

**GAO**

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Before the Permanent Subcommittee on  
Investigations, Committee on Homeland  
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U.S. Senate

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# FEDERAL TRANSIT BENEFITS PROGRAM

## Ineffective Controls Result in Fraud and Abuse by Federal Workers

Statement of Gregory D. Kutz, Managing Director  
Forensic Audits and Special Investigations

John J. Ryan, Assistant Director  
Forensic Audits and Special Investigations



# FEDERAL TRANSIT BENEFITS PROGRAM

## Ineffective Controls Result in Fraud and Abuse by Federal Workers



Highlights of [GAO-07-724T](#), a testimony before the Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs, U.S. Senate

### Why GAO Did This Study

Under the federal transit benefits program, federal employees receive transit benefits (e.g., Metrocheks) to encourage them to commute to work via public transportation. Based on information provided by the Department of Transportation, as of July 2006, the National Capital Region had 120,000 participants claiming roughly \$140 million in benefits. Recently, inspectors general (IG) of various agencies have found numerous prior instances of fraud, waste, and abuse in this federal program.

Based on both the significance of these IG findings and the amount of federal money spent on transit benefits, GAO was asked to (1) investigate allegations that federal employees in the National Capital Region are involved in fraud and abuse related to the transit benefits program, (2) identify the potential causes of any fraud or abuse that is detected, and (3) estimate the magnitude of fraud and abuse in the National Capital Region in 2006.

To address these objectives, GAO identified federal employees selling their transit benefits on the Internet and obtained additional data from these sellers' employing agencies to determine whether more widespread problems existed. GAO also obtained the policies and procedures governing the transit benefits program at each of the employing agencies.

[www.gao.gov/cgi-bin/getrpt?GAO-07-724T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-724T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gregory Kutz at (202) 512-9505 or [kutzg@gao.gov](mailto:kutzg@gao.gov).

### What GAO Found

After investigating just 3 days of sales, GAO confirmed that at least 20 federal employees were fraudulently selling their Metrocheks on eBay. Most of the employees GAO interviewed admitted to falsifying their transit benefit applications and fraudulently selling their benefits. One GS-14 Department of the Treasury employee drove to work, parked for free in agency-provided parking, and was still able to collect \$105 per month in Metrocheks—most of which he sold on eBay. Posing as buyers, GAO investigators also purchased Metrocheks from 3 federal employees fraudulently selling their benefits on Craigslist, a popular community Web site.

GAO investigations revealed additional examples of federal employees inflating their transportation expenses on their transit benefit applications. Many of them admitted to intentionally falsifying their benefit applications to receive excess benefits. For example, a GS-11 Department of Transportation employee admitted to claiming the maximum allowable benefit of \$105 per month when his actual commuting cost was only \$54.

Weaknesses in the design of program controls at the Departments of Commerce, Transportation, State, Homeland Security, Defense, and Treasury, the Internal Revenue Service (IRS), the Patent and Trademark Office, and the U.S. Coast Guard can be associated with the fraudulent and abusive activity we identified. Although GAO did not conduct a comprehensive review of each agency's controls, the results from investigations illustrate flaws in the design of the controls. For example, GAO identified four employees who continued to receive transit benefits even though they were on extended absences from work, but none of the agencies had written policies requiring adjustment of benefits because of leave or travel.

#### Back of Metrochek with Warning Language

Metrocheks may be used or exchanged for WMATA or non-WMATA fares only by the person to whom it is validly issued. Only employers or WMATA-approved agents may issue valid Metrocheks and only directly to qualified employees. The use, sale, or exchange of Metrocheks by any other person makes the Metrochek invalid, and is therefore, illegal and subjects the person to arrest and/or prosecution.

Metrocheks are exchangeable farecard vouchers. Unused Metrocheks may be exchanged for other WMATA or participating transit provider fares.

- Metrocheks are not redeemable for cash. No change will be returned.
- You must use the same Metrochek for both entry and exit when used on Metrorail.
- On Metrorail, Metrocheks must be shown on demand to WMATA employees or police.
- Metrocheks are subject to WMATA tariff regulations when used as a farecard.
- Participating transit providers list at 202-637-7000 or [metroopendoors.com](http://metroopendoors.com)

Exchanged for:

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY  
600 Fifth St., N.W. Wash., D.C. 20001  
INFO 202-637-7000 TTY 202-638-3780  
[metroopendoors.com](http://metroopendoors.com)

000000000030

If found, please mail to: WMATA Metrochek Program, 600 Fifth Street, NW Washington, DC 20001

Metrocheks may be used or exchanged for WMATA or non-WMATA fares only by the person to whom it is validly issued. Only employers or WMATA-approved agents may issue valid Metrocheks and only directly to qualified employees. The use, sale, or exchange of Metrocheks by any other person makes the Metrochek invalid, and is therefore, illegal and subjects the person to arrest and/or prosecution.

Source: Federal agencies.

Using transit benefits records from seven of the nine agencies GAO reviewed, GAO determined that the amount of potentially fraudulent transit benefits claimed during 2006 in the National Capital Region was at least \$17 million and likely more. This fraudulent amount could be millions more if a similar magnitude of fraud exists in the dozens of agencies GAO did not review, or if the other types of fraud GAO identified in this investigation could be quantified.

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Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to discuss allegations of fraud and abuse related to the federal government's transit benefits program. This program was established by executive order in April 2000, and is intended to reduce federal employees' contribution to traffic congestion and air pollution and to expand their use of public transportation. In the Washington, D.C., National Capital Region,<sup>1</sup> federal agencies are required to offer employees tax-free<sup>2</sup> transit passes for public transportation, to be used exclusively to cover their actual out-of-pocket commuting expenses. In 2006, employees could not receive more than \$105 per month in transit passes.<sup>3</sup>

Agencies in the National Capital Region can either distribute these transit passes directly to employees or contract with the Department of Transportation for distribution. Based on information provided by Transportation, as of July 2006, the portion of the program they administer had approximately 250,000 participants who claimed about \$250 million worth of benefits. The National Capital Region constituted the largest part of this program, with 120,000 participants claiming roughly \$140 million worth of benefits. These numbers do not include agencies that do not contract with Transportation and administer their own programs.<sup>4</sup> As shown in figure 1, the transit passes themselves are issued by the Washington Metropolitan Area Transit Authority (WMATA) in the form of

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<sup>1</sup> Executive Order 13150 defines the National Capital Region as "the District of Columbia; Montgomery, Prince George's, and Frederick Counties in Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia; and all cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of said counties."

