



**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL**

**Report on the Activities of the
Office of the Inspector General
Fiscal Year 2000**

**CHARLES C. MADDOX, ESQ.
INSPECTOR GENERAL**

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**MESSAGE FROM CHARLES C. MADDOX, ESQ.
THE INSPECTOR GENERAL**

MESSAGE FROM CHARLES C. MADDOX, ESQ.
THE INSPECTOR GENERAL

Fiscal year (FY) 2000, my first full year as the Inspector General of the District of Columbia, was distinguished by progress in several areas: dramatically higher productivity levels, significant increases to our staffing and budget, and legislative changes enhancing our jurisdiction and independence. Additional resources enable us to focus on areas, such as health care fraud, that urgently need attention. In addition, we are spending more time making sure that our recommendations for change are fully communicated to the public and the media – as well as to relevant governmental components – so that all can play a role in the corrective process. Through sustained, coordinated follow-up, even future risks to good government can be managed and minimized.

During FY 1999, I established an Inspections and Evaluations Division to complement the two divisions – Audit and Investigations – that previously comprised the Office of the Inspector General (OIG). During this FY, on March 1, 2000, the U.S. Department of Health and Human Services certified and agreed to fund a Medicaid Fraud Control Unit (MFCU) for the District of Columbia. Previously, the District was one of the few jurisdictions in the United States that lacked such a unit to investigate and prosecute healthcare fraud and patient abuse. This Unit – now our fourth division – has been fully staffed with attorneys, investigators, and auditors; they have already begun presenting cases to the United States Attorneys Office for criminal and civil action. In addition, the Director and other members of the MFCU have initiated an extensive outreach program with other agencies, such as the Department of Health and the Metropolitan Police and Fire Departments, in order to coordinate efforts to combat the intentional abuse or neglect of vulnerable adults.

We have made significant strides in our efforts this year to intensify the impact of our findings and recommendations to eliminate deficiencies and weaknesses in District government programs and operations. Last year, I introduced three types of communications – Management Alert Reports, Management Implications Reports, and Fraud Alert Reports – as a way of providing prompt notification, either to a single agency head or to all District components, concerning the need to react to systemic problems or fraud. In the coming year, we will be adding to and improving on these measures. For example, we will track the number of recommendations that have actually been implemented by agencies that were audited and inspected. I strongly believe that this will be a vital indicator of the value of our efforts because, unless implemented, audit and inspection findings and recommendations will not produce the desired outcomes, such as cost savings, improved service delivery, or reduction in safety risk factors.

During FY 2000, our Audit Division issued 15 Management Alert Reports/Management Implication Reports and 16 audit reports with 100 recommendations that contained associated dollar savings to the city of about \$34 million (contrasted with \$28.4 million in FY 1999). These savings should be measured against the Audit Division's operational cost of about \$1.7 million, resulting in a return on investment for audits performed at approximately \$20 for each dollar invested. Our audit planning process continues to place emphasis on scheduling audits that will

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best identify economies and efficiencies that can be achieved in carrying out District Government operations.

During FY 2000, the Investigations Division has increased its productivity over the previous year in several areas, including the following: (1) reports of completed investigations - from 26 to 87, or 235 percent; (2) cases presented to the U.S. Attorney for criminal or civil action - from 19 to 45, or 137 percent; (3) cases accepted for prosecutive action by the U.S. Attorney - from 16 to 29, or 81 percent; and (4) restitutions resulting from criminal investigations - from \$1.2 million to \$2.1 million or 78 percent. As noted in the body of this report, many of these investigations resulted in high profile criminal prosecutions, such as a recent case in which a city contractor was charged with defrauding the city of more than \$800,000.

The Inspections and Evaluations Division has conducted intensive onsite reviews of internal operations at the Department of Motor Vehicles and the Medical Assistance Administration. The resulting reports contain specific recommendations that, according to agency heads themselves, have had a significant impact in resolving problems and eliminating deficiencies. Currently, inspections are underway at the Department of Public Works and the Department of Parks and Recreation. During FY 2001, I plan to add sufficient staffing to enable us to increase the number of agency inspections to about five per year.

Our statistical achievements are an important indicator of how successful we have been in fulfilling our mission. However, I believe that our continuing efforts to create a spirit of cooperation and mutual understanding with stakeholders can result in a less obvious - but equally valuable - contribution to the positive momentum that is now so apparent in the District. In that regard, I have made a special effort to ensure that every one of our audit and inspection reports – which contain our findings and recommendations as well as agency responses – are available to the Mayor, the City Council, and Control Board so that they are able to support and assist agencies in reforming or improving their operations. We share our reports with the general public through our web site, which is www.d cig.org, and we do all we can to ensure that press reports on our findings are presented accurately and in context. Some highlights of press reports are shown in Appendix H. We are continually improving, and in so doing, we improve our ability to have a positive effect on the way the District does business.

GENERAL ACTIVITIES

GENERAL ACTIVITIES

MISSION

The mission of the Office of the Inspector General (OIG) is to independently:

- (1) Conduct and supervise audits, investigations, and inspections relating to the programs and operations of District government departments and agencies, including independent agencies;
- (2) Provide leadership, and to coordinate and recommend policies designed to promote economy, efficiency, and effectiveness, and to prevent and detect corruption, mismanagement, waste, fraud, and abuse in District programs and operations; and
- (3) Provide a means of keeping the Mayor, Council, and District government department and agency heads fully and currently informed about problems and deficiencies relating to the administration of these programs and operations and the necessity for corrective actions.

ORGANIZATION

The OIG has become a stronger and more effective organization during this past year. In addition to increased statutory authority and a modest staff increase, a Medicaid Fraud Control Unit (MFCU) was added to the existing Audit, Inspections, and Investigative Divisions. The activities of the different divisions and MFCU are as follows:

The Audit Division performs internal audits and supervises external audits of District Government agencies, programs, and operations. Such audits provide management with an independent appraisal of whether desired results and objectives are achieved efficiently; economically; and in accordance with prescribed laws, regulations, policies, and procedures. These audits include both performance and financial audits.

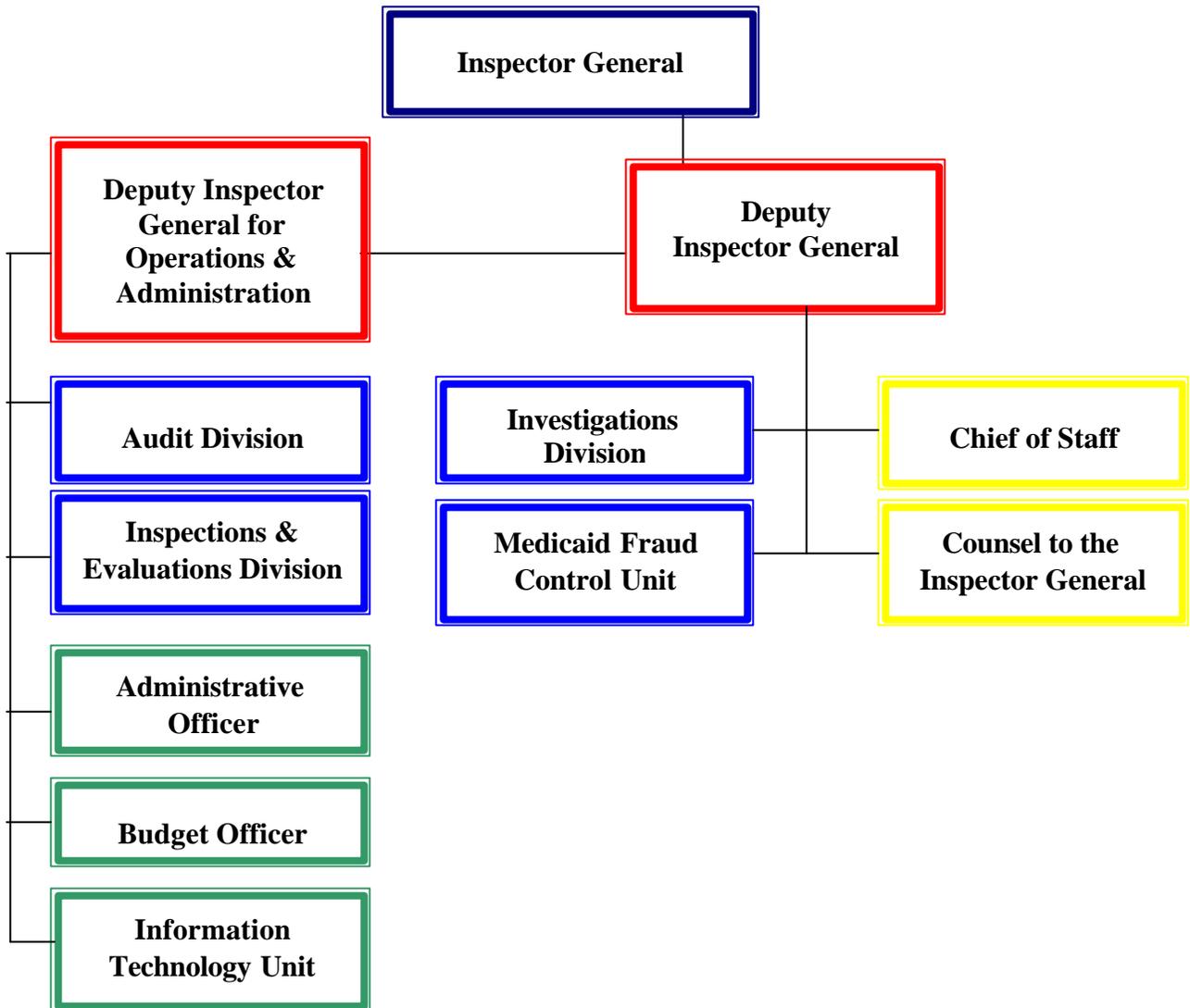
The Investigations Division conducts investigations of allegations of misconduct by District Government employees, contractors, and financial assistance recipients, which may involve violations of District or federal criminal law, civil statutes, District regulations, or employee standards of conduct. The Contract Fraud Unit investigates suspected wrongdoing relating to D.C. contract and procurement operations.

The Inspections and Evaluations (I&E) Division is dedicated to providing District Government decision makers with objective, thorough, and timely evaluations and recommendations that will assist them in achieving efficiency, effectiveness, and economy in operations and programs. I&E goals are to help ensure compliance with applicable laws, regulations, and policies; to identify accountability; recognize excellence; and promote continuous improvement in the delivery of services to District residents and others.

GENERAL ACTIVITIES

The purpose of the Medicaid Fraud Control Unit (MFCU), certified by the U. S. Department of Health and Human Services on March 1, 2000, is to detect and deter fraud and abuse in the administration of the Medicaid program. The Unit investigates allegations of abuse against Medicaid recipients and will seek to recover those Medicaid funds lost due to fraud and mismanagement. Those who engage in fraud and abuse within the Medicaid program are subject to administrative action, civil penalties, or criminal prosecution.

The divisions and the MFCU are led by Assistant Inspectors General (AIGs) and a Director, respectively, with many years of experience in their fields. A Deputy Inspector General and a Deputy Inspector General for Operations and Administration provide direction and guidance to the divisions, the MFCU, and the OIG's administrative staff. A new Chief of Staff handles intergovernmental and media relations, and is the OIG liaison with the City Council and Congressional committees. The OIG organization is shown in the chart below.



GENERAL ACTIVITIES

STATUTORY RESPONSIBILITIES

The statutory duties of the OIG were originally established by the D.C. Procurement Practices Act of 1985. In 1995, Congress substantially augmented the OIG's powers and responsibilities in the D.C. Financial Responsibility and Management Assistance Act of 1995, Pub. L. No. 104-8, § 303 (adopted April 17, 1995). Subsequently, the City Council enacted the "Office of the Inspector General Law Enforcement Powers Amendment Act of 1998," D.C. Law No. 12-190. The Act authorizes the OIG's criminal investigators to (1) carry firearms while engaged in the performance of official duties, (2) make arrests without a warrant for felony violations committed in their presence, and (3) execute search warrants issued upon probable cause. All three statutes are codified at D.C. Code § 1-1182.8. As codified, the responsibilities of the OIG include:

- Conducting independent fiscal and management audits of District Government operations;
- Acting as the liaison representative for all external audits of the District Government;
- Serving as the principal liaison between the District Government and the U.S. General Accounting Office;
- Conducting other special audits, assignments, and investigations;
- Conducting annually an operational audit of procurement activities of the District Government;
- Forwarding to the appropriate authorities evidence of criminal wrongdoing that is discovered as the result of any audit, inspection, or investigation conducted by the Office; and
- Entering into a contract with an outside auditor to perform the Comprehensive Annual Financial Report of the District Government for each fiscal year.

On March 2, 1999, Councilmembers Kathy Patterson and David Catania introduced Bill 13-143, entitled "Office of the Inspector General Powers and Duties Amendment Act of 1999." The primary purpose of the bill was to increase the independence of the OIG. In addition, the bill also sought to: (1) codify certain essential and already existing OIG practices, (2) resolve a number of omissions or ambiguities in the existing OIG statute, and (3) make the OIG's powers and procedures more closely resemble those of federal Inspector Generals' offices. The legislation contains provisions to accomplish the following:

- Codify the OIG's mission statement;

GENERAL ACTIVITIES

- Require the OIG to comply with generally accepted auditing, inspection, and investigation standards;
- Require the OIG to develop and participate in a peer review process, which will enable the OIG to complete, every third year, a thorough assessment of its auditing and investigative standards, policies, procedures, and quality controls;
- Require a final peer review report to be issued to the Mayor, the City Council, and the Control Board;
- Require District agencies to provide the OIG with advance notification of any external audits conducted by any District Government entity and require that the OIG be provided with a copy of the final report issued;
- Expressly authorize the OIG, independent of a request from the Mayor, to conduct whatever audits, inspections, and investigations that it deems necessary or desirable;
- Limit notification to the Mayor of evidence of wrongdoing only to situations where it is appropriate to do so;
- Codify the current policy of non-disclosure of the identity of complainants or individuals providing information to the OIG, unless the OIG determines that disclosure is unavoidable or necessary to further the investigation;
- Clarify that in the course of its official duties, the OIG has access to all papers, things or property belonging to or in use by, District Government or independent agencies, with the exception of the City Council and the District of Columbia Courts;
- Authorize the IG to administer or take oaths, affirmations and affidavits, and to delegate this authority to appropriate OIG personnel;
- Expand protection against retaliation, not only to all complainants, but also to persons who disclose information to the OIG, unless the complaint was made or information disclosed with knowledge of its falsity or with willful disregard for its truth or falsity; and
- Codify the OIG's responsibility to make recommendations to the Mayor or agency heads for administrative sanctions against any employee or contractor who refuses to cooperate with an official OIG investigation.

