



UNITED STATES GOVERNMENT PRINTING OFFICE
OFFICE OF THE INSPECTOR GENERAL

memorandum

DATE: September 30, 2003

REPLY TO
ATTN OF: Joseph Verch, Supervisory Auditor

SUBJECT: Report on Improving Controls over the Administering of GPO's Transit Benefit (Metrochek) Program

To: Chief Financial Officer
Comptroller

Attached are the results of an Office of Inspector General (OIG) performance audit on the controls over the administering of GPO's Transit Benefit (Metrochek) Program. We found that management controls were not always effective for the participation of GPO employees and the distribution of monthly farecards. Furthermore, the efficiency of the Program as established in GPO Notice 450 series and GPO Instruction 825.18A *Internal Control Program* could be improved. The OIG identified the following four internal controls weaknesses:

1. Lack of effective communication between the Metrochek Program Coordinator and the Parking Manager to ensure that GPO employees did not participate in both programs resulted in 17 employees receiving a total of \$12,696 in farecards while still participating in GPO's Pay Parking Program from September 2001 through August 2003;
2. Insufficient questioning of employees' commuting expenses on Metrochek applications before processing resulted in 89 employees who resided in Washington D.C. receiving unauthorized estimated \$20,000 annually in farecards;
3. Internal controls were lacking in the monthly distribution of farecards to Laurel employees that resulted in a shortage after the July 2003 reconciliation; and
4. Approximately 900 hours or \$25,542 in productivity time is lost annually for 300 GPO employees who leave their work site to pick up their

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monthly farecards. In addition, the reduction of: (1) \$14,400 in future ordering of monthly farecards; and (2) \$3,900 in the ending inventory of monthly farecards could be obtained.

The OIG concluded that the Chief, Cash Management Branch, and the Metrochek Program Coordinator effectively provided farecards to the majority of GPO employees who participated in GPO's Transit Benefit Program.

This report contains four major and several related recommendations to improve the management controls over the participation of GPO employees, the distribution of monthly farecards, and the efficiency of the Transit Benefit Program. The Comptroller agreed to work to implement the recommendations when the report is finalized.

Mr. Joseph Verch, Supervisory Auditor, and Ms. Patricia Mitchell, Auditor, conducted this audit.

I appreciate the cooperation and courtesies extended during the audit by the officials and staff of the Office of the Comptroller, Office of Administrative Support, Materials Management Service Stores Division, and the Superintendent of Documents Laurel Operations.

MARC A. NICHOLS
INSPECTOR GENERAL

By: _____
Joseph J. Verch Jr., Supervisory Auditor

**REPORT ON IMPROVING CONTROLS OVER THE ADMINISTERING OF
GPO'S TRANSIT BENEFIT (METROCHEK) PROGRAM**

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**U.S. Government Printing Office
Office of the Inspector General
Office of Audits**

**REPORT ON IMPROVING CONTROLS OVER THE ADMINISTERING OF
GPO'S TRANSIT BENEFIT (METROCHEK) PROGRAM**

RESULTS IN BRIEF

The Government Printing Office (GPO) Office of Inspector General (OIG) has completed a performance audit on the internal controls over the administering of GPO's Transit Benefit (Metrochek) Program. The primary objective of the audit was to determine whether adequate management controls were maintained for GPO's Transit Benefit Program as defined in GPO Notice 450 series and in accordance with GPO Instruction 825.18A *Internal Control Program*.

The OIG conducted the performance audit from May through August 2003 and found that opportunities existed for the Chief, Cash Management Branch, to improve management controls over GPO's Transit Benefit Program. The OIG identified the following four internal control weaknesses:

1. Lack of effective communication between the Metrochek Program Coordinator and the Parking Manager to ensure that GPO employees did not participate in both programs resulted in 17 employees receiving a total of \$12,696 in farecards while still participating in GPO's Pay Parking Program from September 2001 through August 2003;
2. Insufficient questioning of employees' commuting expenses on Metrochek applications before processing resulted in 89 employees who resided in Washington D.C. receiving unauthorized estimated \$20,000 annually in farecards;
3. Internal controls were lacking in the monthly distribution of farecards to Laurel employees that resulted in a shortage after the July 2003 reconciliation; and
4. Approximately 900 hours or \$25,542 in productivity time is lost annually for 300 GPO employees who leave their work site to pick up their monthly farecards. In addition, the reduction of: (1) \$14,400 in future ordering of monthly farecards; and (2) \$3,900 in the ending inventory of monthly farecards could be obtained.

