



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

**Report on the Activities of the
Office of the Inspector General
Fiscal Year 2001**

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

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



MESSAGE FROM CHARLES C. MADDOX, ESQ. INSPECTOR GENERAL

The sunset of the Control Board on September 30, 2001, signaled significant progress for District leaders. The audit of the annual financial report, conducted under contract with this Office, demonstrated that the District had balanced its budget four years in a row, paving the way for a return to Home Rule. While the District has taken great strides toward correcting a wide range of fiscal and managerial deficiencies in the past few years, many challenges remain. In almost every agency we have investigated, audited, or inspected, we have found material internal control breakdowns and noncompliance with District and federal government regulations. As a result, District management is faced with risks related to many strategic initiatives proposed by the Mayor, including strong schools, safe streets, clean communities, affordable housing, reliable transportation, and access to healthcare.

Setting Priorities. We are engineering most aspects of our operations to directly or indirectly address risks that naturally flow from the deficiencies we observed within the District government during fiscal year 2001. While statutory mandates govern the conduct of many of our activities, we have increasingly used our discretionary powers to focus our limited resources on addressing areas that will have the greatest impact. Some of the major problem areas discussed in this report include fiscal stability, procurement and contract administration, management controls, the Medicaid program and patient abuse, employee fraud, and delivery of key services.

Performance Measures. The task of measuring the impact of our efforts requires consideration of two key indicators: performance statistics and performance outcomes. With regard to statistics, we have measured our performance based on traditional indicators relating to “outputs.” These statistics pertain to the number of reports issued, recommendations made, cases referred, cases closed, and convictions obtained. In addition, some statistics relate to “fiscal impact,” and pertain to savings, restitution, recoveries, and asset seizures.

With regard to reporting the outcomes of our efforts, we provide descriptions of activities that are key to achieving long-term, systemic changes in the District government that are not always reflected in statistics alone. For example, we have taken several initiatives to improve implementation of recommendations so that we can bolster efforts to hold our own Office and District managers accountable for monitoring impact, not just output. Also, to enhance accountability, we have assessed the accuracy and reliability of performance measurements associated with the Mayor’s “Scorecard” and FY 2000 performance contracts between the Mayor and agency heads so that District leaders can know that the performance indicators for providing vital services to citizens are, in fact, effective tools. We have continued to encourage government transparency and citizen involvement by posting our public documents on the Office website (www.dcgig.org), and by providing guidance about ways that individuals can best share information with us concerning fraud, waste, abuse, and mismanagement in the District government. We also continue to do all we can to ensure that press reports on our findings and recommendations are presented accurately and in context so

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that the public will know that we are fully engaged in helping to correct inefficiencies and deter and detect corruption and mismanagement. Taken together, these efforts have enabled all stakeholders – District leaders and the public – to play a constructive and more cohesive role in improving government service to the nation’s capital.

Operational Improvements. While we are working hard to maximize our impact on many fronts, we also remain committed to continuous improvement of our own operations. For example, we issued a report detailing full compliance with 78 recommendations to improve office management that were made by our Inspections and Evaluations Division in fiscal year 2000. As a result of these recommendations, we began a reorganization of our operations in preparation for a FY 2003 peer review of our Office. To improve our effectiveness in the area of investigations, we obtained independent prosecutive authority to enable the attorneys in our Medicaid Fraud Control Unit to address fraud and patient abuse cases more quickly and effectively. Finally, we also took a major step to clarify our mission and strengthen our existing authorities by submitting to the City Council several legislative proposals, which we hope will be enacted in the coming fiscal year.

I believe that our work has been requested and acted upon extensively by all stakeholders because our findings and recommendations have been objective, realistic, and focused on issues that impact the lives of District citizens everyday. I remain optimistic that our combined efforts will continue to make a difference.

ASSESSMENT OF RISKS, PROBLEMS, AND ABUSES



ASSESSMENT OF RISKS, PROBLEMS, AND ABUSES

In an effort to sharpen the focus of our audits, inspections, and investigations, the OIG consistently assesses the risks, problems, and abuses that pose the greatest threat to the District. Statutory mandates govern the conduct of many of our activities; however, the majority of our activities are discretionary. Responsible use of our discretionary powers has become increasingly important as the Authority suspended its oversight role on September 30, 2001, and District stakeholders have emphasized their continuing commitment to avoid risks that could trigger the re-emergence of budget deficits and management inefficiencies.

Significant areas of risk, problems, and abuses that have been our priorities for improving key government services to the city include the following: procurement and contract administration; management controls; the Medicaid program; employee fraud; and delivery of key services to citizens. Although the subject matter of activities documented in this report is diverse, many of these activities reflect our emphasis on one or more of these problem areas. Following the descriptions of problem areas listed below are our response strategies to those problem areas with examples, demonstrating the impact made by some of our efforts. In most instances, we have issued one of several types of reports to encourage immediate action by government officials. The report types are as follows:

- A Management Alert Report (MAR) identifies systemic problems that are revealed during an audit, inspection, or investigation and is sent to an agency head while an audit, inspection, or investigation is ongoing;
- A Management Implication Report (MIR) is given broad distribution and identifies systemic problems that could exist at agencies other than the one under review; and
- A Fraud Alert Report (FAR) is given broad distribution and identifies fraudulent practices that could exist at agencies other than the one under review.

Since these strategies are consistent with the mission and statutory requirements of this Office, each of our divisions has been equipped to implement strategies on a case-by-case basis, as appropriate. Any additional resources would be used to expand the scope and number of activities listed in this report.

Problem Area: Procurement and Contract Administration

The District of Columbia government is one of the largest purchasers of goods and services in the metropolitan area. Its procurement policies impact every aspect of District life, including health and safety standards, education, wages, fiscal and monetary soundness, and business growth. Unfortunately, the poor quality of procurement and contract administration for programs designed to address these needs has caused District taxpayers to lose the full benefit of their tax dollars. Our audits and inspections revealed recurrent and pervasive areas of waste, mismanagement, cost overruns, inferior products, shoddy workmanship, and fraud in many programs.

ASSESSMENT OF RISKS, PROBLEMS, AND ABUSES

Response Strategy: We planned a schedule of auditable District procurement functions so that future audits are efficient and provide managed coverage to all elements of procurement. Once the various auditable elements were agreed upon, we assessed the risk of fraud, waste, and mismanagement to each element. Using assessment results and other normal audit planning factors, we developed a long-range plan to cover procurement irregularities.

We are conducting two types of audits related to procurement: (1) the cross-agency audit of procurement elements which tends to identify systemic problems and has greater potential for monetary and management benefits; and (2) the audit of a single agency in which procurement may be one of several functions under audit. This latter type of audit tends to identify sound procurement practices that may be exportable to other agencies, poor agency practices unique to the agency, and procurement issues that may be candidates for cross-agency reviews. We also are identifying trends through the consolidation of procurement findings and issues in all types of reports.

Example of Impact: We conducted an extensive audit of the Public Benefit Corporation (PBC) and found that the PBC did not consistently follow its own procurement regulations. Specifically, there were deficiencies in the areas of contract solicitation and execution. As a result, the agency agreed to take several corrective actions including completing a new annual acquisition plan, revising procurement regulations to ensure competition, and initiating action to collect \$98,779 in disallowed costs that were identified in the audit. Although the PBC was dissolved as an entity, other agencies benefited from the audit through a Management Implication Report we issued, which urged managers of District agencies to correct similar deficiencies if they exist in programs under their supervision.

