Services found that:

[CFS] did not have an inventory for its equipment nor are repair records prepared documenting failures and subsequent repair work performed on the equipment. Because of the lack of equipment repair records, the group could not identify the specific work performed by their employees during their work hours.

Audit Services recommended that:

Communications establish a more formal and detailed process for controlling maintenance activities. Specifically there is a need to establish action plans for achieving departmental goals, develop a maintenance tracking system to record the work performed on all departmental assets [known as an asset management system], and implement a process for scheduling and monitoring cyclical PMI's [Preventative Maintenance Inspections]. We also recommend that Communications improve the process for documenting the scheduling and completion of work tasks and the hours charged to various work functions... and tighten the process for controlling emergency call-in work.

Upon issuance of this 2001 Audit Services report, Metro-North management agreed with the report's findings and agreed to fully implement all of its recommendations.

Current OIG Review

Despite these findings by Audit Services, Metro-North's agreement to take corrective action, and the improvements that Metro-North did implement, our 2014 review confirms that many of the same problems found more than a decade ago still persist today. Indeed, our interviews of CFS supervisors and managers confirmed that written records of work performed by maintenance crews often still do not exist and Communications supervisors and managers still do not track the performance of crews. For example, we found that:

- A maintenance crew's daily work assignments are communicated verbally rather than in writing—resulting in no record of the assignments and no accountability for them. Exacerbating this managerial deficiency, the maintenance crews themselves are not required to routinely log their activities or document their work.
- While crews are required—on a monthly basis—to complete maintenance and testing on equipment at a communications node or “hut” and submit a written report documenting that work, we found that one crew had not actually performed the required work for almost one year. Although the Deputy Director for Communications (Deputy Director) told OIG that the monthly maintenance/testing performed at the communication huts is not safety-critical, he also agreed that it is indicative of the inadequate management and oversight of the CFS field crews that neither the crew's supervisor nor its manager was aware of the lapse in maintenance.²
- Sometimes managers did not assign their maintenance crews any work to perform during their shift. Rather, one Communications supervisor told OIG that “some days I do not have eight hours [work] to assign,” and said that he tells the crew “you are on maintenance,” meaning that they should drive up and down Metro-North's right-of-way and basically look for work to perform.³ Notably, though, the supervisor does not also require the crews to account to him for the time nor does anyone record how often this potentially non-productive down-time occurs.
- Communications maintains a central location for the receipt of all telecommunications problems or “trouble calls” reported by Metro-North employees. The “Wire Chief” is the designation given to the CFS employee responsible for answering the calls, communicating with supervisors and maintainers in the field, and maintaining an electronic database to track calls through resolution. However, OIG reviewed the electronic database and found numerous problems with the manner in which data is captured by the Wire Chief, thereby rendering the database useless as a tracking tool. For example, the Wire Chief often does not record (1) the name of the Metro-North employee who called in the trouble; (2) the name of the supervisor or maintainer notified regarding the trouble call; or (3) the individual/crew, if any, assigned to respond to the call and therefore responsible and accountable for its resolution.
- Managerial responsibilities are not always clear. Indeed, while one supervisor told us that his crews received their daily work assignments from the Wire Chief, the Wire Chief told us that it is the supervisor, and not he, who is responsible for the crews' daily assignments.

² OIG requested all of Communication hut reports produced by this crew for 2013. Although it was responsible for maintaining 18 huts and should have submitted 216 reports, we found that the crew had submitted only 23 reports for the entire year.

³ The supervisor told OIG that crews should check Communications wiring, look for hanging cables, and damage to the locks on the Communications boxes and pedestals.

- Communications still lacks an asset management system that supervisors and executive-level managers could use for tracking repairs to its equipment.

The Deputy Director has held the highest division-level position since 1990s, and thus was well-aware of Audit Services' findings and recommendations. He told OIG that Metro-North had implemented most of the report's recommendations, but went on to state that some of the systems that had been put in place, particularly those used to track the activities and whereabouts of maintenance crews, had broken down and were no longer functioning. He claimed to OIG that Communications lacked adequate access to information technology resources that could have helped his division establish systems for tracking crews, although he candidly acknowledged that Communications could have, and should have, done more to ensure accountability. In fact, there is no indication that Communication's management, by way of response to this situation, subsequently took any action to ensure even minimal accountability by requiring that workers log their assignments and the tasks that they accomplished each workday. Nor did we find any indication that management had tried to correct the deficiencies in Communication's process for recording trouble calls.

The lack of any meaningful tools for tracking the work performed by CFS not only undermines management's ability to ensure that maintenance crews are productively engaged, it also undermines the unit's ability to efficiently and effectively maintain the equipment and assets for which it is responsible. That these serious deficiencies have persisted or reemerged without correction is troubling.

OIG Recommendations

Going forward, Metro-North must establish sound recordkeeping practices and ensure that they are followed by its maintainers and their supervisors. Metro-North must also widely expand the utilization of proven management tools such as the Automatic Vehicle Location Monitoring (AVLM) system, and commit to monitoring the performance of its field crews and supervisors to ensure that they are productive and accountable. More specifically, we recommend that Metro-North:

1. Establish a process to ensure that:
 - a. A supervisor communicates the field crew's daily assignment(s) in writing;
 - b. One member of the crew accurately documents the crew's whereabouts and the work that it performed each work day in a "daily log"; and
 - c. The information captured in the daily logs and other databases is used on a regular basis to monitor and measure the effectiveness and efficiency of the crews.
2. Establish a "Trouble Ticket System" to track trouble calls, and an asset management system to manage work performed on its equipment.