The OIG concluded that the Chief, Cash Management Branch, and the Metrochek Program Coordinator effectively provided farecards to the majority of GPO employees

who participated in GPO's Transit Benefit Program.

MAJOR RECOMMENDATIONS

To improve the management controls maintained over the administering of GPO's Transit Benefit (Metrochek) Program:

1. The Chief Financial Officer should consider consolidating GPO's Pay Parking Program and the Transit Benefit (Metrochek) Program under the Comptroller's responsibility to ensure better control of the monies and that GPO employees are not simultaneously participating in both Programs in the future;
2. The Comptroller should ensure that the Assistant Comptroller, General Accounting Division, requires the Chief, Cash Management Branch, to authorize the Program Coordinator to question the validity of an employee's commuting expenses on future Metrochek applications by returning the employee's application and requiring verification as required in GPO Notice 450 – 6 and Standard 4 of GPO Instruction 825.18A;
3. The Comptroller should ensure that the Assistant Comptroller, General Accounting Division, requires the Chief, Cash Management Branch, to receive signatures from a separate roster every month from Laurel employees who have received their farecards as directed by GPO Notice 450-6; and
4. The Comptroller should ensure that the Assistant Comptroller, General Accounting Division, requires the Chief, Cash Management Branch, to start a pilot program that uses the SmarTrip card from Metro's SmartBenefits Program for GPO employees who exclusively use the MetroRail (subway), and he should gradually expand the Program to eventually include MetroBus, Maryland Rail Commuter (MARC), and Virginia Railway Express (VRE) commuters.

BACKGROUND

GPO implemented the Transit Benefit Program in two phases to encourage employees to use mass transportation for commuting to and from the workplace. Beginning on January 30, 2001, a direct benefit of \$21 was available at no cost to eligible employees who used Metro or purchased MARC or VRE train tickets or participated in a qualifying vanpool. On May 6, 2001, employees could begin enrolling in the Transit Benefit Program by authorizing an allotment of their biweekly pay to be used to purchase transit fare cards or transit vouchers up to the maximum amount of \$44 per month.

Since January 2001, the direct benefit of \$21 has increased to the maximum amount of \$65 in January 2002, and to \$100 in January 2003 for eligible employees. As of July 3, 2003, GPO's Transit Benefit Program had 947 participants, and \$72,297 was paid out in the month of July 2003.

OBJECTIVES, SCOPE, AND METHODOLOGY

The primary objective of this OIG performance audit was to determine whether adequate management controls were maintained of GPO's Transit Benefit Program as defined in GPO Notice 450 series and in accordance with GPO Instruction 825.18A.

Audit fieldwork was conducted during the period of May through August 2003 in accordance with generally accepted Government auditing standards.

To meet the objectives of the audit, the OIG audit team:

- Interviewed Comptroller personnel regarding the participation of GPO employees, the distribution of monthly farecards, and the efficiency of the Program;
- Interviewed the Laurel Operations Coordinator on the distribution of farecards to Laurel employees;
- Interviewed the Office of Administrative Support personnel on GPO's Pay Parking Program;
- Interviewed Metro personnel on the SmartBenefits Program;
- Obtained assistance from Materials Management Service personnel to match the databases of the participants in GPO's Transit Benefits Program with GPO's Pay Parking Program as of June 30, 2003;
- Obtained monthly rosters of GPO employees receiving farecards since Calendar Year 2001;
- Used the Washington Metropolitan Area Transit Authority (WMATA) Ride Guide to determine the fares to commute to and from GPO; and
- Observed the distribution of monthly farecards to GPO employees.