Problem Area: Management Controls

We have identified deficiencies related to the Single Audit Act, Medicaid revenues, and federal grants. These deficiencies include non-compliance with reporting requirements, poor cash management practices, insufficient monitoring, untimely billings/requests for reimbursements, and inadequate supporting documentation for related expenditures. These deficiencies have cost the District millions of dollars, in addition to the use of funds and lost interest. Poor controls over these areas may result in unused grant funds, termination of fund availability, and potential fines and/or penalties. In addition, our inspections team found broad and systemic deficiencies in the operations and management of all inspected agencies.

Response Strategy 1: During the audit for the Comprehensive Annual Financial Report (CAFR), we shared with the CAFR Oversight Committee (comprised of representatives from the OIG, City Council, Mayor's Office, and Office of the Chief Financial Officer) any concerns that emerged regarding material internal control weaknesses.

ASSESSMENT OF RISKS, PROBLEMS, AND ABUSES

Example of Impact: The Management Alert Report we issued regarding repeated deficiencies at the University of the District of Columbia and the former Public Benefit Corporation led to early intervention by the Chief Financial Officer to remedy the situation so that the financial statements could be audited on time.

Response Strategy 2: Each of our inspections provided to managers in-depth, systemic reviews of their operations in addition to factual and analytical information that enabled them to take immediate and specific steps toward improvement. Inspectors adhered to guidelines issued by the President's Council on Integrity and Efficiency, which define internal control weaknesses and establish standards for detecting problems and recommending corrective actions.

Example of Impact: A Management Alert Report issued to the Department of Motor Vehicles on a significant safety threat to District citizens prompted immediate management action to ensure that new permits are not issued to problem drivers whose licenses currently are suspended or revoked.

Problem Area: Medicaid Program and Patient Abuse

The District's Medicaid program currently has a budget of approximately \$880 million, one of the largest in the city. In light of experts' estimates that 10 percent of our nation's health care expenditures are lost to fraud, the impact of potential financial losses to the District is significant. Just as important as this financial risk is the potential harm that patients in the Medicaid program could suffer through poor quality care and the intentional abusive acts of their caregivers.

Response Strategy: We vigorously investigate allegations of fraud, abuse, and neglect regarding the Medicaid program. When allegations can be substantiated, we pursue criminal prosecution and civil enforcement efforts directed at individual instances of fraud, abuse, or neglect. Moreover, we believe this criminal and civil litigation will serve as a deterrent to Medicaid abuse throughout the health care community.

Beyond law enforcement, we have engaged in a number of long-term efforts to reduce risks. We worked closely with stakeholders and initiated frequent informal contacts to make programs more resistant to fraud. Another key aspect of our deterrent efforts was our outreach to the health care industry, other law enforcement agencies, and the public in general. We informed them of our efforts and encouraged them to contact us if they were aware of any threats to the integrity or safety of the Medicaid program.

Example of Impact: The response to our law enforcement and outreach efforts has been encouraging. We initiated 16 new fraud cases and obtained convictions related to theft of Medicaid funds and patient abuse. We have also been credited with civil recoveries of over \$350,000.

ASSESSMENT OF RISKS, PROBLEMS, AND ABUSES

In the first case in which we investigated and prosecuted patient abuse, our MFCU worked jointly with the U.S. Attorney's Office to have a defendant found guilty of beating a blind and mentally retarded resident of a group home. The defendant was jailed immediately upon the finding of guilt and, as of this writing, is awaiting final sentencing.

Problem Area: Employee Fraud

Criminal misconduct by employees and contractors is devastating to the District in a number of ways. First, criminal misconduct not only corrupts basic societal values but also effectively destroys the fundamental confidence of citizens in the institutions of government. Second, a corrupt employee deprives the District of the value of his/her services and all too frequently results in the encouragement of others (employees and/or contractors) to do the same. Finally, the District, while paying for both the employee salary and the cost of contracted services, receives the benefits of neither.

Response Strategy 1: During FY 2001, the Investigations Division opened 182 new investigations, of which approximately 75-85 percent involve allegations of criminality. Some of these investigations are joint ventures with the FBI and other law enforcement agencies.

Example of Impact: As reported last year, a co-conspirator who was a senior vice-president of a company which provided a day treatment program for mentally retarded adults in the District, pled guilty to one felony count of Conspiracy to commit the offenses of Wire Fraud, Tax Evasion, and Money Laundering. This individual was sentenced on December 16, 2000, to a term of one year in prison and ordered to pay \$425,000 in restitution. In addition, a former Department of Human Services employee who had been found guilty in a related trial for having conspired with the operator of the same company to commit offenses regarding conflict of interest, receipt of illegal gratuities, and payment of illegal gratuities, was sentenced in U.S. District Court on December 12, 2000. He received a term of 46 months in prison and was fined \$25,000. This was a joint investigation with the FBI and the INS.

Response Strategy 2: In cases that have resulted in convictions, we have aggressively sought court orders for defendants to pay restitutions, fines, assessments, taxes, and penalties.

Example of Impact: During FY 2001, individuals convicted as a result of OIG investigations were ordered to pay a total of \$721,191.22 in restitutions, fines, assessments, taxes, and penalties. In addition, we recouped \$2,959,646.39 in asset seizures. In one case, as reported last year, the former proprietor of a licensed D.C. Lottery store was sentenced in U.S. District Court on August 25, 2000, after having pled guilty to one count of Computer Fraud and First Degree Theft. The court stayed the execution of the sentence pending an appeal of the sentence filed by the defendant. In July 2000, this Office was informed that the sentence had been affirmed. This individual was sentenced to 18 months in prison and ordered to make restitution of \$503,649 to the D.C. Lottery and Charitable Games Board.

ASSESSMENT OF RISKS, PROBLEMS, AND ABUSES

Problem Area: Delivery of Key Services to Citizens

Management and operational inefficiencies at certain agencies directly affect the quality of life for many District citizens. Key areas include efficient and effective management of police and fire protection services, clean water maintenance, education and school transportation, caring for mentally disabled persons, car licensing and registration services, parks and recreation centers, and trash removal services.

Response Strategy: We conducted audits, inspections, and investigations of key agencies in these areas. Some examples follow.

Examples of Impact:

Department of Motor Vehicles (DMV). The inspection of DMV resulted in recommendations for improvements in a number of customer service operations. Management made changes that dramatically shortened the time required to acquire drivers' licenses and registrations. Improvements were made in testing applicants and processing test results; and customer service operations were redesigned and made significantly more efficient.

Department of Public Works (DPW). Recommendations to management during an inspection of DPW led to immediate steps to improve the maintenance and reliability of vehicles and trucks required for scheduled trash pickups and removal of other solid waste materials from city neighborhoods. In addition, management was alerted to and corrected a number of safety problems that threatened the well-being of DPW workers.

Department of Parks and Recreation (DPR). An inspection of DPR uncovered significant operational, maintenance, and safety problems at recreation centers, childcare facilities, and the DPR warehouse that provides service and equipment to neighborhood centers. DPR management responded swiftly to a Management Alert Report we issued concerning numerous health and safety deficiencies discovered at 10 of the 20 DPR childcare centers inspected.

D.C. Public Schools (DCPS). Auditors found several major areas of deficiency: (1) computers donated by the federal government and received by schools could not be located and/or fully accounted for; (2) DCPS did not have adequate management controls in place to ensure that transportation services were adequately procured, documented, and paid; and (3) inadequate review of special education tuition payments and insufficient monitoring of nonpublic day schools and residential schools. In response, DCPS agreed to take action to implement inventory controls and property records and correct noted deficiencies related to its special education program.

Department of Health and Department of Human Services. Auditors found that aggressive action was not taken to collect \$6.8 million due to the District from 8 group home providers

ASSESSMENT OF RISKS, PROBLEMS, AND ABUSES

and that formal procedures were not established for accounting for client bank accounts and for processing payments to group home providers. In response, the departments agreed to take action to establish necessary management controls and necessary measures to address the reported conditions.

