



## AN ASSESSMENT OF MTA AGENCIES' STOREROOM PHYSICAL SECURITY - FINAL

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### I. EXECUTIVE SUMMARY

In October 2019, the Metropolitan Transportation Authority (MTA) Chairman Patrick J. Foye asked the Office of the MTA Inspector General (OIG) to review the integrity of the MTA agencies' inventory control systems to ensure that equipment and materials are adequately secured. This report documents our initial risk assessment of the MTA agencies' storerooms as to whether there are sufficient physical security controls in place to protect inventory from theft, waste, and/or damage.

Generally, OIG staff found that physical security controls for the 47 storerooms visited appear adequate.<sup>1</sup> However, we believe that a future assessment is also needed regarding the controls over materials maintained outside of the storerooms, i.e., non-stock items. This represents a much smaller (less than 8% of the total inventory value of \$665 million) but more vulnerable selection of goods with a significant value of \$51 million. The OIG plans to undertake the additional assessment and testing of the security over non-stock materials in 2020.

### II. SECURITY REVIEW

MTA operating agencies purchase and maintain large inventories of equipment, tools, materials, and supplies consisting of up to tens of thousands of discrete inventory items for use in their operations. Control over inventory is the responsibility of each agency's material management and storeroom operations department (Storeroom Operations). As of September 30, 2019, the agencies reported a combined inventory value of approximately \$614 million held by Storeroom Operations. Additionally, agencies house what are referred to as "non-stock items" with an approximate value of \$51 million. These could be any items—such as nuts and bolts, lumber, paint, concrete, railroad ties, running rails, or switches—that were either purchased or taken out of the storerooms by the user departments for specific projects or to make them available for use when Storeroom Operations are not open. They are stored in the vicinity

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<sup>1</sup> These storerooms are maintained by the department responsible for storeroom operations: Long Island Rail Road (LIRR) – Department of Procurement & Logistics' Stores Operations, Metro-North Railroad (MNR) – Material Management & Storeroom Operations, and New York City Transit (NYCT) – Division of Supply Logistics.

of the project sites until used up or at other storage areas maintained by user departments such as Maintenance of Way or Engineering.

### A. Methodology

In this assessment, OIG targeted the physical security of storerooms within MTA’s three largest agencies, which account for more than 97% of the total inventory value. As shown below, OIG staff conducted site observations at 47 (53%) of the 89 storerooms belonging to LIRR, MNR, and NYCT (see Appendix A for full list.).

Agency	No. of Storerooms	No. of Storerooms Visited
NYCT	67	27
LIRR	7	7
MNR	15	13
<b>Total</b>	<b>89</b>	<b>47</b>

In order to maintain a consistent assessment during each site visit, OIG staff used a storeroom security checklist based on best practices research to document our observations of the various physical security features. In conducting our analysis of the observed security features, OIG staff classified them as either “critical” or “complementary” features. In general, the more security features a storeroom has, the better the security.

1. Critical Features: door lock (key or combination); log of all personnel with keys and combination codes; self-locking doors; additional locks for high-value inventory items; and storeroom personnel always present during business hours.
2. Complementary Features: security cameras; alarm-rigged doors; fenced-in and illuminated outdoor storage areas; restricted access signage; storeroom visitor log; physical separation of obsolete/scrap items; and physical separation of items awaiting repair or maintenance.

### B. Findings

OIG staff found that all 47 storerooms visited have at least 3 of the 5 critical security features, with all having door locks. OIG staff consider having door locks and 2 or more other critical security features sufficient to provide reasonable assurance that inventory items are protected.

Specifically, OIG noted that:

- All 47 storerooms have locking doors, of which 41 (87%) have self-locking doors.
- 43 storerooms (91%) required inventory personnel to always be present during business hours. Of the remaining 4 storerooms: 2 are unmanned overflow storage and do not have regular business hours, 1 uses locked storage containers in a yard with a security guard at the gate, and 1 has cameras as a complementary security feature.
- 32 of the storerooms (68%) have at least 4 or more of the 7 complementary security features.

### **III. CONCLUSION**

OIG found that physical security controls for the 47 storerooms that OIG staff visited appear adequate; therefore, no corrective actions are required at this time. However, both OIG and MTA Audit Services audits have previously identified that non-stock items may be at more risk of theft than those materials held in storerooms. An assessment of the agencies' control systems over non-stock materials to determine how vulnerable the items are to theft will require a separate set of observation and testing procedures. OIG intends to conduct this additional assessment in 2020.

## APPENDIX A

### Listing of Storerooms Surveyed

Agency	Storeroom Location
LIRR	Hillside Facility
LIRR	001 & 002 Storerooms – Sheridan Shop (Richmond Hill)
LIRR	003 Storeroom – Morris Park Bldg. 3
LIRR	Bethpage Storeroom
LIRR	Babylon Maintenance Facility Storeroom
LIRR	ESA Storage Facility
LIRR	West Side Yard Shop Storeroom
MNR	Harmon Coach Storeroom – Bldg. 4
MNR	Harmon Material Distribution Center – Bldg. 14
MNR	Harmon Locomotive Storeroom – Bldg. 3
MNR	North White Plains Storeroom
MNR	Springdale Facility
MNR	Beacon Warehouse
MNR	New Haven Central Distribution Center – Bldg. 24
MNR	New Haven S&I Storeroom - Bldg. 19
MNR	Poughkeepsie Warehouse
MNR	Stamford Storeroom
MNR	Highbridge Storeroom
MNR	Grand Central Uniform Storeroom
MNR	Brewster Storeroom
NYCT	001 207th St. Yard
NYCT	005 Yukon Bus Depot
NYCT	006 Michael J. Quill Bus Depot
NYCT	009 Manhattanville Bus Depot
NYCT	011 West Farms Bus Depot
NYCT	015 100th Street (Tuskegee Airmen) Bus Depot
NYCT	016 CMF Zerega Avenue
NYCT	019 Gun Hill Bus Depot
NYCT	027 Signals Storeroom
NYCT	030 Unit Store Subways North
NYCT	053 Units Stores – Central Electric Shop
NYCT	054 Central Electric Shop
NYCT	060 Coney Island Yard
NYCT	063 East New York Bus Support South
NYCT	068 Bergen Yard
NYCT	069 AY Yard
NYCT	070 Locust Avenue Yard
NYCT	090 East New York Bus Support South
NYCT	135 239th Street Maintenance Facility
NYCT	170 Jamaica Yard
NYCT	171 East New York Bus Depot
NYCT	173 Flatbush Bus Depot
NYCT	175 Ulmer Park Bus Depot
NYCT	178 Queens Village Bus Depot
NYCT	181 Jamaica Bus Depot
NYCT	180 Casey Stengel Bus Depot
NYCT	196 Corona