



Office of Inspector General

Final Close-out Second Follow-up  
Review of FLRA's Federal Transit  
Benefit Program

# FINAL CLOSE-OUT, SECOND FOLLOW- UP REVIEW OF FLRA'S FEDERAL TRANSIT BENEFIT PROGRAM

Report No. MAR-20-08  
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Federal Labor Relations Authority  
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## Acronyms

ASD	Administrative Services Division
CAP	Corrective Action Plan
FLRA	Federal Labor Relations Authority
FTBP	Federal Transit Benefit Program
HRD	Human Resources Division
MOA	Memorandum of Agreement
OIG	Office of Inspector General
TRANServe	Office of Transportation Services

Colleen Duffy Kiko, Chairman

This report presents the results of our second follow-up review of the Federal Labor Relations Authority's (FLRA) Federal Transit Benefit Program (FTBP). Our work was limited to reviewing, as of August 27, 2020, the actions taken to implement the three recommendations remaining from our first follow-up report, MAR-20-04, dated March 18, 2020.

## **Objectives**

The objectives of this follow-up review were to determine whether FLRA corrected the three remaining open recommendations from the first "Follow-up Review of FLRA's Federal Transit Benefit Program (MAR-20-04)" that was issued on March 18, 2020.

## **Results in Brief**

Our second follow-up review indicated the FLRA fully implemented the remaining three recommendations. This report represents the final close-out of the original audit, AR-19-04.

## **Background**

All Federal agencies in the National Capital Region were directed in April of 2000 by a Presidential Executive Order to initiate a "transit pass" benefit program. The program was established to encourage employees to use mass transit for their home to work commutes so that air pollution and traffic congestion might be reduced. FLRA, through a Federal mandate, in 2018, was required to pay a monthly maximum transit benefit of \$260. FLRA's Administrative Services Division (ASD) administers the program with the assistance of the Department of Transportation Office of Transportation Services (TRANServe), under a Memorandum of Agreement (MOA).

In March 2019, the FLRA Office of Inspector General (OIG) completed an "Audit of FLRA's Federal Transit Benefits Program (AR-19-04)." To improve compliance, controls, policies and operating procedures, we made 11 audit recommendations. Based on the first follow-up review, we determined that FLRA had resolved or came up with acceptable alternate implementation for eight of the audit recommendations, which were closed. The second follow-up review was conducted to determine whether the three remaining audit recommendations had been resolved or were alternatively implemented.

## **Results of Review**

Based on the second follow-up review we conducted, the following is the implementation status of the three remaining recommendations:

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**1. Recommendation 2. Obtain and retain all reports available from TRANServe, to be held electronically on FLRA servers with appropriate backup for a 3-year period following the end of the year, and for each year thereafter.**

Management issued a policy that includes a provision to retain and have TRANServe reports readily available, either locally or remotely on TRANServe servers for 3 years after the end of the year in which the report was produced. The first part of this policy, to keep the reports on TRANServe's servers, was an alternative management plan to address the recommendation. However, when we performed our first follow-up review, only 2 reports were being retained for the 10 month review period (approximately), while TRANServe usually generates 7 or more reports a month.<sup>1</sup> Accordingly, this recommendation remained open.

During our second follow-up review, we found that ASD had implemented the use of a 3<sup>rd</sup> party document management system and had collected all the available TRANServe reports.<sup>2</sup>

**Status:** The recommendation has been closed.

**2. Recommendation 7. ASD in coordination with the Information Resource Management Division should implement the entirety of TRANServe's electronic FTBP and fully comply with all requirements of the TRANServe MOA and its best practices as discussed in this report.**

The first follow-up review on the audit of Federal transit benefits found that FLRA had begun using TRANServe for its applications, recertifications, and training needs. Accordingly, FLRA was considered compliant with the recommendation to fully utilize TRANServe's electronic FTBP platform. FLRA was also complying with the MOA's requirements. However, because of the lack of reports mentioned above, the last part of the recommendation, the implementation of best practices, including reviews to ensure transit benefits were being adjusted for address changes and for absences (e.g., telework and extended leave)<sup>3</sup> could not be evaluated during the review.

For this follow-up review period, we found that FLRA had been tracking absences. Two e-mails were sent to FLRA staff that addressed teleworking absences and asked transit benefit participants to withdraw or reduce their transit benefits if they were teleworking. In apparent response, we found that most participants had substantially reduced or eliminated their benefits. In addition, there were no employees on extended leave that

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<sup>1</sup> This is based upon the number of reports posted by ASD to its file storage for the months March through June 2020.

