



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of Inspector General

MEMORANDUM

TO: Rosemarie Straight
Executive Director

FROM: Frederick J. Zirkel
Inspector General

SUBJECT: Transmittal of OIG Audit of FTC's Transit Subsidy Program

The OIG has completed its review of the agency's transit subsidy program for FY 2003. Executive Order 13150, *Federal Workforce Transportation*, requires Federal agencies in the National Capital Region to provide employees with public transit subsidies approximating their commuting costs up to \$100 per month. The objective of the audit was to determine whether controls are in place to ensure that (i) Department of Transportation (DOT) contractor invoices accurately reflect the amount of subsidy being distributed to agency staff; (ii) the agency-paid transit subsidy is being properly reflected in the agency's books and records and that all monthly adjustments are properly accounted for; (iii) employees are following program guidelines when calculating their monthly subsidy request and receive only the amount of subsidy authorized under the program; and (iv) only eligible authorized agency staff are receiving a subsidy.

The OIG determined that the agency is accurately billed for the subsidy provided to FTC employees through the Department of Transportation, and that these amounts are accurately reflected in the agency's budgetary accounts. However, the OIG identified duplicate subsidies paid to six FTC staff in select months. After satisfying ourselves that FTC staff were not involved in fraud (no staff received more than one duplicate payment) the OIG referred the finding to the program coordinator for followup with DOT staff to identify and correct weaknesses in controls that permitted these payments.

While the program costs are accurately reflected in the agency's financial records, it appears that the agency is over-subsidizing many of its staff. The application form used by all staff to enroll in the program is flawed in that it (i) relies on information, like unplanned leave, not available to employees when they collect their subsidy; (ii) requires employees to perform monthly calculations to determine their adjusted subsidy, (iii) rewards inaction with a full subsidy, and (iv) is not enforced due to high enforcement costs. While employees are asked to make monthly adjustments for leave, i.e., to request less subsidy when leave is used, the OIG found that most

employees do not make such adjustments, resulting in an OIG-estimated over payment to subsidy participants of between \$30,000 and \$50,000 annually.

Finally, the OIG performed steps to identify fraud, as required by Government Auditing Standards. Tests performed by the OIG in high risk areas did not identify any instances of fraud in the program.

The OIG believes that shortcomings inherent in the current transit subsidy program can only be effectively addressed by redesigning the application form to adjust for leave when the monthly subsidy is calculated. Based on years of service and agency sick/annual leave averages, employees would make appropriate adjustments one time, when completing the application. The advantages of this approach are threefold: it would (i) eliminate the need for agency employees to recalculate their monthly subsidy entitlement, (ii) substantially reduce enforcement costs, and (iii) save the agency a significant sum of money.

The OIG developed a computation that, performed once, will provide the employee with a far more accurate depiction of the amounts s/he is actually entitled to by factoring in leave, alternative work schedules and holidays, while conservatively estimating sick and administrative leave usage. One possible application format is identified in Appendix A. Once determined, the employee would only make adjustments for extraordinary events, such as extended travel and/or sick leave. Appendix B contains a subsidy “receipt” that provides the employee with the subsidy entitlement given his/her profile (annual and sick leave estimates, AWS , Work-at-Home schedule).

Please contact me or Adam Trzeciak if you have any questions or comments about this review.

Audit of the FTC's Transit Subsidy Program for Fiscal Year 2003

Background

The Office of Inspector General performed an audit of the Federal Trade Commission's implementation of Executive Order 13150, *Federal Workforce Transportation*, better known as the "Transit Subsidy Program" for FY 2003. The Executive Order, effective October 2000, requires Federal agencies in the National Capital Region to provide employees with public transit subsidies approximating their commuting costs up to \$100 per month (as of January, 2002).

The objective of the transit subsidy program is to encourage the use of public transportation by Federal employees and to expand commuting alternatives by subsidizing all or part of Federal employees' costs in traveling to and from work on public transportation. All FTC-paid employees (full-time or part-time, permanent or temporary) are eligible to participate in the plan.