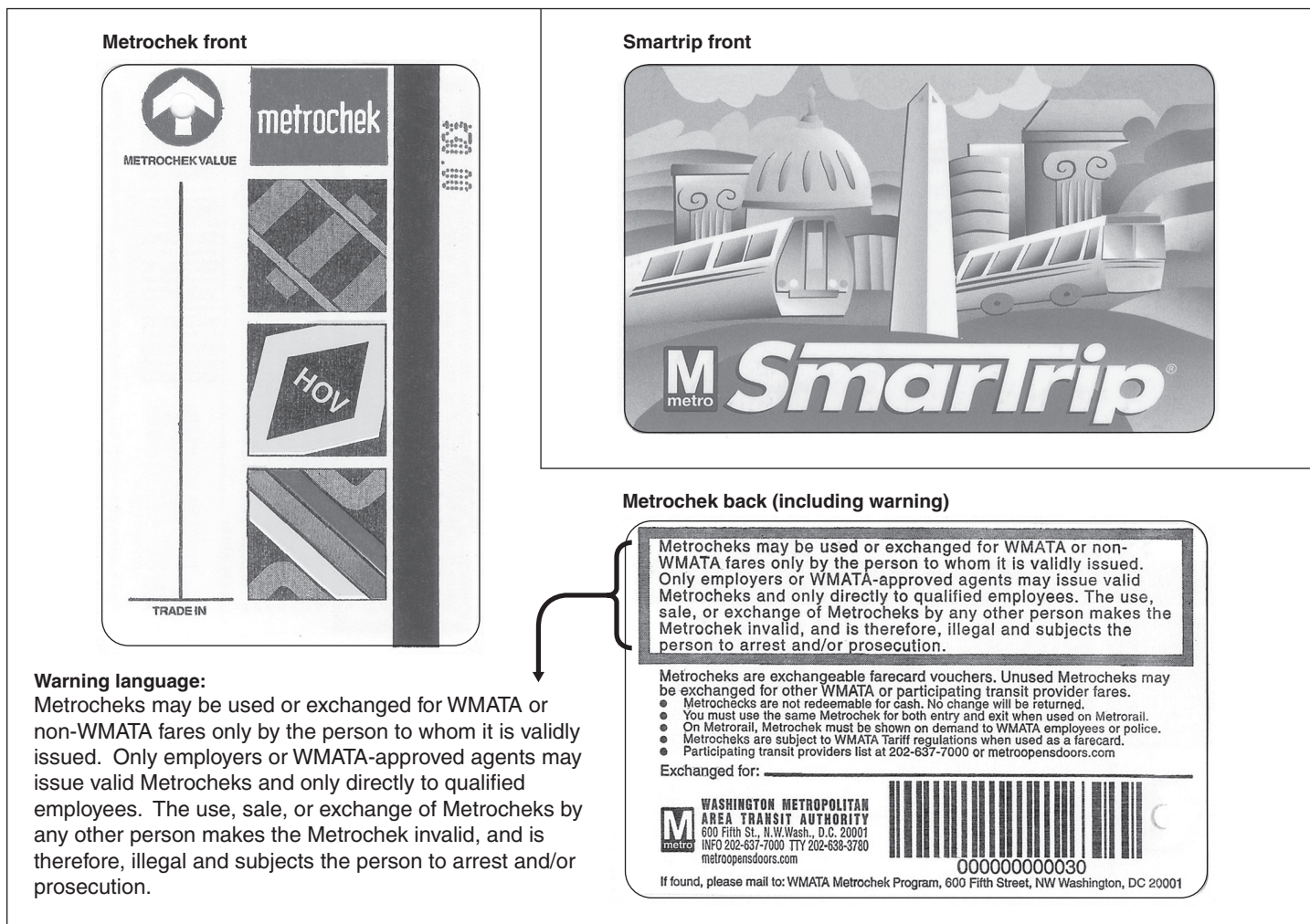
<sup>2</sup> As discussed later in this testimony, transit benefits used for commuting purposes by the intended recipient are tax free. However, income derived from the sale of transit benefits would be considered taxable income; sellers would be required to report these sales as part of their gross income.

<sup>3</sup> Pub. L. No. 109-59, §3049 (Aug. 10, 2005).

<sup>4</sup> Agencies that administer their own programs purchase Metrocheks or SmartBenefits directly from WMATA and manage the distribution in-house. If an agency contracts with Transportation, then Transportation obtains Metrocheks from WMATA and distributes the passes to employees or initiates the SmartBenefits deposit on an employee's SmarTrip card. Transportation charges a fee of nearly 5 percent for each dollar administered, with additional fees charged for in-building distribution, shipping, and vendor fees.

either Metrocheks, which are paper fare cards, or SmartBenefits,<sup>5</sup> which are electronic deposits to a transit debit card (called a SmarTrip card).

**Figure 1: WMATA-Issued Metrochek and SmarTrip Card**



Source: GAO.

<sup>5</sup> Slightly more than half of federal agencies in the National Capital Region participate in the SmartBenefits Program (i.e. give employees the option of receiving their benefits directly on their SmarTrip cards), and only three federal agencies require enrollment in SmartBenefits as part of the transit benefits program

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As shown in the figure, WMATA labels paper Metrocheks with a warning indicating that they may only be issued to qualified employees by approved employers and that resale is illegal; SmarTrip cards are printed with a similar warning. The inspectors general (IG) of various agencies have identified numerous problems related to the transit benefits program, including ineligible employees receiving benefits and a lack of policies and procedures essential to preventing fraud, waste, and abuse.<sup>6</sup>

Based on both the significance of these IG findings and the amount of federal funds spent on transit benefits, you asked us to (1) investigate allegations that federal employees in the National Capital Region are involved in fraud and abuse related to the transit benefit program, (2) identify the potential causes of any fraud or abuse we detected, and (3) estimate the magnitude of fraud and abuse in the National Capital Region during 2006.

To conduct our work, we investigated allegations of Internet sales of transit benefits by federal employees in the National Capital Region. We confirmed selected sellers' federal employment status in consultation with federal IGs or offices of investigation and through Internet payment records. We interviewed a nonrepresentative selection of the sellers, examined their transit benefit applications, and prepared case studies detailing our findings. To determine whether other individuals at the sellers' employing agencies were fraudulently using their benefits, we data mined a nonrepresentative selection of transit benefit records, compared employee home and work addresses, conducted further interviews, and prepared additional case studies. To identify the potential causes of the fraud and abuse we detected, we reviewed the written transit policies and procedures at all the case study individuals' employing agencies. While we were unable to develop a precise estimate of the magnitude of the potentially fraudulent transit benefits claims made by federal employees in

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<sup>6</sup>Treasury Inspector General for Tax Administration, *The Administration of the Public Transportation Subsidy Program Can Be Improved*, 2006-10-062, March 2006; Federal Communications Commission Office of the Inspector General, *Report on Audit of the FCC Transit Benefit Program*, 04-AUD-02-02, September 27, 2004; National Archives and Records Administration Office of the Inspector General, *Audit of NARA's Transit Benefit Program*, Audit# 04-07, March 31, 2004; Department of Defense Office of the Inspector General, *Financial Management: Allegations Concerning Controls Over DoD Transit Subsidies Within the National Capital Region*, D-2004-009, October 14, 2003; U.S. Government Printing Office of the Inspector General, *Report on Improving Controls over the Administering of GPO's Transit Benefit (Metrochek) Program*, 03-07-156, September 30, 2003.