Metropolitan Police Department (MPD). Auditors found that MPD needs to change how it calculates and reports Scorecard Measure results for homicide clearance rates. MPD agreed to fully disclose this information in their performance reports.

Water and Sewer Authority (WASA). Auditors found that WASA failed to use the most cost effective measures when providing safety training to its workers. We determined that identical training could have been provided at a savings of over \$149,000. In response, WASA agreed to take action to address the reported conditions, and we initiated a follow-up audit to ensure, among other things, that health and safety concerns have been addressed adequately.

Fire and Emergency Medical Services Department. In an audit of performance measures auditors found that internal controls and accountability for information technology (IT)-related resources were virtually nonexistent, and that documentation supporting purchases of IT services and software could not be relied on to accurately determine the extent of IT procurements. In response, the Department agreed to take action to implement inventory controls, establish a property accountability system, and correct noted deficiencies.

GENERAL ACTIVITIES



GENERAL ACTIVITIES

MISSION

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

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

D.C. Code, 2001 Ed. § 2-302.08(a-1).

ABOUT THE OIG

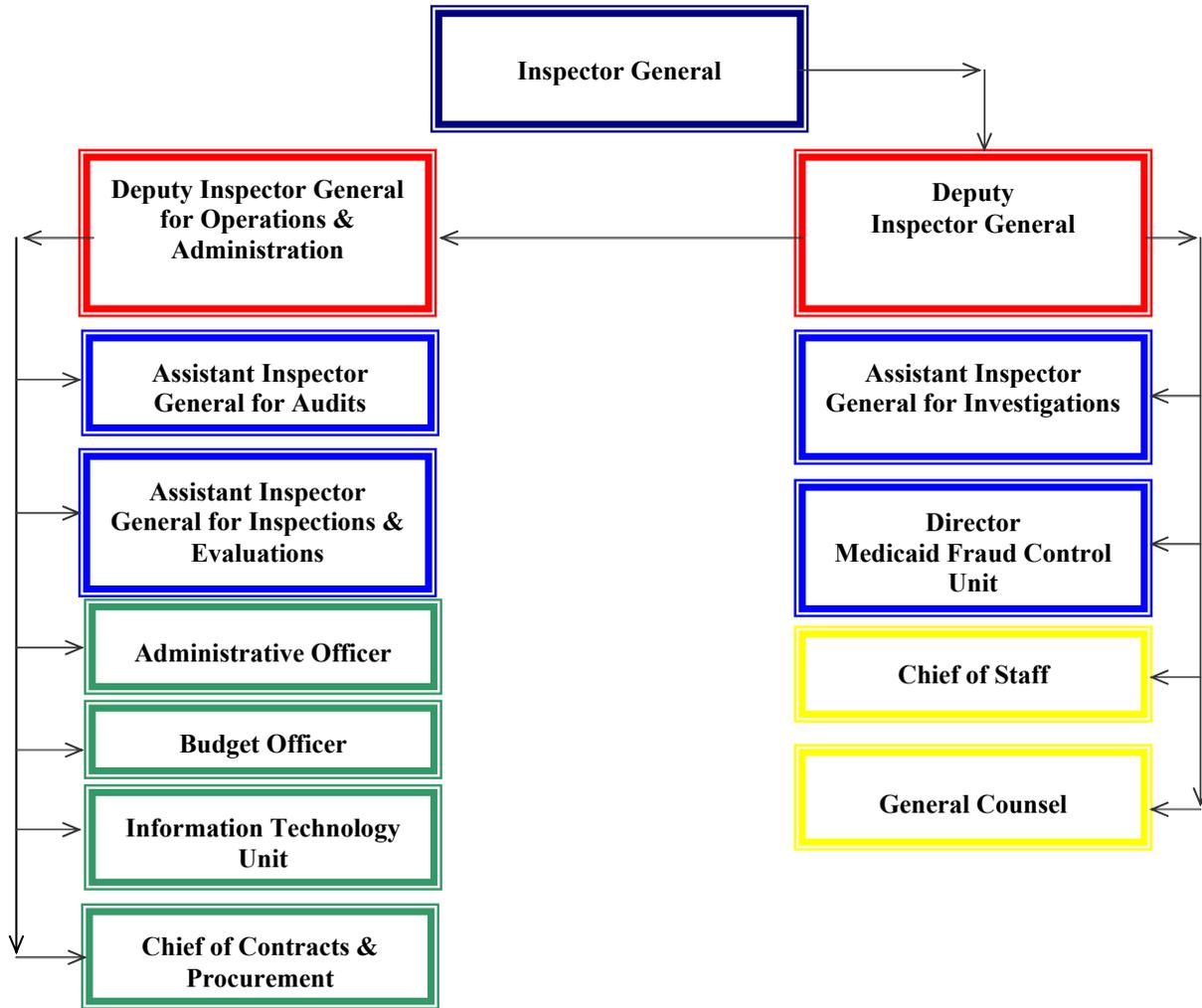
The OIG is an agency within the executive branch of the District of Columbia government that conducts audits, inspections, and investigations of government programs and operations. In carrying out its duties and responsibilities, the OIG refers all evidence of criminal violations that it uncovers to the U.S. Department of Justice.

To ensure the OIG's independence, statutory requirements mandate that the Inspector General be appointed without regard to party affiliation for a 6-year term, and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial management analysis, public administration, or investigations. *See* D.C. Code, 2001 Ed. § 2-302.08(a)(1)(A), (B), and (D). The statute also provides that the Inspector General can be removed from office only for cause. Also, in keeping with Congressional intent that the OIG operate independently, the OIG submits its budget for Congressional approval with the statutory proviso that the Mayor and the Council of the District of Columbia can make recommendations concerning the budget, but neither can reduce it. Once approved, the budget is appropriated solely for the operation of the Office.

GENERAL ACTIVITIES

ORGANIZATION

The OIG is comprised of four divisions: the Audit Division, the Investigations Division, the Inspections and Evaluations Division, and the Medicaid Fraud Control Unit (MFCU). An Assistant Inspector General (AIG) heads each Division and a Director leads the MFCU. In light of the OIG's significant growth in FY 2001, we added a Deputy Inspector General for Operations and Administration (DIGOA). The AIGs for Audit and for Inspections and Evaluations, as well as the Administrative Officer, the Budget Officer, and Director of the Information Technology staff, report to the DIGOA. The Deputy Inspector General directs the Investigations Division, the MFCU, the General Counsel, and the Chief of Staff. The Chief of Staff handles intergovernmental and media relations and is the OIG liaison with the City Council and Congressional committees. The DIGOA reports to the Inspector General through the Deputy Inspector General. The following organizational chart depicts the reporting hierarchy within the OIG during FY 2001.



GENERAL ACTIVITIES

The activities of the Divisions and the 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, and employee standards of conduct.

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.

The Medicaid Fraud Control Unit, which was certified by the U. S. Department of Health and Human Services on March 1, 2000, is responsible for detecting and deterring fraud and abuse in the administration of the Medicaid program. The Unit also investigates allegations of abuse and neglect of Medicaid recipients. Those who engage in fraud, abuse, and neglect within the Medicaid program are subject to administrative action, civil penalties, and criminal prosecution.

