

Testimony of
Dennis Anosike, Chief Financial Officer
Washington Metropolitan Area Transit Authority

Before a joint hearing of the Subcommittee on Transportation and Public Assets and the
Subcommittee on Government Operations under the Committee on Oversight and
Government Reform
U.S. House of Representatives
Tuesday, July 21, 2015

Good Afternoon, Chairman Mica, Chairman Meadows, Ranking Member Duckworth, Ranking Member Connolly and Members of the Subcommittees, thank you for the opportunity to testify today. I am Dennis Anosike, Chief Financial Officer for the Washington Metropolitan Area Transit Authority, commonly known as Metro.

I appreciate your invitation to come before you and provide a summary of where Metro is financially. Given the capital funding provided to Metro by the federal government, it is important that we provide you a clear update on Metro's financial condition. The nearly one-half billion dollars of federal funding we receive annually is vitally important as it supports more than half of WMATA's total capital program that serves to ensure customer safety and improve transit service reliability.

I'd like to begin with an update on the Federal Transit Administration's Financial Management Oversight (FMO) Audit Review Report, which was provided to WMATA on June 10, 2014. The FMO review identified nine findings, five advisory comments, and a total of 45 recommendations. In response to the FTA's findings, WMATA committed to 65 Corrective Action Plan (CAP) items. As of June 30, 2015, WMATA has completed and submitted all 65 CAPs to FTA. In addition, 18 of the 35 grants that were outstanding are now completely drawn and formally closed. This significant milestone represents Metro's completion of its response to the FMO Report. However, more work remains to be done at WMATA; including completion of our FY2014 financial statements audit which is significantly delayed partly due to the deficiencies identified in the FMO findings.

As we have these legacy challenges, Metro's financial condition is stabilizing; with adequate cash on hand to meet vendor payment obligations. This follows recent extensions of Metro's Lines of Credits and substantial federal grant reimbursements, including \$87 million in June, and \$375 million in total since the ECHO restriction was imposed almost sixteen months ago; all of which have enabled Metro to pay down almost half of the short term debt originally incurred to manage liquidity following the federal grant draw restriction.

Ridership and operating revenue is lower compared to budget due to lack of growth in Metrorail ridership. Our recent ridership has been impacted by overall economic changes in the Washington region and by the reduction in the federal transit benefit. We have been able to offset this fare revenue shortfall through internal efficiencies without increasing fares or reducing service, and expect to close the 2015 fiscal year with a balanced budget; and without additional contributions from our jurisdictional partners.

In the past 12 months we have worked to revamp and reform the way we manage Metro's finances. One significant action to improve internal controls and regulatory compliance was creating an Office of Internal Control and Compliance that is responsible for assessing, reviewing, and monitoring adherence to financial management controls and related policies and procedures throughout the Authority. The Office of Internal Control and Compliance (OICC) conducts objective assessments of WMATA's compliance with financial management controls, with a primary focus on applicable federal rules and regulations necessary to preserve WMATA's federal grant eligibility.

I would like to emphasize that, for us, fiscal responsibility, including accurate and timely financial reporting, is the top priority. Thank you for the opportunity to testify, and I would be happy to answer any questions you may have.

DENNIS ANOSIKE

Washington Metropolitan Area Transit Authority
Chief Financial Officer/Deputy General Manager

2014 2015

Led financial transformation of the organization. Rebuilt the finance team and established new structures, reporting and internal control to address stakeholder expectations. Provide financial management leadership for a \$3.2 billion multi-state transit organization. Work with CEO, Board of Directors and regional partners to develop corporate priorities and manage agency performance. Drive strategy and financial management goals including managing capital market activities and regional negotiations for operating and infrastructure initiatives support.

Illinois Finance Authority
Consulting/CFO

2013

Served as advisor and interim Chief Financial Officer for a State Infrastructure Bank. Assisted with focus, delivery and management of access to low-cost capital for public and private institutions through tax-exempt and taxable bonds and through non-conventional loan guarantees to drive economic development, job creation and retention to improve the quality of life for state residents.

The Northern Trust Company
Senior Vice President

2010 2013

Led the North America Public Funds/Taft Hartley team for a global financial services firm providing custody and asset servicing solutions to institutional clients. Assisted leadership with strategic planning and was responsible for managing team execution of group priorities and profitability. Managed 26 associates responsible for end-to-end service delivery and client satisfaction. Organized leadership summits to encourage dialogue and facilitate exchange of ideas among regional clients.