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the National Capital Region, we used available data to develop an order of magnitude estimate. Specifically, we analyzed limited data from the case study individuals' employing agencies and records from the National Finance Center. For more information on the data used to develop our calculations, see appendix I. It is important to note that we did not conduct a comprehensive audit of the federal transit benefits program. Rather, our investigation of allegations concerning individuals selling their benefits over the Internet led us to conduct limited investigations at specific agencies. Although we conducted corrective actions concerning our investigative findings with these agencies, as discussed later in this testimony, we are not issuing recommendations. We conducted our investigative work in accordance with standards prescribed by the President's Council on Integrity and Efficiency and conducted our audit work in accordance with generally accepted government auditing standards and conducted.

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## Summary

Our investigation confirmed allegations that federal employees in the National Capital Region committed fraud by deliberately requesting benefits they are not entitled to and then selling or using these benefits for personal gain.<sup>7</sup> These employees could be subject to prosecution for unlawful conversion under 18 U.S.C. §641. In addition, because the employees we investigated signed certifications<sup>8</sup> stating that they will only use their transit benefits to cover actual out-of-pocket commuting costs, they could be subject to criminal prosecution under the False Statements Act, 18 U.S.C. §1001. As described below, our case studies demonstrate abusive and potentially fraudulent activity by individuals employed at the Departments of Commerce, Transportation, State, Homeland Security, Defense, and the Treasury and at the Internal Revenue Service (IRS), the Patent and Trademark Office, and the U.S. Coast Guard.<sup>9</sup>

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<sup>7</sup> The Association of Certified Fraud Examiners defines occupational fraud as "the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets."

<sup>8</sup> As discussed later in this testimony, four Transportation employees who we investigated claimed that they *did not* sign transit benefit certifications.

<sup>9</sup> IRS, Patent and Trademark, and the Coast Guard are subcomponents of Treasury, Commerce, and Homeland Security, respectively, but we investigated them separately because they administer their transit benefits programs separately.

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- After investigating just 3 days of sales on the Internet auction site eBay, we identified 58 individuals selling Metrocheks,<sup>10</sup> selected 20 for investigation, and determined that these 20 were in fact federal employees. Collectively, these 20 federal employees have fraudulently sold more than \$21,000 worth of Metrocheks on eBay over the past 2 years. In subsequent interviews with 13 of the 20 eBay sellers, we found cases where federal employees received parking benefits in addition to Metrocheks, were on extended leave from work, or did not even use public transportation to commute to work. One GS-14 information technology specialist for IRS drove to work, parked for free in agency-provided parking, and was still able to collect \$105 per month in transit benefits—most of which he sold on eBay. In addition, none of the 13 individuals we interviewed reported income earned from Metrochek sales on their federal tax returns.
  - Posing as buyers, our investigators purchased \$840 worth of benefits from three federal employees fraudulently selling their Metrocheks on Craigslist, a popular community Web site. For example, one of our investigators purchased \$420 worth of Metrocheks for \$350 from an Air Force captain who advertised on the site. The captain corresponded with our investigator using his military e-mail address and told our investigator that he would show up at the designated meeting spot in his “Air Force service dress uniform.” Our investigator tried to get the captain to sell him the benefits for less money, but the captain refused and told our investigator that his wife had gotten angry at him for accepting less than the agreed-upon fee the last time he sold his transit benefits. After our investigator completed the purchase, the captain explained that he usually “slugs” (i.e., rides for free with another driver, thus incurring no commuting costs) to work and therefore does not use his transit benefits. He indicated that this was not the first time he had sold his benefits and he offered to enter into an ongoing “partnership” with our investigator to sell his benefits on a quarterly basis.
  - Further investigation at the agencies where the eBay and Craigslist sellers worked also demonstrated that federal employees are not using their transit benefits to cover actual out-of-pocket commuting costs. Through data mining of information submitted on transit benefit records, we found many employees who appeared to provide inaccurate and inflated commuting cost information on their transit benefit applications and we developed case studies on 23 of these

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<sup>10</sup> This number includes individuals identified by the subcommittee.

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individuals. Specifically, based on a comparison of their home and work addresses, these 23 individuals claimed more benefits than they needed to commute to work. During our interviews, 11 admitted to deliberately falsifying their applications in order to obtain excess transit benefits for personal use. One GS-11 associate director at Transportation admitted to claiming the maximum transit benefit of \$105 per month when his actual commuting cost was only \$54 per month. This individual, who received his benefits on a SmarTrip card under the SmartBenefits program, admitted to using the excess \$51 per month for personal travel.

- Although our objective was to investigate allegations related to federal employees, our data mining revealed other troubling information related to the abuse of the transit benefit program by nonfederal employees. For example, we identified 28 individuals who have received transit benefits from federal agencies even though they do not appear to work for these agencies, 9 individuals who separated from the agencies but did not return their unused benefits, and 4 former federal employees who continued to receive benefits after leaving their respective agencies. For example, one Commerce employee left the department in 2001, but records indicate that Commerce mailed her \$65 per month in transit benefits until she moved to a new address in 2006.

Weaknesses in the design of program controls at Commerce, Transportation, State, Homeland Security, Defense, Treasury, IRS, Patent and Trademark, and the Coast Guard can be associated with the fraudulent and abusive activity we identified. Each of these agencies has its own process for management and oversight; there are no governmentwide policies or standards establishing internal controls for the federal transit benefits program. Although we did not conduct a comprehensive review of each agency's controls, the results from investigations illustrate flaws in the design of the controls. For example, we developed case studies on four employees who admitted that they continued to receive transit benefits even though they were on extended absences from work. However, none of the agencies adjust benefits because of leave or travel. In addition, we developed case studies on two employees who admitted that they receive both parking and transit benefits, but only three agencies established control procedures intended to ensure that transit benefit recipients were not also receiving parking benefits.



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Finally, using transit benefits records from seven of the nine agencies<sup>11</sup> reviewed, we determined that the amount of potentially fraudulent transit benefits claimed during 2006 in the National Capital Region was at least \$17 million and likely more. This fraudulent amount could be millions more if a similar magnitude of fraud exists in the dozens of agencies we did not review, or if the other types of fraud we identified in this investigation could be quantified.

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## Case Studies Illustrate Fraudulent and Abusive Activity Associated with Federal Transit Benefit Program

Despite signing certifications stating that they will only use their transit benefits to cover actual out-of-pocket commuting costs, federal employees in the National Capital Region are committing fraud or violating the False Statements Act<sup>12</sup> by requesting benefits they do not need and then selling or using these benefits for personal gain. Specifically, we developed case studies on individuals employed at Commerce, Transportation, State, Homeland Security, Defense, Treasury, IRS, Patent and Trademark, and the Coast Guard.<sup>13</sup> These case studies illustrate how federal employees fraudulently sold Metrocheks on eBay and Craigslist. Our case studies also illustrate how federal employees requested benefits in excess of their actual commuting costs, based on a comparison of their home and work addresses. In addition, during the course of our investigative work, we found evidence indicating that a number of individuals are in possession of federal transit benefits even though these individuals do not appear to work for the federal government.