STATUTORY RESPONSIBILITIES

The statutory duties of the OIG were originally established by the D.C. Procurement Practices Act of 1985 (D.C. Law 6-85, effective February 21, 1986). 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 12-190, effective March 26, 1999), which 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. Effective April 5, 2000, the Office of the Inspector General Powers and Duties Amendment Act of 1999 (D.C. Law 13-71) further amended the OIG's statute to, *inter alia*: (1) codify the OIG's mission statement and the OIG's policy of non-disclosure of the identity of complainants or individuals providing information to the OIG, unless the IG determines that

GENERAL ACTIVITIES

disclosure is unavoidable or necessary to further the investigation; (2) 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; (3) clarify that in the course of its official duties, the OIG has access to all papers, documents or property belonging to, or in use by, District government and independent agencies, except the City Council and the District of Columbia Courts; (4) require that the OIG comply with generally accepted auditing, inspection, and investigation standards; and (5) require that the OIG develop and participate in a peer review which will enable the OIG to complete, every third year, a thorough assessment of its auditing, inspection, and investigative standards, policies, procedures and quality controls. All four acts are codified at D.C. Code, 2001 Ed. § 2-302.08. As codified, the responsibilities of the OIG include:

- Independently initiating and conducting fiscal and management audits, inspections and investigations 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 an annual 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 OIG;
- Entering into a contract with an outside auditor to perform the Comprehensive Annual Financial Report (CAFR) of the District government for the fiscal year;
- Limiting notification to the Mayor of evidence of wrongdoing only to situations where it is appropriate to do so; and
- Administering oaths, affirmations and affidavits.

On July 12, 2001, D.C. Council Chairman Linda W. Cropp, at the request of the Mayor, introduced Bill 14-314, entitled the "Office of the Inspector General Independence and Law Enforcement Amendment Act of 2001." The primary purpose of the bill is to increase the independence of the OIG and grant OIG investigators full law enforcement authority. In addition, the bill also seeks to:

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- Grant the IG independent authority to appoint and terminate OIG personnel;
- Codify removal of the IG for cause by the Mayor with the approval of the Council by a 2/3 majority present and voting;
- Prohibit mayoral interference with OIG operations;
- Require advance notification of all external audits conducted by any government entity, without exception;
- Require that the IG and the D.C. Auditor give due regard to the activities of their respective agencies, except that there is no requirement to share confidential information, which if divulged, would be detrimental to the mission of either agency;
- Clarify the IG's authority to independently initiate investigations of the District of Columbia Housing Authority;
- Require that the OIG's Annual Report provide the status of significant findings and recommendations that remain unresolved for over six months and have been forwarded to the Mayor, and an opinion on the appropriateness of the final resolution and risks, if any, to the District that may result from the final resolution;
- Amend the Theft and White Collar Crimes Act to include OIG audits, inspections, and investigations in the definition of "official proceedings;"
- Amend D.C. Code, 2001 Ed. § 23-501(2) to include OIG personnel, as designated by the IG in writing, in the definition of "law enforcement officer;" and
- Statutorily remove the IG's salary cap, which is currently set at level IV of the Executive Service.

Bill 14-314 was assigned to the D.C. Council Committee on Government Operations, which is currently chaired by Councilmember Vincent B. Orange, Sr. As Chairman, Councilmember Orange conducted a Roundtable on July 10, 2001, and a public hearing on October 15, 2001, as a precursor to a mark-up of the legislation. Subsequent to the mark-up, the Bill will be submitted for vote by the Council. If Bill 14-314 is passed by the Council, it will be transmitted to Congress for a 30-day review as a prerequisite to becoming a law.

As a result of the proposals set forth in Bill 14-314, Chairman Orange notified the OIG of his intent to implement an oversight mechanism for the OIG. On September 19, 2001, Chairman

GENERAL ACTIVITIES

Orange introduced Bill 14-332, the “Inspector General Integrity Committee Establishment Amendment Act of 2001.”

BUDGET AND PERSONNEL

The Office of the Inspector General’s FY 2001 approved operating budget for all sources was \$12.4 million. Of this amount, \$2.26 million was allocated for the Comprehensive Annual Financial Report. There were 105 full-time positions supported by this budget. The Office received 91.1 percent (\$11.3 million) from local funding which supported 90 full-time positions and received 8.9 percent (\$1.1 million) from federal funding, which supported 15 full-time positions for the Medicaid Fraud Control Unit.

SENIOR STAFF

The OIG’s 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.

Deputy Inspector General for Operations & Administration*

5/21/00 – 10/5/01: John N. Balakos

General Counsel

01/1/01 – present: Karen E. Branson, Esq.

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

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Deputy Assistant Inspector General for Audits

7/16/00 – present: Cheryl L. Johnson

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

Chief Procurement Officer*

5/20/01 – 9/7/01 Sidney Younger

9/9/01 - present Russ Symons

* This was a newly created position in FY 2000.

WEBSITE

The OIG website (www.dci.org) is a key source of information regarding OIG operations and public documents. It contains information about our legislative authority and organizational structure, including the biographies of key personnel. The site also posts the full text of all audits and inspections reports, testimony, press releases, requests for proposals, and annual reports. To expedite action on important tips from the OIG hotline and other sources, the site suggests the type of information individuals should provide to us when reporting fraud, waste, abuse, and mismanagement.

GENERAL ACTIVITIES

TESTIMONY BY THE INSPECTOR GENERAL

Listed below are the 13 topics and dates of OIG testimony recently presented before the City Council and the U.S. Congress.

- Oct 15, 2001** Testimony before the Committee on Government Operations - Bill 14-314, the "Office of the Inspector General Independence and Law Enforcement Amendment Act of 2001"
- Oct 12, 2001** Testimony of OIG on Bill 14-2, the "Misdemeanor Jury Trial Act of 2001"
- Jul 10, 2001** Testimony before the District of Columbia Council Committee on Government Operations - Legislative Proposals and Progress on Audit and Inspections Plans
- June 19, 2001** Testimony before the Committee of the Whole - Bill 14-245, "Independence of the Chief Financial Officer Establishment Act of 2001," and Bill 14-247, "Independent Budget Office Establishment Act of 2001"
- June 8, 2001** Testimony before the District of Columbia Subcommittee, Senate Committee on Government Affairs, and the Senate Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia on "The Outlook for the District of Columbia Government: The Post-Control Board Period"
- June 6, 2001** Testimony before the Committee on the Judiciary - Bill 14-96, the "Medicaid Provider Fraud Prevention Amendment of 2001"
- May 21, 2001** Testimony before the Committee on Public Works and the Environment - Results of the Inspection of the Operations at the Department of Public Works, Fleet Management Administration (FMA)
- Feb 12, 2001** Testimony before the D.C. Council Committee on Government Operations - Fiscal Year 2000 Performance Review

GENERAL ACTIVITIES

- Feb 7, 2001** Testimony before the Committee of the Whole and the Committees on Finance and Revenue and Government Operations - Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending September 30, 2000
- Jan 29, 2001** Statement of Inspector General Charles Maddox Regarding Completion of the Comprehensive Annual Financial Report (CAFR)
- Jan 17, 2001** Testimony before the Committee on Public Works and the Environment - Results of the Inspection of the Department of Public Works, Solid Waste Management Administration
- Dec 7, 2000** Testimony before the Committee of the Whole - Verification of the Cost Savings Initiative for FY 2001
- Dec 6, 2000** Testimony before the Committee on Public Works and the Environment - Results of the Audit of the Management Operations at the Water and Sewer Authority (WASA) Blue Plains Facility

TRAINING

The OIG recognizes that the quality and effectiveness of its products is dependent upon a professionally trained staff. To this end, the OIG allocates a portion of its resources to ensure continuing professional education of its staff. The following is a summary of the number and type of training courses taken by personnel of the OIG Divisions.

