



OVERTIME REFORMS AT THE MTA MONITORING REPORT, FOURTH QUARTER 2019

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In the MTA Inspector General’s (OIG) [November 1, 2019 report](#) to the Board (OIG’s November OT Report), we pledged to rigorously monitor overtime efforts at the MTA, and apprise the Board and the public of our findings on a quarterly basis, to ensure that MTA agencies meaningfully rein in overtime spending and safeguard against waste, fraud, and abuse.¹ At that time, OIG noted several areas of risk and concern related to the standardization of timekeeping across MTA agencies. OIG expressed concerns about meeting the aggressive deadline for installation of Kronos timekeeping clocks, each agency’s ability to ensure its workforce’s use of the clocks, and the eventual but complex integration of timekeeping into the payroll functions. This is OIG’s report for the 4th Quarter of 2019, with additional updates on developments that have occurred between December 31, 2019 and the publishing of this report.

I. BACKGROUND

OIG continues to monitor overtime reforms at the MTA, as the [Morrison & Foerster LLP report](#) on overtime policies and procedures (“the M&F Report”) recommended.² The 15 recommendations made in the M&F Report, together with the recommendations in OIG’s [audit report highlighting MTA’s deficient overtime verification procedures](#),³ guide the MTA’s current efforts to transform the way it processes, budgets, reconciles, and monitors overtime work. OIG has decades of experience in the assessment of overtime-related policies and procedures across the MTA operating agencies. Based on this foundation, OIG staff monitors the work of the MTA Overtime Task Force and its respective working groups to ensure that improvements will address deficiencies as comprehensively and effectively as possible.

¹ See [Letter to MTA Board Regarding Biometric Clock Deployment](#) (OIG’s November OT Report).

² See [Morrison & Foerster LLP, Report of Findings and Recommendations for the Metropolitan Transportation Authority: Overtime Policies and Procedures](#), page 48.

³ See [MTA’s Deficient Overtime Verification – Final](#) (MTA/OIG #2019-19).

OIG's November OT Report highlighted the following:

- In the Summer of 2019, the [MTA announced](#) the agencies would complete installation of all time and attendance biometric time clocks by September 2019,⁴ which proved to be overly optimistic;
- The MTA likely would miss its internal January 15, 2020 deadline of 100% Kronos active use by all appropriate personnel and timekeeping rules still needed to be fully integrated; and
- Implementation could be delayed further by unforeseen challenges such [as the apparent vandalism of the biometric clocks](#).⁵

These highlighted risks remain a concern, as addressed in greater detail below.

II. AREAS OF RISK, CONCERN, AND NOTE

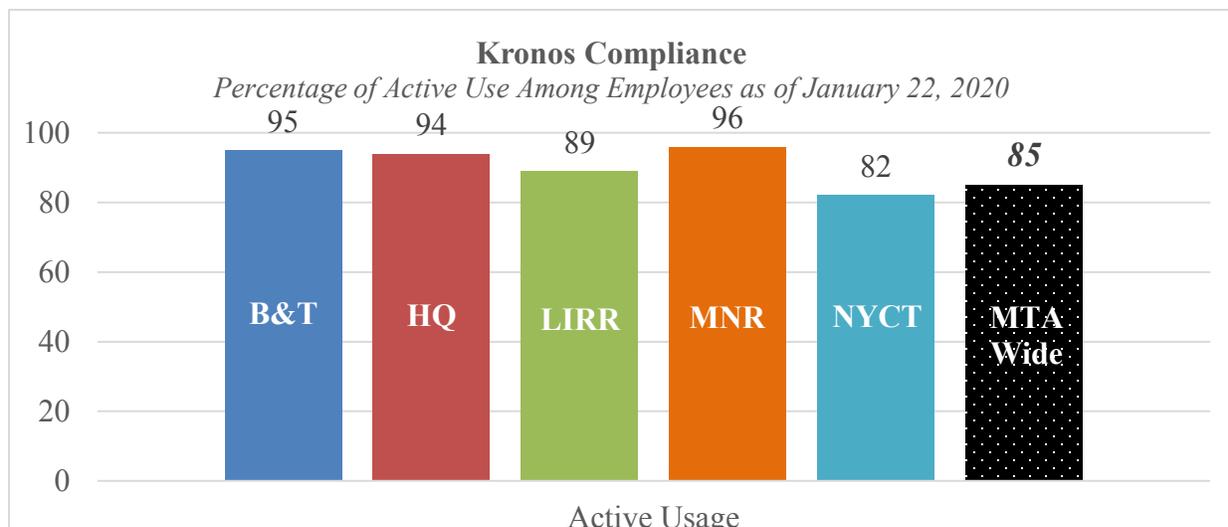
A. Usage Fell Short as of the MTA's Self-Imposed Deadline of January 15, 2020

