



State Auditor
Dave Boliek
**RAPID RESPONSE PRELIMINARY
SPECIAL REPORT**

North Carolina
Office of the State Auditor
Rapid Response Division
1-800-730-TIPS

September 30, 2025

Charlotte Area Transit System

WHY WE CONDUCTED THIS REPORT

In response to the murder of Iryna Zarutska on August 22, 2025, the North Carolina Office of the State Auditor (OSA) launched a review of the Charlotte Area Transit System (CATS) amid serious public safety concerns. Focused on the overall safety of the CATS, OSA has thus far reviewed the CATS's private security contracts, data used to monitor public safety, and its safety and security budget.

OBJECTIVE

This report contains initial findings based on a preliminary review of documents and information obtained from the City of Charlotte (the City) and the CATS. It focuses solely on personnel provided by private security contractors, and does not account for any temporary surges or other additional personnel provided by the Charlotte Mecklenburg Police Department (CMPD). OSA will release a final report after conducting a full review.

PRELIMINARY FINDINGS

The CATS is a daily transit system serving the City and the greater Mecklenburg

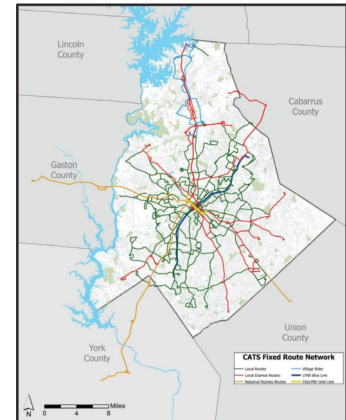
County area with local and regional bus lines, two rail lines, vanpools, and transportation services for eligible customers with disabilities.¹ The CATS “maintains a dual focus of managing and continually improving day-to-day operations of transit services within a five-county area while advancing planning for a regional rapid transit system.”² The CATS has 48 train cars and approximately 337 buses.

CATS BY THE NUMBERS

Service Area Size: 675 square miles

FY 20204 System Ridership: 14.9 million

3,021 Bus Stops	Park and Rides
▷ 268 with a Shelter	▷ 17 Express Bus
▷ 367 with a Bench	▷ 11 Light Rail - 6,468 parking spaces
43 Rail Stations	4 Transit Centers
235 Fixed Route Buses – 67 Bus Routes	
48 Train Cars – 2 Rail Services	
85 Paratransit Buses – 5,104 clients	
4 Operating Facilities	



The graphic provided above is from the Charlotte Metropolitan Transit Commission's (MTC) [September 3, 2025 meeting packet](#).

¹ [Get to Know CATS - Charlotte Area Transit System](#).

² [Get to Know CATS - Charlotte Area Transit System](#).

NOTE: OSA maintains strict confidentiality when handling personally identifiable and other sensitive information in accordance with State and federal law. OSA takes all necessary precautions to ensure that sensitive information is not compromised or improperly shared. This special report is based on the limited information available to OSA during our investigation and is not exhaustive. This report does not constitute an audit or attestation engagement conducted in accordance with generally accepted government auditing standards.

PRELIMINARY FINDINGS

Contracts for Security Services

On October 25, 2018, the CATS contracted with G4S Secure Solutions (USA), Inc. (G4S) for transit security services for the CATS system. The term of the contract was three years and was to expire on October 10, 2021; however, the City had the option to extend the contract for up to two additional one-year terms. It appears that for much of the initial term of the contract G4S provided approximately 108 security personnel and that between 68 and 88 of those personnel were armed.³

G4S Secure Solutions (USA) Price Proposal

	PERSONNEL		G4S FINAL Proposal			
Item	Description	Units of Measure	Approx. FTEs	Estimated Quantity	Hourly Contract Rate	Extended Price
1	Company Police Armed *	HR	68.05	141,544	\$ 27.92	\$ 3,951,908.48
2	Security Officer	HR	22	45,760	\$ 16.99	\$ 777,462.40
3	Security Ops. Center Dispatch	HR	7	14,560	\$ 19.25	\$ 280,280.00
4	Account Manager/Deputy Chief	HR	1	2,080	\$ 59.67	\$ 124,113.60
5	Police Sergeant*	HR	6	12,480	\$ 29.22	\$ 364,665.60
6	Police Lieutenant - Patrol	HR	1	2,080	\$ 31.89	\$ 66,331.20
7	Police Captain - Administrative	HR	1	2,080	\$ 36.56	\$ 76,044.80
8	Police Captain - Operations	HR	1	2,080	\$ 36.56	\$ 76,044.80
9	Police Captain - Patrol	HR	1	2,080	\$ 36.56	\$ 76,044.80
PERSONNEL TOTALS			108.05	224,744	\$ 5,792,895.68	
VEHICLES					G4S BAFO Proposal	
Item	Description	Unit of Measure	Number of Units	Estimated Quantity per Year	Monthly Contract Rate	Extended Price
10	Patrol Vehicle Auto	MO	6	72	\$ 1,362.00	\$ 98,064.00
CONTRACT TOTAL COST per year:						\$ 5,890,959.68

The above Price Proposal, included as part of Exhibit B of the 2018 contract between the CATS and G4S, was provided to OSA by the City.