Bill 13-143 was transmitted to Congress on January 24, 2000, for a 30-day review and became Law 13-71, effective April 5, 2000.

GENERAL ACTIVITIES

MAYOR'S ORDER

The OIG proposed the issuance of a Mayor's Order to improve the cooperation of District agencies and the timeliness of agency responses to OIG recommendations and referrals. As a result, the Mayor issued a memorandum, July 6, 2000, which specifically required agencies to respond timely to OIG recommendations and investigative referrals and to implement recommendations. The Mayor's memorandum emphasized that the OIG's jurisdiction extended to District agencies independent of the Mayor. Subsequently, Mayor's Order 2000-105, dated July 10, 2000, was issued on the subject: Cooperation with the Office of the Inspector General in Responding to Recommendations and Referrals Concerning Allegations of Misconduct. Such support measures should increase the OIG's efficiency and effectiveness.

ASSESSMENT OF THE DISTRICT'S RISKS

Some of our overall concerns regarding risks to the District were material internal control breakdowns and noncompliance with District and Federal Government regulations in almost every agency we examined or investigated. As a result, management is faced with risk/management challenges related to strategic initiatives proposed by the Mayor. Examples of these initiatives are as follows: making government work, economic development, and building healthy neighborhoods. What follows are specific issues we identified that need to be addressed so that the strategic initiatives can achieve desired results:

Infrastructure – Improvements are needed in the District's infrastructure in administrative areas and controls over the accountability of real property, plant property, and equipment. For example, audit findings have identified a lack of or poor administrative controls that would ensure safeguarding of assets and adherence to policies, procedures, and regulations.

Control Issues – Some major control issues facing District management include integrity and fund control. For example, our audits have identified improvements needed in detecting and resolving conflicts of interest, including the appearance of conflicts of interest, by District employees. In addition, we identified needed improvements in cash management practices.

Technology – A long-term management challenge is to exploit state-of-the-art technology while maintaining operational/mission effectiveness. The OIG has issued several audit reports related to the information technology area to improve the efficiency and effectiveness of the District's operations.

Resource Constraints – Budget reductions and personnel shortfalls will continue to challenge management to find more efficient and effective ways to implement strategic initiatives. Our reports have identified economies and efficiencies and recommended improvements to help the District Government work better.

Additionally, during this past year, the Mayor, the City Council, the Control Board and the OIG have highlighted procurement and contract administration issues facing the District. These

GENERAL ACTIVITIES

issues, such as procurement cycle times and inadequate skills and training, will continue to diminish the operational effectiveness of District agencies unless corrected.

Also, in this past year our inspections have shown that District agency directors and their senior managers have often been less than successful in energizing subordinates to perform at the level of motivation and enthusiasm necessary for improving operations and delivery of services to District stakeholders. Management's failure to obtain optimum performance in the delivery of services causes agency operations to suffer. We found that many employees have been advanced to supervisory and managerial positions without the requisite training, experience, and motivation to succeed in leadership roles within their organizations. A lack of serious and sustained action to correct managerial deficiencies, particularly in key service agencies, increases the risk of widespread dissatisfaction and loss of support from District citizens. In addition, there will be an increased risk of serious health and safety issues because of poorly delivered city services by agencies responsible for these programs.

DESCRIPTION OF OIG STRATEGIES TO ADDRESS RISKS

We believe that the strategic initiatives set forth above, coupled with ongoing government reform, has laid the ground work to address areas of risk facing the District.

Findings and recommendations have and continue to play a role in assisting District management in addressing areas of risk. We have developed five goals that will govern our operations, help us achieve our mandated mission and further the Mayor's strategic initiatives. These goals are:

1. Address high priority issues that benefit District leaders and stakeholders;
2. Promote economy, efficiency and effectiveness;
3. Improve financial management;
4. Heighten integrity awareness and fraud deterrence; and
5. Improve District information technology investments and operations.

We are specifically designing audits to assess the results of various budgeted programs, including the economy and efficiency of management actions to attain those results. In this regard, our FY 2001 Audit Plan provides for several audits of interest to include:

- An audit to assess the accuracy and reliability of performance measurements associated with the Mayor's calendar year 2000 Scorecard and the FY 2000 performance contracts between the Mayor and agency heads,
- A multi-agency follow-up audit to determine whether agencies are implementing the recommendations to which they have agreed, and
- Audits of the functional areas of procurement and contract administration on a continuous basis.

GENERAL ACTIVITIES

We also continually notify District management of potential problems as they are identified. For example, early in the examination process, we brief District officials to apprise them of our findings. At any time during the audit, we may issue to an agency head a Management Alert Report to report a systemic problem immediately.

We are also scheduling inspections to ensure that managerial deficiencies are being addressed.

BUDGET AND PERSONNEL

The OIG's FY 2000 budget authority was initially approved at \$6.8 million and 60 full-time employees. Total funding authority was ultimately increased to \$9.7 million and 84 employees for several reasons including the OIG's acceptance of a federal grant, totaling \$786 thousand, for the Medicaid Fraud Control Unit. The District provided additional funds of \$368 thousand to meet the grant's requirement for matching funds. The OIG received an additional \$750 thousand to cover additional costs associated with the audit of the Comprehensive Annual Financial Report.

	OIG Budget (in millions)			Approved Federal Grant Funds	Total Revised Funding
	<u>Proposed</u>	<u>Approved</u>	<u>Revisions</u>		
FY 2000	\$ 8.1	\$ 6.8	\$ 2.1	\$.8	\$ 9.7
FY 2001	\$12.0	\$11.3		\$1.2	\$12.5

For FY 2001, the OIG's approved budget includes 105 full-time equivalent (FTE) positions. Which consists of 90 FTEs supported by local funding, an increase of 21 positions over the approved local FY 2000 budget, and 15 FTEs supported by federal funding.

SENIOR STAFF

Senior positions created during the fiscal year are indicated by the symbol "*" after the position title. Senior staff positions were occupied as follows:

Inspector General

5/20/99 – present: Charles C. Maddox, Esq.

Deputy Inspector General

2/28/00 – present: Austin A. Andersen, Esq.

GENERAL ACTIVITIES

Deputy Inspector General for Operations & Administration*

5/21/00 – present: John N. Balakos

General Counsel

5/20/99 – 2/28/00: Austin A. Andersen, Esq.

Counsel to the Inspector General*

03/12/00 – present: Karen E. Branson, Esq.

Assistant to the Inspector General for Communications & Intergovernmental Relations**

10/25/99 – 5/21/00: Gloria P. Johnson

Chief of Staff*

5/21/00 – present: Gloria P. Johnson

Assistant Inspector General for Investigations

11/10/97 – present: David M. Bowie

Deputy Assistant Inspector General for Investigations

5/15/98 – present: Alfred Miller

Assistant Inspector General for Audits

6/18/00 – present: William J. DiVello

5/11/98 – 5/21/00: John N. Balakos

Deputy Assistant Inspector General for Audits

7/16/00 – present: Cheryl L. Johnson

6/21/99 – 6/18/00: William J. DiVello

Assistant Inspector General for Inspections & Evaluations

6/21/99 – present: Alvin Wright, Jr.

Deputy Assistant Inspector General for Inspections & Evaluations

6/21/99 – present: Robert L. Isom

Director of Medicaid Fraud Control Unit*

2/22/00 – present: Sidney Rocke, Esq.

Deputy Director of Medicaid Fraud Control Unit*

7/2/00 – present: Ilene J. Nathan, Esq.

Administrative Officer

3/21/93 – present: Grace Y. Price

GENERAL ACTIVITIES

WEBSITE

The OIG website (www.dci.gov) contains general information about the OIG, including the organizational structure and the biographies of key personnel. The full text of all audit and inspection reports are placed on-line when issued. The site describes how to contact the OIG's Hotline by mail or e-mail. The website also suggests the type of information to provide when reporting fraud, waste, abuse and mismanagement and contains the full text of certain OIG reports and media releases.

TRAINING

The training courses received in FY 2000 by OIG personnel are summarized, as follows:

<u>Type of Training</u>	<u>No. of Courses Taken</u>
Audit	31
Investigative	12
Inspections	8
Medicaid/Health Care Fraud	04
Computer	23
Office Management/Administrative	8
Total Training Courses:	86

ACTIVITIES OF THE AUDIT DIVISION

AUDIT DIVISION ACTIVITIES

ORGANIZATION

The OIG Audit Division is headed by an Assistant Inspector General for Audits (AIGA), a Deputy AIGA, and five Directors. The AIGA sets policy and through the Deputy AIGA provides the leadership and direction of the Division. The Directors manage the day-to-day projects and activities of the auditors. The audit directorates are: (1) General Audits, (2) Contracting and Procurement; (3) Information Technology, (4) Policies and Planning, and (5) Technical.

The Audit Division is responsible for auditing District organizations, programs, functions, and activities. These audits complement other elements of management evaluations and are aimed at providing reliable and constructive recommendations for improved administration of operations. The key factors of audits conducted by the OIG are the independence of the OIG from the managers of programs, functions or organizations under audit, and the OIG's responsibility to report to District management and other stakeholders the results of such audits.

OIG audits include both performance and financial audits. Performance audits are systematic evaluations of functions, programs, and activities. The purpose of these evaluations is to improve accountability and facilitate effective decision-making. Financial audits assess whether the financial statements of an entity fairly present the financial position of that entity in conformity with generally accepted accounting principles.

PERFORMANCE MEASURES TO EVALUATE PROGRESS

With regard to our audit performance and productivity standards, we currently measure the number of reports issued and the associated dollar savings for the audit reports issued. For FY 2000, we issued 16 reports with associated dollar savings of \$34 million. These savings compare to Audit Division cost of about \$1.7 million. Accordingly, the return on investment for audits performed by the Office of the Inspector General staff has been approximately \$20 for each dollar invested.

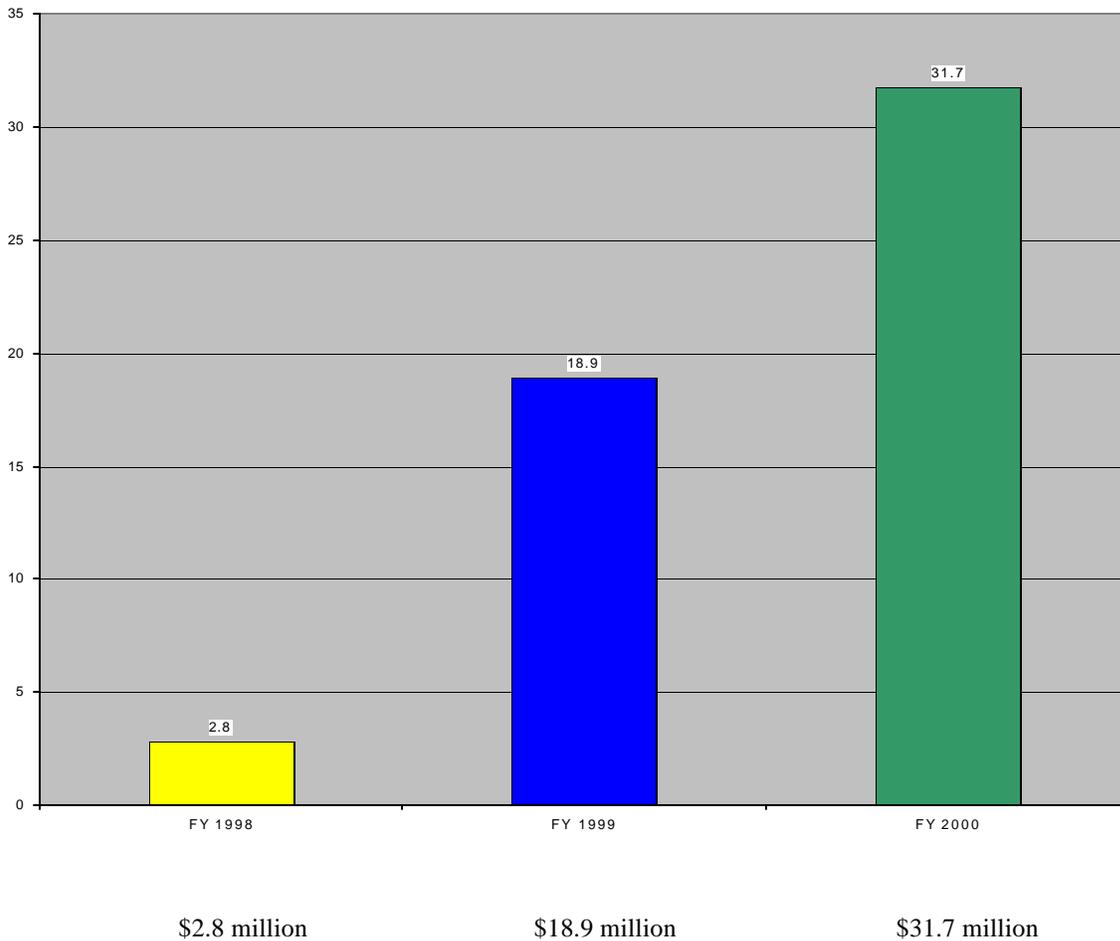
We recently developed an audit recommendation tracking system so that we can track the progress of corrective actions. Office of Management and Budget Circular A-50 delineates the role of federal inspectors general and management with regard to follow-up. The Comptroller General's Government Auditing Standards emphasize the importance of follow-up on significant findings and recommendations from prior audits to determine if corrective actions have been implemented. In this regard, we plan to add a performance measure for FY 2001 to measure the percentage of audit recommendations implemented. We strongly believe that this will be a valid measure of our worth because it is an outcome measure. Audit findings and recommendations do not produce the desired outcomes unless they are implemented. Moreover, we will continue to work towards process improvements in measuring our productivity and performance.