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## Federal Employees Must Certify That They Are Eligible for Benefits and Will Not Sell Benefits or Overstate Commuting Costs

Employees at all of the agencies at which we conducted our investigative work are required to sign a certification statement as part of the transit benefit application process. As shown in figure 2, this certification typically confirms that the employee is eligible for benefits, will not sell or transfer the benefits, and is not requesting more than the needed amount of benefits. Some certifications also require employees to confirm that they do not have federally subsidized parking permits. In addition, the applications contain a false statement warning to inform employees that any false, fictitious, or fraudulent statements on their signed applications and may subject them to criminal prosecution.


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<sup>11</sup> Commerce, Transportation, Homeland Security, Defense, Treasury, IRS and the Coast Guard.

<sup>12</sup> 18 U.S.C §1001.

<sup>13</sup> IRS, Patent and Trademark, and the Coast Guard are subcomponents of Treasury, Commerce, and Homeland Security, respectively, but we investigated them separately because they administer their transit benefits programs separately.

Figure 2: Examples of Transit Benefit Certifications and False Statement Warning



**Federal transit benefit certification statements**

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**False Statement Warning**  
All transit benefit applications contain a false statement warning.

WARNING: This certification concerns a matter with the jurisdiction of an agency of the United States and making a false, fictitious, or fraudulent certification may render the maker subject to criminal prosecution under Title 18, United States Code, Section 1001, Civil Penalty Action, providing for administrative recoveries of up to \$10,000 per violation, and/or agency disciplinary actions up to and including dismissal.

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**Statement of employment at organization**  
All employees are asked to certify that they are employed by the organization which provides transit benefits.

“I certify that I am a (name of federal agency) employee.”

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**Statement of eligibility/Warning against transfer or sale**  
All employees are asked to certify that they are eligible for benefits and will not transfer or sell benefits.

“ I hereby certify that I am eligible for a transit subsidy for use on public transportation, am obtaining it as my primary means of commuting to and/or from work, and will not transfer, give, sell, or trade it to anyone else.”

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**Statement of accurate benefit amount**  
All employees are asked to certify that the benefits that they receive do not exceed the commuting costs they incur.

“I certify that the monthly transit benefit I am receiving does not exceed my monthly commuting cost.”

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**Statement of commuting costs**  
All employees are asked to certify the amount of monthly commuting costs incurred.

“I certify that I usually spend \$ \_\_\_\_\_ PER MONTH for my commute to and from work.”

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**Other statements**  
Some employees may certify these statements:

“I am not named on a federally subsidized workplace-parking permit.”

“If I cease to use public transportation on a regular basis, I will notify the administrator of the program no later than 5 days after the change...”

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**Federal employee’s signature** \_\_\_\_\_  
Signature

“...making a false, fictitious, or fraudulent certification may render the maker subject to criminal prosecution under Title 18, United States Code, Section 1001...”

“I hereby certify that I...will not transfer, give, sell, or trade it to anyone else.”

“I certify that the monthly transit benefit I am receiving does not exceed my monthly commuting cost.”

Source: Federal agencies.

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If requesting SmartBenefits, employees must provide the serial number of their WMATA-issued SmarTrip card so that their benefits can be directly deposited to the card. If employees receive paper Metrocheks, they are required to sign another document when they pick up the Metrocheks. This form reiterates that the employee will not sell or transfer the Metrocheks and will not claim excess benefits. In addition, as shown in figure 1, Metrocheks are labeled with a warning indicating that they may only be issued to “qualified” employees and that resale is illegal. SmarTrip Cards feature a similar warning.

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### Case Studies Illustrate Fraudulent Sale of Metrocheks on eBay

We identified 58 individuals<sup>14</sup> selling Metrocheks on eBay on July 24, August 7, and August 23, 2006, and confirmed that at least 20 of these individuals were in fact federal employees. Collectively, these 20 employees fraudulently sold more than \$21,000 worth of Metrocheks over the last 2 years and could be subject to prosecution for unlawful conversion under 18 U.S.C. §641. In addition, because the employees we investigated signed certifications<sup>15</sup> stating that they will only use their transit benefits to cover actual out-of-pocket commuting costs, they could be subject to criminal prosecution under the False Statements Act, 18 U.S.C §1001. In subsequent interviews with 13 of the 20 eBay sellers, we found instances where federal employees received parking benefits in addition to Metrocheks, were on extended leave from work, or did not even use public transportation to commute to work. In addition, none of the individuals we interviewed reported the income generated from the illegal sale of Metrocheks on their tax returns and they would be required to report these sales as part of their gross income. Table 1 highlights the information we obtained on 8 of these individuals through eBay, PayPal (an Internet payment service), and our interviews. More detailed information on 4 of the cases follows the table. For a list of all 20 federal employees selling Metrocheks on eBay, see appendix II.

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<sup>14</sup> This number includes individuals identified by the subcommittee.

<sup>15</sup> As discussed later in this testimony, four Transportation employees who we investigated claimed that they *did not* sign transit benefit certifications.

**Table 1: Case Studies of Federal Employees Who Fraudulently Sold Metrocheks on eBay**

Case	Seller's employing agency	Salary level	Number of sales over the past 2 years	Face value of Metrocheks sold	Case details
1	Transportation	GS-14	12	\$1,080	Does not always use public transportation
2	Treasury	GS-14	6	1,380	Does not always use public transportation
3	IRS <sup>a</sup>	GS-14	3	930	Receives parking benefits
4	CG <sup>b</sup>	GS-12	3	900	Uses public transportation, but claims more benefits than needed for commute to work
5	Transportation	GS-14	6	789	Received benefits while on maternity leave
6	State	GS-12	10	1,500	Received benefits while on travel; does not always use public transportation
7 <sup>c</sup>	Defense	E-6	61	6,000	Do not always use public transportation
8 <sup>c</sup>	Defense	GS-7			

Source: GAO.

<sup>a</sup>IRS administers its own transit program and has different processes for management and oversight than Treasury as a whole.

<sup>b</sup>The Coast Guard administers its own transit program and has different processes for management and oversight than Homeland Security as a whole.

<sup>c</sup>Cases 7 and 8 are a married couple selling their Metrocheks from the same eBay account. See details below.

**Case 1:** Seller has been employed as a GS-14 specialist at Transportation's Federal Motor Carrier Safety Administration since 1990. Seller has received the maximum amount of transit benefits since he first entered the transit benefit program in November 2004. Seller explained that he accumulated excess benefits over time by using other means of transportation to and from work, including "slugging," riding with a neighbor, and driving his motorcycle. Seller readily admitted to selling his transit benefits on eBay on multiple occasions for personal gain (12 lots of Metrocheks valued at a total of \$1,080), but stated that he did not know it was illegal to sell his transit benefits—despite the warning printed on every Metrochek and the certification statement he signed on his application and each time he picked up his benefits.