B. Staffing & Jurisdiction

- (1) Current Staffing Levels: The current staffing levels are Sworn Company Police (88), Unarmed Security Guards (34), and Dispatchers (7), and are considered to be the minimum staffing levels for the duration of this Contract unless otherwise agreed to by CATS and the Company.

The above image displays a portion of the Scope of Work attached to the City's 2018 contract with G4S.

³ The Scope of Work for the original 2018 contract indicates that the armed personnel would be armed with either a firearm or a taser. Additionally, at this time, the number of armed personnel G4S was required to provide the CATS under the original 2018 contract is unclear. The Price Proposal, attached to the contract as Exhibit B, shows that G4S would provide approximately 68 armed company police, but the contract's Scope of Work indicates that the City requested, and G4S agreed to provide, 88 armed "sworn company police." OSA will confirm exactly how many armed security personnel G4S provided to the CATS under the 2018 contract.

PRELIMINARY FINDINGS

On October 1, 2021, the 2018 contract was assigned to Universal Protection Service, LLC d/b/a Allied Universal Security Services (Allied) because Allied had “materially absorbed G4S.” Additionally, the City exercised both one-year renewal terms as allowed by the contract, which extended the contract through October 10, 2023.⁴ On October 5, 2022, in its letter exercising the second renewal option, the City informed Allied that the City was “currently in the process of procuring a new transit security contract” to take over the provision of the CATS’s security services after the second and final renewal option of Allied’s contract expired.

To that end, the City issued a Request for Proposal (RFP) seeking a new contractor to provide security services for the CATS’s transit facilities on July 19, 2022. Based on OSA’s initial review, it appears that this RFP was split into two parts—one part seeking a contractor to provide “sworn company police”⁵ and armed security personnel (collectively, armed security services), and the other part seeking a different contractor for unarmed security services.⁶ **The proposal for unarmed security services was “targeted only” to businesses that were registered and certified with the City’s Charlotte Business Inclusion (CBI) program.**

The CBI program “seeks to enhance competition and participation of Minority, Women, and Small Business Enterprises (MWSBEs) in city contracting.”⁷ “Leveraging the commitment of [C]ity [L]eadership, CBI’s goal is to be a national model in the business inclusion space. To accomplish this, all city departments have increasingly examined their procurements and set specific MWSBE participation goals on a contract-by-contract basis.”⁸

During discussions regarding the RFP, City Compliance Officer, Terrence Watson, noted that the solicitation for unarmed security services “is only open to CBI security firms, it is not open to other firms regardless if [sic] they have other certifications by other parties.” A portion of an email Mr. Watson sent about the RFP on June 16, 2022, is provided below:

From: Watson, Terrence
Sent: Thursday, June 16, 2022 1:09 PM
To: Tate, David <David.Tate@charlottenc.gov>
Cc: Moskowitz, David <David.Moskowitz@charlottenc.gov>
Subject: Two Solicitations, CBI Goal Waiver, DBE and CBI mutually exclusive. RE: PSR 1332 Security Services Scope

Hi David,

- Just a heads up in preparation for the meeting tomorrow:
- These should be two separate solicitations or scopes.
 - CBI broke out the unarmed security services scope from the entire solicitation to create another solicitation.
 - CBI has designed the unarmed security guard (fare inspector) solicitation as targeted only to CBI registered and certified (MBEs, WBEs, and SBEs). (See attached) This solicitation is only open to CBI security firms, it is not open to other firms regardless if they have other certifications by other parties. So we will not accept NCDOT or NCHUB certified firms. This solicitation should clearly state that only CBI certified SBEs or registered MBEs and WBEs at the time of proposal submission may submit proposals. It should clearly state that proposals submitted by firms not recognized by the CBI program will not be accepted or reviewed for consideration.

This email was provided to OSA by the City.

⁴ Throughout the two renewal terms, various amendments to the 2018 contract were executed to adjust staffing levels and pricing.