ACTIVITIES OF THE AUDIT DIVISION

The Audit Division has adopted performance measures similar to those used by federal inspector general organizations. Accordingly, benefits derived from our audits are expressed in Appendix A, using quantitative as well as qualitative measures as appropriate. Monetary benefits are categorized as either "Funds Put to Better Use" or as "Questioned Costs." "Funds Put to Better Use" means that funds could be used more efficiently should management implement the recommendations. This category includes deobligation of funds from programs or operations and savings that result from implementation of recommended improvements. "Questioned Costs" are incurred costs that are questioned because of an apparent violation of a law, regulation, contract, or grant governing the expenditure of funds.

The enhanced revenues and cost savings brought to the District by the OIG's total audit activity – both OIG-performed and contractor-performed - amounted to approximately \$34 million for the fiscal year ended September 30, 2000. The following chart compares the cost savings that this Division identified in FYs 1998, 1999, and 2000.

Millions



ACTIVITIES OF THE AUDIT DIVISION

CREDENTIALS AND QUALIFICATIONS

The Audit Division is comprised of 20 auditors. Auditors have 4-year degrees from an accredited college or university. Additionally, many of our auditors hold advanced degrees and certifications such as:

- Certified Public Accountant
- Masters Degree in Finance
- Certified Internal Auditor
- Certified Fraud Examiner
- Certified Government Financial Manager
- Certified Information System Auditor

Members of our staff are also active in professional organizations such as the American Institute of Certified Public Accountants, Association of Government Accountants, National Association of Local Government Auditors, and Institute of Internal Auditors.

COMPLETION OF THE ANNUAL FINANCIAL AUDIT

Through the Audit Division, the District's FY 1999 contract for the Comprehensive Audit and Financial Report (CAFR) was awarded to the accounting firm of Mitchell & Titus, LLP, at a cost of \$1.9 million. The audit reported an unqualified opinion, which is that the District's general fund statements were fairly presented in accordance with generally accepted accounting principles. It also reported an \$86.4 million surplus for the city.

With the issuance of the FY 1999 CAFR, the city has received its third consecutive unqualified opinion on its financial statements, demonstrating that sound financial management has been restored to a city that was insolvent only 5 years ago.

For the FY 2000 CAFR, KPMG, LLP, was selected as the accounting firm to perform the audit.

CONTRACTS FOR EXTERNAL AUDITS AND OTHER SERVICES

Pursuant to D.C. Code § 1-1182.8(a)(3)(B), the OIG provides oversight over external audits of the District Government. The OIG statute that became effective on April 5, 2000, granted District agencies authority to contract for their own audits. Accordingly, the OIG now provides oversight for these audits. The OIG now contracts only for audits that may either be required or requested where OIG personnel resources may not be available. The OIG carried over 26 contract external audit engagements from FY 1999 into FY 2000 and completed 39 contract audit engagements during FY 2000.

ACTIVITIES OF THE AUDIT DIVISION

TESTIMONY BEFORE THE CITY COUNCIL

The AIGA testified before the City Council of the District of Columbia five times during FY 2000. These hearings involved testimony pertaining to the CAFR, OIG Performance Measures, the proposed FY 2001 budget, the group home care for the mentally disabled, and the OIG audit of the Disability Payment Program.

REVIEWS OF CANCELLED SOLICITATIONS

Pursuant to its responsibilities under D.C. Code § 1-1183.7 and 27 D.C.M.R. § 1618.6, the OIG reviewed the cancellation of seven contract solicitations to determine whether the cancellations were in the best interest of the District Government. Our reviews showed that these cancellations were in the best interest of the District Government. We reported our opinions to the District's Office of Contracting and Procurement

THE FY 2001 AUDIT PLAN

The Annual Plan is prepared pursuant to D.C. Code § 1-1182.8(a)(3)(I). This Section requires, in part, that the OIG, in consultation with the Mayor, City Council, and Authority, establish an audit plan 30 days prior to the commencement of each fiscal year.

The FY 2001 Plan, issued August 31, 2000, contains audits that are required, discretionary, or pursuant to special requests from District leaders and managers. The Plan is broken down into two parts: 1) audits to be conducted by the OIG, and 2) audits to be conducted by contract with external auditors.

The FY 2001 Audit Plan includes the OIG and stakeholder initiatives for audit coverage with particular focus on the deterrence of fraud, waste, and mismanagement. The Plan focuses on increased coordination with, and assistance to, District managers. It describes the support of independent Certified Public Accountants, who provide audit support for the District's CAFR.

Our Audit Plan for FY 2001 reflects 26 new audits and an additional 38 audits carried over from FY 2000. Of the 26 new starts, 25 are new starts by the OIG staff and one contract audit for the CAFR audit. Of the 38-carryover audits, the OIG is conducting 12 audits with in-house staff and 26 audits by external auditors under contract. Because the new OIG statute allows the District agencies to contract for their own audits, we will limit the contract audits that we will perform in FY 2001. We are also allotting time to provide audit support for OIG investigations and special requests from the Authority, the City Council, the Mayor, or other members of District management.

ACTIVITIES OF THE AUDIT DIVISION

TRAINING REQUIREMENTS

The Audit Division ensures that its auditors comply with Government Auditing Standards (GAS), which require the completion of 80 hours of continuing professional education every two years and no less than 20 hours in any one year. Training typically received by the OIG's audit staff includes: Auditing Automated Applications, Finding Development and Report Writing, Introductory Auditor Training, Internal Auditing and Controls, and Information Systems Auditing.

CONTINUATION OF LIAISON ACTIVITY

Pursuant to the statutory mandate contained in D.C. Code, § 1-1182.8(a)(3)(B), the OIG is required to act as liaison representative to all external organizations doing audits of the District of Columbia Government. The President's Council on Integrity and Efficiency is aware of this requirement and has asked member organizations to notify this Office of any planned or future audits in the District. As a result, inspector general organizations and the General Accounting Office coordinate their work with the OIG.

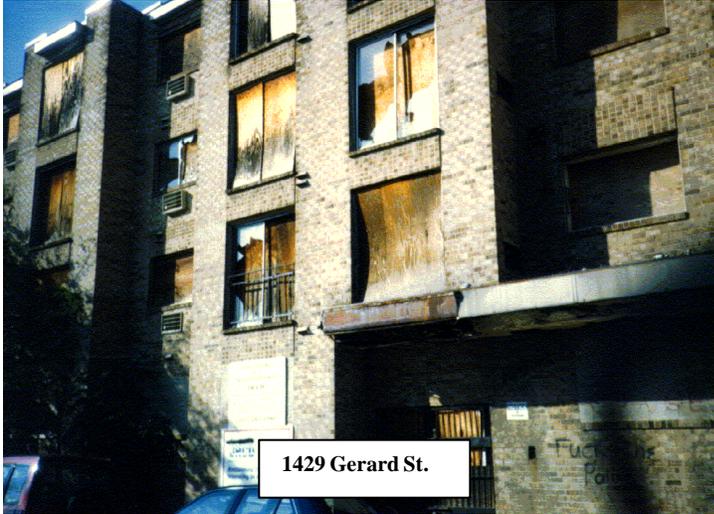
AUDITORS ON SITE

OIG auditors routinely make physical observations as well as review controls and documents. Our on-site visits to 15 projects during an audit of the Department of Housing and Community Development (DHCD) showed that 6 projects, which DHCD had administratively funded from 2 to 5 years, did not appear to have visible physical development activity or progress. The results of that audit are contained in the summaries of audit reports that follow.



ACTIVITIES OF THE AUDIT DIVISION

1429 Girard Street, N.W. During our audit, our auditors observed this DHCD project which was funded with administrative subgrants from FY 1996 through FY 1999. However, the



amount of administrative funds allocated to this project was unclear. The project was to rehabilitate an apartment building containing 20 units. The project, located in the Northwest quadrant of the District, had been funded administratively for 4 years and was estimated to cost \$1,864,627 to complete.

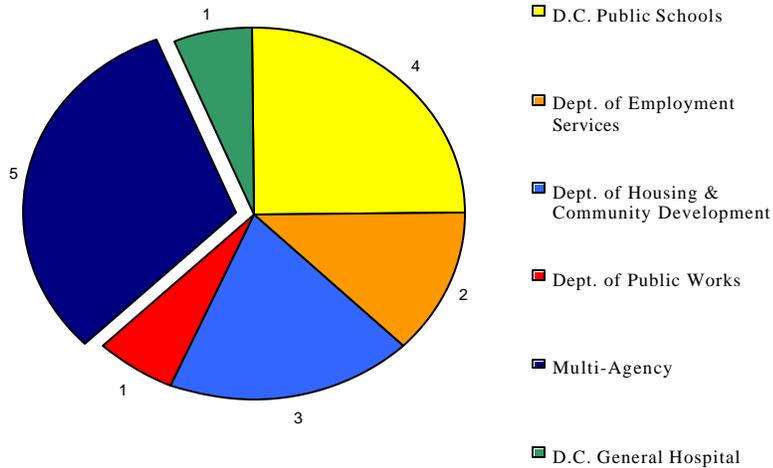
REPORTS ISSUED IN FY 2000

The Audit Division issued 16 final reports and 15 Management Alert Reports/Management Implication Reports for FY 2000. Audits performed were conducted as part of our FY 2000 Audit Plan or because of emerging issues requiring our immediate attention. Our audit reports recommended to agency heads corrective actions, which were necessary to improve operations, address noted deficiencies, and ensure that agencies were in compliance with prescribed regulations, policies, procedures, and standards. Upon the issuance of our final report, agencies cited actions taken or planned to address our recommendations.

As part of the new requirements set forth in recent legislation, the OIG is accumulating the costs of performing audits. Costs for audits completed in FY 2000 are shown in Appendices B and C.

These reports can be accessed via our website. The 16 audit reports may be viewed or downloaded at the OIG website and involved the following District Government agencies:

ACTIVITIES OF THE AUDIT DIVISION



Summary of Significant Audit Reports

Report of the Disability Program within the Department of Employment Services, September 19, 2000, OIG-01-14CF

The audit concluded that the disability compensation program, as currently administered by the Department of Employment Services, lacks efficiency and effectiveness and is at an increased risk for waste, fraud, and abuse due to the following reasons:

- Lack of controls over the payment system and lack of a systematic budget process and a cost tracking system;
- Overlapping duties and duplicate processes, which resulted in delays in claims processing, payments to providers before determination of eligibility and compensability; increased program costs; and inefficient use of human resources; and
- Inadequate oversight and monitoring of duties performed by outside contractors, which resulted from ineffective case management and increased overall program cost.

Recommended Corrective Actions:

- Implementation of adequate controls over payment of benefits and creation of a team to effect the immediate collection of all overpayments;
- Implementation of procedures to eliminate overlapping duties and duplicate processes between the Office of Benefits Administration and current and future contractors;

ACTIVITIES OF THE AUDIT DIVISION

- Establishment of a team to provide adequate oversight and consistent monitoring of contractors, which should include procedures to measure the performance and efficiency of contractors and the program;
- Establishment of policies and procedures for benchmarking, claims subrogation and claims transfer from disability to retirement, and recommendations to the Mayor or City Council for legislation on cost charge back to agencies;
- Design and implementation of an integrated information management system to provide information on case management and financial activities of the program;
- Development of comprehensive policies and procedures for developing budgets and processing all disability claims from the time the injury is reported to the time the employee returns to work or transfers from the program;
- Observation of payroll distribution at least once a year by individuals independent of the payroll process to identify ineligible claimants; and
- Comparison at least once each year of District active payroll to disability payroll to identify individuals carried on both payrolls.

Review of the Department of Human Services and the District of Columbia General Hospital Contracts With a Selected Vendor, September 15, 2000, OIG-02-02MA

The report summarizes the OIG's audit of two contracts between two District agencies and a specific vendor, and revises and replaces Report No. 9713-25, issued November 20, 1997. This report incorporates information provided to the OIG subsequent to the original report, including information provided as late as August 25, 2000. The OIG conducted this audit in response to a request by Kathleen Patterson, Chairperson, Committee on Governmental Operations. The audit disclosed:

- The vendor did not always pay its nurses for holiday and for health and welfare benefits although the nurses were entitled to compensation;
- The vendor sometimes paid its nurses at a lower hourly rate than they were entitled to under standard District Government contract provisions and sometimes over billed the District for more hours than its nurses worked;
- Neither the Department of Human Services nor the D.C. General Hospital sufficiently monitored their respective contracts to ensure payments were made only for services rendered in accordance with contract terms; and
- The Department of Human Services, contrary to regulations, issued five consecutive 120-day emergency contracts to the vendor for nursing services to D.C. Public Schools.

Audit of Procurement Activities, Office of Contracting and Procurement, July 27, 2000, OIG-20-99PO

Our audit disclosed that the Office of Contracting and Procurement (OCP) had not complied with the Procurement Practices Act of 1985. OCP did not establish a fully functioning, comprehensive management information system although it (and the former Department of

ACTIVITIES OF THE AUDIT DIVISION

Administrative Services) spent at least \$14 million in various attempts. OCP awarded over \$50 million in contracts that were not legally sufficient, did not seek price competition for these contracts, and might have saved at least \$750,000 with price competition. For these same contracts, advance payments were made to contractors that should not have been made, interest of about \$100,000 was not collected on the advances, and the District will most likely lose approximately \$1 million on unearned advances for which it will receive neither reimbursement nor deliverables.

