



Carolyn Pokorny
Inspector General

Office of the Inspector General
Metropolitan Transportation Authority
One Penn Plaza, 11th Floor, Suite 1110
New York, NY 10119
212-878-0000

Board
Metropolitan Transportation Authority
2 Broadway
New York, NY 10004

November 1, 2019

Dear Members of the MTA Board:

The Legislature last year increased revenue to the MTA through a congestion-pricing plan and additional capital resources. A condition of that support was that the MTA increase its management competence, efficiency, and effectiveness with specific reforms.

Last April the lack of an effective employee attendance and time management system came to light. It was revealed that some areas within the MTA were still using an outdated time card system where employees punched decades-old clocks to record their attendance—and others were filling out paper. My Office found that these areas where the system was not computerized, coupled with a lack of management oversight created an environment where fraud could easily occur undetected. For many of the highest overtime earners across the MTA, it was virtually impossible to verify whether overtime had been worked or even assigned—effectively operating on an honor system.

Governor Cuomo sent a letter to the Board on July 16, 2019 addressing the issue, calling for a computerized, biometric time and attendance system to be in place within 3 months. The following week, the MTA issued a press release pledging they would complete installation of all time and attendance biometric time clocks by this past September 2019 and that all agency personnel would use biometric time clocks by January 15, 2020. (<http://www.mta.info/press-release/mta-headquarters/mta-board-approves-transformation-plan-%E2%80%93-agency-be-reorganized-first>).

In July 2019, the MTA reiterated at its Board meeting that full installation in September looked feasible. This target date proved to be overly optimistic, as we are now in October and several thousand employees still work at locations where biometric clocks have yet to be installed, many of whom work at remote worksite locations. Granted, installing biometrics at all worksite locations is challenging—it is essential, especially at remote ones. We have found that such locations are most at risk for fraud. Further, solutions are just being tested for these locations.

Even more problematic, as of the October board meeting, only 26% of employees were actually using the electronic time and attendance system. This means the MTA still has 74% of the workforce to transition—in other words, approximately \$455 million payroll dollars per month still do not have the benefit of full verification that biometric timekeeping provides. Even if just 10% of MTA's employees are not using the new Kronos system, \$60 million payroll dollars per month will lack the benefit of biometric verification. Given the obstacles, both internal and external, realistically it will not complete the transition by January 15, 2020. My concern is that unverified time and attendance for some employees will continue into another budget year.

The remaining challenges are significant, as acknowledged by both the MTA and myself, and these I wish to share with the Board.

First, we view the progression from clock installation and employee enrollment to actual timekeeping usage as a difficult one and at substantial risk of not meeting the target date. For example, the completion of this process will require the specification of timekeeping rules by operating departments before finger scan information can be used.

Second, a portion of MTA employees who are not yet using biometric timekeeping, and/or work in a location where the clocks have yet to be installed, operate in an environment where fraud easily could occur undetected due to management failures. We acknowledge that the MTA has begun testing alternative authentication methods such as voice authentication and mobile options. Yet, the feasibility of these solutions is still being assessed.

Third, we again note that the completion date has advanced into 2020. We recognize the inherent difficulties of executing the plan and note challenges such as union agreements and access by remote mobile field staff will continue to exert pressure on established deadlines. Meeting even this delayed schedule represents a substantial challenge.

Fourth, my Office is concerned with how unforeseen challenges—such as the recent spate of apparent vandalism against recently-installed clocks—may adversely affect full integration of biometric timekeeping.

Given the challenges MTA is facing, my Office intends to rigorously monitor overtime efforts and apprise the Board and the public on a quarterly basis to ensure that agencies meaningfully reign in overtime spending and safeguard against waste, fraud, and abuse.

Please feel free to contact me with any questions or concerns.

Best Regards,

Carolyn Pokorny
MTA Inspector General

#####