⁵ See *generally* North Carolina General Statutes, Chapter 74E (outlining the authority and minimum standards for company police personnel). Under this Chapter, company police may carry weapons so long as they comply with all applicable provisions of the law. See N.C.G.S. § 74E-7.

⁶ [City Council Meeting Minutes, April 10, 2023, pg. 22.](#)

⁷ [Charlotte Business INclusion - City of Charlotte.](#)

⁸ [Charlotte Business INclusion - City of Charlotte.](#)

PRELIMINARY FINDINGS

The next day, Mr. Watson sent another email emphasizing that “[t]he advertisement must mention the unarmed scopes have been designated as targeted for CBI security firms only.”

From: [Watson, Terrence](#)
To: [Tate, David](#)
Cc: [Moskowitz, David](#)
Subject: Note: CBI firms must be directly notified at time of public publishing. RE: Two Solicitations, CBI Goal Waiver, DBE and CBI mutually exclusive. RE: PSR 1332 Security Services Scope
Date: Friday, June 17, 2022 10:32:41 AM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[Updated Directory 2022-06-17 CBI MBE SBE WBE Security vendors 6172022.xlsx](#)

Hi David,

I forgot to mention the CBI security firms must be directly contacted about the solicitation via email on the date we publish the advertisement. The advertisement must mention the unarmed scopes have been designated as targeted for CBI security firms only.

Let me know when you publish and I will provide another list pulled just before you publish. Just let me know when you need it.

This email was provided to OSA by the City.

The requirement that the CATS could only accept proposals submitted by CBI certified vendors functionally excluded other qualified vendors who could have provided security for the CATS’s riders. **Additionally, certain communications put forth by the CBI Advisory Committee raise questions about CBI’s partisan motives. Recently, an April 9, 2025, meeting of the CBI Advisory Committee included a discussion about House Bill 171, “An Act Eliminating Diversity, Equity, and Inclusion (DEI) Initiatives in State and Local Government.”**⁹ At the time, House Bill 171 was being debated and considered by the North Carolina General Assembly. **At the Committee meeting, then-Committee Chair, Ciara Lilly,¹⁰ encouraged committee members “to listen to the Republican argument” made in support of the bill during committee hearings so that they could “be prepared to counter it.”**¹¹

CBI Updates:

- Julius shared more about CBI’s Partnership with David Willis & Steph Aumen. He updated the committee about the Building Bridges Series (More information to come). As it relates to House Bill 171 it is business as usual. Ciara shared that it has been quickly passed through the House of Representatives. She offered to share the link to watch the live hearing today. She urged us to listen to the Republican argument so that we can be prepared to counter it.

⁹ [H171v6.pdf](#).

¹⁰ Ms. Lilly’s [LinkedIn profile](#) notes that she is the “Senior Vice President of Culture and Belonging at Diversified Maintenance, where she ensures the company’s culture evolves in alignment with its business strategy.” Ms. Lilly served as Chair of the CBI Advisory Committee until September 2025.

¹¹ [CBI Advisory Committee Meeting, April 9, 2025, pg. 1.](#)

PRELIMINARY FINDINGS

In response to its RFP, the City received eight proposals.¹² One of those proposals was submitted by the City's prior security contractor, Allied.¹³ A review panel evaluated each of the proposals received and did not recommend that the City re-contract with Allied. Instead, the panel recommended awarding the armed security services portion of the RFP to Strategic Security Corporation (SSC) and the unarmed security services portion of the RFP to Professional Police Services d/b/a/ Professional Security Services (PSS).¹⁴ PSS is a CBI-certified minority business enterprise, and the wife of PSS's founder and CEO was employed by the CMPD for 30 years.¹⁵

After the panel reviewed all the submitted proposals, it sought the City Council's approval to contract with SSC and PSS at the City Council's meeting on April 10, 2023.¹⁶ At that meeting, Brent Cagle, now serving as the CATS Interim CEO, noted that PSS "ha[d] previously served the City as a M[inority] B[usiness] E[nterprise] subcontractor," and that splitting the RFP into two parts allowed PSS "the opportunity to move into the prime contractor position."¹⁷ He noted that giving PSS this opportunity was a "benefit" of breaking the RFP into two pieces.

The City Council voted to approve the panel's award recommendation on April 10, 2023.¹⁸

After receiving approval from the City Council to move forward with the award, the City executed contracts with PSS for unarmed security services on July 15, 2023, and with SSC for armed security services on September 17, 2023.