Number of Courses Taken

Audit	33
Investigative	30
Inspections	33
Medicaid/Health Care Fraud	11
Computer	24
Office Management/Administrative	<u>17</u>
Total Training Courses:	148



FY 2002 AUDIT AND INSPECTION PLAN



FY 2002 AUDIT AND INSPECTION PLAN

The FY 2002 Audit and Inspection Plan (the Plan), issued August 31, 2001, is consistent with the Mayor's initiative to review, evaluate, and improve performance standards in all components of the District of Columbia government. The Plan has been prepared pursuant to D.C. Code, 2001 Ed. § 2-302.08(a)(3)(I), which states, in part, that the Inspector General shall "[n]ot later than 30 days before the beginning of each fiscal year . . . and in consultation with the Mayor, the Council, and the Authority, establish an annual plan for audits to be conducted under this paragraph. . . ." Although not required by law, we are also including our plan for inspections and evaluations, which will be conducted by the Inspections and Evaluations Division that was created in FY 1999.

The Plan contains audits and inspections and evaluations that are discretionary, required by law, or identified pursuant to special requests from District leaders and managers. Specifically, we will conduct reviews designed to assess the results of various budgeted programs, including the economy and efficiency of actions taken to attain those results. Additionally, during the past two years, the Mayor, the Council, the Authority, and the OIG have highlighted procurement and contract administration issues facing the District. Accordingly, this year's plan is again designed to audit procurement and contract administration on a continuous basis.

In formulating the Plan, we identified agencies and programs considered material in terms of service delivery and fiscal impact. Additionally, we considered risk factors, which include the following:

- Material internal control weaknesses;
- Potential fraud, other criminal acts, or improper practices;
- Substantial violations of program directives or poor management practices that could seriously affect program accomplishment;
- Major inefficiencies in the use of resources or management of operations; and
- Significant program performance issues.

FY 2002 AUDIT AND INSPECTION PLAN

Although the scope of audits and inspections is subject to change based on our discretion and resource availability, we are optimistic that this plan contemplates projects that will allow the District to become more efficient, cost effective, and responsive to its residents in its operations and services.

The FY 2002 Plan includes OIG initiatives for audit and inspection coverage with particular focus on the deterrence of fraud, waste, and mismanagement. It also focuses on increasing coordination and assistance to District managers. Additionally, the Plan is flexible in that it sets aside staff hours to be devoted to assisting investigations and responding to special requests for audits, inspections, and related services.

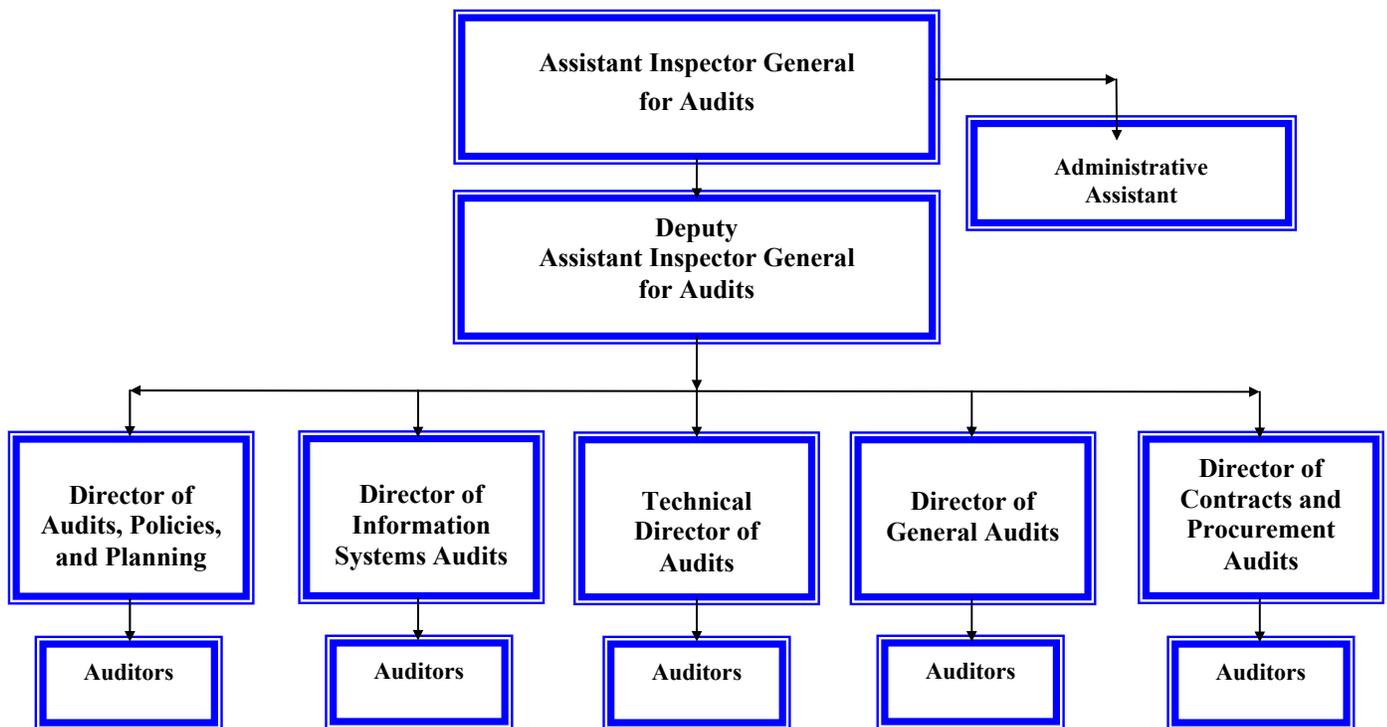
ACTIVITIES OF THE AUDIT DIVISION



ACTIVITIES OF THE AUDIT DIVISION

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 for and direction of the Division. The Directors manage the day-to-day projects and activities of the auditors. The audit directorates are: (1) Audits, Policies, and Planning; (2) Information Systems; (3) Technical; (4) General Audits; and (5) Contracts and Procurement.



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. 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. Key elements of our audits are the independence of the OIG from the management of such programs and the OIG's responsibility to report to District management and other stakeholders the results of such audits.

Audits include both performance and financial audits. Performance audits are systematic evaluations of functions, programs, and activities. The purposes of these audits are to improve accountability and to facilitate effective decision-making. Financial audits assess whether the financial statements of an entity fairly present the financial position of that entity

ACTIVITIES OF THE AUDIT DIVISION

in conformity with generally accepted accounting principles. In addition, the Audit Division oversees external audits of District government agencies, programs, and operations.