**Case 3:** Seller is a GS-14 information technology specialist and has been employed by IRS since 2003. Seller has received the maximum amount of transit benefits since he first entered the transit benefit program in February 2004. Seller also receives parking benefits from IRS and accumulated excess benefits over time by driving to work and parking in an agency-owned parking space for free. Seller admitted to selling his transit benefits on eBay for personal gain on multiple occasions (three lots

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of Metrocheks valued at a total of \$930). Seller's eBay account history also reflected the sale of computers, and after some questioning by investigators, seller confessed that he had stolen numerous computers and computer parts from IRS, which he subsequently sold on eBay. We referred the case to the Treasury Inspector General for Tax Administration. The employee has since been placed on administrative leave indefinitely and without pay and was indicted for theft of government property on February 7, 2007.

**Case 5:** Seller is a GS-14 attorney for the Federal Highway Administration and has been employed at Transportation since 1990. Seller confirmed that she has received the maximum benefit since first entering the program in 1999. She explained that she accumulated excess benefits in two ways: (1) she continued to claim transit benefits while on maternity leave and (2) she works from home at least 1 day a week. Although she has recently been working from home more frequently, she still claims the maximum benefit. Seller admitted to selling her transit benefits on eBay on multiple occasions (six lots of Metrocheks valued at a total of \$789), but stated that she did not know it was illegal to sell her transit benefits—despite the warning printed on every Metrochek and the certification statement she signed on her application and each time she picked up her benefits.

**Cases 7 and 8:** These sellers are a married couple both working for Defense. The wife, an administrative leading petty officer, has been receiving almost \$100 per month since first entering the program in September 2005. The husband, a financial technician, has been receiving the maximum benefit since first entering the program in March 2003. Both sellers acknowledged that they accumulated excess benefits over time by driving to work. The husband admitted to selling his transit benefits on eBay on multiple occasions (61 lots of Metrocheks valued at a total of \$6,000). The wife, although she admitted she used her transit benefit for personal travel, denied selling her benefits on eBay. However, the names of both spouses appear on the eBay account selling Metrocheks.

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## Investigations Show Federal Employees Fraudulently Sold Metrocheks on Craigslist

Posing as buyers, our investigators purchased \$840 worth of benefits from three federal employees fraudulently selling their Metrocheks via Craigslist, a popular community Web site. First, investigators purchased \$210 worth of Metrocheks for \$160 from a GS-12 State Department employee who posted on the site. The seller also asked to be paid with cash because she wanted to buy Christmas presents for her friends. After purchasing the Metrocheks, investigators identified themselves as a federal agents conducting investigation and reminded the seller that she

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had signed certifications stating that she would not sell transit benefits. The seller insisted that she did not know it was illegal to sell benefits and also stated that she was selling extra Metrocheks left over from a previous government job. However, in e-mail correspondence prior to the sale, the seller told one of our investigators that she would be able to sell him benefits on a continuing basis, four times per year. We confirmed that she receives \$255 in Metrocheks four times a year from the State Department.

Investigators next purchased Metrocheks from an Air Force captain who advertised on the site. The captain corresponded with our investigator using his military e-mail address, as shown in figure 3.

**Figure 3: E-mail Correspondence from Air Force Captain**

<[REDACTED]@pentagon.af.mil>  
I'll hold all \$450 worth of MetroCheks for you at a price of \$360.

I did not bring them to work with me today. I'll bring them tomorrow. As far as the hand-off goes, I have to be in the Reagon Building at 4:30 for a presentation. I should be done with that at 5:00. I will go to the L'Enfant Metro and then Metro to where you want to meet.

So, let's meet between 5:15 and 5:30 at a Metro of your choosing tomorrow. I will be in my Air Force service dress uniform. It is the Air Force's version of a business suit, but it has all the awards and everything on it. You should be able to spot me pretty easily.

Source: GAO.

When our investigator arrived at the meeting spot, he told the captain that he only had \$350 and asked if that would be enough to purchase the entire \$450 worth of Metrocheks. The captain said no, and told our investigator that his wife had gotten angry at him for accepting less than the agreed-upon fee the last time he sold his transit benefits. Ultimately, our investigator purchased \$420 worth of benefits for \$350. After the exchange, the captain explained that he usually “slugs” to work and therefore does not use his transit benefits. He also offered to enter into an ongoing partnership with our investigator to sell his benefits on a quarterly basis. Our investigator did not identify himself as a federal agent because the Air Force Office of Special Investigations indicated that it would like to continue to develop a case against this seller.

Finally, our investigator purchased \$210 worth of Metrocheks for \$190 from a former GS-11 international trade specialist with Commerce. This employee resigned from Commerce on and then arranged to sell her

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benefits to our investigator one week later. After our investigator purchased the Metrocheks, the seller explained that she was moving overseas and would no longer be collecting benefits. She also explained that she had typically walked to work at Commerce, so she did not really need the benefits in the first place. Our investigator did not identify himself as a federal agent because the IG at Commerce wanted to pursue further action against this seller by withholding her final paycheck.

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### Other Investigative Case Studies Illustrate How Federal Employees Abuse the Transit Benefit Program

Further investigation at the agencies where the eBay and Craigslist sellers worked also demonstrated that federal employees are not using their transit benefits to cover actual out-of-pocket commuting costs. Through data mining of information submitted on transit benefit applications, we found many employees who appeared to provide inaccurate and inflated commuting cost information on their transit benefit applications. We developed case studies on 23 of these individuals. Specifically, based on a comparison of their home and work addresses, these 23 individuals claimed more benefits than they needed to commute to work. Eleven of these individuals admitted to deliberately falsifying their applications in order to obtain excess transit passes for personal use. Table 2 highlights the information we obtained on 10 of these cases through our data mining and interviews. More detailed information on 3 of the cases follows the table. For a list of all 23 individuals, see appendix III.

**Table 2: Case Studies of Federal Employees Providing Inaccurate and Inflated Commuting Cost Information on Their Applications**

Case	Applicant's employing agency	Salary level	Excess benefits claimed per year	Case details
1	Commerce	GS-5	\$480	Refused to tell investigators what excess benefits were used for
2	IRS	GS-13	612	Used benefits for personal travel
3	Treasury	GS-8	660	Purchased transit tokens for son; sold benefits to contractors and friends
4	Treasury	GS-14	540	Gave benefits to visiting friends
5	Transportation	GS-13	444	Stored excess benefits at home
6	Transportation	GS-11	612	Used benefits for personal travel
7	Defense	Not available	660	Used benefits for personal travel; received parking benefits
8	Defense	Not available	660	Used benefits to pay for transportation of her children to daycare
9	Coast Guard	GS-9	228	Gave benefits to family and friends; used benefits for personal travel; accumulated excess benefits during extended absences from work
10	Homeland Security	Not available	228	Refused to tell investigators what excess benefits were used for

Source: GAO.