On June 14, 2024, the City cancelled its contract with SSC because SSC "failed to meet certain requirements of the [c]ontract and to perform its duties to the satisfaction of [the] CATS."¹⁹ The cancellation was effective December 14, 2024. Around the same time, the City also amended its contract with PSS such that PSS now provides both armed and unarmed security services for the CATS. Based on OSA's initial review, there is no clear evidence that the City issued a new RFP for armed security services or otherwise engaged in a competitive procurement process before amending PSS's contract. Pursuant to this report, OSA has not come to a conclusion on the quality of service provided by PSS at this time.

Financial System Contract Calculation Allocation							
#	Description of Change	Change Description	Amount	Original Amount	Previous Change	Current Change	Running Total
1	Amendment/Change Order	Amendment 2		18,165,639.6	5,701,248	13,365,907.60	37,279,469.2
TOTAL							\$37,279,469

This information was provided to OSA by the City in its amended contract with PSS.

¹² At this time, OSA is unable to release full details regarding the contents of the RFP or the proposals submitted in response thereto, as these documents may contain "sensitive public security information" that is not public record. See N.C.G.S. § 132-1.7(a). After a full review, OSA will discuss any relevant public information contained in the RFP and the proposals in its final report.

¹³ [City Council Meeting Minutes, April 10, 2023, pg. 22.](#)

¹⁴ [City Council Meeting Minutes, April 10, 2023, pg. 22.](#)

¹⁵ [City Council Meeting Minutes, April 10, 2023, pg. 28.](#)

¹⁶ [City Council Meeting Minutes, April 10, 2023, pg. 22.](#)

¹⁷ [City Council Meeting Minutes, April 10, 2023, pg. 22.](#)

¹⁸ [City Council Meeting Minutes, April 10, 2023, pg. 31.](#)

¹⁹ At this preliminary stage, OSA has not yet confirmed the specific reasons why the City cancelled its contract with SSC.

PRELIMINARY FINDINGS

The City's amended contract with PSS provides funding for a total of 219 security personnel during fiscal year (FY) 2025 and FY 2026:

Year 2 (FY25):

Item	Description	UOM	Approx. FTEs	Est. Hours	Hourly Rate	Extended Rate
1	Company Police Officer	HR	26	54,080	\$46.97	\$2,540,137.60
2	Company Police Sergeant	HR	6	12,480	\$48.93	\$610,646.40
3	Company Police Captain	HR	1	2,080	\$56.73	\$117,998.40
4	Company Police Account Manager/Deputy Chief of Police	HR	1	2,080	\$60.30	\$125,424.00
5	Dispatch	HR	8	16,640	\$35.41	\$589,222.40
6	Armed Security Guard	HR	6	12,480	\$42.00	\$524,160.00
7	Unarmed Security Guard Facility/Rail Operations	HR	162	336,960	\$30.96	\$10,432,281.60
8A	Unarmed Security (Sergeants) Facility/Rail Operations	HR	8	16,640	\$37.80	\$628,992.00
8B	Unarmed Security (Captain) Facility/Rail Operations	HR	1	2,080	\$45.60	\$94,848.00
	Personnel Totals:		219	455,520		15,663,710.40

Item	Description	UOM	Approx. Units	Est. Months	Monthly Rate	Extended Rate
9	Security Vehicle	MO	2	24	\$887.50	\$21,300.00
10	Police Vehicle	MO	3	36	\$8,172.00	\$294,192.00

This chart was provided to OSA by the City in its amended contract with PSS.

Of those, the contract provides for up to 39 armed individuals.²⁰ **The City confirmed the contract provides for six armed guards, 26 state-certified police officers, six police sergeants, and one captain—all of whom are armed.**²¹ This reduces the amount of armed personnel previously provided by G4S by at least 40%.²² Additionally, this number does not permit the CATS to have an armed officer or guard on all of its 48 train cars at once.

It appears that until recently, PSS's jurisdiction was limited "to the real property owned by the city and utilized for transit purposes."²³ One month after Iryna's murder, the City voted to amend its Memorandum of Understanding with PSS to expand its jurisdiction to include areas adjacent to its various transit centers.²⁴ The City has the right to exercise two one-year extensions to the contract after FY 2026 for the same number of personnel.

²⁰ The Scope of Work included in the contract indicates that "company police" personnel and "armed security guards" are armed with either firearms or tasers.

²¹ The contract documents provided to OSA indicate that PSS would receive "additional support from the C[MPD]." At this time it is unclear whether this "additional support" includes CMPD providing armed personnel in addition to the 39 armed personnel provided by PSS.