Recommended Corrective Actions:

- Deploy a comprehensive procurement management information system as expeditiously as possible after consultation with the Office of the Chief Technology Officer;
- Include a certification of legal sufficiency from the Office of the Corporation Counsel before forwarding contracts over \$1 million to other oversight committees,
- Ensure contract personnel are knowledgeable on procurement regulations,
- Determine outstanding advance payments, collect excessive amounts, and collect interest due on advance payments,
- Execute contract provisions designed to reduce contract costs,
- Analyze contractor billings to determine whether payments were made for services not provided,
- Process contract modifications properly and timely, and
- Monitor contractor performance.

Audit of the Direct Activity Purchase System and the Student Activity Fund at Eastern Senior High School, April 20, 2000, OIG-22-99GA

Our audit determined that Eastern Senior High School (SHS) personnel did not consistently follow Student Activity Fund (SAF) and Direct Activity Purchase System (DAPS) guidelines. Specifically, Eastern SHS officials did not obtain the required number of check signatures for 111 disbursements and did not obtain required approvals or waivers prior to making 18 DAPS disbursements, totaling approximately \$13,647. Additionally, we noted controls over SAF were not sufficient. We identified that (1) SAF checks did not have required signatures, (2) controls over receipt and deposit of funds were lacking, (3) deposits were not made timely, (4) improper disbursements totaling \$6,917 were made from SAF cash receipts, (5) documentation to support disbursements totaling approximately \$118,510 was not available, and (6) SAF funds totaling \$5,168 were not used for their intended purpose.

Recommended Corrective Actions:

- Implement controls that ensure SAF and DAPS funds are spent, recorded and safeguarded in accordance with regulations, and
- Provide training to school officials in charge of the DAPS and SAF accounts.

ACTIVITIES OF THE AUDIT DIVISION

Audit of the Comprehensive Automated Personnel Payroll System, April 17, 2000, OIG-21-99AT

Our audit revealed that the District faces the risk of payroll processing interruptions because (1) CAPPS and the Unified Personnel and Payroll System (UPPS) had not been independently certified as Year 2000 compliant and (2) a single, consolidated payroll contingency plan has not been developed and tested. Additionally, inadequate project planning for the development of CAPPS and the conversion of payroll data from UPPS to CAPPS has resulted in development and conversion processes having to continue well into the calendar year 2000 with no projected completion date and no estimate of the additional costs involved. Further, the lack of automated CAPPS system interfaces could negatively affect the accuracy of the payroll information transferred to the System of Accounting and Reporting. Accordingly, this report contains recommendations that, collectively, represent actions considered necessary to correct the noted deficiencies.

Recommended Corrective Actions:

- Use generally accepted information technology guidelines in the development of the payroll conversion plan,
- Consolidate fragmented payroll contingency plans, and
- Define the requirements for CAPPS interfaces.

Audit of the District of Columbia Public Schools Facilities' Capital Improvement Program, March 17, 2000, OIG-03-99GA

Our audit determined that contracts awarded for FY 1998 Capital Improvement Program (CIP) projects exceeded budgeted amounts, resulting in cost overruns of about \$8 million. As a result, complete implementation of the FY 1998 CIP budget was not achieved, with \$17 million of CIP improvement projects deferred to future periods or cancelled.

We also noted that District of Columbia Public Schools (DCPS) eliminated \$37.5 million of improvement projects from the initial CIP budget for FY1999. Projects were cancelled because DCPS erroneously projected that \$42 million would be available from the sale and lease of excess school property to fund part of the CIP budget. The funding amount was later adjusted to a more realistic figure of \$4.5 million. Because of the deferral or cancellation of capital projects in FY 1998 and the reduction in the FY 1999 CIP budget, completion of the "immediate needs" phase of the Long Range Facilities Master Plan by the year 2000 will not be accomplished.

Recommended Corrective Actions:

- Establish clear, concise policies and procedures to meet the objectives of the CIP,
- Allow sufficient time to properly review project designs and specifications,
- Consider the impact of regulatory requirements when planning capital projects, and
- Base the planning and development of the capital project budget on realistic funding sources.

ACTIVITIES OF THE AUDIT DIVISION

Report on the Fiscal Year 1999 Audit of the District of Columbia Projects Funded by the Federal Highway Administration, February 28, 2000, OIG-12-99KA

The OIG audited 20 highway projects totaling \$15.9 million. Our audit identified adjustments of \$353,648 that were needed to close these projects. The net claims resulting from these adjustments totaled \$296,430. Additionally, the Department of Public Works (DPW) spent \$1.3 million less than what was budgeted for these projects. Therefore, these funds could be reprogrammed for other FY 1999 and FY 2000 District highway projects. We also determined that the DPW has not timely closed out 17 completed contracts. Closeout of these projects could potentially result in the release of an additional \$3.8 million in federal funds.

Recommended Corrective Actions:

- Ensure that the new System of Accounting and Reporting has controls to aid in the proper and timely posting and processing of invoices for work completed on federal highway projects;
- Take immediate action to close out the remaining projects listed in Attachment 2, giving priority to the oldest; and
- Establish an automated system to follow up on the status of completed projects contracts to ensure that they are closed out in a timely manner.

Audit of the Department of Housing and Community Development's Management of Funds Provided to Community Development Corporations, February 22, 2000, OIG-11-99CD

Our audit found that the Department of Housing and Community Development (DHCD) did not effectively or efficiently administer \$150 million of Community Development Block Grant (CDBG) funds that the U.S. Department of Housing and Urban Development had provided on grants to the District during the 6-year period that ended with FY 1999.

Specifically, our audit revealed that DHCD needed to:

- Manage its funds more effectively and establish a performance measurement system;
- Effectively monitor projects and account for the funds used for administratively funded projects;
- Account for \$ 11,745,000 in expenditures for two projects;
- Ensure controls are improved over conflict of interest at Community Development Corporations (CDCs);
- Improve records management and locate missing records for CDBG efforts, totaling \$7,321,282; and
- Improve its internal auditing function to comply with government auditing standards and allocate audit resources to areas with higher risk to fraud, waste, and mismanagement.

ACTIVITIES OF THE AUDIT DIVISION

Recommended Corrective Actions:

- Establish a strategic plan that outlines specific improvements that DHCD will commit to over the period and that incorporates a performance measurement system for projects;
- Develop, document, and implement procedures and controls to ensure projects are monitored;
- Provide to the OIG supporting documentation for eight terminated projects and the six other specific projects that was not provided to the auditors during the course of the audit;
- Establish procedures and controls that ensure DHCD awards its grants and subgrants with provisions requiring CDCs and other grant and subgrant recipients to track administrative costs by project;
- Ensure the CDCs and other recipients of DHCD grants or subgrants awarded in FY 2000 and subsequent years have an adequate cost tracking or allocation process in place before paying vouchers for administrative costs;
- Provide to the OIG the documentation to support the disbursements made for the Good Hope Marketplace Project and the New York Avenue Metrorail Feasibility Station Study;
- Improve the financial disclosure process to avoid conflicts of interest;
- Improve the process for detecting and resolving conflicts of interest at the CDCs so that recipients of CDBG funds have written standards of conduct that address all applicable elements of Title 24, Sections 570.611, 85.36.b.(3) and 84.42;
- Improve the procedures and controls that ensure DHCD employees adhere to record keeping and retention requirements of District regulations;
- Locate missing documents and related files identified in Table C of the report and mark the files so that they are retained for potential future audit by the OIG;
- Improve DHCD's internal audit effort and ensuring that its Audit Division and its auditors are in compliance with Government Auditing Standards; and
- Provide to the OIG the approved written controls and procedures that ensure DHCD responds timely to Councilmember and Committee requests for information.

Audit of Surplus Telecommunication Equipment, February 15, 2000, OIG-24-99MA

Our audit showed that an inventory of available surplus telecommunication equipment was not maintained by the Office of the Chief Technology Officer (OCTO). Additionally, Agency Telecommunication Coordinators had not been instructed to notify OCTO of all unneeded telecommunication equipment. This situation nearly resulted in the District of Columbia Health and Hospitals Public Benefit Corporation (DCHH/PBC) making an unnecessary purchase, totaling about \$234 thousand to satisfy its Year 2000 needs. This action was considered by DCHH/PBC because of unsuccessful attempts, through the OCTO, to locate an existing an Automated Call Distribution (ACD) system. We were able to locate, for DCHH/PBC use, an excess ACD system at another District agency.

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Recommended Corrective Actions:

- The OCTO, in coordination with DCHH/PBC, facilitate the installation of the ACD equipment at DCHH/PBC designated location.
- The OCTO modify its Telecommunication Policy and Standards for Acquisition Management to include the use and disposal of excess telecommunication equipment in accordance with the District of Columbia Municipal Regulation, Title 27.

Year 2000 Business Services Continuity Assessment of the District of Columbia's Emergency Management Agency, February 8, 2000, OIG-01-01MA

The audit objective was to perform an assessment of the Year 2000 (Y2K) contingency planning efforts of the District of Columbia's Emergency Management Agency (EMA). The audit disclosed that management action was needed to address such areas as:

- Lack of planning, implementation, and testing documentation, in EMA's Emergency Operations Y2K contingency plan, for the alternate emergency operations site located in Olney, MD;
- Inadequate funding to acquire resources required for effective performance of EMA's emergency support functions; and
- Missing data in the Y2K contingency plan regarding purchase/allocation of fuel oil.

Audit of the Home Purchase Assistance Program, December 20, 1999, OIG-02-99DB

Our review disclosed that the financial statements administered by the management of the Department of Housing and Community Development present fairly, in all material respects, the financial position of the Home Purchase Assistance Fund at September 30, 1997, 1996, and 1995.

Management Letter for the Home Purchase Assistance Program for Fiscal Years Ended September 30, 1997, 1996, and 1995, December 20, 1999, OIG-02a-99DB

The OIG prepared the Management Letter containing comments and recommendations related to the preparation of the financial statements, maintenance of mortgages receivable balances, and close-out of Home Purchase Assistance Program (HPAP) contacts we believe will improve management of the HPAP.

Recommended Corrective Actions:

- Ensure that the financial statements and supporting schedules that support transactions affecting HPAP are prepared in a timely manner,
- Ensure that the staff is available to perform the accounting duties to determine whether there is a need for additional human resources to accomplish HPAP objectives,
- Take action to ensure that the HPAP transactions can be properly recorded in SOAR.

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- Ensure that the loan originator who processes loan applications forwards loan documents of settled loans in a timely manner,
- Ensure that the loan transactions are recorded or posted in a timely manner so that financial reporting of loan balances is current,
- Ensure that suspense loans are resolved,
- Take action to ensure that contracts with the loan originator are timely closed out and that advances related to those contracts are returned,
- Develop and maintain a database of all outstanding mortgages and conduct periodic inventories of the files to ensure that the database and actual files are in agreement, and
- Take action to ensure that the staff does additional analyses of the allowance for uncollectible loans and bad debt expense to determine whether the current allowance is allowable.

Audit of the District of Columbia General Hospital's Telecommunications System, December 2, 1999, OIG-9839-18-99

Our audit revealed that administrative controls over the District of Columbia General Hospital's Telecommunications System (DCGH's) telecommunications systems were not sufficiently applied to ensure efficiency and effectiveness of operations. As a result, late fees were assessed and paid because telephone bills were not paid promptly; payments were made for unauthorized telephone charges; excessive rates were paid for long distance calls; and taxes, which were not required to be paid, were paid. With the implementation of the recommended corrective actions made by the auditors, DCGH could avoid cost of approximately \$80,000.

Recommended Corrective Actions:

- Develop telecommunications policies and procedures that require telephone charges be certified at responsible levels, timely payment of telecommunication bills and the implementation of controls to prevent payment for unauthorized telephone charges;
- Utilize services available through Federal Telecommunication System (FTS) 2000 to lower long distance rates;
- Develop security procedures to control access to telecommunication equipment; and
- Conduct inventories of telecommunication equipment and develop network diagrams.

Audit of the Direct Activity Purchase System and Student Activity Fund at Ballou Senior High School, December 2, 1999, OIG-15a-99GA

The OIG reviewed 276 Direct Activity Purchase System (DAPS) transactions and 149 Student Activity Fund (SAF) transactions and conducted interviews with Ballou Senior High School (SHS) officials including the former and current principal. Ballou SHS did not follow prescribed DAPS and SAF guidelines. This failure resulted in improper transactions in both funds of over \$125,000. Specifically, for the DAPS account we determined that: (1) funds were used to purchase items specifically disallowed by District of Columbia Public Schools (DCPS) regulation or for items that were not considered necessary and reasonable for proper and efficient

ACTIVITIES OF THE AUDIT DIVISION

performance and administration of the school; (2) funds were used to pay questionable expenditures; (3) quotes were not obtained for purchases exceeding \$1,999, as required; (4) spending limitations were circumvented; and (5) vendor files were not properly maintained.

For the SAF account, we noted that controls over the management and accountability of funds were not sufficient, deposits were not made timely, financial accounting records were not maintained, and transactions were not properly recorded.

Recommended Corrective Actions:

- Take appropriate disciplinary actions against individuals who knowingly disregard the DAPS and SAF policies and procedures;
- Implement controls that ensure DAPS and SAF monies are spent, recorded, and safeguarded in accordance with regulations;
- Maintain required supporting documentation for DAPS and SAF expenditures;
- Require the DCPS Internal Control Group to conduct detailed reviews of DAPS and SAF accounts; and
- Provide training to school officials in charge of the DAPS and SAF accounts.