3. Require that managers and supervisors utilize Metro-North's AVL system to monitor the performance of crews on a daily basis.

We commend and are certainly encouraged by the responsiveness of senior Metro-North staff to the issues we raised and by the actions they have taken in recent months to tackle serious, longstanding, and deep-rooted issues. My staff and I will continue to work with you and your team to help improve workforce productivity and the management of maintenance operations at Metro-North.

Please provide us with your agency response to our recommendations within 30 days. Should you have any questions, or need additional information, please contact me or Executive Deputy Inspector General Elizabeth Keating at (212) 878-0022.

Very yours truly,


Barry L. Kluger



March 10, 2015

Barry L. Kluger
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Metropolitan Transportation Authority
Two Penn Plaza, 5th Floor
New York, NY 10121

RE: Response to Inadequate Management Controls in Metro-North Railroad's Communications Division (MTA/OIG # 2014-26)

Dear Mr. Kluger:

We received and reviewed the MTA/OIG #2014-26 draft report detailing the investigation your office performed regarding the work activities of employees in the Communications Field Systems Unit, a subdivision of Maintenance of Way's Communications & Signals Department. Metro-North management is troubled by the findings and is committed to taking action to ensure that our employees are performing their duties as assigned. MNR recognizes the need for a comprehensive, agency-wide solution to the issues of employee accountability, worker productivity and management controls raised in this draft report.

Since the mid-1990s and continuing until as recently as 2010, the Maintenance of Way Department has been considering different options for implementing an electronic system to document work assignments and the performance of work for the inspection and maintenance work force; however, for a variety of reasons, these efforts never progressed to the point that an actual project was approved and funded. Recognizing the deficiencies of the current systems for tracking employee productivity and performance of assigned tasks, we are currently working on three separate, yet interrelated initiatives which will address the deficiencies found in the Communications Unit and are applicable to all Departments with field personnel. As discussed between our respective staffs, we consider this response as interim, and we will update you again in three months with additional details regarding the scope and schedules of our proposed work plans in these areas.

1. Utilizing AVL M for Employee Monitoring

We have initiated a task force to review and develop the best methods for analyzing and acting on the data being generated from our newly installed Automated Vehicle Location Monitoring (AVLM) system. Initially, the focus will be on establishing common procedures and practices for MNR Departments regarding the management review and response to GPS data as an employee monitoring tool. In order to utilize AVL M for more advanced analysis, such as worker productivity, we will be investigating the staffing resources and organizational structure which would be required to make this effective. We currently only

have one employee with designated AVL M responsibilities, and other duties and responsibilities within the Automotive Unit are assigned to this position.

2. Tracking and Analysis of Work Activities

We are working on a number of fronts to address the issue of the assignment and tracking of work performed. We do not believe an interim paper solution will be effective. Instead, we have initiated pilot programs (in the Signal Inspection Unit) with specific vendors to compare systems that manage test, inspection and preventative maintenance of signals, track and wayside assets to ensure compliance with railroad and regulatory requirements. We will also review how these systems can be utilized to track trouble calls, schedule work and analyze workforce optimization in an automated and centralized manner.

We recognize that simply adopting a software or database system will not in and of itself solve all of the issues we face. Indeed, the way we assign and perform our work will also need to change. To this end, we plan to engage consultants within the next several months that will be able to dedicate the time needed to do formal business process reviews in the major Maintenance of Way units in order to understand and recommend best practices for assigning work and tracking the performance of work once assigned. This will include recommendations for a robust trouble-ticket and work-order system, which will enable reporting on all aspects of worker productivity.

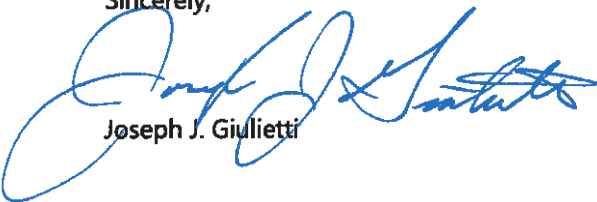
3. Enterprise Asset Management

The long-term solution to increasing the visibility, accountability and whole lifecycle management of MTA assets is the implementation of an Enterprise Asset Management system (EAM). MNR is actively participating in the MTA Headquarters-led EAM effort, which will enhance asset management through improved data, analysis and decision-making tools at each stage of the asset lifecycle.

We recognize that the benefits of this system will likely not be realized for several years, which is the reason that we are moving ahead with the initiatives described in 1 and 2 above on a parallel path. It is our expectation that the systems that are put in place pursuant to those initiatives will provide a structure that will facilitate the implementation of a true EAM system across MNR.

If you have any questions or need additional information, please contact me. Thank you.

Sincerely,



Joseph J. Giullietti

cc: M. Fucilli
C. Rinaldi
G. Hayden
K. Porcelain
J. Kesich
J. Henly
N. Gilbertson