²² As previously noted, it appears that the City's original 2018 contract with G4S appears to have provided for at least 68 armed personnel. This is 29 more armed personnel than the 39 provided by the City's current contract with PSS. 29 is approximately 42.6% of 68.

²³ [City Council Meeting Agenda, September 22, 2025, Item 11.](#)

²⁴ See [Resolution Passed by the City Council, September 22, 2025.](#)

PRELIMINARY FINDINGS

Since 2022, the CATS has entered private security contracts collectively valued at more than \$49 million.

SECURITY SERVICES CONTRACT VALUES FY 2022 TO FY 2026

Fiscal Year	Security Service Contractors	Contract #	Contract Value
2026	Professional Police Services (PSS)	2023000735-2	In Negotiations
2025	Professional Police Services (PSS)	2023000735-2	\$18,411,281.68
2024	Strategic Security Corp & Professional Police Services (PSS)	2023000734 & 2023000735-1	\$15,984,202.40
2023	Strategic Security Corp & Professional Police Services (PSS)	2023000734 & 2023000735	\$11,700,627.20
2022	G4S Secure Solutions / Allied Universal Security Services	2022000507	\$5,890,960.00

This chart was provided to OSA by the City.

The graph below represents the CATS's security-related expenses for FY 2023 to FY 2025.

SECURITY RELATED EXPENSES FY 2023 TO FY 2025

Annual Operating Security Expenditures				
Description (Division)	FY 2023	FY 2024	FY 2025	Total
Salaries & Benefits (417010)	\$2,503,891	\$2,977,378	\$3,349,560	\$8,830,830
Contract Security Services (417010)	\$5,196,496	\$6,997,785	\$9,144,503	\$21,338,784
All other operating expenditures (417010)	\$1,869,780	\$1,907,662	\$2,152,396	\$5,929,839
Technology (414030) (416011) (416012) (417010)	\$870,404	\$1,374,643	\$1,517,775	\$3,762,821
Security Radio Access & Maintenance	\$54,914	\$56,857	\$69,158	\$180,930
Total Operating	\$10,495,486	\$13,314,325	\$16,233,392	\$40,043,204

Capital Improvement Plan Security Expenditures				
Description	FY 2023	FY 2024	FY 2025	Total
Video Solution	\$159,983	\$0	\$0	\$159,983
Police Dispatch Upgrade	\$4,336	\$3,097	\$0	\$7,433
Blue Line & Blue Line extension Cameras	\$427,704	\$0	\$334,153	\$761,857
Mobile Video Replacement	\$86,969	\$31,728	\$434,848	\$553,545
Transit Security (SHI International & Teleware)	\$8,333	\$12,973	\$0	\$21,307
Blue Line - UPS and Comm Project	\$0	\$90,794	\$0	\$90,794
Server Refresh	\$0	\$165,136	\$92,553	\$257,688
485 Comfort Station Video Monitoring	\$0	\$9,290	\$0	\$9,290
Fixed Site Displays/Cameras/Cabling along the alignment	\$0	\$0	\$649,580	\$649,580
Rail Network Switch and N. Dav Support Refresh	\$0	\$0	\$265,293	\$265,293
S&S Hand Held Radio	\$0	\$0	\$344,829	\$344,829
Access Control System Refresh	\$0	\$0	\$1,735,023	\$1,735,023
ATS S&S CTC Pav A PTZ Camera	\$0	\$0	\$3,383	\$3,383
Streetcar CCTV Retrofit Project	\$0	\$0	\$198,598	\$198,598
Light Rail / Streetcar Alignment Lighting Improvements	\$1,000	\$55,475	\$26,968	\$83,443
Park & Ride Lot / Parking Deck Lighting Improvement	\$0	\$0	\$39,236	\$39,236
Total Capital	\$688,325	\$368,494	\$4,124,462	\$5,181,282

Total Operating and Capital Security Expenses	\$11,183,811	\$13,682,820	\$20,357,854	\$45,224,485
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This chart was provided to OSA by the City.