To participate in the subsidy program, FTC employees are required to complete FTC Form 987, *Public Transportation Benefit Program Application*, certifying the amount of their expected monthly transportation costs. In addition, they must present their FTC ID card and sign a participation roster each time they obtain their subsidy, certifying their eligibility to participate in the program. As completion of the application represents the starting point in the process, it dictates all other outcomes to include the base subsidy amount the employee will receive monthly. Subsidies are provided in the form of "Metrochek" vouchers, which can be used as fare cards on the subway, to purchase bus or train tickets or to reimburse approved van pool expenses.

The Director, Administrative Services Office (ASO), is responsible for program administration, to include (i) enrolling participants and certifying eligibility, (ii) cross checking participants with FTC-subsidized parking spaces, (iii) establishing and monitoring procedures for distributing the subsidies, and (iv) evaluating the effectiveness of the program.

Employees have restrictions and responsibilities when participating in the program. For example, employees may not give, sell or otherwise transfer the benefits received under this program to anyone else, nor should they request or receive a subsidy greater than their actual commuting cost (excluding parking) for the month. Participants taking leave should request a reduced benefit if their commuting costs for that month will be under \$100. If an employee finds that his commuting costs exceed \$100 for a particular month, he cannot subsidize his excess costs in a future month when his costs may fall below the \$100 threshold.

An employee who fails to utilize public transportation after being paid a subsidy is required to repay any part of the subsidy that was not utilized in conformance with the *Employee Declaration* on the application form.

Audit Objectives

The objective of the audit was to determine whether controls are in place to ensure that (i) Department of Transportation (DOT) contractor invoices accurately reflect the amount of subsidy being distributed to agency staff on a monthly basis; (ii) the agency-paid transit subsidy is being properly reflected in the agency's books and records and that all monthly adjustments are properly accounted for; (iii) employees are following program guidelines when calculating their monthly subsidy request, thus ensuring they receive only the amount of subsidy authorized under the program; and (iv) only eligible authorized agency staff are receiving a subsidy.

Scope and Methodology

In FY 2003, the agency spent \$686,000 to provide transit subsidies to an average of 647 FTC employees per month.¹ To begin the audit, the OIG compared employee participation monthly reports to Department of Transportation "invoices" to ensure that the agency was correctly billed. We then traced these amounts to agency general ledger accounts.

The OIG selected a sample of 52 employees from the 600 total HQ participants in February 2003 to determine the extent to which staff are making adjustments to their monthly subsidies, and to calculate the amount these individuals were entitled to, given actual leave usage and Federal holidays. (Leave records for each individual in the sample were obtained from the National Business Center, Payroll Division.)

The OIG cross checked transportation subsidy recipients from April 2003 and September 2003 against individuals receiving FTC-subsidized parking. We interviewed staff in ASO to discuss program administration and reviewed records maintained by them to include *FTC Public Transportation Benefit Program Application* forms, monthly DOT participation lists (the names of individuals receiving a subsidy and the subsidy amount) and parking permit holders listings. We also checked for duplicate subsidies received by staff for the 12 months under review.

The OIG visited the DOT subsidy distribution office to observe controls there. We spoke with DOT staff charged with administering the transit subsidy program. We performed tests for fraud, to include comparing participation lists with FTC employee rosters to identify "ghost employee" transit recipients, and reviewed employee separations to ensure that departed staff no longer received transit benefits.

Fieldwork was performed in November 2003 through February 2004. The audit was performed in accordance with Government Audit Standards.

¹ Staff participation ranged from 594 in January 2003 to 728 in June 2003. The increase in participation rates is attributed to student participation during the summer.

Findings

The results of the OIG review are presented by audit objective. Within each objective, a findings/discussion and recommendation format is followed.

Audit objective (i): Ensure that the Department of Transportation contractor invoices accurately reflect the amount of subsidy being distributed to agency staff on a monthly basis.

The OIG review found that DOT is accurately billing the agency for the *Metrocheks* it provides to FTC employees. Each month, DOT provides the FTC with a participation report, a summary of who received a subsidy for the month, and the amount of the subsidy. The monthly subsidy totals vary, depending primarily on the number of staff receiving a subsidy that particular month. In addition, DOT also includes other program costs and fees on the participation report. Together these combined costs and fees represent about six percent of the total staff subsidy. For example, in October 2003, the transit subsidy received by staff totaled \$64,076, but the agency was “billed” \$68,154, with the difference of \$4,078 made up of financial services fees (\$3,067), distribution fees (\$969) and other net program costs (\$42).