Audit of the Development of the Department of Employment Services District Unemployment Tax Accounting System, November 29, 1999, OIG-10-99CF

Our audit identified that the development process for the District Unemployment Tax Accounting System (DUTAS) is adequate and the system will be delivered to meet Department of Employment Services (DOES) specifications. However, there were indications that serious service disruptions may occur because: (1) DOES did not have an adequate information management organizational structure or adequate technical resources to assume the support function for DUTAS or any of the DOES-owned application systems; and (2) DOES had not tested its Year 2000 business continuity plans for uninterrupted operations in the event the DUTAS or other essential computer applications suffer processing problems on or after January 1, 2000.

Recommended Corrective Actions:

- Identify and quantify the exact level of information technology support needed for DOES applications;
- Make a final determination when to consolidate, at some point, the DOES information technology function with another data center's operations, such as Department of Human Services data center; and
- Ensure that contingency plans for DOES programs are developed and tested to provide for continuity of services in the event of Year 2000 induced system failures.

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Audit of the Direct Activity Purchase System Account Disbursements at Ballou STAY High School, November 10, 1999, OIG-15-99GA

Our audit focused on the Direct Activity Purchase System (DAPS) policies and procedures at Ballou STAY High School. We reviewed all the DAPS disbursements, totaling \$23,516. The audit disclosed that school personnel purchased computers, computer parts, and wiring supplies for internet access without getting prior approval from the District of Columbia Public Schools (DCPS) Management Information Services Department. The fund custodian at the school did not maintain invoices or receipts for all of the disbursements and did not maintain required financial reports in the DAPS files. Moreover, quotes were not obtained for purchases exceeding \$1,999, as required by governing regulations. Additionally, Ballou STAY High School was making unauthorized disbursements to its own personnel from the DAPS funds.

Recommended Corrective Actions:

- School officials handling the DAPS accounts should be trained in and knowledgeable of all the DAPS policies and procedures,
- The principal of the school ensure that supporting documentation for disbursements and the required monthly reports are kept with the DAPS files,
- DAPS reports should be submitted monthly to the Office of the Chief Financial Officer (OCFO) of the school,
- School officials should obtain quotes for items purchased in excess of \$1,999.00, and
- DCPS conduct detailed periodic reviews of DAPS activities.

Summary of Significant Management Implication Reports

A Management Implication Report (MIR) provides agency heads with information about conditions that may exist at their agencies. They are used to provide information necessary to detect and correct similar conditions should such conditions exist in their own agencies. When notified of the control weaknesses, the agencies with noted deficiencies immediately took positive action that should correct, and preclude recurrence of, the condition we observed. The Audit Division issues the following two MIRs during FY 2000.

Prevention of Computer Viruses in the District's Computer Systems, March 23, 2000, MIR-00-A-02

During an ongoing audit, the OIG notified a District agency that our virus detection software discovered a virus on a computer file the agency had provided to us. The infected file was taken from a system "protected" with detection software that had not been updated for about 4 years. Typically, virus protection updates are available monthly.

ACTIVITIES OF THE AUDIT DIVISION

Implementation of the Cash Management Improvement Act, November 16, 1999, MIR-00-A-01

The OIG performed a review of the District's annual reports prepared under the Cash Management Improvement Act (CMIA) for Fiscal Years 1995 through 1998. District agencies had not established structures and processes fully to implement the CMIA, nor had the agencies made progress in achieving the goal of equitable, timely fund transfers that are required by good cash management practices. As a result, District agencies were using District funds to pay expenses rather than drawing on grant funds that had been allocated for the purpose of operating the programs.

Summary of Significant Management Alert Reports

A Management Alert Report (MAR) is a report that is issued to the head of an agency for the purpose of identifying systemic problems that are identified during an audit. This report can be used as a quick reaction report when it is necessary to advise management that immediate action is needed before the completion of the audit work. When notified of the control weaknesses, the agencies with noted deficiencies immediately took positive action that should correct, and preclude recurrence of, the condition we observed. The Audit Division issued the following 14 MARs in FY 2000.

Discrepancies with Request for Proposals at Department of Employment Services, July 14, 2000, MAR-00-A-12

The purpose of the MAR was to inform DOES officials of potential weaknesses regarding their request for proposal (RFP) for the services of a single, outside contractor to manage all activities related to the District's disability program.

Insufficient System of Accounting and Reporting Training for District Employees, June 16, 2000, MAR-00-A-13

The purpose of the MAR was to inform OCFO management that improvements are needed immediately in the conduct of training District personnel in the use of the System of Accounting and Reporting.

Unsafe Drinking Water and Unsanitary Bathrooms at Water and Sewer Authority, April 28, 2000, MAR-00-A-09

The purpose of the MAR was to inform Water and Sewer Authority officials of concerns about potential health hazards regarding safe drinking water and unsanitary bathrooms/inadequate facilities and supplies for employees to wash their hands at the facility.

ACTIVITIES OF THE AUDIT DIVISION

Unfiled Tax Returns of Mental Retardation and Developmental Disabilities Administration Clients, April 17, 2000, MAR-00-A-08

The purpose of the MAR was to inform Department of Human Services officials that tax returns have not been filed for clients of the MRDDA who have had monies withheld from their savings accounts for taxes on the interest that they earned. Since monies have been withheld from these accounts for several years and because the statute of limitations for claiming refunds for monies withheld is limited to three years, tax year 1996 returns for these clients must be in the possession of the Internal Revenue Service by April 15, 2000. The Internal Revenue Service may not legally be able to return the amounts withheld for taxes from the clients' interest bearing accounts for returns received after that date.

Identification of Computer Virus at Department Human Services, March 21, 2000, MAR-00-A-07

The purpose of the MAR was to inform Department of Human Services officials that we received an electronic file on a ZIP 100-megabyte disk from their department that contained a virus. The virus, one of the Laroux variants, was part of an Excel file that was inadvertently provided to us along with Quicken database files that we had requested in connection with an ongoing audit of the Mental Retardation and Developmental Disabilities Program.

Potential Health and Safety Issues at the Water and Sewer Authority, March 1, 2000, MAR-00-A-06

The purpose of the MAR was to inform Water and Sewer Authority officials of potential health and safety issues regarding the working conditions at the facility.

Discrepancies with Background Checks of Direct Care Workers within Department of Health and Department of Human Services, August 7, 2000, MAR-00-A-11

The purpose of the MAR was to inform Department of Health and Department of Human Services officials that some direct care workers currently employed by operators of group homes for the mentally retarded have criminal records. Additionally, we noted that group home providers are not complying with the DHS directive to maintain transportation logs whenever group home residents are in a transit status.

Discrepancies with Medicaid Provider Agreements at Department of Health August 3, 2000, MAR-00-A-10

The purpose of the MAR was to inform Department of Health officials that the Medicaid Provider Agreements used to obtain services for mentally retarded persons in Intermediate Care Facilities are not being executed in a timely fashion and do not contain appropriate Code of Federal Regulations citations. Additionally, we noted deficiencies with respect to required licensing and certifications.

ACTIVITIES OF THE AUDIT DIVISION

Emergency Management Agency Business Continuity/Contingency NOC's 1 through 19, October 28, 1999 through November 24, 1999, MAR-00-A-03 through MAR -00-A-05

The purpose of these MARs was to bring to attention "Notification of Conditions" (NOC's) which have been surfaced during the performance of the District's Year 2000 Business Continuity/Contingency audit being conducted under the OIG

Child Support Enforcement System Certifications, November 5, 1999, MAR-00-A-02

The purpose of the MAR was to obtain information regarding the status of certifications due by November 1, 1999, for the District's Child Support System. Additionally, we recommended steps to ensure compliance with reporting standards of potential liability resulting from imposed penalties and identify possible funding sources in the event the District does not achieve certification.

Follow Up on Testimony to the City Council from Officials from the Department of Housing and Community Development, October 19, 1999, MAR-00-A-01

The purpose of the MAR was to inform Department of Housing and Community Development (DHCD) officials that testimony provided to the Committee on Economic Development on June 16, 1999, was inaccurate and incomplete. In addition, DHCD did not respond in a timely manner to a councilmember's request for additional information. The MAR also included recommendations to correct the issues noted.

ACTIVITIES OF THE INVESTIGATIONS DIVISION

ACTIVITIES OF THE INVESTIGATIONS DIVISION

ORGANIZATION

The OIG Investigations Division is headed by an Assistant Inspector General for Investigations (AIGI), a Deputy AIGI, and three Directors. The AIGI is responsible for setting policy through the Deputy AIGI and provides leadership and direction for the Division. The Director of the Public Corruption Unit is responsible for conducting both administrative and criminal investigations involving allegations of bribery and corruption by District public officials, including those of the Metropolitan Police Department (MPD). The Director of the Procurement Fraud Unit is responsible for the management of both administrative and criminal investigations into allegations of fraud, waste, and abuse by District contractors and/or District employees involved in the procurement process. The Director of the General Investigations Unit is responsible for managing both administrative and criminal investigations into all allegations of fraud, waste and abuse involving all District personnel and agencies not specifically handled by the other investigative units. During the past fiscal year, a fourth unit, the Health Care Fraud Unit, was discontinued when the Medicaid Fraud Control Unit was established.

The Investigations Division is responsible for conducting criminal investigations into allegations of criminal misconduct by District employees and contractors. When criminal conduct is indicated, such investigations are presented to the Office of the United States Attorney (USAO) and Office of the Corporation Counsel for prosecutive opinions and actions. Such investigations are routinely worked as cooperative ventures between this Office and other local and federal law enforcement agencies.

Administrative investigations are typically initiated by allegations of mismanagement, waste, and abuse on the part of District employees and contractors, which result in a violation of District policies and regulations. The focus of these investigations includes: (1) making a definitive determination as to “what is broken” within an agency; (2) identifying the individual(s) responsible for management failures; (3) making concrete recommendations to correct identified deficiencies; and (4) making recommendations for disciplinary actions where warranted. Administrative investigations often result from criminal matters that, for various reasons, are not prosecuted by the USAO.

In addition to three operational units, the Investigations Division includes a Records Management Unit, which is responsible for maintaining investigative files. This unit is responsible for querying a number of databases for information needed to support ongoing investigations and the overall mission of this Division.

Another component of the Investigations Division is the Referral Program. Complaints or allegations received by this Office that do not warrant formal investigations are routinely referred to the various District agencies for resolution. Specific issues and questions are formulated and recipient agencies are requested to address them and respond to this Office by a specified date. The Referral Program is a major mechanism by which this Office

ACTIVITIES OF THE INVESTIGATIONS DIVISION

responds to citizen complaints. It is also a highly successful instrument by which this Office holds the various components of District Government accountable to the public interest.

CREDENTIALS AND QUALIFICATIONS

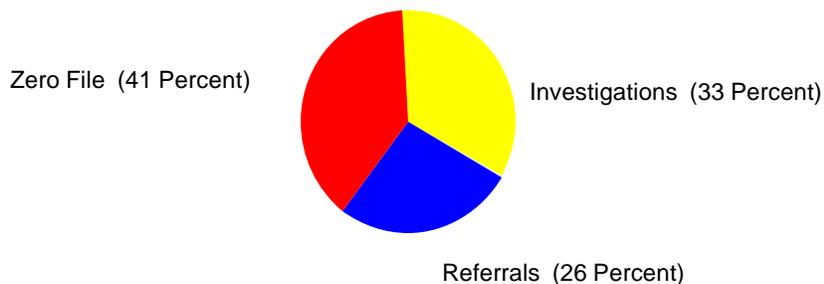
The Investigations Division is comprised of 24 employees, including 5 managerial/supervisory personnel, 15 investigators, 1 Special Assistant, and 3 support staff. Investigators are required to have a 4-year degree from an accredited college or university. Many of our investigators hold advanced degrees as well as professional certifications. Our staff includes former investigators and managers from agencies such as the Federal Bureau of Investigation, the Drug Enforcement Administration, the Army Criminal Investigations Command, and major police departments. Newly hired investigators are required to attend and successfully pass an 8-week basic training course at the Federal Law Enforcement Training Academy, Glynco, Georgia. In addition, we require that all investigative personnel meet the firearm qualification standards of both the FBI and the MPD.

FY 2000 STATISTICAL SUMMARY

There are three general methods of resolving allegations and other investigative matters that come to the OIG. The first method is to open a formal investigation, which may result in the issuance of a Report of Investigation (ROI). The second method is to refer the matter to the head of an agency for inquiry and resolution, with a detailed report of the results to be returned to the OIG by a specific deadline. The third method, in the case of *de minimus* matters or matters that we lack sufficient resources to address, or both, is to place the case in our “Zero” file without further action.

At the start of FY 2000, the OIG had 197 pending investigations. An additional 580 investigative matters were received during FY 2000. Of those 580 matters, 193 were opened as formal investigations, 149 were referred to agency heads for action, and 238 were closed without investigative efforts by placing them in the Zero file.

The pie chart below reflects the methods we used in addressing investigative matters received in FY 2000:



ACTIVITIES OF THE INVESTIGATIONS DIVISION

Investigations

The chart below reflects a 7 percent decrease in the total number of investigations opened. This decrease is attributed to three specific factors. First, this Office was more selective in FY 2000 as to the type and quality of cases opened as formal investigations. Accordingly, the total number of investigations initiated decreased. Second, because of the decision made above, the number of matters referred to other agencies for resolution increased. In this regard, in FY 2000, the ID referred a total of 149 matters to other agencies for resolution as compared to 109 in FY 1999. Third, during FY 2000, this office received fewer hotline complaints than received in FY 1999. Specifically, we received, for FY 2000, a total of 327 hotline calls as compared to 359 for FY 1999. The table below reflects a 235 percent increase in the number of reports issued by the Investigation Division for FY 2000 compared with FY 1999. Detailed hotline statistics are included in Appendix E. This tremendous increase in work output reflects significant advances in the economy and efficiency of operations.

