



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Management Implication Report

Subject: Parking Management Services
Project Case No. P17P0010300

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Reply to: JRI-3
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To: Marie Petrosin-Woolverton, Director, Office of
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BACKGROUND:

The federal government leases the DOT headquarters building in Washington, DC, from The JBG Companies. Under the lease agreement, the Office of Transportation Services (TRANServe) manages parking services under a fee-for-service system. DOT uses the fees collected by Parking and Transit Office (PTRAN) to pay for the Department's services contract with JBG, parking management costs, and general overhead costs.

PTRAN requires vehicles parked in the headquarters parking garage (Garage) – which is located below the building – to display a valid daily or monthly parking hang tag (permit with an affixed renewing sticker (decal). Drivers can pay for the permits or decals at the PTRAN office located at DOT headquarters or online at www.pay.gov. The decals can be renewed monthly or quarterly and as of September 1, 2016, the permits have to be renewed annually. From February 2012 through December 2013, the daily parking rate was \$10.00 and the monthly rate was \$132.60. Beginning in January 2014 the daily rate increased to \$12.00, and the monthly rate to \$140.00. In February 2016, the monthly rate increased to \$155.00. There are currently no discounts for quarterly purchases.

Recent investigations by the DOT-OIG revealed recurring abuse of parking privileges by employees and contractors (drivers). In all of the investigations, drivers utilized the Garage without paying the appropriate and required fees to PTRAN. The schemes included illicit duplication of the parking decals, intentional failure to pay, and utilizing

parking permits from other vehicles. Additionally, a Garage official accepted cash for discounted parking decals, and drivers purchased fraudulent parking decals from others.

Investigators were able to determine that drivers also admitted to legitimately purchasing decals for future months (quarterly) and improperly giving the decals to others. This method allowed two drivers to simultaneously enter the garage in separate vehicles in the current month even though they had purchased only one decal for that month.

In another investigation, a driver admitted to routinely entering the garage and simply waving at the attendant on duty as he drove into the garage. He did not purchase a decal or permit and was not questioned by parking attendants. He recalled getting one parking violation over a three year period but did not follow up on the violation. He never heard back from PTRAN or any other entity about the violation. He continued his scheme until a DOT-OIG investigation uncovered his illegal actions.

Even though the parking office has instituted increased controls, we have identified at least two individuals who did not pay for parking after those controls were put in place. The loss amounts from the various investigations totaled over \$25,000.

As a result of the various parking garage investigations, DOT-OIG prepared and transmitted Reports of Investigation to various DOT entities for administrative actions by the respective Modes. Several of the cases were presented to the United States Department of Justice Public Integrity Unit for criminal prosecution, but the cases were declined in lieu of administrative action.

Due to the number of investigations and the recurring problem with payments, DOT-OIG initiated a project to assess the matter and offer recommendations to PTRAN.

DATA ANALYSIS:

DOT-OIG conducted an analysis of sampled data in order to get a preview of potential dollar losses to the TRANServe due to non-payment of parking fees by drivers. The analysis was based on drivers entering the garage during a one month period and determining who paid or did not pay the required parking fees. Two months were sampled—October 2015 and April 2016.

PTRAN maintains parking payment data in a system referred to as the Parking Transit Benefit System (PTB). DOT-OIG requested a data run from PTRAN to include drivers who purchased decals in September 2015, October 2015, March 2016, and April 2016. The targeted months of October 2015 and April 2016 were selected as a sampling for the

analysis. The month prior to each quarter was reviewed to capture any driver who paid early for the next month or quarter.

The DOT Office of Security (M-40) maintains PIV data which includes date/time stamps for access points through the DOT building to include the Garage. All PIV card holders must utilize their Government-issued PIV card to access DOT property. The only access to the garage is through Kiosks 3 and 4. M-40 responded to a DOT-OIG request for all drivers accessing the Garage during the months of October 2015 and April 2016.