In the course of our work, we also assessed the susceptibility of various aspects of GPO's Transit Benefit Program to fraud, waste, and abuse. In addition, we reviewed the following publications and instructions that contained procedures and policies that Comptroller personnel followed:

- GPO Instruction 825.18A *Internal Control Program* to identify policies, standards, and responsibilities for conducting internal control reviews of GPO programs;
- GPO Notice 450-1 *Transit Benefit Program – Metrochek* announced the new Transit Benefit Program on January 18, 2001, for Central Office employees;
- GPO Notice 450-2 *Transit Benefit Program for GPO Regional Offices and Bookstores* announced the new Transit Benefit Program on February 9, 2001, for employees assigned to the various regional offices and bookstores;
- GPO Notice 450-3 *Transit Benefit Program – Phase II* announced the Pre-Tax Transit Benefit payroll allotment phase on April 24, 2001;
- GPO Notice 450-4 *Transit Benefit Program* announced the increase of the maximum amount of the direct benefit to \$65 on January 15, 2002;
- GPO Notice 450-5 *Transit Benefit Program Change* announced the expansion of the Transit Benefit Program as a benefit to other GPO employees on February 19, 2002; and
- GPO Notice 450-6 *Transit Benefit Program* announced the increase of the maximum amount of the direct benefit to \$100 on December 20, 2002.

FINDINGS AND RECOMMENDATIONS

1. EMPLOYEES BENEFITING FROM BOTH PROGRAMS

BACKGROUND

GPO has taken an active role in energy conservation by providing for its employees the Pay Parking Program and the Transit Benefit Program (Metrochek) for commuting to and from work. The Office of Administrative Support administers GPO's Pay Parking Program in an effort to encourage the use of carpools among the employees. The Parking Manager uses a stand-alone personal computer database to monitor 1,653 GPO employees who as of June 3, 2003, were participating in the Pay Parking Program.

GPO's Transit Benefit Program encourages employees to use mass transportation in their commute to work. The Program Coordinator in the Comptroller's Cash Management Branch uses a stand-alone personal computer database to administer the Transit Benefit Program to 947 employees as of July 3, 2003. In order to participate in the Transit Benefit Program, GPO employees must: (1) use a mass transit system (rail, subway, bus, or authorized vanpool) to travel to and from work; and (2) not participate in the GPO Pay Parking Program in accordance with paragraph 4 of GPO Notice 450 – 6 *Transit Benefit Program*.

In the past, the Director, Administrative Support, did not share the information from the parking applications with Comptroller personnel for security reasons. However, that information was provided to OIG for this audit.

FINDING

OIG auditors, with the assistance of Materials Management Service personnel (former Information Resources Management computer specialist for Metrochek database), matched the two databases of the participants in both programs, as of June 30, 2003, and found that the Parking Manager and the Metrochek Program Coordinator did not always effectively communicate to ensure that GPO employees did not participate in both programs. Standards 2 and 3 of GPO Instruction 825.18A provides:

“Management controls must provide reasonable assurance and safeguards to protect assets against waste, loss, unauthorized use, and misappropriation. Management controls developed for agency programs should be logical,

applicable, reasonably complete, and effective and efficient in accomplishing management objectives.” (Standard 2)

“...Effective communication within and between offices should be encouraged.” (Standard 3)

As a result of our review of the two databases, we identified 23 employees who were participating in both programs, contrary to GPO Notice 450 – 6. In GPO’s Pay Parking Program, the 23 applications showed:

- 11 employees were drivers in their personal vehicles;
 - 10 employees were members of a carpool; and
 - 02 employees were carpool captains.
- 23 employees

In GPO’s Transit Benefit Program, the 23 applications showed:

- 17 employees used the MetroRail (subway);
 - 02 employees used the MARC train;
 - 01 employee rode a vanpool;
 - 01 employee rode a bus; and
 - 02 employees did not identify the mode of transportation.
- 23 employees

A further review of the 23 employees showed that, from September 2001 through August 2003¹, 17 employees had received a total of \$12,696 in farecards while also participating in GPO’s Pay Parking Program (See Appendix I)

RECOMMENDATIONS

The Chief Financial Officer should consider consolidating GPO’s Pay Parking Program and the Transit Benefit (Metrochek) Program under the Comptroller’s responsibility to ensure better control of the monies² and that GPO employees are not simultaneously participating in both Programs in the future (0307-01); and

The Comptroller should ensure that the Assistant Comptroller, General Accounting Division:

- Requires the Chief, Cash Management Branch, to periodically match the databases

¹ On July 24, 2003, OIG auditors referred this matter to the OIG Office of Investigations.