AUDIT PERFORMANCE MEASURES TO EVALUATE PROGRESS

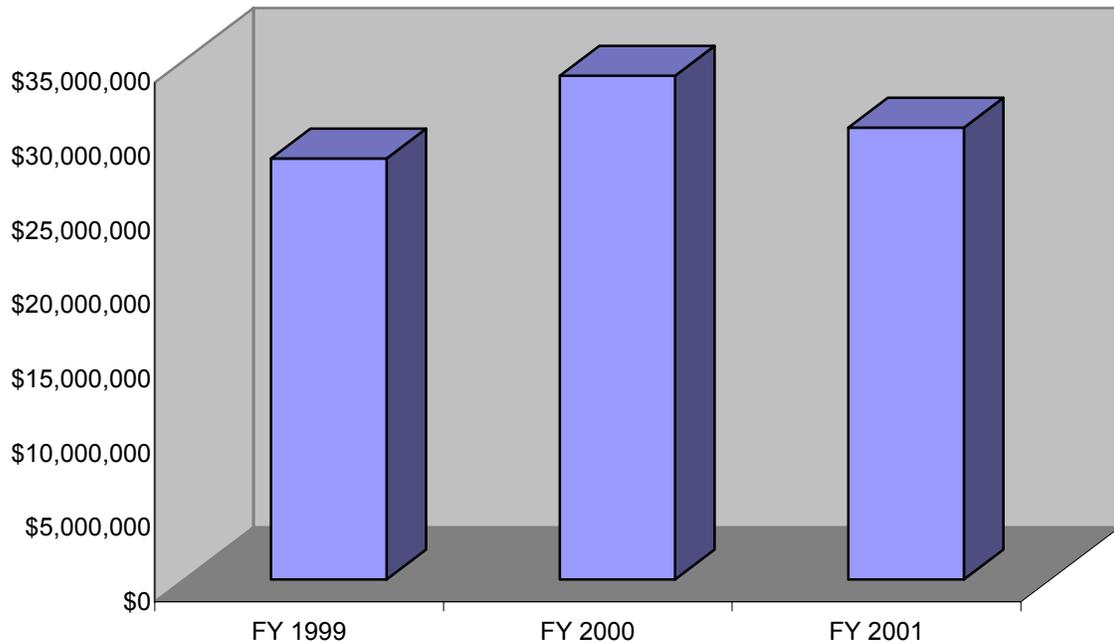
With regard to our audit performance and productivity standards, we currently report on the number of reports issued, District agency coverage, and the associated potential monetary benefits for the audit reports issued. We recently developed an audit recommendation tracking system so that we can track the progress of corrective actions. 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. Audit recommendations do not produce the desired outcomes unless they are implemented. Moreover, we will continue to work toward process improvements in measuring our productivity and performance. In this regard, we have added a performance standard 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.

We have adopted performance measures similar to those used by federal inspector general organizations. Accordingly, benefits derived from our audits are set forth 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" are funds that 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 questioned because of an apparent violation of a law, regulation, contract, or grant governing the expenditure of funds.

For FY 2001, we issued 16 reports with potential monetary benefits of \$30.4 million. These benefits compare to Audit Division costs of about \$2.8 million. Accordingly, the return on investment for audits performed by OIG audit staff has been approximately \$11 for each dollar invested. The chart on the following page compares the monetary benefits that this Division identified in the previous three fiscal years. Details are provided in Appendix A.

ACTIVITIES OF THE AUDIT DIVISION

Monetary Benefits Fiscal Years 1999 - 2001



AUDIT PEER REVIEW

In April 2000, when the Office of the Inspector General Powers and Duties Amendment Act of 1999 (D.C. Law 13-71) became effective, the OIG's enabling statute was amended to reflect the mandatory requirement that the OIG follow Generally Accepted Government Auditing Standards with regard to the performance of a peer review. A peer review is generally conducted by individuals in a similarly-situated professional environment. To accomplish mandatory peer reviews of federal inspectors general, the President's Council on Integrity and Efficiency (PCIE) provides for each of the IG audit organizations (Federal Audit Executive Committee) to have a round-robin of peer reviews every 3 years.

To meet the District's regulatory requirement, the OIG has joined the National Association of Local Government Auditors (NALGA). Government Auditing Standards, 1994 Revision, identifies NALGA as one of the professional organizations that meets the requirements for performing our external quality control review (peer review). We have scheduled our first peer review to be performed during the second quarter of FY 2003. A peer review of the OIG's audit function will then be performed every 3 years.

In order to prepare the Audit Division for this review, the AIGA has established a Quality Control Unit within the Technical Directorate to assist in the performance of independent

ACTIVITIES OF THE AUDIT DIVISION

referencing of audit workpapers, perform quality assurance reviews of processes within the Audit Division, and ensure compliance with Generally Accepted Government Auditing Standards, OIG policy, and OIG Audit Division policies and procedures. The results of these reviews will serve as lessons learned and will identify where improvements can be made to improve the quality of documentation supporting audit products and processes.

Additionally, the AIGA has arranged through NALGA for the OIG audit staff to assist in the performance of a peer review of a state or other local government. We anticipate participation in a peer review to occur in the fall of 2002 after OIG staff members attend required training courses.

FOLLOW-UP ON PREVIOUS RECOMMENDATIONS

Pursuant to the D.C. Code, 2001 Ed. § 2-302.08(f-2)(7), the OIG is required to report annually the status of previously reported recommendations on which corrective action has not been completed. In order to assess the actions taken by agency management in response to previously reported deficiencies, and at the request of the Office of the City Administrator to determine the extent to which agencies are complying with audit recommendations, the OIG is conducting a District-wide audit of agencies' implementation of recommendations from previous audit reports.

The overall objectives of the audit are to determine whether agencies have: (1) implemented agreed-to recommendations; and (2) actually corrected reported deficiencies. To accomplish our objectives, we reviewed 16 audit reports that contained a total of 193 recommendations issued to District agencies during the period of October 1, 1997 – September 30, 2000.

The scope of the audit included 58 audit reports issued to 18 District government agencies during the 3-year period (fiscal years 1998 – 2000). The reports included, in total, approximately 400 audit recommendations. During the same period, the General Accounting Office issued 27 audit reports to the District.

The results of this audit will be used to establish a performance baseline. We expect this report to be published in the first quarter of FY 2002. Based on preliminary information from our audit work, we estimate that 70–80 percent of our report recommendations were successfully implemented by District agency management.

FY 2001 OPEN AUDIT RECOMMENDATIONS

For FY 2001, the Audit Division issued 16 final reports with a combined total of 125 recommendations, of which 8 are considered to be open as of September 30, 2001. As these reports have been recently issued, we plan to conduct follow-up reviews in

ACTIVITIES OF THE AUDIT DIVISION

subsequent reporting periods at these agencies and work in conjunction with the Mayor's Office to ensure that actions are taken to address recommendations made. Refer to Appendix B for details.

CREDENTIALS AND QUALIFICATIONS

The Audit Division is comprised of a staff of 31 professionals. Auditors possess a 4-year degree from an accredited college or university. Additionally, many persons on our staff hold advanced degrees and certifications, including the following:

- Certified Public Accountant
- Masters Degree in Business Administration
- Masters Degree in Public Administration
- 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, Information Systems Audit and Control Association, and Institute of Internal Auditors.

COMPLETION OF THE ANNUAL FINANCIAL AUDIT

Through the Audit Division, the District's FY 2000 contract for the Comprehensive Annual Financial Report (CAFR) was awarded to the accounting firm of KPMG, LLP. The audit reported an unqualified opinion, meaning that the District's general-purpose financial statements were fairly presented in accordance with generally accepted accounting principles. With the issuance of the FY 2000 CAFR, the city has received its fourth consecutive unqualified opinion on its financial statements.

On July 3, 2001, the OIG exercised the first option year of its current contract with KPMG, LLP to perform the District's FY 2001 audit of the CAFR. The cost associated with the FY 2001 audit is \$2.26 million.

CONTRACTS FOR EXTERNAL AUDITS AND OTHER SERVICES

Pursuant to D.C. Code, 2001 Ed. § 2-302.08(a)(3)(B), the OIG provides oversight for external audits of the District government. The OIG statute that became effective on April 5, 2000,

ACTIVITIES OF THE AUDIT DIVISION

gave the District agencies authority to contract for their own 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 completed 26 contract audit engagements during FY 2001.

AUDITOR TRAINING

The Audit Division ensures that its auditors comply with generally accepted government auditing standards, which require the completion of 80 hours of continuing professional education every two years and no fewer than 24 hours in any one year. Training typically received by the OIG's audit staff includes the following subjects: Procurement and Contract Administration; Finding Development and Report Writing; Introductory Auditor Training; Internal Auditing, Internal Controls; and Information Systems Auditing.

