

Office of the Inspector General Metro Security Performance Audit Supplemental Report for Fiscal Year 2024 Billings

Metro Operations, Safety, and Customer Experience Committee
Karen Gorman, Inspector General
BCA Watson Rice, LLP

April 16, 2026



Background and Scope

- Metro contracts with LAPD, LASD, and LBPD for transit law enforcement services
- OIG conducts an annual performance audit to:
 - Evaluate transit security performance provided by Law enforcement agencies.
 - Evaluate Metro's System Security and Law Enforcement Department activities and oversight, and
 - Ensure that Metro is receiving the services it is paying for.



Audit Conclusions

There are continuing issues relating to contractor billings.

- Based on three months of sampled testing, there are instances of billings non-compliance across all three law enforcement agencies.
 - LASD: \$1,897,301
 - LAPD: \$1,606,730
 - LBPD: \$230,272

Audit Conclusions

- The daily target minutes that LASD used in the calculation of monthly credit amounts did not meet the service levels required under contract.
- The Cost Allocation Plan rates used by LAPD to bill Metro were not current and resulted in an overbilling.
- The billing discrepancies identified for LBPD included Paid Time Off charges, mathematical errors in fully burdened hourly rates, and direct costs that were unsupported or not allowable under the contract.



Key Recommendations

The audit identified 13 findings and made 10 recommendations to improve the controls over billing, payments, and use of budgeted funds for each law enforcement contract:

- Apply identified credits and recover overpayments.
- Review remaining FY23 & FY24 invoices not tested.
- Strengthen contract language and oversight controls.