² In September 2003, the Comptroller will begin receiving biweekly parking payments from the new payroll system for incorporation in the financial statements.

of the Pay Parking Program and the Transit Benefit (Metrochek) Program to ensure that GPO employees are not participating in both Programs simultaneously (0307-02); and

- Takes appropriate action, if warranted, to recover the \$12,696 from the 17 GPO employees who received farecards while also participating in GPO's Pay Parking Program (0307-03).

MANAGEMENT COMMENTS

The Comptroller agreed with the finding and would work to implement the three recommendations. (See Appendix II)

2. EMPLOYEES RESIDING IN WASHINGTON D.C.

BACKGROUND

GPO's Program Coordinator used \$65 per month as a "rule of thumb" to determine that the maximum commuting expenses for GPO employees who reside in Washington D.C. This amount was based on the most expensive MetroRail (subway) cost from Union Station to any D.C. station is \$1.60 each way times 20 days (average number of workdays in a month). On December 20, 2002, GPO issued GPO Notice 450 – 6 that raised the maximum benefits to \$100 from the previous \$65 in Paragraph 2 of GPO Notice 450 -6:

"...The program currently provides each participant with *up to* a \$65 transit benefit monthly at no cost to the employee. This benefit amount will increase from a \$65 maximum to a \$100 maximum each month beginning with the February 2003 distribution, which will be made the last 5 workdays of January 2003."

The Chief, Cash Management Branch, has taken the position that the validity of an employee's commuting expense on a Metrochek application cannot be questioned or refused by the Program Coordinator, contrary to Paragraph 6b of GPO Notice 450 – 6³:

"If you are not receiving the Transit Benefit and are eligible to participate in the Transit Benefit Program, please complete the attached GPO Form 837, Public Transportation Benefit Program Application. After completing the form, drop it in the mail slot in Room A-833...A copy of the approved or disapproved application will be returned to each applicant."

Since then, the Program Coordinator, through the Chief, Cash Management Branch, has referred seven cases in which GPO employees with Washington D.C. addresses had applied for an increase in their transit benefits to \$100 on GPO Form 837 to the OIG for investigative consideration.

Subsequently, the OIG investigators found that, while some employees were also riding the MetroBus, which increased their benefits beyond the \$65 a month, each employee misunderstood the language in GPO Notice 450-6 that authorized the increase in transit benefits to \$100 per month.

³ On June 17, 2003, the OIG requested GPO's General Counsel to review and comment on the authority of the Program Coordinator to question and refuse applications on GPO's Transit Benefit (Metrochek) Program and that a copy of the comments be forwarded to the Comptroller. On September 25, 2003, General Counsel stated that the Program Coordinator's responsibilities include approving and disapproving Metrochek applications.

For example, the employee believed he/she was still entitled to the \$100 benefit, even though the total monthly expenses were less. As a result, the seven employees resubmitted their applications to the Program Coordinator for their original benefits. This corrective action saved GPO from issuing an additional \$268 a month, or \$3,216 a year, for those seven employees.

Savings on the Seven Employees

1	2	3	4	5	6	7
Employee	Date	Monthly Current Benefit	Monthly Requested Benefit	Monthly Savings (#4 - #3)	Months	Annual Savings (#5 x #6)
1	02/13/03	\$44	\$100	\$56	12	\$672
2	02/13/03	\$75	\$100	\$25	12	\$300
3	02/13/03	\$65	\$100	\$35	12	\$420
4	02/13/03	\$75	\$100	\$25	12	\$300
5	02/13/03	\$64	\$100	\$36	12	\$432
6	02/13/03	\$44	\$100	\$56	12	\$672
7	02/13/03	\$65	\$100	\$35	12	\$420
Totals				\$268		\$3,216

FINDING

As a result of the investigators' findings, the OIG auditors reviewed the Program Coordinator's database and found that 283 of the 947 employees, or 30 percent who registered in GPO's Transit Benefit Program, resided in Washington D.C. Of the 283 GPO employees, 89 employees, or 31 percent, were receiving more than the maximum benefit of \$65, as determined by GPO's Program Coordinator for D.C. residents. As a result, GPO's Program Coordinator issued an additional \$1,678 for the month of May 2003 to GPO employees who were not entitled to the additional benefits. The OIG auditors estimated that for the year, the unauthorized annual expense would be over \$20,000 (\$1,678 x 12 months).