In addition to tying all monthly participation reports for FY 2003 to the amounts “billed” to the agency, the OIG also independently calculated invoice totals for February and June, 2003 based on the subsidy received by 600 and 728 FTC staff respectively. The OIG found that subsidies received by staff were accurately summed and reflected on the participation reports provided to the agency for those months.

Although the amounts billed tied to the participation reports, the OIG identified six staff who received double subsidies totaling \$556 in selected months. As no one individual received more than one double payment, and since the dollar impact was minimal, the OIG did not perform additional audit steps to explain how controls over double payments could fail. The OIG believes that management should research with DOT how such duplicate payments were possible, and address the vulnerabilities that permitted them to occur.

Recommendation 1. The OIG recommends that the transit subsidy coordinator research the causes of the identified six duplicate payments and address weaknesses in controls that permitted such payments.

Audit Objective (ii): Ensure that the agency-paid transit subsidy is being properly reflected in the agency's books and records, and that all monthly adjustments are properly accounted for.

The OIG found that the transit subsidy program costs, to include monthly adjustments by DOT, are accurately reflected in the agency's budgetary accounts. The OIG reviewed the FTCTF 112 series (F series) report for subsidy program transactions for the year ending September 30, 2003. Rather than being billed for actual usage, the FTC advances DOT funds based on anticipated quarterly program costs. DOT then draws down on this advance monthly. Second and subsequent quarterly amounts are adjusted up or down depending on actual subsidy activity in the prior quarter. With funds being transferred to DOT up to three months in advance of services rendered, it is important that advances are properly tracked against actual costs to ensure that the agency isn't paying for subsidies that it is not receiving.

The OIG reconciled the advances and adjustments for the program year identified in the "F Series" report to the monthly program reports submitted by DOT which contain subsidy amounts and other costs/fees. There were no discrepancies.

Recommendation for Audit Objective (ii): None.

Audit Objective (iii): Ensure that employees are following program guidelines when calculating their monthly subsidy request, thus ensuring they receive only the amount of subsidy authorized under the program.

The FTC transit subsidy program is designed to rely on the continual monitoring of daily transit usage by agency employees. To enter the program employees need to complete a transit subsidy application, requiring them to certify that they will use mass transit when commuting between home and work, and to perform a simple calculation to determine the amount of subsidy they will receive each month (the base) before any adjustments for leave and/or business travel. As the application establishes the initial or base monthly payment amount, it is a critical document.

On the face of it, the calculation appears simple as the objective of the program is to pay employees only for the amount of mass transit cost they incur between home and office up to \$100 per month. In actuality, employees, to receive the correct subsidy each month are asked to carefully monitor their actual monthly transit usage and make whatever adjustments are necessary in the current or following month to ensure that they are correctly subsidized. By no means is the program on "auto pilot" once the application is completed. The OIG believes that requiring 650 – 700 employees to perform this calculation monthly explains the low compliance rate among participants, as most employees do not adjust for absences from work. Enforcement of individual subsidy recipients by the program coordinator is not an option, as the costs of such oversight would likely far outweigh expected benefits. As a result, employees are left virtually

on their own to adjust subsidies downward, knowing that if such adjustments are not made, there are no consequences.

For these and other reasons identified below, the OIG believes that changes must be made to the application to better identify actual commuting costs by taking into account leave, alternative work schedules (AWS), work-at-home arrangements and other factors when computing the base monthly subsidy. Once this base is determined, the employee will not be required to make further adjustments throughout the year, i.e., no more need to calculate leave, travel, AWS or work-at-home on a monthly basis. Apart from making life simpler for the employee, i.e., those who do make adjustments, the OIG estimates that the agency will save between \$30,000 - \$50,000 annually in reduced subsidy costs.²

Finding 1. Many subsidy applications were outdated, contained mathematical errors and often did not tie to subsidy amounts claimed by program participants.