**Case 3:** Employee is a GS-8 secretary at Treasury. She has participated in the transit benefits program since September 2000 and admitted to knowingly providing false information on her transit benefit application by claiming the maximum benefit of \$105 per month when her actual commuting cost is \$50 per month. As provided on the application signed by the employee, this false statement may constitute a violation of 18 U.S.C §1001 and renders the employee subject to criminal prosecution. She further admitted to using her \$55 in excess Metrocheks each month to purchase transit tokens for her son to use to travel to school. Employee also admitted to selling her excess benefits to Treasury contractors (who are not eligible to receive federal transit benefits) and to friends in her community. Employee stated that she deliberately overestimated the amount of money she needed to commute to and from work on her transit benefit application in order to have excess benefits to sell to friends.

**Case 4:** Employee is a GS-14 deputy director at Treasury. Employee has participated in the transit benefits program since 2003 and admitted to knowingly providing false information on his transit benefit application by claiming the maximum benefit of \$105 per month when his actual



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commuting cost is \$60 per month. As provided on the application signed by the employee, this false statement may constitute a violation of 18 U.S.C §1001 and renders the employee subject to criminal prosecution. Employee stated that he distributed some of his excess Metrocheks to friends visiting Washington D.C.

**Case 9:** Employee is a GS-9 working in the Health and Safety Division at the Coast Guard. Employee has participated in the transit benefits program since 1996 and admitted to knowingly providing false information on her transit benefit application by claiming the maximum benefit of \$105 per month when her actual commuting cost is \$86 per month. She also admitted that she accumulated excess benefits by continuing to receive benefits even though she has been taking extended amounts of leave. As provided on the application signed by the employee, this false statement may constitute a violation of 18 U.S.C §1001 and renders the employee subject to criminal prosecution. She also acknowledged that she intentionally abused her benefits by using them for personal travel and distributing them to her sister and friends.

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## Nonfederal Employees in Possession of Transit Benefits

Although our objective was to investigate allegations related to federal employees, our data mining revealed other troubling information related to the abuse of the transit benefit program by nonfederal employees. Specifically, through our data-mining efforts, we were able to identify employees at Commerce, Coast Guard, Treasury, IRS, and Homeland Security who may have collected transit benefits even though they did not currently work for the federal government. We requested additional identification information on these individuals from the agencies and subsequently found 28 individuals who have received transit benefits even though they do not appear to work for the agencies, 9 individuals who left their agencies but did not return their unused benefits, and 4 former federal employees who continued to receive benefits after leaving their respective agencies.

- Commerce confirmed that one of the individuals we identified continued to receive transit benefits after separating from the agency. Records indicate that this employee left the department in 2001, but Commerce continued to mail her \$65 per month in benefits until she moved to a new address in 2006. Commerce also confirmed that three of the other individuals we identified separated from the agency, but did not return their unused transit benefits. For example, one Commerce employee picked up \$300 worth of benefits on July 3, 2006, and then left the agency on July 5, 2006.










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- The Coast Guard confirmed that one employee we identified picked up transit benefits after separating from the agency. In addition, one of the individuals we asked the Coast Guard to identify has never worked there; the agency could find no employment records on this individual even though he picked up transit benefits under Coast Guard's transit program.
  - Treasury confirmed that one employee we identified picked up benefits at least five times after separating from the agency. In addition, Treasury confirmed that another employee picked up benefits and then separated from the agency the very next day, and another picked up benefits and left the agency 9 days later. Neither of these individuals returned any of their unused benefits to Treasury. Finally, 25 of the individuals we asked Treasury to identify have never worked there; the agency could find no employment records on these individuals even though they picked up transit benefits under Treasury's transit program.
  - IRS confirmed that four of the employees we identified picked up benefits and left the agency shortly thereafter without returning benefits. For example, one employee picked up the \$315 worth of benefits on July 6, 2006, and then left the agency on August 4, 2006. In addition, one of the individuals we asked IRS to identify has never worked for IRS; the agency could find no employment records on this individual even though he picked up transit benefits under IRS's transit program.
  - We did not receive a response from Homeland Security by the close of our investigation.

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## Weaknesses in Program Controls May Contribute to Fraud and Abuse

Weaknesses in the design of program controls at Commerce, Transportation, State, Homeland Security, Defense, Treasury, IRS, Patent and Trademark, and the Coast Guard can be associated with the fraudulent and abusive activity we identified. Each of these agencies has its own process for management and oversight; there are no governmentwide policies or standards establishing internal controls for the federal transit benefit program. Although we did not conduct a comprehensive review of each agency's controls, the results from our interviews and data mining illustrate flaws in the design of the controls. Figure 4 details the critical elements included in each agency's written policies and procedures.

**Figure 4: Comparison of Written Transit Benefit Program Controls**

	 Dept of Transportation	 Dept of Commerce	 Patent and Trademark Office	 Dept of Treasury	 Internal Revenue Service	 Dept of State	 Dept of Defense	 Dept of Homeland Security	 Coast Guard
<b>Application requirements</b>									
Home address		✓	✓		✓			✓	✓
Work address	✓	✓			✓		✓	✓	✓
Commuting cost breakdown		✓	✓		✓				
Certification statement	✓	✓	✓	✓	✓	✓	✓	✓	✓
False statement warning	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Verification</b>									
Commuting cost verified by approving official									
Eligibility verified by approving official	✓				✓	✓			
<b>Implementation</b>									
Applicants checked against parking benefits records	✓						✓	✓	
Benefits adjusted due to travel, leave, or change of address									
Removal from transit benefits program included in exit procedures	✓				✓				

Source: GAO.

Note: State, in its protocols, indicates that supervisors have the option of requesting additional information from employees to verify their commuting costs (but this is not a requirement). Defense, in its protocols, indicates that component agencies should set up offices to establish and implement internal controls, but we did not receive any documentation indicating that these offices were set up or that internal control procedures were set at the component-agency level.

The following are examples of our investigative findings illustrating weaknesses in the design of agencies' transit benefit controls.

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- We interviewed 23 individuals who provided inaccurate commuting costs on their applications, based on a comparison of their home and work addresses. However, none of the agencies had written policies in place at the time of our review requiring an approving official to verify that employees provided accurate commuting costs. Transportation, Treasury, State, and Defense do not even require employees to provide their home addresses on their applications, which may make it even more difficult to determine whether commuting costs are valid. Furthermore, only three agencies (IRS, Commerce, and Patent and Trademark) require employees to provide a commuting cost breakdown to demonstrate that they are entitled to the benefits they are requesting.
  - Four employees admitted to us that they continued to receive transit benefits even though they were on extended absences from work. However, none of the agencies use information that employees provide in the normal course of working for the government—such as changes of address on their W-2 forms, taking annual leave, or traveling on business—to adjust benefits because of leave or travel. In addition, only three agencies (Transportation, IRS, and State) have an approving official review employees' eligibility to receive benefits.
  - Two employees admitted to us that they received both parking and transit benefits, but only three agencies (Transportation, Homeland Security, and Defense) had a process in place to ensure that transit benefit recipients were not also receiving parking benefits.
  - We identified four former federal employees who continued to receive transit benefits even after they left their agencies. However, only two agencies (Transportation and IRS) ensure that employees who leave the agencies are removed from the transit benefits distribution list.
  - We found 28 individuals who have received transit benefits from federal agencies even though they do not appear to work for these agencies. However, only three agencies (Transportation, IRS, and State) verify employee eligibility.
  - As discussed earlier in this testimony, figure 4 shows that all the agencies required applicants to sign a written certification stating that they are eligible to participate in the transit benefits program, that they do not receive parking benefits, and that their transit benefits will be used for their work commute only. However, during the course our investigations, we interviewed four employees at Transportation who all claimed that they were only asked to provide an oral estimate of their commuting costs. None of the employees recall filling out or signing an application form. We

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asked Transportation to provide us with copies of these applications in order to validate the employees' claims. In response, the department provided us with electronic copies of the applications in question, but these applications do not contain employee signatures.