In June 2003, OIG auditors presented their findings to the Chief, Cash Management Branch. The Chief agreed to: (1) "red flag" all GPO employees residing in D.C. who receive more than the \$65 maximum distribution; and (2) request a new application from those 89 employees, beginning June 24, 2003. The revised application would include a justification for the additional amounts above \$65. As of August 28, 2003, 69 of the 89 employees have responded to the Chief's request:

- Ten employees withdrew from GPO's Transit Benefit Program, saving GPO \$884 a month or \$10,608 annually;
- Five employees requested a decrease in their application, saving GPO \$70 a month

or \$840 annually;

- Four employees separated from GPO;
- Eleven employees requested the same amount as before; and
- Thirty-nine employees requested an increase in their application totaling \$3,759 a month.

OIG auditors compared the commuters' costs from the original Metrochek applications of the 39 employees who requested an increase to the Washington Metropolitan Area Transit Authority (WMATA) Ride Guide⁴ and found that the costs surpassed the maximum costs of the WMATA Ride Guide for 20 of the 39 employees by at least \$10 to \$52 more per month. For one month, the additional costs paid to the 20 employees totaled \$463. This would have amounted to an extra \$5,556 for the remainder of the year.

The comparison of the 39 employees' commuters' costs from their latest Metrochek applications to the WMATA Ride Guide disclosed that the costs surpassed the maximum costs of the WMATA Ride Guide for 29 of the 39 employees by at least \$14 to \$52 more per month. For one month, the additional costs paid to the 29 employees totaled \$819. This would have amounted to an extra \$9,828 for the remainder of the year.

A further review on the 29 applications showed that 8 employees had used more than the authorized 20 days a month to calculate their anticipated costs. These additional days ranged from 1 to 10 days and affected the additional commuting costs claimed by the employees.

The OIG comparison of the Metrochek applications to the WMATA Ride Guide disclosed some GPO employees are taking advantage of the lack of controls in the processing of Metrochek applications. The Program Coordinator should have authorization to question the validity of an employee's commuting expenses on future Metrochek applications, before processing them as directed by GPO's General Counsel, GPO Notice 450 – 6, and Standard 4 of GPO Instruction 825.18A:

“Managers should ensure that appropriate authority, responsibility, and accountability are defined and delegated to accomplish the mission of the organization....” (Standard 4)

⁴ Metro provides route mapping through the use of their WMATA Ride Guide. The Ride Guide gives point-to-point directions for trips accessible by MetroBus or MetroRail (subway). The Ride Guide gives the specific departure and arrival information, fare, alternate routes, and time allocation. The Ride Guide attempts to locate the quickest route from point A to point B and most times it will include a combination of MetroBus and MetroRail.

RECOMMENDATIONS

The Comptroller should ensure that the Assistant Comptroller, General Accounting Division, requires the Chief, Cash Management Branch, to:

- Authorize the Program Coordinator to question the validity of an employee's commuting expenses on future Metrochek applications by returning the employee's application and requiring verification as required in GPO Notice 450 – 6 and Standard 4 of GPO Instruction 825.18A (0307-04);
- Request additional support from the 29 employees who could not justify the additional costs in their commute to and from GPO (0307-05);
- Use the Washington Metropolitan Area Transit Authority Ride Guide on all future applications for Transit Benefits (0307-06);
- Use the Washington Metropolitan Area Transit Authority Ride Guide on the applications received from the remaining Metrochek recipients to ensure the actual benefits received are supported (0307-07); and
- Require all employees participating in GPO's Transit Benefit (Metrochek) Program to submit an annual application to ensure the transit information is current (0307-08).