PRELIMINARY FINDINGS

PSS Staffing

Although the current contract provides that PSS may provide up to 219 security personnel, around the time of Iryna's murder, PSS had not filled all 219 positions. At a September 3, 2025, meeting of the Metropolitan Transit Commission (MTC)—the CATS's policy board—Brent Cagle noted that PSS was “currently [providing] 186 personnel and [] are continuing to hire with the goal to fully staff up.”²⁵ This was approximately two weeks after Iryna's murder. One week later, at a meeting of the City's Public Transit Advisory Committee, one committee member asked Mr. Cagle “why no clear shift in staffing or deployment was visible to the public nearly three weeks after the fatal incident.”²⁶ Mr. Cagle's response indicated that PSS had not filled any additional positions since the incident.²⁷

The City's Security Priorities

The Federal Transit Administration recently determined that “the rate of crimes against [CATS] riders is three times the national average.”²⁸ In a presentation given by Kelly Goforth, the CATS's Chief Development Officer, at a June 25, 2025, MTC meeting, Ms. Goforth reported that the CATS “staff was focused on increased safety and security” in three areas: Education,²⁹ Engineering,³⁰ and Enforcement.³¹ The image below is a slide from Ms. Goforth's June 25, 2025, presentation:³²

SAFETY & SECURITY

- Education
- Engineering
 - Establishment of Fare Zone
 - ✓ Restricts access to CTC for ticketed customers and employees only
 - Renovations at CTC to improve safety and security
 - ✓ Access changes, lighting, security cameras, enhanced crosswalks
 - Need to close retail operations to implement facility improvements
- Enforcement





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²⁵ [MTC Meeting Packet, September 17, 2025, pg. 15.](#)

²⁶ [MTC Meeting Packet, September 17, 2025, pg. 26.](#)

²⁷ [MTC Meeting Packet, September 17, 2025, pg. 26.](#)

²⁸ [MTC Meeting Packet, September 17, 2025, pg. 59.](#)

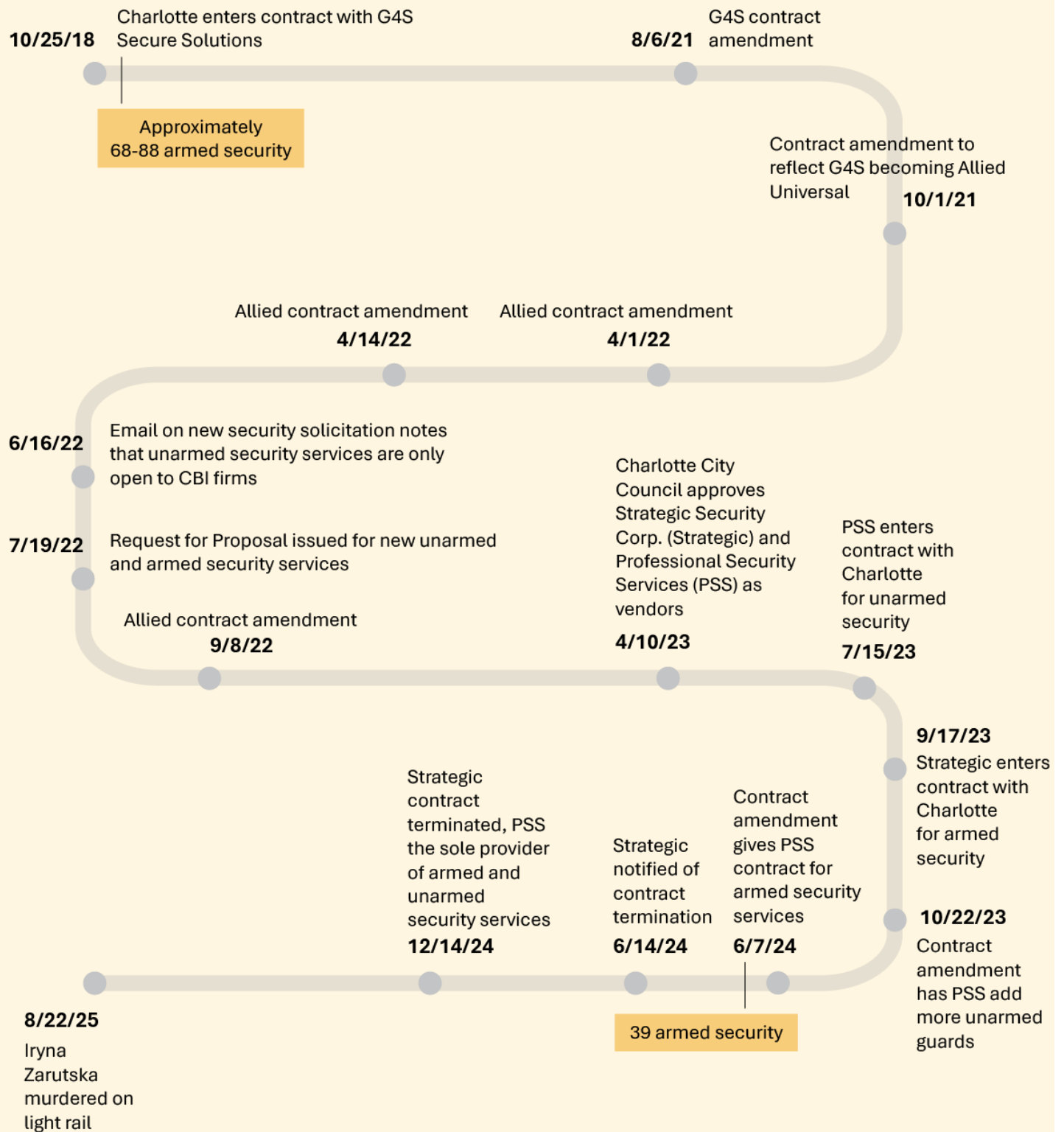
²⁹ Ms. Goforth stated that the CATS staff sought to “bring[] awareness to passengers that if they see something, [they should] say something.” [MTC Meeting Packet, September 17, 2025, pg. 7.](#)