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## Federal Employees Likely Made More than \$17 Million in Potentially Fraudulent Transit Benefit Claims

Using limited employee data and transit benefit records, we determined that the amount of potentially fraudulently transit benefits claimed during 2006 in the National Capital Region was at least \$17 million and likely millions more. This magnitude is based on the roughly \$70 million in transit benefits claimed by employees at Commerce, Transportation, Homeland Security, Defense, Treasury, IRS, and the Coast Guard.<sup>16</sup> The total amount of fraud could be millions more if a similar magnitude of fraud exists in the dozens of agencies that we did not review, or if the other types of fraud GAO identified in this investigation could be quantified.

Our investigations and audit work revealed that many of the employees at these seven agencies provided inaccurate commuting cost information on their transit benefit applications. We determined this by examining transit benefit data for about 4,000 individuals working at the headquarters offices of these seven agencies and claiming roughly \$4 million worth of benefits. Specifically, we identified a set of zip codes for each of the seven agency headquarters buildings and found that employees living within these zip codes could not legitimately claim the maximum allowable benefit of \$105 per month, no matter what combination of Metrobus and Metrorail they used to commute to their places of employment. Based on this analysis, we determined that the 4,000 individuals we examined were not entitled to the maximum transit benefit amount. However, we found that hundreds of these individuals did in fact request this maximum amount, claiming more benefits than they needed to commute to work. Although these individuals may have been eligible for a portion of the transit benefits they requested, their applications should not have been approved because they signed certifications stating that they would not request benefits in excess of their monthly commuting costs (see figure 2). As provided on the applications submitted by these employees, such overstated requests constitute a potential violation of the False Statements

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<sup>16</sup> We could not include State or Patent and Trademark in this part of the investigation for the following reasons: (1) State does not provide adequate data to either Transportation or the National Finance Center databases and (2) Patent and Trademark does not use Transportation to administer its transit benefit program.

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Act, 18 U.S.C. §1001. Because of these overstatements, we found that \$1 million of the transit benefits that these individuals claimed were potentially fraudulent. This \$1 million represented about 25 percent of the \$4 million claimed by the 4,000 individuals we examined at these seven agencies. We then applied this fraudulent claim rate to the roughly \$70 million claimed by employees participating in the transit benefits program at the seven agencies in the National Capital Region during 2006.

Based on this collective audit and investigative work, we found that employees at the seven agencies could have made fraudulent claims totaling more than \$17 million. Given the number of agencies not covered by our analysis, it is likely that this amount is significantly understated and could be millions more. In particular, the \$17 million in potentially fraudulent claims does not include the other agencies that contract with Transportation for distribution or the agencies that administer their own transit benefits programs. Moreover, this order of magnitude only includes individuals who work at the headquarters offices of the aforementioned seven agencies and who claimed the maximum benefit per month. It does not include individuals who work at offices other than headquarters or who have potentially made fraudulent claims for less than the maximum amount. The order of magnitude also excludes many of the other types of fraud and abuse we reported in our case studies, such as individuals who claim benefits but do not use them because they use agency parking or “slug” to work, or individuals who received federal transit benefits even though they do not work for the federal government. For more information on the data used to develop our calculations, see appendix I.

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## Corrective Actions

During the course of investigation, we communicated the results of our work to the IGs and/or the offices of special investigation at Commerce, Transportation, State, Homeland Security, Defense, Treasury, IRS, Patent and Trademark, and the Coast Guard. At the close of our investigation, we referred the individuals we identified as fraudulently selling Metrocheks on eBay and Craigslist to the appropriate agency IG and/or office of investigation for criminal and/or administrative action. We similarly referred the individuals who provided inaccurate and inflated commuting cost information on their applications, the individuals who have received transit benefits from federal agencies even though they do not appear to work for the agencies, the individuals who left their agencies but did not return their unused benefits, and the former federal employees who continued to receive benefits after leaving their respective agencies. In addition, we held corrective action briefings on April 4, April 17, and April

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18, 2007, to provide the agencies with an overview of our investigation and our findings.

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## Conclusion

WMATA now plans to eliminate the Metrochek program and offer only SmartBenefits by January 2008. Because SmartBenefits are less negotiable than paper Metrocheks, this action may stop some federal employees from fraudulently selling their transit benefits. But a switch to SmartBenefits will not prevent the other types of fraud and abuse we identified. As shown by our investigation, federal employees have taken advantage of the lack of effective management, oversight, and control of the program. For example, unless commuting costs are verified, employees may still request and receive more benefits than they need. Moreover, as demonstrated by individuals we interviewed who admitted to deliberately falsifying their applications for benefits, federal workers can commit transit benefit fraud without suffering any adverse consequences. Agencies should take aggressive actions against employees who we identified as committing fraud, and look to put reasonable controls in place that can minimize fraud and abuse in this program.

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Mr. Chairman and members of the subcommittee, this concludes my statement. I would be pleased to answer any questions that you or other members of the subcommittee may have at this time.

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## Contacts and Acknowledgments

For further information about this testimony, please contact Gregory D. Kutz at (202) 512-6722 or [kutzg@gao.gov](mailto:kutzg@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this testimony. In addition to the individual named above, Valerie Blyther, Shafee Carnegie, Jennifer Costello, Paul Desaulniers, Craig Fischer, Janice Friedeborn, Dennis Fauber, Matthew Harris, Adam Hatton, Jason Kelly, John Kelly, Barbara Lewis, James Madar, Andrew McIntosh, Richard McLean, Gertrude Moreland, Crystal Lazcano, Jennifer Leone, John Ryan, Viny Talwar, Walter Vance, and Tami Weerasingha.

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# Appendix I: Potential Magnitude of Fraudulent Claims

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To provide an order of magnitude of the employees fraudulently claiming transit benefits within the National Capital Region, we identified a selection of federal employees who met a specific set of criteria and evaluated the validity of their transit benefit application data. First, we narrowed our scope to seven agencies—Commerce, Treasury, IRS, Defense, Homeland Security, Coast Guard, and Transportation—where we identified employees selling their transit benefits on the Internet and for whom we had sufficient data.<sup>1</sup> We further narrowed our scope by limiting our analysis to federal employees working at the headquarters buildings of these seven agencies. We then identified a set of zip codes for each of the seven agency headquarters buildings. Employees living within these zip codes could not legitimately claim the maximum allowable benefit of \$105 per month, no matter what combination of Metrobus and Metrorail they used to commute to their places of employment. We identified approximately 4,000 federal employees at the seven agencies that lived within these zip codes, and determined that approximately 19 percent of them may have fraudulently claimed the maximum benefit by providing false statements on their applications in violation of 18 U.S.C. § 1001. These potentially fraudulent claims represent about 25 percent of the \$4 million claimed by the total selection of 4,000 employees. We then applied this fraudulent claim rate to the roughly \$70 million claimed by employees participating in the transit benefit program at the seven agencies in the National Capital Region during 2006 and determined that the possible magnitude of potentially fraudulent transit benefit claims was more than \$17 million.