MANAGEMENT COMMENTS

The Comptroller agreed with the finding and would work to implement the five recommendations. (See Appendix II)

3. LAUREL EMPLOYEES

BACKGROUND

GPO's Superintendent of Documents, Laurel Operations, manages 90 employees out of two warehouses at 8660 Cherry Lane, Laurel Maryland. Free parking is provided to the employees who drive to work. As of June 2003, nine Laurel employees participated in GPO's Transit Benefit Program and used the MetroRail (subway), the MetroBus, or both to commute to and from Laurel. Every month, a Central Office delivery employee travels to Room A-833 at Central Office to collect \$819 in farecards from the Program Coordinator and distributes the farecards to the nine employees at Laurel.

FINDING

An OIG review at the Laurel Operations disclosed problems with the: (1) employees participating in GPO's Transit Benefit Program; (2) application of one employee; and (3) distribution of monthly farecards for the Laurel Operations:

1. In June 2003, four of the nine Laurel employees were investigated by the OIG for driving their private vehicles to and from Laurel while receiving monthly farecards. The investigation resulted in the four employees withdrawing from GPO's Transit Benefit Program in July 2003, saving GPO \$383 a month or \$4,596 annually.
2. Another Laurel employee is currently receiving the maximum \$100 in farecards every month. An OIG review of the WMATA Ride Guide disclosed three options for the employee to commute to and from Laurel for 20 days a month: (1) take MetroBus to and from Laurel at a cost of \$48 a month (\$2.40 x 20 days); (2) take MetroBus to Laurel and return by MetroBus and MetroRail (subway) at a cost of \$77 (\$3.85 x 20 days); or (3) take MetroBus and MetroRail (subway) to Laurel and return by MetroBus at a cost of \$89 (\$4.45 x 20 days).

The three options show that the commuter's expenses to and from the employee's residence to Laurel were less than the \$100 in farecards the employee is currently receiving. The overpayments ranged from \$11 to \$52 a month, or from \$132 to \$624 a year.⁵

3. In July 2003, the OIG witnessed the Central Office delivery employee receiving \$819 in farecards for the nine Laurel employees. The employee signed the Roster Sheet for each of the nine employees, but was not made aware of the amounts each employee was to receive. The employee did not count the farecards either after receiving them. This action by the delivery employee was contrary to paragraph 7a

⁵ OIG auditors have not referred this matter to the Office of Investigations.

of GPO Notice 450-6 that states:

“...To receive farecard(s), employees should report to Room A-833 in person, present their GPO identification badge, and sign and date the roster.”

Consequently, the Central Office delivery employee later notified the Program Coordinator that there was a shortage of \$76 in farecards. The shortage was thought to be the result of the Program Coordinator issuing four \$1 farecards instead of four \$20 farecards ($4 \times \$20 = \$80 - \$4 = \76). The Comptroller immediately directed the Program Coordinator to provide the additional \$76 to the designated employee. However, when the farecards were reconciled at the end of the month, a shortage of only \$3 was identified.

The Program Coordinator, with assistance from the Coordinator, Laurel Operations, has instituted new controls on the future distribution of farecards to Laurel employees. Farecards for each Laurel employee will be placed in separate envelopes, sealed, and placed together in another sealed envelope and delivered to the Coordinator, Laurel Operations. The Coordinator will distribute the envelopes to the employees. While these new procedures will provide better controls in the distribution of farecards, the Program Coordinator is still not receiving a roster of signatures from the Laurel employees that assure the farecards were received as directed by GPO Notice 450-6 and Standard 5 of GPO Instruction 825.18A:

“Key duties and responsibilities in authorizing, processing, recording, and reviewing official agency transactions should be separated among individuals.”

RECOMMENDATIONS

The Comptroller should ensure that the Assistant Comptroller, General Accounting Division, requires the Chief, Cash Management Branch, to:

- Request an updated application from the Laurel employee, with written justification for the \$100 request in farecards, and compare the application with the Washington Metropolitan Area Transit Authority Ride Guide (0307-09); and
- Request the Coordinator, Laurel Operations, to: (1) witness the receipt of the farecards by Laurel employees every month; and (2) return the roster with the employees' signatures as directed by GPO Notice 450-6 (0307-10).

