INVESTIGATIVE MEMORANDUM ON
MANAGEMENT ISSUES

To:       Jayne Seidman

From:     Walter Stachnik

Re:       Public Transportation Subsidy Program (G-335)

September 27, 2001

In a recent investigation (OIG-335), we found that there appeared to be some confusion
as to how employees in certain regional and district offices should complete Form SEC
2445, Application for Transit Benefit. Currently, Form SEC 2445 is used for employees
to apply for transportation subsidy benefits on an agency-wide basis. Employees are
required to certify on Form SEC 2445 that they will use the fare benefit for their regular
daily commute to and/or from work and that the monthly benefit the employee receives
will not exceed the employees’ average monthly commuting costs.

However, some regional and district offices participate in transit benefit programs that
may require 100% employee participation and provide a transit benefit on an annual
basis, rather than on a monthly basis (as is the case in the Washington, D.C. metropolitan
area). Under these programs, employees receive an annual pass (paid for entirely by the
SEC) that allows them unlimited use of the local public transportation system. Form
SEC 2445 does not appear to be well-suited to these types of annual programs.

**Recommendation A**

The Office of Administrative and Personnel Management should develop alternative
procedures and forms for applying for transit benefits to be used in regional and district
offices that participate in annual transit benefit programs.

**Recommendation B**

The Office of Administrative and Personnel Management should review SECR 5-9 (May
12, 1998) to determine whether any modifications to that regulation are necessary to
accommodate regional and district office transit benefit programs.

cc:     James Clarkson
        Denise Green
        Stephen Johnston
        James McConnell
        Darlene Pryor
        Mark Radke