



## Board Report

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**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE  
EXECUTIVE MANAGEMENT COMMITTEE  
OCTOBER 21, 2021**

**SUBJECT: OFFICE OF THE INSPECTOR GENERAL (OIG) REPORT ON AUDIT OF METRO TRANSIT SECURITY SERVICES PERFORMANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

RECEIVE AND FILE Office of the Inspector General (OIG) Report on Audit of Metro Transit Security Services Performance for the Fiscal Year Ended June 30, 2020.

**ISSUE**

On February 23, 2017, the Metro Board passed a motion directing the Office of the Inspector General (OIG) to conduct an annual audit of each law enforcement services contract to determine how key performance indicators measure up against actual performance metrics. The audit is to ensure that Metro is receiving the services it is paying for.

**BACKGROUND**

In 2017, LACMTA (Metro) awarded three separate five-year firm fixed unit rate contracts to the Los Angeles Police Department (LAPD), the Los Angeles County Sheriff's Department (LASD), and the Long Beach Police Department (LBPD) for transit law enforcement services to support day-to-day operations across Metro's entire service area. Metro also directly employs transit security officers who perform fare checks and bus/rail patrolling, as overseen by the Systems Security & Law Enforcement (SSLE) Department.

**DISCUSSION**

The report discusses the following:

- A. Follow-up on Prior Audit Recommendations

- B. Use of Contract Funds
- C. Review of Billings
- D. Monitoring and Oversight
- E. Adherence to Contract Requirements
- F. Use of GPS Information on Mobile Phone Validators
- G. Metro's Access to Video from Police Body Cameras

## CONCLUSION

### Contracted Law Enforcement Agencies

We found for the areas covered in this audit that the three law enforcement agencies for the most part, provided transit security services in accordance with contract requirements. However, as discussed in this report, we did identify for two or more of the agencies, non-compliance items in the areas of billings, personnel and training, and community policing. The three law enforcement agencies should continue to be vigilant in adhering to all contract requirements. This will help ensure that Metro's overall transit security services are operating in the most effective and efficient manner.

### Metro's System Security and Law Enforcement Services (SSLE)

We found that SSLE has taken steps to strengthen their monitoring and oversight function. This includes creating a Compliance Unit whose main responsibility is to monitor and ensure that the three law enforcement agencies are adhering to contract requirements, reviewing 100% of invoices before they are submitted to Accounting for payment, and being able to monitor and track contract resources in the field. SSLE can further strengthen its oversight function as well as overall transit security performance by working with the law enforcement agencies to develop targets and goals for Key Performance Indicators, continuing to strengthen controls over tracking contracted resources in the field, and developing and updating on an annual basis a Community Policing Plan. Developing a Community Policing Plan will provide guidance not only to the law enforcement agencies but also to Metro's officials.

### Modification of Contract in March 2021

The audit found that there was additional extraordinary spending by prior SSLE management over the regular monthly charges that had an impact on the use of contract funds for things such as special events and enhanced deployments. For FY20 alone, Metro paid LAPD about \$15 million for enhanced deployments and approximately \$800,000 for special events. In addition, Metro paid LASD \$1.7 million for special events and enhanced deployments above the regular budgeted contracted duties. Payments for these additional services had the effect of depleting the 5-year life of project budget early, thereby leaving insufficient funds to pay for the regular monthly services for the balance of the contract term. This resulted in new management in SSLE having to request additional funds to finish the contract period for just the regular law enforcement deployments for which Metro contracted to receive.

In March 2021, Metro's Board approved a modification to increase the overall total contract amount by \$36,000,000 to \$681,675,758 to cover costs through December 31, 2021. The contract period

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that extends beyond December 31<sup>st</sup> to June 2022, is currently not funded.

Unless deployments or spending under the law enforcement contracts are significantly reduced immediately, there will still be a shortfall in FY22 at current spending levels.

### Budget Controls

We found that additional budget controls are needed to ensure deployments and invoices paid stay within the Board approved budget. Due in large part to deployments for special events, and in small part to lack of controls on how many law enforcement persons can be billed at overtime rates versus regular full-time rates including vacation and paid holidays, prior SSLE Metro management overspent funds in early years of the contract leaving insufficient funds for the last year of the contracts. We found special events deployment costs need to be recovered by the law enforcement entity or Metro from the private party event host, or a contingency reserve needs to be established for that, or both, to control spending. We also found spending needs to be programmed on an annual basis for multi-year contracts and monitored by OMB in that way.

### **RECOMMENDATIONS**

The Office of the Inspector General is providing 29 recommendations to improve/strengthen the controls on transit security, which are summarized in the report Appendix. The recommendations will enhance performance efficiency and effectiveness of Metro's System Security and Law Enforcement Services.

### **FINANCIAL IMPACT**

There is no financial or budgetary impact by accepting the report, but adoption of the recommendations would contribute in implementing more effective controls.

### **EQUITY PLATFORM**

It is the opinion of the OIG that there is no direct equity impact by production of this audit alone. However, failure to act on our recommendations could lead to providing less equitable service or not promoting equity in our operations to the best and highest level reasonably possible. Specifically, the accomplishment of our recommendations #17 (Develop and update annually a written agency-wide Community Policing Plan), #20 (Include in future contracts the requirement of wearing body cameras by all contracted law enforcement personnel when policing the Metro System), #24 (Description of the specific training provided to its officers in the area of Problem-Oriented Policing, LAPD), and #26 (same as #24, LASD) will promote providing equitable service.

Depending on what action is taken to address the shortfall of funds for the remaining period of the contracts or other recommendations herein, equity impacts should be considered. The Agency may use the information contained in this report to examine and make determinations concerning those issues.

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## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommendations in this report support the following Strategic Plan Goals:

Goal 2.1: Metro is committed to improving security.

Goal 5.2: Metro will exercise good public policy judgment and sound fiscal stewardship.

Goal 5.6: Metro will foster and maintain a strong safety culture.

## **NEXT STEPS**

Metro management should:

- Complete the Schedule for Tracking Metro's Proposed Actions in Response to the recommendations in Appendix B of the report as determinations are made on implementing the recommendations; and
- Periodically report to the Metro Board on the status of actions taken to implement the recommendations.

## **ATTACHMENTS**

Attachment A: Final Report on Audit of Metro Transit Security Services Performance for the Fiscal Year Ended June 30, 2020 (Report No. 22-AUD-02)

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