MANAGEMENT COMMENTS

The Comptroller agreed with the finding and would work to implement the two recommendations. (See Appendix II)

4. METRO'S SMARTBENEFITS PROGRAM

BACKGROUND

Metro's SmartBenefits Program was started in May 1999 to reduce the number of farecards that Metro produced. SmartBenefits is an "electronic" way for a recipient to receive the Metrochek transit benefits. The recipient's Metrochek benefits are electronically added each month to the recipient's SmarTrip card.

The SmarTrip card is a permanent plastic farecard that a recipient registers with Metro at the time of purchase with the recipient's name, address, and password. The SmarTrip card can hold a maximum balance of \$200 and is currently used for MetroRail travel only. Metro personnel anticipate in Calendar Year 2004 that the SmarTrip card can be used for MetroBus. In the next few years, Metro personnel are anticipating the SmarTrip card may be used for the MARC and VRE train lines.

SmartBenefits is available to recipients on a monthly basis and may be picked up at any time during the month by adding the benefit to the recipient's SmarTrip card at Metro's Passes/Farecards machines. SmartBenefits eliminates paper farecard cards, streamlines the entire process, and saves time for the recipient's employer and the recipient. SmartBenefits has several further advantages:

- SmartBenefits is a web-based program that lets the recipient's employer load the dollar value of the recipient's Metrochek benefit on the recipient's SmarTrip card;
- The recipient does not have to wait in line at the job site; and
- The recipient's employer does not have to issue any monthly paper farecards.

FINDING

Currently, GPO is not enrolled in Metro's SmartBenefits Program. GPO's Program Coordinator estimated that about a third of the current GPO employees who receive monthly farecards (300 employees) only ride the MetroRail (subway) and could immediately enroll in Metro's SmartBenefits Program. If this occurred, GPO would benefit in several ways:

- Approximately 900 hours or \$25,542⁶ in annual productivity time would be gained if those 300 employees did not have to leave the work site to pick up their farecards

⁶ In the next few years when the SmarTrip card can be used for MetroBus, MARC, and VRE, approximately 1,940 hours or \$55,000 in productivity time annually would be gained by not having the remaining 647 GPO employees leave the work site to pick up the farecards.

(300 employees x 15 minutes for the average employee to leave the work site and return = 4,500 minutes x 12 months = 54,000 minutes or 900 hours x \$28.38 an hour for the average GPO employee paid on the payroll ending September 6, 2003);

- The Program Coordinator would not have to issue farecards totaling at least \$14,400 monthly or \$172,800, annually to approximately 300 GPO employees who ride the MetroRail (subway) (300 employees x \$2.40 minimum daily costs to ride MetroRail x 20 days = \$14,400 a month x 12 months);
- The Chief, Cash Management Branch, could reduce the total amount of monthly farecards ordered, received, accounted for, and hand-carried through the building by at least \$14,400. For the last 6 months, the average amount of farecards ordered was \$68,833.

Average Farecards Ordered Last 6 Months

No.	Month 2003	Farecards Ordered
1	March	\$78,000
2	April	53,000
3	May	65,000
4	June	65,600
5	July	75,600
6	August	75,800
	Average	\$68,833

- The Chief, Cash Management Branch, could reduce the ending inventory of monthly farecards on hand by at least 32 percent (300 employees divided by 947 participating employees). For the last 6 months, the average monthly ending inventory of farecards was \$12,170. A reduction of 32 percent would be about \$3,900.

Average Excess Inventory Last 6 Months

No.	Month 2003	Ending Inventory
1	March	\$27,200
2	April	14,600
3	May	11,360
4	June	4,800
5	July	8,103
6	August	6,955
	Average	\$12,170

- The Program Coordinator will be able to monitor the actual monthly expenses of the employee's MetroRail costs to the monthly benefits received by the employee.

RECOMMENDATION

The Comptroller should ensure that the Assistant Comptroller, General Accounting Division, requires the Chief, Cash Management Branch, to start a pilot program using the SmarTrip card from Metro's SmartBenefits Program for GPO employees using the MetroRail (subway) exclusively and to expand the Program gradually to eventually include MetroBus, Maryland Rail Commuter, and Virginia Railway Express commuters (0307-11).