United States Department of Commerce
Senior Advisor

2010

As Senior Director of Management and Performance to the Chief Financial Officer and Assistant Secretary for Administration, provided coordination and oversight for the department's \$9.1 billion annual budget. Assisted with policy and management accountability for budget, human resources, supply chain, facilities and security. Helped implement a unified strategy for connecting priorities, resources, execution and results that linked department priorities to Presidential goals. Monitored agency scorecard for compliance with department objectives. Institutionalized processes to identify and manage department's risk environment.

United Investment Managers, Inc., Chicago, IL
President

2009

Led a Securities and Exchange Commission registered investment advisor providing long-only multimanager investment solutions for institutional clients. Developed and

managed firm strategy, service delivery and profitability. Oversaw client service and the development and launch of new products and services to meet client needs. Managed staff recruitment, development and performance. Led firm merger and post-acquisition transition activities.

Chicago Transit Authority, Chicago, IL

1998 2009

Chief Financial Officer/Treasurer

Served as strategic advisor and provided leadership for financial policy and administration for a \$1.5 billion mission-driven organization. Worked closely with the President and the Board of Directors to plan, allocate and manage agency resources with oversight for Budget, Comptroller, Capital Improvement, Treasury and Financial Reporting. Led capital market activities including management of a \$2.5 billion debt portfolio to support infrastructure initiatives. Served as portfolio manager for the agency's \$300 million fixed income portfolio, as well as Chair of a \$2.5 billion Defined Benefit Plan and \$400 million Deferred Compensation Plan. Led discussions with legislative and oversight agencies regarding organization funding and operations. Also participated in agency negotiations with city, state and federal policy makers on grant funding strategies; and with various labor unions on collective bargaining agreements.

Chicago Transit Authority, Chicago, IL

1997

Senior Vice President

Served as Budget Director with responsibility for Budget, Comptroller and Capital Finance Departments. Developed and administered a \$1.2 billion annual operating and capital budget. Established and monitored performance benchmarks for compliance with agency objectives. Supported agency strategic planning efforts and led ERP system implementation and other technology projects. Negotiated new credit facilities to support program priorities and assisted agency market expansion efforts. Testified before City and State proceedings regarding programs and funding requirements.

Office of Budget and Management, City of Chicago, Chicago, IL

1995 1996

Deputy Budget Director

Assisted the Director with the City's fiscal management. Supervised preparation and implementation of the City's \$4.5 billion annual budget and assisted city administrators regarding financial strategy and management. Provided administrative oversight for Finance, Administration, and Public Safety departments. Participated in legislative and community hearings and advised leadership on funding options and program effectiveness. Worked with consultants to review financial controls and to design program risk management strategies, including program and department realignments. Participated in collective bargaining negotiations and served as liaison to City Council. Managed City's General Finance requirements including collaboration with Chicago Public Schools on funding options and program effectiveness. Helped coordinate preparation of the Mayor's Preliminary Budget Estimate documents.

Chicago Police Department, City of Chicago, Chicago, IL

1991 1995

Director of Finance

Provided financial and management support to the Superintendent of Police. Managed forty-five (45) employees responsible for developing and managing an \$800.0 million Budget, Purchasing, Accounting and Technology support. Instituted new policies for payroll administration and automated accounting system for better financial reporting and to facilitate better information for managing department resources. Recommended and monitored productivity metrics and privatization initiatives. Worked as financial advisor to the Chicago Alternate Policing Strategy (CAPS) implementation team and served as department liaison to external organizations regarding program effectiveness and efficiency.

Office of Budget and Management, City of Chicago, Chicago, IL

1989 1991

Supervising Budget Analyst

Supervised six budget analysts. Developed reports, studies and assignments to facilitate financial and programmatic management of part of the City's \$3.6 billion budget. Assisted in developing annual strategic objectives and provided program monitoring for twenty departments, with over \$800.0 million budget. Assisted in developing financing options and managed community participation in a \$200.0 million Emergency Communication Center development. Reviewed agency agreements for economic impact and evaluated candidates for internships and employment. Identified intergovernmental initiatives impacting City operations and recommended policy alternatives. Served as liaison to city departments and community organizations.