<u>Activity</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Percent Increase (Decrease)</u>
Investigations Opened	227	193	(15)
Investigations Closed	188	169	(10)
ROIs Prepared ¹	26	87	235
MARs	0	5	N/A
MIRs	0	8	N/A
FARs ²	0	1	N/A

The following is a breakdown, by District agencies/departments involved, of the 169 investigations closed in FY 2000:

Advisory Neighborhood Commission	2
Chief Financial Officer	4
Commission on Mental Health Services	2
D.C. General Hospital – Public Benefit Corporation	4
D.C. General Hospital Subsidy	1
D.C. Lottery & Charitable Games Control Board	2
D.C. Public Schools	19
D.C. Superior Court	3
Department of Consumer and Regulatory Affairs	10

¹ Report of Investigation

² Fraud Alert Report

ACTIVITIES OF THE INVESTIGATIONS DIVISION

Department of Corrections	12
Department of Employment Services	5
Department of Finance and Revenue	2
Department of Health	14
Department of Housing and Community Development	4
Department of Human Services	20
Department of Insurance	2
Department of Motor Vehicle	6
Department of Public Works	6
Department of Recreation and Parks	2
Fire and Emergency Medical Services Department	2
Metropolitan Police Department	20
Office of Aging – Board of Appeals & Review	1
Office of Banking and Financial Institutions	2
Office of Contract & Procurement	1
Office of Emergency Preparedness	1
Office of Property Management	1
Office of Recorder of Deeds	2
Office of the Chief Technology Officer	3
Parole Board	1
Public Charter Schools	1
Public Service Commission	1
St. Elizabeth Hospital	1
University of the District of Columbia	2
Water and Sewer Authority	<u>10</u>
Total	<u>169</u>

HOTLINE USAGE

D.C. Code § 47-2881 requires the OIG to submit quarterly reports to Congress on the number and nature of calls placed to “the telephone number established by the Inspector General . . . for reporting instances of waste, fraud, and abuse” The OIG Hotline numbers are (202) 727-0267 and 1-800-521-1639. A total of 327 calls was received on this line during FY 2000, down from 398 in FY 1999. While hotline calls represent just one of the ways in which government employees and concerned citizens provide information to the OIG, it is important to note that some of the most significant cases the OIG investigates result from calls placed to the OIG Hotline. The OIG also receives reports of government corruption, waste, fraud, and abuse by mail, in person, and by referral from other departments and agencies.

As reflected in the statistical table in Appendix E, the OIG Hotline is used to report a wide range of matters. However, not all calls result in the opening of an investigation by the OIG. In some cases, the callers (many of whom elect to remain anonymous) fail to impart enough information

ACTIVITIES OF THE INVESTIGATIONS DIVISION

to enable the OIG to initiate an investigation. Other calls concern matters that are not within the OIG's jurisdiction for investigation. Still other matters cannot be pursued because the OIG lacks the personnel and resources to handle the investigations.

PROSECUTIVE ACTIVITY SUMMARY

Criminal violations uncovered by the OIG are required by D.C. Code § 1-1182.8, to be referred to the USAO for prosecution. In FY 2000, the OIG referred 45 cases to the USAO for possible prosecution, and 29 were accepted.

OIG Cases Referred to USAO:	Cases Accepted:	29
	Cases Declined:	<u>16</u>
	Total Cases Referred:	45

The investigations conducted by the OIG (in some cases, in conjunction with other law enforcement agencies) resulted in sixteen convictions. Fourteen of those convicted received sentences ranging from imprisonment to probation and home detention.

RESTITUTIONS AND RECOVERIES

During FY 2000, individuals convicted as a result of OIG investigations were ordered to pay a total of over \$2.1 million in restitution, fines, assessments, taxes, and penalties. In addition, the Investigations Division recouped property and monies totaling about \$2,900 that had been fraudulently taken; this category is classified as "recoveries."

As shown below, the FY 2000 productivity for restitution and recoveries.

Summary of Restitution and Recoveries

	<u>FY 1999</u>	<u>FY 2000</u>
Restitution	\$1,183,023	\$2,109,834
Recoveries	<u>2,451</u>	<u>2,860</u>
Totals	\$1,185,474	\$2,112,694

REPORTS OF INVESTIGATION

The OIG issued 87 ROIs in FY 2000. An ROI is issued at the conclusion of significant investigations and sets forth a detailed summary of the investigation that contains substantiated allegations and recommendations for sanctions, where appropriate. Cases of less significance, or

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those in which the complaint cannot be substantiated, are closed administratively. ROIs are then distributed to the heads of "action agencies." An action agency is defined as one having the authority to enforce the sanctions recommended. An executive summary is prepared for each ROI when misconduct is substantiated. The executive summary contains a synopsis of the investigation that conceals the identity of individual subjects and witnesses. This summary is distributed to the Mayor, the City Council, the Control Board, and the Congress, as appropriate. ROIs issued in FY 2000 involved a wide variety of violations, including the following: falsified time and attendance records, misuse of government-owned vehicles, theft and misuse of funds, false earning statements, improper acceptance of gratuities, conflicts of interest, abuse of leave, improper administration of contracts, and bribery.

SIGNIFICANT INVESTIGATIONS

D.C. Lottery Agent who issued more than \$500,000 in Fraudulent Tickets Sentenced

As reported last year, the former proprietor of a licensed D.C. Lottery Store who was indicted and arrested in California, was sentenced on August 25, 2000, after having previously plead guilty to one count of computer fraud and first degree theft. The former D.C. Lottery Agent received 18 months in prison and agreed to make restitution to the D.C. Lottery in the amount of \$503,649. The court stayed the execution of the sentence pending an appeal of the sentence filed by the defendant.

A Credit Card Fraud and Forgery Scheme by a Former Advisory Neighborhood Commission (ANC) Official

A former ANC Commissioner fraudulently opened commercial accounts on behalf of the ANC at two business locations. Over the next few months, this official purchased more than \$12,000 in merchandise that was never given or used by the ANC for a public purpose. This former Commissioner also opened another fraudulent account at a credit card company and misrepresented the ANC as a business to the company officials. For the next few months, this official incurred a debt of over \$17,000 on this account, making numerous cash withdrawals on the credit card and purchasing a variety of personal items. Finally, the former Commissioner fraudulently cashed two ANC checks totaling \$600 made payable to himself. This individual entered a guilty plea to two criminal counts and was sentenced to 10 months home detention 2 years probation and was required to make full restitution.

Medicaid Fraud by Mental Health Services Providers and a District Employee

The operator of a company, which operated a day treatment program for mentally retarded adults in the District, submitted false claims over an 18-month period to Medicaid claiming psychotherapy and other services. These services were in fact not provided, and the claims were fraudulent. In a 15-day trial, the provider was convicted by a jury on 14 felony counts, including

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Conspiracy, Mail Fraud, Tax Evasion, Money Laundering, and Bank Fraud. This individual was sentenced to 87 months incarceration and ordered to pay restitution in excess of \$2.1 million. A co-conspirator had plead guilty to conspiracy for his role in some of the offenses with the operator of the company was convicted and is pending sentencing. Also, a former Department of Human Services official was found guilty in a related trial for having conspired with the operator of the company to commit the offenses of Conflict of Interest, Receipt of Illegal Gratuities and Payment of Illegal Gratuities. He is also pending sentencing. This was a joint investigation with the FBI and the Immigration and Naturalization Service.

Bribery by a Former Department of Consumer and Regulatory Affairs (DCRA) Boiler Inspector

A DCRA inspector had condemned a boiler in a District dry-cleaning business. After negotiations between the concerned party and the inspector, a payment of \$1,000 was made to the inspector. Based on this payment, the inspector assured the business that DCRA officials would not be issuing any more citations regarding the boiler. The inspector plead guilty to one count of Receipt of a Bribe by a Public Official and was sentenced to 2 years probation and fined \$1,000.

In a related issue, the former Acting Foreman of the Refrigeration Section of Saint Elizabeth's Hospital pled guilty to stealing freon as the result of a joint OIG/FBI investigation. The official was sentenced to 3 months home detention and ordered to pay \$6,410 in restitution.

Former Executive Director of a non-profit corporation organized to provide health care services to mentally retarded residents of the District of Columbia was indicted on 18 counts of Medicaid fraud.

A jointly conducted investigation by the OIG and the FBI revealed that the former Executive Director of the District of Columbia Community Services, Inc. (DCCS) devised several criminal schemes to defraud the intended recipients of Medicaid funds. These financial schemes, totaling in excess of \$800,000, which included kickbacks on DCCS contracts and short-term loans, were for the purpose of ingratiating himself and to support a lavish lifestyle. Trial in this matter is scheduled for March 2001.

Allegation that a High-Ranking District Employee Displayed Racial Behavior

As a result of a newspaper article and at the request of a prominent District official, the Investigations Division conducted an investigation into an allegation that a high-ranking District employee had displayed racist behavior through a discriminatory comment. An investigation ensued of past and present peers and subordinates, none of whom could corroborate the allegation. Due to insufficient evidence and lack of a credible source, the allegation was unsubstantiated and the case was closed.

ACTIVITIES OF THE INVESTIGATIONS DIVISION

Improper Use of District Cellular Phones

At the request of the United States Attorney's Office, an investigation was conducted regarding the improper use of District cellular phones for personal purposes. Findings from the investigation revealed that an entire unit within a District of Columbia agency had (1) insufficient policies and procedures regarding the accountability of assigned cell phones, and (2) a grossly inappropriate monitoring system for cellular phone usage. In fact, there was no monitoring system in place as there was no review of the bills on a monthly basis.

Based on the findings listed above and an apparent fiscal misuse of government funds, recommendations for resolution were offered. Implementation of appropriate policies and procedures in concert with restitution for all personal and non-official calls was recommended as an immediate remedy.

Bribery Involving Hack Inspectors

A Hack Inspector from the Metropolitan Police Department was found guilty of demanding and receiving bribes from taxicab drivers in exchange for "fixing" tickets (Notice of Infractions – NOI) that had been issued. This Inspector would either destroy the tickets in exchange for money or fail to appear at the adjudication hearing resulting in a dismissal. The investigation revealed that the Hack Inspector failed to appear for 22 scheduled hearings involving tickets. The investigation also revealed an apparent loss of \$3,000 in fines and revenue to the District of Columbia because of this illegal activity. The Hack Inspector was charged with one count of bribery, convicted, and sentenced to 6 months in prison.

Additionally, the Inspector General recommended the strict enforcement of accountability and periodic training of Hack Inspectors be implemented to reinforce their role, which is similar to commissioned police officers. Finally, the recommendation was made for clarification of NOI distribution and random audits of NOI books.

Improper Commissioning of Special Police Officers (SPOs) at a District Agency

A personnel list of Special Police Officers was requested by the Office of the Inspector General causing the foundation for this case. It was found that there were commissioned SPOs with criminal history arrest records that included both misdemeanor and felony violations. All persons were providing armed security duties. After a thorough investigation as to the commissioning of these individuals, it was revealed that there was conflicting information pertaining to the eligibility criteria between the provisions of D.C. Code 22-3203 and the Security Officers Management Branch policy manual. It appears this conflict allowed the commission of these formerly arrested individuals.

ACTIVITIES OF THE INVESTIGATIONS DIVISION

However, even in light of this conflict, there appears to be one-armed SPO with a felony conviction in full violation of applicable laws. Recommendations for resolution were made to the Mayor, and official actions are pending.

Improper Handling of a District Detention Facility Inmate While In Custody of a Department of Corrections (DOC) Officer

At the request of the Mayor, an investigation was conducted regarding the circumstances surrounding the escape of a pre-trial inmate incarcerated at the District of Columbia Detention Facility (DCDF). During an escort from DCDF to the D.C. General Hospital (DCGH), the inmate escaped, a major gunfight ensued, and 41 shots were fired. The focus of the investigation surrounded (1) the policies and procedures governing the care and custody of DCDF inmates while on escort, and (2) whether these policies/procedures were in place on the day of the escape.

Findings from the investigation concluded that the regulations currently in place have serious deficiencies in that they do not provide for specific classification for pre-trial detainees, and they are materially confusing and vague. Further, due to this apparent confusion, the officer in charge of the inmate on the day of the incident allowed the inmate to proceed unescorted and unhandcuffed, thereby creating the melee. His actions, however, were in gross violation (however vague) of policies and procedures.

Recommendations from the Inspector General include implementation of a classification system for all pre-trial detainees, clarification of all relevant regulations, and appropriate disciplinary action against the Corrections Officer for an inexcusable neglect of duty.

REFERRALS

The OIG frequently refers to other departments and agencies administrative matters that can best be addressed by those agencies. In most cases, the OIG monitors the responses to such referrals to ensure that the matters are handled appropriately. During FY 2000, the Referral Program (RP) played a significant role in energizing District agency officials to combat fraud, waste, and abuse within their respective agencies. The focus of the referral program is that of holding agency heads accountable for thoroughly addressing issues of mismanagement and inefficiency within their respective agencies. During FY 2000, the OIG referred a total to 149 matters to the following District agencies:

ACTIVITIES OF THE INVESTIGATIONS DIVISION

<u>Agency</u>	<u>Number of Referrals</u>
Child and Family Services Administration	3
Commission on Mental Health Services	6
Contract Appeals Board	1
D.C. General Hospital	3
D.C. Housing Authority	1
D.C. Lottery and Charitable Games Control Board	3
D.C. Office of Personnel	2
D.C. Public Schools	12
D.C. Superior Court	1
Department of Consumer and Regulatory Affairs	15
Department of Corrections	9
Department of Employment Services	6
Department of Fire and Emergency Medical Services	3
Department of Health	5
Department of Housing and Community Development	1
Department of Human Services	12
Department of Insurance and Securities Regulation	1
Department of Motor Vehicles	16
Department of Public Works	7
Department of Recreation and Parks	1
Federal Department of Wildlife and Fisheries	1
Metropolitan Police Department	14
Office of Banking and Financial Institutions	1
Office of the Chief Financial Officer	1
Office of the Chief Medical Examiner	2
Office of Contracting and Procurement	1
Office of the Corporation Counsel	6
Office of Human Rights	1
Office of Planning and Economic Development	1
Office of Tax and Revenue	8
Taxicab Commission	1
University of the District of Columbia	3
Water and Sewer Authority	<u>1</u>
Total Referrals:	<u>149</u>

ACTIVITIES OF THE INVESTIGATIONS DIVISION

SIGNIFICANT RESULTS FROM THE REFERRAL PROGRAM

The following are examples of significant outcomes for referrals sent to agency heads by the OIG during FY 2000:

OIG No. 99-0682: This referral to the Office of Tax and Revenue involved an allegation of a fraudulent claim of homestead exemption. The agency's investigation substantiated the allegation, and the offender was assessed a fine and interest.