CONTINUATION OF LIAISON ACTIVITY

Pursuant to the statutory mandate contained in D.C. Code, 2001 Ed. § 2-302.08(a)(3)(B) and (C), the OIG is required to act as liaison representative to external organizations conducting audits of the District of Columbia government. The PCIE 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, federal inspector general organizations and the General Accounting Office have coordinated their work with the OIG.

AUDITORS ON SITE

Our auditors routinely make physical observations as well as review controls and documents. For example, our on-site fieldwork at the Blue Plains Wastewater Treatment Facility identified reportable safety and health conditions. We identified over 200 yards of sewage leaking from pipes and potential trip hazards. We confirmed that Water and Sewer Authority (WASA) employees had filed claims for dermatitis and injuries due to unsafe conditions. We were concerned that a nexus existed between the need to improve safety and health conditions and the high rate of worker injuries.



Auditor inspecting underground tunnels at WASA

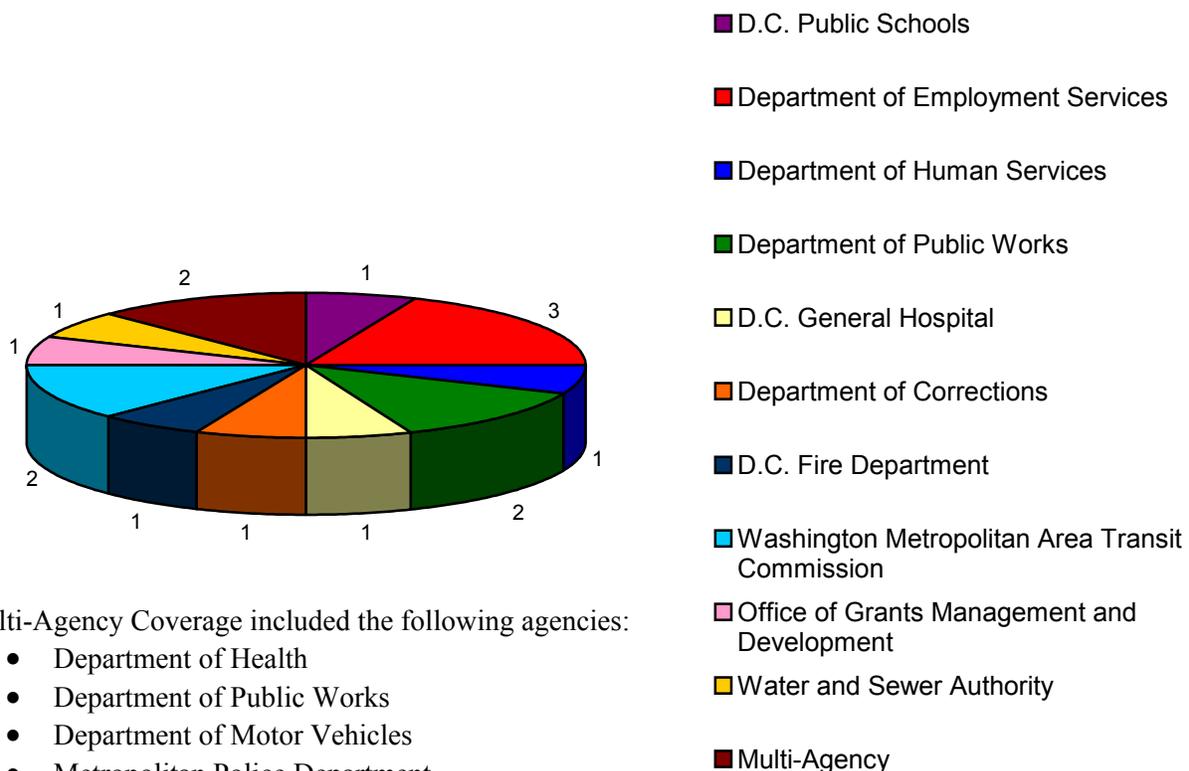
ACTIVITIES OF THE AUDIT DIVISION

AUDIT REPORTS ISSUED IN FY 2001

The Audit Division issued 16 final reports and 21 Management Alert Reports/Management Implication Reports for FY 2001. Audits performed were conducted as part of our FY 2001 Audit Plan or because of emerging issues requiring our immediate attention. Our audit reports to agency heads recommended 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 described actions they had taken or planned to take to address our recommendations.

These reports can be accessed via our website. The 16 audit reports involved the following District government agencies:

FY 2001 Agency Audit Coverage



Multi-Agency Coverage included the following agencies:

- Department of Health
- Department of Public Works
- Department of Motor Vehicles
- Metropolitan Police Department
- Office of the Chief Technology Officer
- Office of Tax and Revenue
- Office of the Chief Financial Officer

ACTIVITIES OF THE AUDIT DIVISION

As part of the requirements set forth in recent legislation, the OIG accumulates cost data related to performing audits. Cost data for audits completed in FY 2001 are shown in Appendix B.

Summaries of Significant Audit Reports Issued in FY 2001

Audit of Property Donated to the District of Columbia, October 12, 2000, OIG No. 00-1-07MA

Our audit found that controls over donated property for schools that we visited were nearly nonexistent, despite the requirement to maintain proper controls and inventory procedures to account for equipment received by school officials. We found no school policies or procedures governing the control and inventory of donated property. In some instances, computers donated by the federal government and received by schools could not be located and/or fully accounted for. Additionally, the D.C. Public Schools (DCPS) Warehouse Center, the entity responsible for maintaining accurate records of inventories of school property, did not conduct annual physical inventories and reconcile what is contained on the master inventory record at the DCPS Warehouse Center with property in the possession of schools. We believe that the lack of proper controls over donated property increases the potential for pilfering and diversion of school equipment needed to enhance the educational level of students, and ultimately hinders the effective operation of District of Columbia schools.

Recommended Corrective Actions:

- Implement an inventory system to provide full utilization of donated property and to facilitate effective property management and control; and
- Inform school officials of the requirement for maintaining accurate property records and physical inventories and assignment of control responsibility.

Audit of the Mental Retardation and Developmental Disabilities Program (MRDDA), October 26, 2000, OIG No. 23-99JA

The audit found that improvements by the Department of Human Services (DHS) and the Department of Health (DOH) are needed to ensure that: (1) a strategic plan and a performance measurement system are developed for the Mental Retardation and Developmental Disabilities Administration; (2) action is taken to collect \$6.8 million due to the District from 8 group home providers; (3) procedures for background investigations and training of direct care staff are improved; (4) formal procedures are established for accounting for client bank accounts and for processing payments to group home providers; (5) formal procedures are established for a legal sufficiency review of provider agreements;

ACTIVITIES OF THE AUDIT DIVISION

(6) providers comply with all contract provisions laws, rules, and regulations; and (7) formal procedures are established for client work programs.

Recommended Corrective Actions:

- Identify measurable goals and objectives to commit management to specific improvements;
- Collect overpayments due the District;
- Propose legislation that requires evaluation of a prospective employee's arrest records;
- Identify courses requiring competency-based training;
- Evaluate procedures for client work programs;
- Establish formal procedures for accounting for client bank accounts and for processing payments to group home providers;
- Comply with laws, rules and regulations, and agency directives; and
- Establish formal procedures for reviewing provider agreements for legal sufficiency.