³⁰ Through the CATS's engineering upgrades, Ms. Goforth indicated that physical improvements, including the establishment of a fare zone, would be made to the CATS facilities. [MTC Meeting Packet, September 17, 2025, pg. 7.](#)

³¹ Ms. Goforth identified that through the CATS's efforts the, “CATS safety and security personnel [would] work in close coordination with the Charlotte-Mecklenburg Police Department (CMPD) to ensure security in the facility and reduce fare evasion.” [MTC Meeting Packet, September 17, 2025, pg. 7.](#)

³² [MTC Meeting Packet, June 25, 2025, pg. 44.](#)

TIMELINE OF EVENTS



RESPONSE FROM CHARLOTTE



OFFICE of MAYOR VI LYLES

600 East Fourth Street
Charlotte, NC 28202
Charlottenc.gov

September 30, 2025

Re: Rapid Response Preliminary Special Report

Dear Deputy State Auditor Dingee,

The City believes that our previous response addresses many of the comments in your revised report. We request that this response and our previous response be included in the report's release.

The report appears to suggest that that PSS is not qualified but fails to offer specific evidence to support this conclusion. PSS was chosen following a competitive process. PSS also served as the subcontractor to G4S (the previous contractor) and on June 1, 2020 received a letter of recommendation from G4S (see attached letter) regarding PSS' "exemplary service" under the contract. As further testament to PSS' professionalism and excellence, please note that PSS was selected as a security provider to the first presidential campaign of President Donald Trump (then candidate Trump) while the President conducted campaign events throughout the Carolinas. Again, PSS has successfully met the expectations of CATS to this point and is a valued partner to CATS as we have worked to enhance security throughout the transit system.

With the new contract CATS increased security personnel by over 100% (108.5 under G4S and 219 under PSS). CATS goal was to significantly increase presence of security personnel throughout the transit system. Unarmed security personnel operate throughout the system and are assisted, as needed, by armed security personnel. To further increase security presence, CATS has also worked with CMPD to increase police presence along the Blue Line with 966 weekly hours of off-duty assignments for CMPD officers.

As CATS has stated publicly, we entered into the agreement with PSS with the expectation that CATS and PSS would increase visibility of security personnel throughout the transit system while also adopting an approach of creating a more mobile and responsive security force. PSS is meeting this expectation.

I would like to ask for some clarity on the process of any future related reports.

The OSA informed the city of its review on September 12 and provided a response deadline of September 19. The city met that deadline. On September 24, the OSA sent 12 follow-up questions (some of which included multi-part questions) at 11:51 a.m. and requested a response deadline of 5 p.m. that same day. At 4:05 p.m. that same day, CATS responded with answers to all but two of the questions, which needed additional time to gather responses. On Friday at 4:28 p.m. OSA staff

RESPONSE FROM CHARLOTTE

emailed the city providing your preliminary report, informing us of its release Monday morning and that if we wanted to provide a response we had to do so Monday morning. Again, the city responded. At 4:24 p.m. on Monday, we received the latest preliminary report and informing us of the OSA's intent to release the report on Tuesday and requesting a response by noon Tuesday.

Government auditing standards require auditors to communicate planned scope, timing, and methodology of an audit. I would respectfully request that the OSA provide reasonable deadlines for city responses and clarify the process moving forward.

Attached is our previous response.

Best,



Vi Lyles
Mayor of Charlotte





OFFICE of MAYOR VI LYLES

600 East Fourth Street
Charlotte, NC 28202
Charlottenc.gov

September 29, 2025

Re: Rapid Response Preliminary Special Report

Dear Deputy State Auditor Dingee,

We received your communication on Friday containing your preliminary report and informing us of your intention to release the report on Monday morning. Our response follows.