In this analysis, public transportation costs were calculated as the actual costs incurred as a result of utilizing a combination of Metrobus and/or Metrorail to commute to and from a place of employment. We used peak fares (as opposed to nonpeak fares) for our calculations, because we assumed that transit benefit participants were working during normal business hours. We also assumed that the employees did not take any sick or annual leave and worked at their headquarters offices five days per week. In other words, we assumed that the employees did not have alternative work schedules (i.e., they did not work four 10 hour days) and they did not telecommute.

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<sup>1</sup> We could not include State or Patent and Trademark in our analysis for the following reasons: (1) State does not provide adequate data to either Transportation or the National Finance Center databases and (2) Patent and Trademark does not use Transportation to administer its transit benefit program.



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We used information from the Department of Transportation (which is responsible for administering the program for the selected agencies) and the National Finance Center to identify employees from the seven selected agencies whose homes of record are located within our defined area and who were also claiming the maximum benefit. To confirm our conclusions concerning these individuals, we tested a nonrepresentative selection of our potentially fraudulent cases, identified their home address, and used the Washington Metropolitan Area Transit Authority's online Trip Planner to determine the participant's actual daily, and then monthly, public transportation costs. We interviewed these participants and confirmed that the individuals we selected were not entitled to the maximum benefit.

# Appendix II: Federal Employees Fraudulently Selling Metrocheks on eBay

The table below provides a complete listing of information on all the 20 eBay sellers we identified as federal employees. Note that we did not interview sellers 14-20.

**Table 3: Federal Employees Fraudulently Selling Metrocheks on eBay**

Case	Seller's employing agency	Salary level	Number of sales over the past 2 years	Face value of Metrocheks sold	Case details
1	Transportation	GS-14	12	\$1,080	Does not always use public transportation
2	Treasury	GS-14	6	1,380	Does not always use public transportation
3	IRS <sup>a</sup>	GS-14	3	930	Receives parking benefits
4	Coat Guard <sup>b</sup>	GS-12	3	900	Uses public transportation, but claims more benefits than needed for commute to work
5	Transportation	GS-14	6	789	Received benefits while on maternity leave
6	State	GS-12	10	1,500	Received benefits while on travel; does not always use public transportation
7	Defense <sup>c</sup>	E-6	61	6,000	Does not always use public transportation
8	Defense <sup>c</sup>	GS-7			
9	Commerce	GS-14	11	420	Claims that Metrocheks sold on eBay were purchased from a third party and not obtained from the federal government; we could not validate these claims
10	Patent and Trademark <sup>d</sup>	GS-9	4	417	Received parking benefits in addition to transit benefits
11	Defense	E-6	8	2,370	Does not always use public transportation
12	Defense	GS-12	12	1,090	Does not always use public transportation
13	Patent and Trademark <sup>d</sup>	GS-7	1	400	Claims that Metrocheks sold on eBay were purchased from a third party and not obtained from the federal government; we could not validate these claims
14	Defense	We did not obtain this information.	2	230	We did not interview this seller
15	State	We did not obtain this information.	4	120	We did not interview this seller
16	Defense	We did not obtain this information.	7	825	We did not interview this seller

<b>Case</b>	<b>Seller's employing agency</b>	<b>Salary level</b>	<b>Number of sales over the past 2 years</b>	<b>Face value of Metrocheks sold</b>	<b>Case details</b>
17	Labor	We did not obtain this information.	10	1,180	We did not interview this seller
18	Defense	We did not obtain this information.	4	600	We did not interview this seller
19	IRS <sup>a</sup>	We did not obtain this information.	4	360	We did not interview this seller
20	Defense	We did not obtain this information.	3	378	We did not interview this seller

Source: GAO.

<sup>a</sup>IRS administers its own transit program and has different processes for management and oversight than Treasury as a whole.

<sup>b</sup>Coast Guard administers its own transit program and has different processes for management and oversight than Homeland Security as a whole.

<sup>c</sup>Cases 7 and 8 are a married couple selling their Metrocheks from the same eBay account.

<sup>d</sup>Patent and Trademark administers its own transit program and has different processes for management and oversight than Commerce as a whole.

# Appendix III: Federal Employees Providing Inaccurate Commuting Costs on Transit Benefit Applications

Through data mining of information submitted on transit benefit applications, we found many employees who appeared to provide inaccurate and inflated commuting cost information on their transit benefit applications. The following table provides a complete listing of the 23 individuals we interviewed.

**Table 4: Federal Employees Providing Inaccurate and Inflated Commuting Cost Information**

Case	Applicant's employing agency	Salary level	Excess benefits claimed per year	Case details
1	Commerce	GS-5	\$480	Refused to tell investigators what excess benefits were used for
2	IRS	GS-13	612	Used benefits for personal travel
3	Treasury	GS-8	660	Purchased transit tokens for son; sold benefits to contractors and friends
4	Treasury	GS-14	540	Gave benefits to visiting friends
5	Transportation	GS-13	444	Stored excess benefits at home
6	Transportation	GS-11	612	Used benefits for personal travel
7	Defense	Not available	660	Used benefits for personal travel and received parking benefits
8	Defense	Not available	660	Used benefits to pay for transportation of her children to daycare
9	Coast Guard	GS-9	228	Gave benefits to family and friends; used benefits for personal travel; accumulated excess benefits during extended absences from work
10	Homeland Security	Not available	228	Refused to tell investigators what excess benefits were used for
11	Commerce	GS-9	228	Claimed to use a more expensive route to avoid traffic; investigators could not confirm this explanation
12	Commerce	GS-9	660	Claimed to use a more expensive route to avoid traffic; investigators could not confirm this explanation
13	Commerce	GS-9	228	Refused to tell investigators what excess benefits were used for
14	IRS	GS-14	540	Used benefits to pay for parking;
15	IRS	GS-12	240	Gave benefits to wife, daughter and girlfriend
16	IRS	GS-14	492	Refused to tell investigators what excess benefits were used for
17	Treasury	GS-11	492	Purchased transit tokens for daughter
18	Treasury	GS-8	540	Gave benefits to friends and relatives
19	Treasury	GS-14	612	Gave benefits to husband, siblings and daughter
20	Transportation	GS-8	228	Used benefits for personal travel
21	Transportation	GS-6	324	Used benefits for personal travel
22	Coast Guard	GS-11	660	Used benefits to pay for parking
23	Coast Guard	GS-6	60	Used benefits for personal travel

Source: GAO.

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