The transit application is the agency's basis for spending almost \$700,000 annually on transit subsidies. Yet the OIG found many forms were missing from the files, contained mathematical errors, were outdated, and/or did not identify critical information needed to monitor the program, such as the daily commuting cost. In addition, the forms, by design, provide all employees with the maximum subsidy, e.g., an amount that assumes that the employee will not miss a day of work for the an entire month.

The transit subsidy is based on a 21-day work month. This average results from a calculation of the total days in the year, less weekends and federal holidays (251), divided by 12 months. From this 21-day maximum, employees are asked to adjust the subsidy they receive based on their actual schedules (leave, AWS, TDY, etc). If employees do nothing, they are provided the full subsidy. The OIG believes that this system, which relies on employee record keeping and "rewards" them with less money when they do recalculate their base subsidy, is flawed.

Necessary information to effectively monitor the transit subsidy program is missing. In the OIG sample of 52 employees, we identified 46 employees with transit applications on file. The remaining six applications were either missing (4) or belonged to employees who recently left the Commission (2). Twenty-three of the remaining 46 applications did not identify daily commuting costs, rather the form identified only a monthly commuting cost total. Without detailed information, it is impossible to determine whether employees are deducting, for example, for alternative work schedule (AWS) days as required or whether they computed their subsidy amount correctly. The OIG noted that 11 of these 23 employees were on AWS, but we

² The \$33,000 estimate was based on OIG sample results. The OIG believes the estimate is conservative as three of the "busiest" leave months, August, November and December, were not included in the sample.

could not determine whether deductions were made due to the lack of detail. In contrast, on forms where daily cost were provided (23), the OIG identified four (4) staff who made no adjustment for their AWS schedule, while another four (4) applications contained math errors that resulted in incorrect subsidy payments.

The application also assumes that all subsidy recipients would use the same methodology to calculate monthly adjustments, as there are no written instructions accompanying the application. For example, the 21-day base contained in the agreement form that all staff must start with factors in an adjustment for ten holidays. This adjustment is not explained to staff.

The OIG noted variances in how the applications were completed by staff. For example, the OIG identified three employees who crossed out the 21-day monthly starting point and inserted between 22 and 25 days.³ The OIG did not contact staff to determine how their particular base was determined.

Although detailed information is important to effective program management, the fact of the matter is that there are costs associated with monitoring and enforcing transit program regulations that would most likely consume most if not all of any cost savings expected from the effort. It is for this reason that employees are on the honor system to make monthly adjustments for leave. However, in finding 2. below, the OIG shows that most employees do not make adjustments, resulting in thousands of dollars in subsidy overpayments by the agency.

Finding 2. FTC Employees are over subsidized, costing the agency between \$30,000 - \$50,000 annually.

As stated above, the OIG believes that the current transit subsidy program is flawed in that it (i) relies on information, like unplanned leave, not available to the employee when he collects his subsidy; (ii) requires the employee to perform monthly calculations to determine his adjusted subsidy, (iii) rewards inaction with a full subsidy, and (iv) is not enforced due to high enforcement costs. Employees can claim up to their maximum subsidy amount, and are free to justify (to themselves) why adjustments are not needed. Some such justifications might include the following:

- ◆ *I worked weekends two months ago, so the government owes me.*
- ◆ *The few dollars that the government would save isn't worth my effort.*
- ◆ *There are some months when my costs exceed my benefit, so it all evens out in the end.*

³ For this audit step, the OIG reviewed applications submitted by staff with last names beginning with the letters "A" through "C."

There is also some confusion as to who is required to make adjustments. Depending on the subsidy amount the employee qualifies for, an adjustment for several days off may not require any adjustment to the subsidy amount. On the other hand, for many program participants, even one day off requires an adjustment. The following three scenarios illustrate this point:

Scenario 1. Employee has gross monthly commuting costs of less than \$100. This employee's gross monthly commuting cost on public transportation is \$84 (21 days X \$4 R/T). She should reduce her subsidy request by \$4 for each day of annual, sick or administrative leave taken. Four days off would result in a net subsidy of \$68.