<sup>2</sup> We noted the approximate number of reports expected each month; management had previously informed us that they had collected all the reports. Some of the TRANServe HTML files (reports) could not be opened, these appear to be mostly older files where the data may have been removed from the source. ASD needs to print and save these types of files to an Excel or Adobe format (or other format that will be usable in the future) at the time they are downloaded, and resolve other issues regarding these files with TRANServe to ensure it gets usable files.

<sup>3</sup> Also, a best practice concerns addressing overpayments to separated employees, this is discussed under item 8.

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were also participants in the transit benefit program. Our review also found that for address changes, e-mails were being sent from the Human Resources Division (HRD) to ASD, and ASD has taken appropriate measures to follow-up.

**Status:** The recommendation has been closed.

**3. Recommendation 8. HRD in coordination with ASD should implement a process to ensure that all separated employees, upon exiting, who participated in the transit benefit program, have been promptly removed from TRANServe database and obtain any unused FTBP funds remaining.**

For timely cessation of transit benefits program payments to separated employees, management provided a plan that included: a check-out sheet to ensure employees were removed as part of FLRA's exit procedures, automated removal from the benefits program via TRANServe's system, and quarterly audit procedures to address participants not removed by other procedures. However, the last follow-up review found issues with approximately 20 participants not being dropped in a timely manner from the transit benefit program.

For this follow-up review, we found things had improved, there were numerous instances of ASD contacting the HRD to obtain information and/or information being supplied by HRD concerning separating employees. We found no recently separated employees being carried as participants on the TRANServe reports.<sup>4</sup>

**Status:** The recommendation has been closed.

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<sup>4</sup> One employee that had separated more than a year ago from FLRA had not been removed from TRANServe's benefit rolls although she was on the report as inactive.

## **Appendix 1: Scope and Methodology**

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This second follow-up review of recommendation implementation for the “Audit of FLRA’s Federal Transit Benefits Program, AR-19-04,” was conducted during the period from August 10, 2020 through August 27, 2020 with information provided through FLRA’s offices in Washington, DC for the period from May 19, 2019 through August 26, 2020 and encompassed activity for that entire period.<sup>5</sup>

The work started with a review of management’s proposed Corrective Action Plan (CAP), which provided a description of the recommendations and management’s plan to implement each, or alternative plans and comments. As part of our review of the CAP, management was provided a response concerning each recommendation’s implementation plan. In addition, to the CAP, there were 4 meetings held with ASD at their request. At the meetings ASD discussed and provided information about the recommendation’s implementation and the OIG provided feedback.

For the commencement of the document portion of the review, we requested that ASD provide all TRANServe reports, all schedules, all email correspondence, and any other documentation it had or that it acquires before the issuance of this review’s discussion draft related to the 3 open audit recommendations not closed by the first follow-up review. Initially, ASD’s responses did not include all the documents requested, but after additional requests access was provided to ASD’s electronic document storage folders that resolved our request.

We then went through ASD’s documentation for each of the recommendations to verify its implementation or for how the recommendation might have been otherwise resolved. The impact of the Coronavirus pandemic was also considered and allowances were made for the way it affected implementation and the documentation.

For the recommendation that ASD should obtain and retain TRANServe reports, we verified that there were at least 7 reports/files being held in each of the folders for the review period (for the period, March through June 2020 as it takes approximately a month for TRANServe to generate the reports). We also did a quick review of the prior months of folders, to verify they existed and that there were reports in those folders. In addition, we also randomly accessed some reports in various monthly report folders to see if they were usable, making a note of the file type that seemed to be unusable.

For the 2 remaining recommendations, concerning address changes, absences, and separating employees reducing or eliminating their benefits to correspond to their commuting changes, or for those leaving the program altogether, we reviewed ASD email correspondence to and from HRD (and within ASD) to understand when and what information was being requested, and what was being told to ASD. Also, we reviewed ASD’s correspondence with TRANServe and with others to understand what actions (or planned actions) had occurred.

We documented all the review activity as we described above. We then issued a preliminary draft (a discussion draft) report for management comment. Management had no comment, so the final report was then prepared and issued.

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<sup>5</sup> The July 2020 TRANServe reports were provided at the end of this period but were not included in the review because this portion of the review had already been completed.

## **Appendix 2: Report Distribution**

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### **Federal Labor Relations Authority**

Ernest DuBester, Member

James Abbott, Member

Michael Jeffries, Executive Director

Xavier Storr, Director, Administrative Services Division