Despite significant efforts to standardize timekeeping among agencies, active usage⁶ of biometric clocks across the MTA reached 85% as of January 17, 2020. This falls approximately 15%—or 8,000 employees—short of the organization's self-imposed commitment to have 99% active usage by then. Nonetheless, the goal is within reach, as the chart below illustrates:

⁴ See [MTA Board Approves Transformation Plan – Agency to Be Reorganized for First Time Since Its Creation Half Century Ago](#) (MTA Press Release: July 24, 2019).

⁵ See [MTA Inspector General Provides Update on Investigation of Biometric Clock Vandalism](#) (MTA/OIG Press Release: December 12, 2019).

⁶ MTA measures active usage as *the highest day of Kronos clock swipes and biometric use* at each agency. The measure has undergone several modifications since its creation. Essentially, it captures one day of activity versus an average for the period, and thus actual active use is likely lower than reported figures. Note also that the day of the week may differ for each agency within a period and can vary from one period to another.



Issues such as size of workforce, technical difficulties, and rules in collective bargaining agreements challenged all of the agencies in their efforts to implement Kronos biometric timekeeping. Lower usage levels in NYC Transit and LIRR drove the all-agency shortfall. While NYC Transit's active use rate was lowest among all the agencies (at 82%), we observed that the NYC Transit team was particularly aggressive and successful in operationalizing installed clocks, troubleshooting connectivity issues, and testing alternative timekeeping methods to increase employee usage. The agency was able to move almost 3,800 employees to compliance between January 3 and January 7, 2020 alone.

In addition, OIG staff noted that NYC Transit is pursuing new initiatives to increase transparency and provide management with interactive tools to monitor Kronos usage. Notably, these tools such as dashboards are being retrofitted to function as MTA-wide instruments to support managers in controlling and managing overtime. This willingness to use one agency's successes and lessons learned to help the others advance is crucial to the MTA's continued improvement. OIG applauds such efforts.

B. Mobile Employees and Those Who Work in Remote Locations—Who Still Lack Access to Biometric Timekeeping—Remain a Concern

Regarding LIRR's progress, we are aware of challenges in implementing Kronos to monitor mobile employee populations as well as employees who work at remote locations. High overtime earners at LIRR who work in remote locations are a particular focus for the OIG, as we repeatedly have seen cases of [time abuse with this population](#). Our most recent [audit report highlighting MTA's deficient overtime verification procedures](#) noted that the absence of a proper system to verify this population's time and attendance could create opportunities for employees

to claim overtime that was not worked or even assigned to them without being detected.⁷ A mobile solution to standardize time and attendance for this population is scheduled for implementation by the end of the 2nd Quarter 2020. We will continue to closely monitor progress in this important area.

As all the agencies continue their myriad efforts to install time clocks and enforce compliance, OIG will direct its resources to assess higher-risk mobile populations across the MTA and management's oversight of their active Kronos usage. This enhanced focus will allow OIG to provide the Board and public with a keener insight into the overall risk the agency faces.