Scenario 2. Employee has gross monthly commuting costs at or slightly above \$100. This employee spends \$5.50 a day commuting, and thus is eligible for a gross subsidy of \$116 per month. But he also works an AWS schedule, lowering the maximum subsidy to \$105 (2 X 5.50). If the employee misses three days of work, the net allowable subsidy falls below \$100 to \$89.

Scenario 3. Employee spends significantly over \$100 commuting to work. Many staff who live in the outer suburbs or use the Amtrak train service find themselves in this category. For them, even several days off requires no adjustment. For example, an employee who spends \$168 commuting (\$8 R/T) could miss nine days per month before having to adjust her \$100 subsidy.

While these examples shed light on who should be making adjustments, the OIG found that most in our sample of 52 made no adjustments for the six month period under review.

The OIG identified the total subsidy claimed by our 52 person sample for 6 months in 2003. (February - July). Next, we computed the amount each employee was entitled to, based on "TDY" travel, leave used during the period of our review, and the daily commuting cost identified by the employee on his/her the application.

Our review identified 27 individuals (out of 52) who made no adjustments for the leave they used, resulting in an excess cost to the government of \$1,334. Extrapolating these results, the OIG estimates that the agency over subsidized staff by approximately \$33,000 in fiscal year 2003.⁴ Table 1. identifies eight FTC employees who received a transit subsidy in FY 2003 to illustrate the impact adjustments have on individual totals. The data is for six months, beginning with February 2003:

⁴ \$1334 X 2 (to adjust for 12 months) / 52 (sample size) X 647 (ave. participation rate) = \$33,196

Table 1. Sample Transit Subsidy Activity

Sample Number	Monthly Cost	6 Month Subsidy Paid	OIG-Calculated Subsidy	Over Payment
1	\$115	\$600	\$554	\$46
2	105	600	565	35
3	84	504	504	--
6	100	600	495	105
13	70	390	347	43
36	83	498	442	56
38	129	600	670	--
39	84	600	461	139

Legend:

Employee Number - Identifier from OIG sample of 52.

Monthly Cost - Work up of transit subsidy allotment per transit agreement based on management guidance

6 Month Subsidy Paid- Amount of subsidy employee requested/received during the period February 2003 – July 2003.

OIG-Calculated Subsidy - Amount employee should have claimed, subject to program limits, based on actual leave usage

Over Payment - Amount of subsidy claim that exceeded actual transit usage

There are a few observations from the table worth noting. First, even though it appears employees stayed within program limits (e.g., the amount claimed was equal to or less than the \$100/month program limit, six (1, 2, 6, 13, 36, and 39) of the eight exceeded their allowable subsidy. Looking at monthly totals only, it is impossible to identify who received more subsidy than they were entitled to. Second, participants whose costs equal or exceed \$100 could, in select months, still be required to make adjustments for days off (1, 2, and 6). Finally, employees with commuting costs less than \$100 (13, 36 and 39) always impact the allowable subsidy amount for even one day away from the office.

There are two applications currently being used by the FTC to enroll participants in the subsidy program. One application form asks employees to identify their monthly commuting costs. The other form requires employees to identify daily costs and adjusts downward for AWS schedules and holidays. Notwithstanding the added detail contained in the latter form, there are too many incentives in the system for employees to neglect required adjustments, as discussed above, and too many obstacles to enable cost-effective enforcement.

Recommendation 2: ASO redesign the Public Transportation Benefit Program Application to ensure subsidy amounts more closely reflect employee attendance at work .

The OIG believes that shortcomings inherent in the current transit subsidy program can only be effectively addressed by redesigning the application form to adjust for leave. Based on years of service and agency sick/annual leave averages, employees would make appropriate adjustments one time, when completing the application. The advantages of this approach are threefold: it would (i) eliminate the need for 647 employees (agency average) to recalculate their monthly subsidy entitlement, (ii) substantially reduce enforcement costs, and (iii) save the agency a significant sum of money (\$30,000 - \$50,000) annually.

The OIG developed a computation that, performed once, will provide the employee with a far more accurate depiction of the amounts s/he is actually entitled to by factoring in annual leave and holidays, while conservatively estimating sick and administrative leave usage. One possible application format is identified in Appendix A. Once determined, the employee would only make adjustments for extraordinary events, such as extended travel and/or sick leave. Appendix B contains a subsidy “receipt” that provides the employee with the subsidy entitlement given his/her profile (annual and sick leave estimates, AWS , Work-at-Home schedule).