MANAGEMENT COMMENTS

The Comptroller agreed with the finding and would work to implement the recommendation. (See Appendix II)

**GPO PAY PARKING PARTICIPANTS WHO RECEIVED FARECARDS IN CALENDAR
YEAR 2003 THROUGH AUGUST 2003**

No.	Tag# Issued	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Totals
1	05/06/02	\$44	\$44	\$44	\$44	\$44	\$44	\$44	\$44	\$352
2	09/06/01	60	60	60	60	60	60	60	60	520
3	02/22/02	44	44	44	44	44	44	44	44	352
4	03/05/03	N/A	N/A	100	NS	NS	NS	NS	NS	100
5	08/06/02	NS	NS	100	100	100	100	100	100	600
6	09/22/95	65	100	100	100	100	100	100	100	765
7	04/30/02	65	100	100	100	100	100	100	100	765
8	01/24/02	65	71	71	71	71	71	71	71	562
9	08/01/02	65	80	80	80	80	80	80	NS	545
10	04/28/00	NS	NS	NS	NS	NS	NS	40	40	80
11	03/10/03	N/A	N/A	100	NS	NS	NS	NS	NS	100
12	01/22/01	NS	100	100	100	100	100	100	100	700
13	09/10/99	65	65	65	65	65	65	65	65	520
14	12/30/99	65	100	100	100	100	100	100	100	765
15	01/29/02	65	65	65	65	65	65	65	65	520
16	01/24/00	44	44	44	44	44	44	44	44	352
17	09/24/02	65	70	70	70	70	70	70	NS	415
	Totals									\$8,013*

NS – No subsidy was received.

N/A – Not applicable before the parking tag was issued.

* See page 3 of Appendix I.

**GPO PAY PARKING PARTICIPANTS WHO RECEIVED FARECARDS IN CALENDAR
YEAR 2002**

No.	Tag# Issued	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Totals
1	05/06/02	N/A	N/A	N/A	N/A	\$44	\$44	\$44	\$44	\$44	\$44	\$44	\$44	\$352
2	09/06/01	21	60	60	60	60	60	60	60	60	60	60	60	681
3	02/22/02	NS	N/A	44	44	44	44	44	44	44	44	44	44	440
4	03/05/03	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	0
5	08/06/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	65	NS	NS	NS	NS	65
6	09/22/95	NS	NS	NS	NS	NS	NS	NS	NS	NS	65	65	65	195
7	04/30/02	N/A	N/A	N/A	N/A	65	65	65	65	65	65	65	65	520
8	01/24/02	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	0
9	08/01/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	65	NS	65	65	65	260
10	04/28/00	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	0
11	03/10/03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
12	01/22/01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
13	09/10/99	NS	NS	65	65	65	65	65	65	65	65	65	65	650
14	12/30/99	NS	NS	NS	NS	NS	NS	NS	NS	NS	65	65	65	195
15	01/29/02	N/A	NS	65	65	65	65	65	65	65	65	65	65	650
16	01/24/00	NS	NS	44	44	44	44	44	44	NS	44	44	44	396
17	09/24/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	65	65	65	195
	Totals													\$4,599*

NS – No subsidy was received.

N/A – Not applicable before the parking tag was issued.

* See page 3 of Appendix I.

GPO PAY PARKING PARTICIPANTS WHO RECEIVED FARECARDS IN CALENDAR
YEAR 2001

No.	Tag# Issued	Feb 01	Mar 01	Apr 01	May 01	Jun 01	Jul 01	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Totals
1	05/06/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
2	09/06/01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21	21	21	21	84
3	02/22/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
4	03/05/03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
5	08/06/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
6	09/22/95	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	0
7	04/30/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
8	01/24/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
9	08/01/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
10	04/28/00	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	0
11	03/10/03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
12	01/22/01	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	0
13	09/10/99	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	0
14	12/30/99	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	0
15	01/29/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
16	01/24/00	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	0
17	09/24/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
	Totals												\$84*

NS – No subsidy was received.

N/A – Not applicable before the parking tag was issued.

* Seventeen of 23 employees received a total of \$12,696 (\$8,013 + \$4,599 + \$84) in farecards while still participating in GPO's Pay Parking Program from September 2001 through August 2003.

MANAGEMENT'S COMMENTS