Review of Procurement Process

1. The City was acting within state law and adhering to City Council policies by utilizing a program authorized by the state and aligned with the principles of the state's Office for Historically Underutilized Businesses and the North Carolina Small Business Enterprise Program.
2. This RFP process was conducted in late 2022 and early 2023, and the contract contains no federal interest (i.e. federal DBE requirements do not apply) and the procurement process falls under City of Charlotte procurement policies and practices.
3. CATS staff and procurement staff followed policies and practices by seeking a review and determination of process and scope of RFP from the City of Charlotte Business Inclusion Office (CBI).
4. The procurement process yielded 8 proposals for both scopes of work and staff reviewed the proposals and selected a qualified vendor for each scope based on the information that the vendors provided in their proposals. Both vendors selected met all contract elements and were qualified to meet the scope of works described.
5. Ultimately, Strategic Security Services, (the selected vendor for the Armed services contract and which is not a CBI-certified firm) did not perform up to CATS' expectations and was not able to meet the contract requirements. CATS made the decision to terminate the contract with Strategic and amend the scope of the Unarmed services contract to include the scope of the Armed services contract.
6. PSS was the selected vendor for the unarmed services contract and, as of December 14, 2024, is the sole provider of Armed and Unarmed security services to CATS. PSS has met contract requirements and continues to provide satisfactory services

CATS Presentation

1. Related to the presentation that Kelly Goforth gave to the MTC – the Auditor, in his footnotes, seems to attribute this presentation to September 17 meeting of the MTC. Ms. Goforth presented to the MTC on June 25 - Page 44 of the MTC packet for the June 25 meeting. The auditor's report cites Ms. Goforth's comments as part of the September 17 meeting located on page 7 of the

RESPONSE FROM CHARLOTTE

September meeting packet. This is the meeting minutes of the June 25 MTC meeting, included in the September 17 meeting packet.

2. The presentation that Ms. Goforth gave on June 25 was focused on immediate actions CATS was taking to enhance security enforcement at the CTC.

3. The immediate actions were to serve all concession providers notice of lease termination and engage in renovation activities at the CTC, including establishing the CTC as a fare zone

4. All actions discussed were focused on CATS' main priority of enforcement of the CTC as a fare zone – Education and Environment were not presented as higher priorities to Enforcement – they were support actions taken to achieve the top priority of Enforcement

5. Related to inaction by CATS in response to Iryna Zarutka's murder – as presented to Charlotte City Council and MTC and the FTA – CATS and CMPD have worked together to increase security deployed along the Blue Line, including 966 hours per week of off-duty CMPD officers to patrol the transit system and serve as a visible presence along the Blue Line. PSS is also deploying bike units and UTV's to serve this goal.

6. CATS has provided the auditor with the transit security plan provided to the FTA which outlines immediate actions taken, short-term actions occurring, and long-term actions planned related to enhancing security and reducing fare evasion throughout the transit system.

7. We've included a link to the agenda packet for the June 25th meeting.

https://charlottenc.granicus.com/DocumentViewer.php?file=charlottenc_f897dc5374072aac5d05118af211725a.pdf&view=1

Comments by the Charlotte Business Inclusion Advisory Committee (CBIAC) Co-Chair

1. In the letter provided by OSA, reference is made to comments by Ciara Lilly, the former (as of September 2025) Co-Chair of the Charlotte Business Inclusion Advisory Committee (CBIAC) and business representative. As part of the City's ongoing efforts to engage the business community, CBI staff regularly attend the CBIAC's monthly meetings.

2. It is important to clarify that Ms. Lilly is not a city employee nor is compensated by the city for her role. She was expressing her own views.

3. With respect to OSA's specific reference to meeting minutes under "CBI Updates," the language in HB171 has naturally drawn attention from members of the business community. Accordingly, committee members frequently discuss their needs, as well as legislation that may impact the business community and the contracting opportunities available under state law. Ms. Lilly led these discussions to ensure businesses remained informed about relevant legislation and other matters of importance.

4. As Co-Chair of the Committee, Ms. Lily led meetings as she deemed appropriate. Her comments should therefore be understood as independent.

5. We've included a link to an item referenced in your report available on our website.

<https://www.charlottenc.gov/files/sharedassets/city/v/2/growth-and-development/documents/cbi/meeting-agendas-and-minutes/cbiac-april-9-2025-summary.pdf>

Respectfully,



Vi Lyles
Mayor of Charlotte