C. The Initial Protocol for Monthly Reports of High Overtime Earners is in Place

Concern about high overtime earners was the catalyst for the entire overtime reform effort at the MTA, and the M&F Report aptly recommended that the agencies develop a standard protocol for receiving and responding to monthly reports of high earners. The Overtime Task Force pledged to have this protocol completed by November 2019; however, as the Inspector General stated in her December 18, 2019 oral report to the Board, the MTA did not meet this deadline. The high earners protocol was finalized January 1, 2020 and disseminated on January 22, 2020.

According to the new protocol, each agency started reviewing high earner data for the month of December 2019 and will proceed with monthly analyses thereafter. OIG will monitor the implementation of this protocol—the goal of which is to identify the highest earners at each agency, verify all hours claimed, and determine if the time and earnings were justified. Our objective in monitoring this effort is to ensure that lessons are learned from these analyses, within each agency as well as across the MTA. We support the Overtime Task Force's approach to reassess its methodology going forward and refine the protocol as data sources improve.

D. Update on Apparent Vandalism of Timekeeping Equipment

Apparent acts of vandalism against expensive timekeeping equipment remained a risk during this quarter. In fact, this Office is investigating another such incident as recently as mid-January 2020. Management must be vigilant in protecting MTA interests in the Kronos rollout, with a zero-tolerance policy on vandalizing clocks.

To date, several Kronos timekeeping clocks have been found damaged in separate acts of suspected vandalism. We have worked with MTA executives to implement OIG's [recommendation that management use a risk-based approach to install cameras at vandalized](#)

⁷ See [Weak Time and Attendance Practices in LIRR Engineering's Structures Division](#) (MTA/OIG #2019-11) and [MTA's Deficient Overtime Verification – Final](#) (MTA/OIG #2019-19).

[clock locations](#) and strategically place additional cameras elsewhere to act as deterrents against future criminal behavior.⁸ As a result, NYC Transit has installed a camera near a clock at its Concourse Train Yard after a second case of vandalism was discovered there on December 4, 2019.

E. Status of the M&F Report and OIG Recommendations

In addition to the recommendation that MTA develop a plan to standardize timekeeping discussed above, the Overtime Task Force met the deadlines for 3 other M&F Report recommendations:

- Create a centralized repository for all timekeeping and overtime policies and procedures;
- Develop a plan to integrate Kronos with MTA-wide payroll systems; and
- Develop a plan to expand and standardize productive initiatives aimed at addressing employee availability issues.

In response to the first of these recommendations, the MTA contracted with a vendor who has established the repository, which also houses collective bargaining agreements. Kronos timekeeping rule integration remains an important step in the MTA's overtime reform efforts. Once the repository is completed, the MTA and its employees will have access to more comprehensive and accurate timekeeping data.

Regarding the second recommendation, the integration of Kronos into the payroll function, OIG learned from Overtime Task Force leaders that the first of 3 phases in this complex process began in December 2019. And on the third recommendation, the key matter of improving employee availability, the responsible working group has outlined a test-assess-rollout strategy which, if successful, would be scheduled for strategic expansion to all agencies by the end of 2021.

As discussed above, OIG released the results of our work on agency overtime verification concurrent with the M&F Report. We made recommendations that will be added to the Overtime Task Force's tracking system to ensure they are fully implemented along with the M&F Report's original 15 recommendations.

During the first quarter of this year, OIG will continue to monitor Kronos usage by mobile employee populations across the MTA as well as the Overtime Task Force's efforts to have managers use Kronos effectively as a timekeeping tool. In addition, we will monitor the

⁸ See [MTA Inspector General Provides Update on Investigation of Biometric Clock Vandalism](#) (MTA/OIG Press Release: December 12, 2019).

implementation of the 3 recommendations due before the end of April. Specifically, the Overtime Task Force is expected to (1) begin its periodic overtime reporting to the Board, (2) establish minimum MTA-wide requirements for overtime policies and procedures, and (3) provide Labor Relations departments with a guide on how the collective bargaining agreements affect work rules.