OIG No. 2000-0013: This referral to the University of the District of Columbia involved an allegation of sexual harassment brought by a student against one of her professors. The University's investigation showed the complaint to be unfounded: the complainant's version of events was substantially at odds with the versions of all of the other students, and the student has a history of erratic behavior.

OIG No. 2000-0051: This referral to D.C. General Hospital involved two allegations: that a former employee continued to draw a paycheck, and that some employees were being coerced into performing inappropriate work for their superiors. The agency's investigation showed that the former employee's contract entitled him to 180 days' salary beyond the date of his termination, and the other allegation was unfounded.

OIG No. 2000-0060: This referral to the D.C. Superior Court involved an allegation that a person had falsely claimed to be indigent in order to receive the services of a public defender, and that the public defender assigned to him participated in the fraud. The matter was referred to the Chief Judge, who referred it to the United States Attorney for criminal prosecution.

OIG No. 2000-0090: This referral to the Office of the Corporation Counsel involved an allegation that the Office of the Mayor had improperly accepted corporate donations which had not first been cleared by the Office of the Corporation Counsel. The agency's investigation showed that the Office of the Mayor acted within its proper authority.

OIG No. 2000-0103: This referral to the D.C. Lottery and Charitable Games Control Board involved an allegation of misuse of a government vehicle. The agency's investigation was unable to substantiate the allegation, but as a result of the referral the agency reviewed and revised its policy regarding the use of government vehicles.

OIG No. 2000-0105: This referral to the University of the District of Columbia involved an allegation that a former employee had not received two paychecks to which he was entitled. The agency's investigation substantiated the allegation, and the former employee was compensated in the amount of \$3,721.64.

ACTIVITIES OF THE INVESTIGATIONS DIVISION

OIG No. 2000-0122: This referral to the Department of Human Services involved an allegation that a recipient of public assistance both resided in Maryland and was employed. The agency's investigation was unable to substantiate the allegation that the person resided in Maryland but did substantiate the allegation that she was employed. The agency determined that the matter did not rise to the level of a prosecutable offense, but that an overpayment did exist for which compensation would be sought in the amount of \$538.70.

OIG No. 2000-0214: This referral to the Commission on Mental Health Services concerned an allegation that some patients were being turned away from a particular clinic for contrived, inappropriate reasons. The agency's investigation showed that the clinic's triage procedure required only that the word "Screened" appear in the file for each person whose intake was reviewed, without any descriptive text or reason. The clinic has reviewed and revised its policies so that specific criteria for turning potential patients away are provided, and patients' files must contain descriptive/explanatory text for why they were turned away.

OIG No. 2000-0217: This referral to the Office of Contracting and Procurement concerned an allegation that senior management was abusing agency cellular telephone privileges. The agency reviewed its procedures, recalled the cellular telephones, will require that cellular telephones be assigned on a case-by-case basis, and sought to re-coup lost funds from 16 employees.

OIG No. 2000-0269: This referral to the Department of Health involved an allegation that an employee had made false statements on her employment application. The agency's investigation disproved the allegation.

OIG No. 2000-0305: This referral to the Department of Human Services involved an allegation of time and attendance fraud. The agency's investigation not only disproved the allegation, but also revealed an error by which the agency owed the employee an additional 30 hours of leave.

OIG No. 2000-0359: This referral to the Department of Employment Services concerned an allegation that the subject was collecting unemployment payments from the agency at the same time she was working part-time for undeclared cash at a dentist's office in the District. The agency's investigation showed that the subject was receiving unpaid, "on-the-job" training at the dentist's office, which does not preclude receiving unemployment payments from the District Government.

OIG No. 2000-0448: This referral to the D.C. Lottery and Charitable Games Control Board concerned an allegation that an official was in violation of the position's residency requirement. The agency's investigation showed that the official had been granted an extension until October 1, 2000, and that the official became an employee of the Office of the Chief Financial Officer, which did not have a residency requirement, before that date.

OIG No. 2000-0465: This referral to the Department of Motor Vehicles concerned an allegation that a vehicle inspector was making recommendations in favor of a particular Maryland

ACTIVITIES OF THE INVESTIGATIONS DIVISION

service/repair shop to patrons whose vehicles failed the D.C. inspections. The agency's investigation substantiated the allegation, but no disciplinary action was imposed on the inspector because he had not been aware of the potential conflict-of-interest involved in his action. As a result of this referral, however, the agency has instituted additional conflict-of-interest training for all of its vehicle inspectors.

OIG No. 2000-0483: This referral to the Office of Planning and Economic Development concerned an allegation that an agency contractor who was required to maintain an office in Ward 8 to serve that Ward's residents, had moved its office from Ward 8 to Ward 7. The agency's investigation showed that the terms of the contractor's agreement did not require it to maintain an office in Ward 8, disproving the allegation.

OIG No. 2000-0501: This referral to the Metropolitan Police Department concerned an allegation that the family of a citizen who died over 40 years ago has been unable to obtain any information about the death from either the Metropolitan Police Department or from the Office of the Chief Medical Examiner. OIG made a Freedom of Information Act request to the Metropolitan Police Department on the family's behalf.

PERFORMANCE MEASURES TO EVALUATE PROGRESS

The following measures will be employed to assess progress towards resolving identified risks:

1. The quantity and quality of matters worked cooperatively with other investigative agencies are effective measures of the extent to which systemic criminal issues are being addressed in the District.
2. The number of matters successfully investigated and accepted for prosecutive actions by both the U.S. Attorney's Office and the Office of Corporation Counsel is indicative of the progress made towards resolving identified risks.

Existing performance measures are shown in Appendix D.

**ACTIVITIES OF THE
INSPECTIONS AND EVALUATIONS DIVISION**

ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

ORGANIZATION AND MISSION

The OIG Inspections and Evaluations Division (I&E) is headed by the AIG for I&E. A Deputy AIG and a Director of Planning and Inspections form the rest of this Division's leadership. The AIG sets policy and, through the Deputy AIG, provides leadership and direction to the Division. The Director manages inspection and evaluation activities in the field and at OIG headquarters and oversees the day-to-day administrative activities in the Division.

The Division is responsible for conducting inspections of District Government agencies and programs. An OIG inspection is a process that evaluates, reviews, and analyzes the management, programs, and activities of a District department or agency in order to provide information and recommendations that will assist managers in improving the operations of an organization, program, policy, or procedure. The objectives of inspections include providing senior managers with an independent source of factual and analytical information about vital operations, measuring performance, assessing efficiency and effectiveness, identifying areas of mismanagement, fraud, waste, and abuse; and monitoring agency compliance with the Inspector General's recommendations. Inspection results are published in an inspection report and in MAR. The OIG provides a MAR when a matter surfaces during an inspection that requires the immediate attention of the head of an agency or department. The findings developed during inspections may lead to recommendations for investigations or audits.

CREDENTIALS AND QUALIFICATIONS

The Inspections and Evaluations Division is a relatively new OIG division of six inspectors and an administrative assistant. Six additional inspectors will be hired in Fiscal Year 2001. All inspectors will have 4-year degrees from an accredited college or university and, in most instances, a graduate degree related to the fields of management analysis or public administration. All inspectors also must have significant experience working in or with state or federal governments as inspectors, management analysts, or managers. Upon entering on duty, new inspectors receive both formal refresher training as well as specific on-the-job training in the analysis and evaluation of organizations and their management.

Division inspectors adhere to the standards for OIG inspections and evaluations promulgated by the President's Council on Integrity and Efficiency, as well as to the standards mandated by the Inspector General of the District of Columbia.

INSPECTION REPORTS ISSUED IN FY 2000

The I&E Division issued three inspection reports in FY 2000 containing a total of 110 findings and 170 recommendations. Recommendations were made to agency and department heads that required corrective measures to improve operations, address deficiencies, and ensure that District

ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

laws, regulations, and policies are followed. In addition to the reports, seven MARs were issued in FY 2000 to agency and department heads.

Department of Motor Vehicles, 99-0001AD, January 2000

The inspection of the Department of Motor Vehicles (DMV) was conducted from September to December 1999. While the inspection found that basic day-to-day DMV functions were being performed adequately, it identified a significant number of problem managers and operational problems, including deficient computer systems, inadequate staffing, and time and attendance problems. Six MARs were provided to the Director of DMV concerning the licensing of problem drivers and drivers with significant traffic violations, inadequate physical security, deficiencies in licensing school bus drivers, and problems with the work of DMV's primary computer contractor. The report had 54 findings and 92 recommendations.

Medical Assistance Administration, 00-0002HC, July 2000

The inspection of the Medical Assistance Administration (MAA) was conducted from February to April 2000. The inspection found significant deficiencies in key MAA operations, particularly the failure to recover millions of dollars of erroneous Medicaid payments made to health care providers. A Management Alert Report on this matter was provided to the Director of MAA. The inspection found a lack of specific procedures for collecting Medicaid overpayments, computer systems that were deficient and outdated, and inadequate staffing in the important Surveillance and Utilization Review (SUR) Unit which reviews claims and procedures to detect and prevent fraud, waste and abuse of Medicaid services and funds. On the positive side, the SUR Unit had collected \$489,000 in Medicaid overpayments in spite of its staffing problems. The report contained 30 findings and 45 recommendations.

Department of Motor Vehicles Inspection Station, 00-0001KV, February 2000

The inspection of the Department of Motor Vehicles Inspection Station (Station) was conducted from April to June 2000. The inspection found that there had been significant improvements in Station operations since numerous customer complaints had been reported by the media earlier in the year. There was a dramatic decrease in customer wait time with the hiring of additional staff and extended business hours. The inspection found low morale and low motivation among employees that was attributed to a lack of recognition by management of their good work. There also were complaints about hiring practices, subjective performance evaluations, poor communication between managers and subordinates, and deficient training. The inspection report contained 26 findings and 33 recommendations.

RECOMMENDATIONS ON SIGNIFICANT PROBLEMS

The following recommendations to District agencies called for corrective actions on significant problems that surfaced during the three inspections completed in FY 2000.

ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

Department of Motor Vehicles

- The Director of DMV (D/DMV) should ensure that she has the resources and management tools required to make the District's DMV a professional organization performing at levels comparable to other DMV's across the country. It is particularly important that D/DMV reassign or remove from service expeditiously employees who are demonstrably not meeting promulgated performance standards.
- DMV should ensure that appropriate national databases are checked to ensure that applicants for driver's licenses who have been identified as ineligible problem drivers are not issued licenses.
- The D/DMV should establish a unit with the experience and expertise to oversee all DMV contractor operations and ensure that senior management knows everything it needs to know to protect the interests of the District Government and District taxpayers.

Medical Assistance Administration

- The Director of MAA should coordinate with the appropriate District and federal government entities to recoup erroneous Medicaid payments made from 1993-1996 totaling as much as \$89.6 million.
- MAA's Surveillance and Utilization Review Unit should be staffed with sufficient personnel to fulfill its mission of detecting and preventing fraud, waste, and abuse of District Medicare services and funds.

PERFORMANCE MEASURES TO EVALUATE PROGRESS

The I&E Division has a compliance system designed to track agency compliance with recommendations that have been approved by the Inspector General and agreed to by the inspected agency. Upon receipt of the inspection report, an agency is asked to establish a time line for acting upon and completing all recommendations made in the report. The inspectors who conduct an inspection are assigned to monitor the agency's progress until all recommendations have been complied with. Agencies are asked to submit documentation on each recommendation in the inspection report that explains the action taken by the agency to comply. These submissions are reviewed in line with the intent of the findings and recommendations in the inspection report, and when the reviewer perceives discrepancies, the agency is contacted so that the matter can be resolved satisfactorily.

**ACTIVITIES OF THE
MEDICAID FRAUD CONTROL UNIT**

ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

MEDICAID FRAUD CONTROL UNIT OVERVIEW

The Medicaid Fraud Control Unit (MFCU) is the newest of the four divisions within the OIG. The Unit received its certification by the U.S. Department of Health and Human Services on March 1, 2000. In this, the first year of its existence, the Unit was able to hire staff, purchase equipment, and establish its policies and procedures, as well as develop its physical office location.

The goal of the Unit is to investigate and prosecute cases of fraud and abuse within the Medicaid program for the District of Columbia. The Unit's staff is composed of the Director, who is a veteran prosecutor with over 10 years of experience in prosecuting health care fraud; the Deputy director with over 20 years of general prosecution experience; and 2 additional attorney/prosecutors. One of the attorney/prosecutors has 20 years of health law experience, and the other one has an extensive nursing and legal background. Other personnel include investigators, auditors, claims specialists, and data reviewers.

ANTI-FRAUD EFFORTS

One of the first priorities of the new MCFU was to establish liaison with the District agencies concerned with the provision of services under the D.C. Medicaid program. Much of the liaison work has centered on the District's Department of Health (DOH). In particular, DOH's Medicaid Assistance Administration (MAA) is a key partner in the MFCU effort to fight fraud and abuse. The OIG and MAA have entered into a formal Memorandum of Understanding requiring, among other things, the prompt and consistent reporting of suspected fraud to the OIG. The MFCU and MAA have created a liaison committee with regularly scheduled and transcribed meetings, in order to create a consistent and organized channel for communications. In addition, there are frequent informal contacts between MAA and the MFCU in which information about potential problems in the system is shared. We anticipate an increasingly close working relationship between the MFCU and MAA. The foundation to successful collaboration is being solidified through an ongoing training program for MAA personnel. This MCFU training program includes topics such as the legal aspects of fraud prosecution and effective health fraud auditing techniques.