DOT-OIG merged and analyzed the data sets from PTRAN and M-40. The resultant work product revealed the following:

| TOTAL NUMBER OF PEOPLE WHO ENTERED GARAGE | | | |
|---|--|------------|--|
| OCTOBER 2015 | | APRIL 2016 | |
| 1,770 | | 1,817 | |

| NUMBER OF PEOPLE WHO PAID | | NUMBER OF PEOPLE WHO DID NOT PAY | |
|---------------------------|-----------|----------------------------------|-----------|
| OCT. 2015 | APR. 2016 | OCT. 2015 | APR. 2016 |
| 1,332 | 1,288 | 438 | 529 |

| |
|-------------|
| \$22,464.00 |
| \$28,356.00 |

The amounts owed to PTRAN for October 2015 and April 2015 were \$22,464.00 and \$28,356.00 respectively. An average extrapolation of \$25,410 for a 12 month period would be **\$304,920** annual loss to the Government due to non-payment of daily parking fees. The data revealed **25%** of drivers did not pay for parking in October 2015 and **29%** did not pay in April 2016.

NOTE: The data totals represented above are estimates and may not reflect:

- GOV usage by Mass Transit users who are exempt from fees.
- Car-pooling drivers who may legitimately interchange POVs.

- Drivers who initially enter the Garage and are immediately turned away due to a Full-Garage after their PIV has been recorded.
- Online payers (www.pay.gov) who use PayPal as the method of payment are not properly represented in the data above due to a system inability to link PayPal payments with the PTB.
- Up to 30 custodial workers per day who are exempt from parking fees.

A full review of pay data and follow up by PTRAN would be needed to arrive at final figures.

AREAS OF CONCERN:

The DOT-OIG has identified four primary areas of concern related to the collection of payments for the use of the Garage by drivers. Those areas of concern include 1) Detection, 2) Violations 3) Payments, and 4) Contract Specificity.

- 1) TRANServe relies on contracted personnel to detect parking violators. According to the Acquisition Plan dated March 31st, 2016, “The Contractor must at all times provide adequate staff to perform the essential duties inherent to a successful parking service operation, during the days/hours operation specified in paragraph 2.5 in the SOW” (p.3 A.P. 3/31/2016). The statement of work (SOW) does not specify nor recommend the manner or methods to use in the detection or identification of non-payment.
- 2) Violation citations are not tracked, maintained or followed up by TRANServe or PTRAN. The written Violation Form is placed on a violator’s windshield and the process relies on the violator to follow through with the violation based on an ad hoc honor system.
- 3) Payments to PTRAN can be made via www.pay.gov. The online payments cannot be currently tracked or analyzed if PayPal is used and also relies on an honor system with some enforcement possibilities if the parking attendants request proof of payments.
- 4) The lack of specificity in the Acquisition Plan (March 2016) specifically section 3.2.1 (Parking Attendants) is an area of concern. The parking attendant duties are general in nature.

Recommendations:

- 1) TRANServe should request specific contract language in the SOW identifying specific requirements for the parking attendants. Surveillance by the parking attendants should occur on several occasions throughout the shift. Attendants should be trained to identify violators and cite violators as needed. Data related to violators should be immediately available to the attendants allowing the attendant to apply appropriate remedies to delinquent violators.
- 2) Written violation citations should be tracked and followed through in order to identify delinquent drivers. The tracking method should be computerized allowing immediate access to the information. After three violations or a 30 day delinquent account, the vehicle should be prohibited from parking in the Garage. The current parking policy allows PTRAN to debar drivers for up to six months for violations.
- 3) Drivers using www.paypal.com to make payments to PTRAN should be informed to add their name in the Description box. PTRAN can then update or track payments if needed in the financial records in the PTB system.
- 4) When the Garage contract is renegotiated, TRANServe should consider adding specific duties for the parking attendants. The parking attendants should be trained to identify and cite violators. The parking attendants should have minimum requirements for frequency of Garage surveillance activities per shift. Considerations for purchasing automated garage management technologies should minimize the number of violators and assist in the collection of monies owed to TRANServe.

This memorandum is provided for informational purposes only, and no response is required from your office. Please contact Special Agent-in-Charge Floyd Sherman at (202) 366-4189 if you have any questions or concerns.