Audit Objective (iv): Ensure that only eligible authorized agency staff are receiving a subsidy.

The OIG performed steps to identify fraud, as required by Government Auditing Standards. Although no fraud was found, the OIG identified two employees who were receiving both subsidized parking and a transit subsidy. The OIG provided this information to the transit program manager. However, ASO who had already identified these individuals through its own review, and had referred them to the Human Resources Management Office for follow up, as they were participating in an HRMO’s Reasonable Accommodation program.⁵ The OIG followed up with HRMO managers to ensure that the proper amounts were repaid by these individuals.

⁵ The Reasonable Accommodation Program provides parking free-of-charge at the FTC to employees with short term, medically supported, parking needs.

The OIG also identified six FTC staff who collected two subsidies in one month. The OIG performed audit steps to provide assurance that no fraud, either by FTC staff or by DOT contractor staff, was involved. Four of the six employees missed their subsidy within one to three months prior to the month where a double subsidy was received. Management theorized that these individuals were simply recouping what they felt belonged to them.⁶ Management could not explain the remaining two double payments. Comparison of signatures revealed that the same person picked up the subsidy twice in the same month, and no one person collected a double subsidy more than once.

On the other hand, there is a weakness in controls that permits double subsidy payments. In a demonstration provided by DOT transit subsidy contractors, the OIG learned that such double payments are flagged by the system, and DOT must override the system control before a second subsidy in one month can be provided. DOT told the OIG that no one contractor was involved in all double subsidy payments.

As such “recouping” of missed payments are, according to FTC Transit Subsidy policies and procedures, clearly not permitted, and since the FTC is billed for these control weaknesses, the OIG believes that the FTC should notify DOT that future double payments will not be reimbursed by the FTC. The contractor should, in turn, notify contractor staff that no double payments can be provided without the concurrence of the FTC transit subsidy manager.

Recommendation for Audit Objective (vi): None.

Conclusions

Based upon our audit findings the OIG believes the program as designed has four weaknesses.

1. Program guidance requires hundreds of employees to calculate small downward adjustments monthly to avoid being overpaid. The OIG did not survey agency staff on how it calculated such adjustments given 52% of sampled employees made no adjustments for any of the six months under review.
2. Management assumes that all employees receiving subsidy would utilize the same methodology to calculate monthly adjustments.
3. Employees start with a monthly subsidy amount that without any subsequent adjustment would result in knowingly overpaying staff.

⁶ One employee did attempt to pick up his subsidy at DOT at the end of the month, but found the offices to be closed for construction. Hence, he requested two payments in the subsequent month. As the missed subsidy was not the employee’s fault, management felt that this transaction was permissible.

4. Due to the need to account for every absence from work for hundreds of employees the resources needed to ensure program compliance is substantial (i.e. ensure employees are correctly making all necessary monthly adjustments).

In summary, the agency transit program (i) requires hundreds of agency employees with little guidance (ii) to perform monthly calculations (iii) that result in them giving up a benefit they or perhaps a family member might be able to utilize at some later date. They are expected to undertake this course of action with little guidance, and knowing, based on historical experience, that no one will ask why they have not made the necessary monthly adjustments in the event they forget to comply.

Consequently, the OIG believes management needs to reevaluate its program incentives/assumptions starting with reviewing the current employee transit agreement form. Properly designed this form could be used to provide a more reasonable subsidy estimate, thus removing the need for employees to undertake monthly calculations. Such an approach would also substantially reduce the need for management to conduct either follow-up or enforcement efforts. Attachment A contains one possible example of a revised agreement form that includes the types of variables that need to be known of all employees before paying any subsidy. This revised form will help to ensure that everyone starts with a monthly subsidy that is likely to reflect their actual experience over the course of a year. If employed it would greatly reduce the amount of overpayments that are now routinely occurring while being fair to nearly all subsidy recipients.

Recommendations in AR 04-059

Recommendation 1. The OIG recommends that the transit subsidy coordinator research the causes of the identified six duplicate payments and address weaknesses in controls that permitted such payments.