Other systemic improvements are being planned. For example, the MCFU is seeking to obtain direct on-line access to information about the claims made by medical providers. This would greatly facilitate the flow of needed information. As a result, investigations can move faster, and less time will be consumed by both MAA and MFCU personnel working on data requests. The MFCU continues to review the laws and regulations relevant to antifraud enforcement. Where appropriate, we made suggestions to the City Council or District agencies regarding new or revised laws and regulations that could aid our efforts to protect the Medicaid Program.

ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

The MFCU has provided educational materials and made presentations on health care fraud to a number of provider groups. These efforts include lectures delivered to provider organizations as well as information about the MFCU being distributed in provider newsletters. The MFCU has accepted invitations to make presentations to graduate student groups in the health professions. In that way, current and future health care providers are informed about the seriousness of health care fraud and patient abuse, and the efforts to fight these problems. As a result, the next generation of providers will be sensitive to these issues from the very start of their careers.

Other aspects of outreach efforts have focused on consumer and senior citizen groups. For example, we have met with American Association of Retired Persons (AARP) to coordinate efforts regarding Medicaid and Medicare fraud. We have informed them of our mission and the role we play, and will be an active participant in their projects aimed at educating senior citizens throughout the District about health care fraud. The AARP will be including us in its referral list for leads received on its hotline number regarding possible fraud, and we were invited to make a presentation to all of its organization's health fraud coalition members in early October.

The MFCU also works closely with several federal agencies in our efforts against fraud and abuse. A Memorandum of Understanding between the OIG and the U.S. Attorney's Office, in combination with a close working relationship with the U.S. Attorney's Office, will allow the MFCU to investigate and prosecute violations of both the U.S. Code and the D.C. Code. In many cases, this flexibility is an advantage because of the greater penalties and the wider reach of federal statutes over local ones. In addition, the MFCU will investigate matters that lead to the filing of litigation under the federal civil false claims act, which can lead to the recovery of significant damages and penalties. In our work with the Inspector General of the U.S. Department of Health and Human Services, we can also present matters to be brought through an administrative channel, which can result in significant monetary penalties for fraudulent activity, as well as the exclusion nationwide from federal health care programs of individuals engaging in fraudulent and abusive practices.

The potential impact of this new Unit on the fight against fraud and abuse continues to be recognized by the legal and medical communities in a variety of ways. For example, the Director of the MFCU was invited to present a continuing legal education seminar on health care fraud issues to a prestigious non-profit educational institution serving attorneys nationwide. The Director has also been asked by the Medical Society of the District of Columbia to write a chapter in a handbook on health care fraud. This handbook will be distributed to physicians throughout the District.

PATIENT ABUSE

Experience has shown that residents of nursing homes and group homes for the mentally retarded, and those with mental health problems are particularly vulnerable to physical abuse and neglect. As indicated previously, one of the important aspects of the MFCU mission is the investigation and prosecution of the abuse and neglect of vulnerable individuals, even where this

ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

abuse does not result in economic loss to the Medicaid program. These cases, in some ways, are the most important cases handled by the Unit, because the theft of money, no matter how reprehensible, should not be compared to those situations in which lives are ruined or lost through intentional abuse or reckless care.

We have made an extensive outreach efforts to relevant agencies, organizations, and stakeholders throughout the District. We established a system to collect and track incidents of abuse. Each report of an incident receives a prompt and expert assessment. For the first time, the District has a comprehensive effort to combat the intentional abuse as well as neglect of vulnerable adults.

GOVERNMENTAL LIAISON

The MFCU has worked with the DOH to expedite the referral of patient abuse problems so that, as with cases of fraud, the matters will not be limited to administrative remedies, but will be reviewed for their criminal potential as well. At present, all unusual incidents at nursing homes, group homes for the mentally retarded, and mental health institutions are required to be reported to the Office of the Inspector General, where they are addressed by the patient abuse team. The MFCU has initiated training programs with both the Metropolitan Police and Fire Departments. These training programs are intended to aid those Departments in recognizing the signs of abuse and neglect, in documenting their observations and in facilitating the speedy referral of cases. We believe that public safety will greatly benefit from such programs since Fire Department emergency medical technicians and uniformed police officers are often the first to respond to emergency situations involving abuse or neglect. Furthermore, the MFCU is presently coordinating with the Metropolitan Police Department in the investigation of suspicious deaths in the group homes for the mentally retarded. We look forward to close collaboration on such matters in the future.

OTHER OUTREACH EFFORTS

In addition to the MFCU's liaison work with the agencies of the District of Columbia, a great deal of effort has been put into educating the health care industry and the public about the problem of patient abuse. Specifically, representatives of the MFCU have met with representatives of the nursing home industry, explained our mission in this regard, and much of this information has been conveyed to their members. The Unit has also created flyers with information about the MFCU and the fact that we should be a key resource in cases of patient abuse. In addition to the flyers already distributed, the Unit is in the process of creating a more detailed educational brochure, giving real life examples of patient abuse, our efforts to combat it and how the public can play a role in this fight.

ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

LEGISLATIVE REVIEW

As in the case with fraud matters, MFCU has been reviewing the District Code provisions relative to the abuse of patients. In this connection, we have supported and made suggestions regarding the passage of new legislation aimed at this problem. In particular, the MFCU has discussed the issue of patient abuse, offered to provide educational materials, and suggested language for potential legislation to the City Council. Legislation of prime importance is now pending that is designed to specifically criminalize the neglect and abuse of vulnerable adults such as the residents of nursing homes and group homes for the mentally retarded. The law has been passed by the City Council and is awaiting congressional approval.

PENDING ACTION

As a result of MFCU's aggressive outreach and review of administrative records, several cases involving the abuse of nursing home residents have been presented to the U.S. Attorney's Office and accepted for prosecution.

APPENDICES

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Fiscal Year 1998 - 2000 Audit Division Performance Statistics

Activity	FY 1998	FY 1999	FY 2000
OIG Reports Issued*	23	28	31
OIG Audits Outstanding	13	17	12
Contract Audits Completed	21	44	36
Contract Audits Outstanding	40	59	23
Total Audits Completed	44	72	67
Total Audits Outstanding	53	76	35
OIG Audit Savings	\$2,798,000	\$18,884,000	\$31,747,000
Contract Audit Savings	\$9,650,000	\$9,482,500	\$2,200,000
Total Savings From All Audits	\$12,448,000	\$28,366,500	\$33,947,000
Contract Solicitation Cancellations	35	27	7
Signing of Annual City-Wide Audit Contract	Signed 9/1998	Signed 6/1999	Signed 9/2000

* Reports include Audit Reports, Management Implication Reports, and Management Alert Reports

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Costs for Audits Completed in FY 2000- Internal

Audit Title	Costs
Review of the Department of Human Services and the District of Columbia General Hospital Contracts With a Selected Vendor, OIG-02-02MA	\$ 28,800
Audit of Procurement Activities, Office of Contracting and Procurement, OIG-20-99PO	\$ 96,768
Audit of the Direct Activity Purchase System and the Student Activity Fund at Eastern Senior High School, OIG-22-99GA	\$ 22,752
Audit of the Comprehensive Automated Personnel Payroll System, OIG-21-99AT	\$ 30,240
Audit of the District of Columbia Public Schools Facilities' Capital Improvement Program, OIG-03-99GA	\$ 77,472
Report on the Fiscal Year 1999 Audit of the District of Columbia Projects Funded by the Federal Highway Administration, OIG-12-99KA	\$ 81,792
Audit of the Department of Housing and Community Development's Management of Funds Provided to Community Development Corporations, OIG-11-99CD	\$ 165,312
Audit of Surplus Telecommunication Equipment, February 15, 2000, OIG-24-99MA	\$ 31,680
Audit of the Home Purchase Assistance Program, OIG-02-99DB	\$ 81,216
Management Letter for the Home Purchase Assistance Program for Fiscal Years Ended September 30, 1997, 1996, and 1995, December 20, 1999, OIG-02a-99DB	\$ 36,000
Audit of the District of Columbia General Hospital's Telecommunications System, OIG-9839-18-99	\$ 37,440
Audit of the Direct Activity Purchase System and Student Activity Fund at Ballou Senior High School, OIG-15a-99GA	\$ 89,568
Audit of the Development of the Department of Employment Services District Unemployment Tax Accounting System, OIG-10-99CF	\$ 43,488
Audit of the Direct Activity Purchase System Account Disbursements at Ballou Stay High School, OIG-15-99GA	\$ 27,360
Total Costs for Completed OIG Audits	\$ 813,888

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Costs for Audits Completed in FY 2000- External

Audit Title	Costs
Year 2000 Business Services Continuity Assessment of the District of Columbia's Emergency Management Agency, OIG-01-01MA	\$ 294,165
Report of the Disability Program within the Department of Employment Services, September 19, 2000, OIG-01-14CF	\$ 116,463
Total Costs for External Contract Audits	\$ 410,628

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Fiscal Year 1998 - 2000 Investigations Division Performance Statistics

Activity	FY 1998	FY 1999	FY 2000
Investigative Matters Addressed*	321	670	580
Investigations Opened	N/A	227	193
Investigations Closed**	76	188	169
Investigative Reports Prepared	22	26	87
Cases Referred	42	109	149
Referred Cases Closed	21	51	115
Cases Accepted by USAO	N/A	16	29
Cases Presented to USAO	23	19	45
Cases Presented to Corporation Counsel	0	2	13
Restitution	\$353,661	\$1,183,023	\$2,109,834
Recoveries	0	\$2,541	\$2,861
Convictions	24	16	7
MARs	N/A	N/A	5
FARs	N/A	N/A	1
MIRs	N/A	N/A	8

* Includes active investigations, referrals to other agencies, and administrative closures of complaints received during FY 1999.

**This category includes some complaints received prior to FY 1999

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Fiscal Year 2000 Hotline Statistics

Category	Q1	Q2	Q3	Q4	Total
Threats to public health, to public safety, or to the environment; or involving unsafe working conditions	2	7	3	3	15
Physical assaults or threats of violence	0	3	2	2	7
Fraud, theft, or false claims	9	6	11	5	31
Bribery, extortion, kickbacks, or illegal gratuities	2	3	3	2	10
Misuse of government funds or property, or use of official position for private gain	9	9	5	9	32
Governmental waste, inefficiency, or mismanagement	13	22	20	24	79
Contract fraud or procurement violations	3	5	6	7	21
False statements	1	1	3	1	6
Ethics violations and conflicts of interest	2	1	0	0	3
Time and attendance fraud	4	9	4	5	22
Harassment, retaliation, or abuse of authority by a supervisor or by another government official	3	9	11	11	34
Hiring, promotion, or other treatment of employees in violation of personnel regulations	3	4	5	3	15
Incivility or lack of response from an agency	8	1	12	1	22
Miscellaneous	5	8	11	6	30
Total	64	88	96	79	327

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Fiscal Year 2000 Costs for Completed Investigations

Investigation Title	Costs
D.C. Lottery Agent who issued more than \$500,000 in Fraudulent Tickets Sentenced	\$ 2,600
A Credit Card Fraud and Forgery Scheme by a Former Advisory Neighborhood Commission Official	\$ 2,748
Medicaid Fraud by Mental Health Services Providers and a District Employee	\$ 2,223
Bribery by a Former Department of Consumer and Regulatory Affairs Boiler Inspector	\$ 1,068
Former Executive Director of a non-profit corporation organized to provide health care services to mentally retarded residents of the District of Columbia was indicted on 18 counts of Medicaid fraud.	\$ 1,138
Allegation that a High-Ranking District Employee Displayed Racial Behavior	\$ 1,540
Improper Use of District Cellular Phones	\$ 998
Bribery Involving Hack Inspectors	\$ 980
Improper Commissioning of Special Police Officers (SPOs) at a District Agency	\$ 1,523
Improper Handling of a District Detention Facility Inmate While In Custody of a Department of Corrections (DOC) Officer	\$ 2,013
Total Costs for Significant Investigations Completed	\$ 16,831

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Fiscal Year 2000 Costs for Completed Inspections

Inspection Title	Costs
Department of Motor Vehicles (DMV) Main Headquarters	\$ 122,976
Medical Assistance Administration (MAA)	\$ 114,480
Department of Motor Vehicles (DMV) Inspection Station	\$ 42,480
Total Costs for Completed Inspections	\$ 279,936

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Press Highlights

“District Rebuked for ‘Unlawful’ Contract Hiring,” August 11, 2000

“Ex-DC Official Convicted of Conflict of Interest: \$30,000 in Financial Gains Traced to Relationships with Contractor Hired to Serve Retarded People,” June 13, 2000

“District Audit Finds Illegal, Wasteful Contracting,” July 29, 2000

“Guilty Plea Entered in DC Lottery Scam: Ex-Ticket Agent Stole Nearly \$300,000,”
December 21, 1999

“School Asked to Review Bus Drivers: Inspector General Cites Conflicting Reports on
FBI Checks,” April 4, 2000

“DC Uncovers Disability Plan Overpayments,” September 21, 2000

“DC’s Deadly DMV,” June 21, 2000

“DC DMV, A Speedier Trip: Employees Mean Less Waiting, Inspector General Says,”
August 22, 2000

“DMV, Now Fully Staffed, No Longer Poses an Hours-Long Ordeal,” August 22, 2000

“DC General Spending Subject of Federal Probe,” June 13, 2000

“DC Police Chief Defends Deputy, Seeks Probe,” February 4, 2000

“Gainer Cleared of Pejorative Remark,” March 10, 2000

“Auditing Firm Replaced,” July 20, 2000

“Inspector General Lines Up Audits,” September 1, 2000

“District Contract Hiring Cases Scrutinized for Irregularities,” August 12, 2000

“Grants Mismanaged, DC Audit Finds,” February 24, 2000

“Fraud Trial Begins for DC Contractor,” February 2, 2000