Recommendation 2. ASO redesign the Public Transportation Benefit Program Application to ensure subsidy amounts more closely reflect employee attendance at work .

**FEDERAL TRADE COMMISSION
PUBLIC TRANSPORTATION BENEFIT PROGRAM APPLICATION**

A. Applicant Information (Please Print or Type):

Last Name: _____ First Name: _____ MI: _____

Home Address: _____

City: _____ State: _____ Zip Code: _____

Org. Code (See FTC Directory) _____ Work Phone: _____ Last 4 digits of your SSN: _____

Work Address: _____

City: _____ State: _____ Zip Code: _____

Prior to Applying for this benefit:

Did you drive to work? Yes _____ No _____

Use some form of mass transit? Yes _____ No _____

Please identify the name of the transit company/system that you use: _____

Please identify the type of pass or fare media that you use: _____

B. Modes of Transportation To Be Used to and from Workplace: (Check all that apply.)

Bus _____ Light Rail _____ Subway _____ Train _____ Ferry _____ Van Pool _____ Other (explain) _____

C. Employee Certification:

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.

I certify that I am a paid employee of the Federal Trade Commission.

I certify that I use public transportation or an authorized van pool (registered at WMATA - Washington Metropolitan Area Transit Authority), am eligible for a public transportation fare benefit, will use it for my daily commute to and from work, and will not give, sell, or transfer it to anyone else.

I certify that the monthly transit benefit I am receiving does not exceed my monthly commuting costs.

I certify that in any given month, I will not use the Government-provided transit benefit in excess of the statutory limit. If my commuting costs per month on public transportation exceed the monthly statutory limit, then I will supplement those additional costs with my own funds rather than use a Government-provided transit benefit designated for use in a future month.

I certify that, knowing that the monthly amount certified below does not take into account use of annual or sick leave, I will make appropriate adjustments when claiming my subsidy amount for the current month if I have planned leave scheduled (i.e., a vacation) or when claiming my subsidy for the subsequent month if I have incurred unplanned leave (i.e., due to illness) since the prior subsidy distribution.

Certified Amount: \$ _____ (See worksheet on opposite side)

Employee Signature: _____ Date: _____

PRIVACY ACT STATEMENT: This information is solicited under authority of Public Law 101-509. Furnishing the information on this form is voluntary, but failure to do so may result in disapproval of your request for a public transit fare benefit. The purpose of this information is to facilitate timely processing of your request, to ensure your eligibility, and to prevent misuse of the funds involved. This information will be matched with the lists at other Federal agencies of Government-assigned parking to ensure consistency with the mode of transportation checked.

TRANSIT SUBSIDY WORKSHEET

If you are on a regular 5-day-a-week schedule or Alternative Work Schedule (AWS), please complete Section A only. If you are on a part-time or telework schedule, or if you travel on official business on a regular basis, please complete Section B only.

SECTION A - REGULAR OR AWS SCHEDULES

Work Schedule: (Circle One)	Regular	AWS
Work Days per Month*	21	19
2. Daily Round Trip Cost**		
3. Monthly Subsidy*** (Line 1 x Line 2)		

SECTION B - ADJUSTMENTS FOR PART-TIMERS, TELEWORKERS, AND OFFICIAL BUSINESS TRAVEL

If you are on an AWS schedule, please use 19 working days as your monthly base. Otherwise, please use 21 days as your base.

1. Monthly Base* (Circle One)	21	19
2. Anticipated Number of Days Off per Month Due to Part-Time or Telework Schedules, or Official Business Travel		
3. Adjusted Work Days per Month (Line 1 Minus Line 2)		
4. Daily Round Trip Cost**		
5. Monthly Subsidy*** (Line 3 x Line 4)		

* This represents the average number of regular work days per month during the calendar year taking into account weekends and Federal holidays.

** This amount should include your daily costs for approved modes of transportation only. Please DO NOT include any fees for parking.

*** Place this amount on the front of this application on the "Certified Amount" line.

NOTE - If for any reason your monthly subsidy amount changes (i.e., you move to a new residence or your office location changes), please fill out a new application (FTC Form 987) and submit it to Customer Services (Rm. H715).