Management Review of the District of Columbia Water and Sewer Authority (WASA), November 8, 2000, OIG No. 00-2-03LA

WASA did not have a viable safety program that included sufficient policies and procedures, training, and staffing. We also determined that WASA was not in compliance with safety and health requirements, and that previously reported conditions of safety and health violations continued to exist at WASA. We believe that these conditions have jeopardized the safety and health of workers and may have contributed to an increase in injuries and costs for workers' compensation and other insurance related premiums. These costs total over \$1 million annually. In addition, WASA did not have controls in place to ensure efficient use of its resources, justify expenditures, and avoid costs that were unnecessary and preventable. Specifically, our auditors determined that:

- WASA paid in excess of \$566,000 for consultant reports of its safety program that reported findings of a repeat nature.
- WASA's costs related to workers' compensation claims exceeded industry standards by approximately \$741,000 for calendar year 1999. Costs such as these can recur until WASA meets comparable industry standards.
- WASA failed to use the most cost effective measures when providing safety training to its workers. We determined that identical training could have been provided at a savings of over \$149,000. Comparable savings can continue to be realized.
- WASA did not correct safety and health violations that have been reported repeatedly and could potentially carry associated fines and penalties of \$3,661,000.
- Bonuses and other related employee benefits estimated at \$87,653 were paid to 3 members of WASA's executive corps without adequate justification or documentation.

ACTIVITIES OF THE AUDIT DIVISION

- WASA paid employees bonuses in excess of \$575,000 based on questionable performance measures and without adequate justification that established goals had been achieved.

Recommended Corrective Actions:

- Resolve all outstanding recommendations made by consultants in the Process Safety Management audit and correct all deficiencies reported in OIG Management Alert Reports and reports by the DCFEMS and the D.C. Occupational Safety and Health Administration (OSHA);
- Test the quality of drinking water at the Blue Plains Plant for bacteria and lead and make potable water readily available to all employees;
- Correct previous testimony provided to the Committee on Public Works and Environment to state the correct amounts of training given to WASA employees and make other reporting corrections to the Environmental Protection Agency (EPA) and OSHA;
- Document and justify executive level bonuses and other incentives paid to employees;
- Establish controls over the training program and the Maintenance Management System;
- Require the WASA Safety Committee to report directly to the WASA Board of Directors; and
- Request the Director of Employment Services to review funding and staffing of the D.C. OSHA office to enhance D.C. OSHA's effectiveness.

**Audit of the District of Columbia Public School Special Education Program,
November 22, 2000, OIG No. 00-2-8GA**

Our audit showed that the DCPS did not have adequate management controls in place to ensure that transportation services were adequately procured, documented, and paid. DCPS did exercise its management responsibility for procurement and contract administration. We identified the following deficiencies in the administration of the Special Education Program: (1) inaccurate database of special education students; (2) inadequate review of special education tuition payments; and (3) insufficient monitoring of nonpublic day schools and residential schools.

Recommended Corrective Actions:

- Implement new policies such as staggered bell times and paired bus routes to reduce costs and establish training programs and career paths for drivers and attendants;
- Implement controls to ensure that procurement regulations are followed, all expenditures are supported, and invoices are properly reviewed and certified for payment; and

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- Complete tasks for implementing the databases for the Special Education Tracking System, strengthen controls over day-to-day processing of tuition payments, and conduct on-site monitoring of special education student facilities.

Review of the Workers' Compensation Program Within the Department of Employment Services, January 25, 2001, OIG No. 01-1-13CF

This audit was conducted by contract under the supervision of the OIG. The review found that funds due from insurance carriers and self-insured employers are not assessed and collected in a timely manner. Significant weaknesses existed in the payment process and there were inadequate controls in the case management process. Furthermore, there was inadequate safeguarding of surety bonds and inadequate reporting of program costs.

Recommended Corrective Actions:

- Establish procedures to ensure prompt issuance of assessment notices; and
- Develop procedures to ensure that the medical and indemnity expenses are reasonable and require justification and support for payment of large and unusual claims.

Audit of Contract Performance Measures and the Mayor's Scorecard Measures, March 20, 2001 OIG No. 00-2-12MA

The Office of the City Administrator (OCA) requested the OIG to verify agency performance results so that it could determine the extent to which stakeholders could rely upon reported results. The review included tests to verify the performance results at the Metropolitan Police Department (MPD), Department of Fire and Emergency Medical Services (DCFEMS), Department of Public Works (DPW), and Department of Motor Vehicles (DMV). Other District agencies may be able to improve their processes and controls by taking note of the types of conditions we observed and the corrective actions taken and planned by the agencies that we audited.

Recommended Corrective Actions:

- MPD change how it calculates and reports Scorecard Measure results for homicide clearance rates. MPD agreed to disclose in performance reports how it calculates homicide clearance rates;
- MPD develop internal controls to ensure an adequate audit trail, that figures are supported, and that documents are retained in support of the performance measures. MPD agreed to provide controls;
- DCFEMS develop methodology, procedures, and controls for documenting, reviewing, and reporting accurate performance measures. DCFEMS agreed with the recommendation and plans to implement the recommendation by April 30, 2001;

ACTIVITIES OF THE AUDIT DIVISION

- DPW and the District Division of Transportation (DDOT) establish management controls that would assure accurate and verifiable data in support of performance measures. DPW deferred to DDOT on all recommendations. DDOT established a management control system to appropriately verify data in support of performance measures;
- DPW and DDOT disclose in future reporting of resurfaced street areas the methodology employed in measuring, omit or reclassify spot resurfacing from its external performance reporting, and improve its controls by documenting and publishing definitions of the various resurfacing categories. DDOT agreed to formalize reporting procedures by providing clear guidelines and establishing them as Standard Operating Procedures by January 20, 2001. Spot resurfacing often includes full block milling and overlay, and DPW will continue to include spot resurfacing in those instances;
- DMV disclose in performance reports the extent to which the results capture or omit locations and customers; include all locations when calculating contract performance measures and scorecard measures to the extent it is cost effective; and develop written procedures and controls to describe proper methodology to measure, calculate, and report performance results. DMV is reassessing current performance measurement procedures and controls and expects to develop written guidelines by the end of April 2001;
- DMV discontinue computing average service time using customer surveys and determine the average inspection service time of a vehicle by obtaining the data from the Information Control Vehicle Inspection System. DMV will discontinue computing average service time using customer service surveys at the end of February and begin to determine the inspection service time through data derived from a more appropriate method by the end of March 2001; and
- OCA establish accountability for agency implementation of performance measures at all times, including those periods in which an acting or interim director is in charge of an agency. In response, OCA established a process that would increase accountability of interim agency heads. In addition, OCA plans to complete overall guidelines for the District's performance management system by the end of summer 2001 concurrent with draft performance contracts for agency directors.

**Audit of District of Columbia Health and Hospitals Public Benefit Corporation,
March 29, 2001, OIG No. 00-02-13JB**

The audit found that the Public Benefit Corporation (PBC) did not consistently follow its procurement regulations. Contract solicitation, execution, and administration processes at the PBC were defective and current procurement regulations need to be revised for use by the PBC or its successor.

Recommended Corrective Actions:

- Revise procurement regulations to be consistent with the principles of other competitive procurement regulations within the District government;

ACTIVITIES OF THE AUDIT DIVISION

- Request from the District government's Office of Contracts and Procurement assistance in revising its procurement regulations;
- Complete PBC's Standard Operating Procedures as a companion source of reference to its procurement regulations;
- Ensure the Standard Operation Procedures comprehensively address the issues of internal controls and separation of duties and responsibilities;
- Certify annually that PBC's contracting staff has performed assigned duties and responsibilities in compliance with the PBC regulations and standards;
- Conduct and complete an annual acquisition plan in accordance with PBC regulations;
- Analyze the amounts reported as questioned costs and funds put to better use on a vendor-by-vendor basis, and provide documentation that substantiates these disbursements; and
- Initiate action to collect \$98,779 in disallowed costs.

Audit of Federal Grant Management Practices, May 10, 2001, OIG No. 00-16-99BQ

Our audit disclosed that three out of the four agencies examined were not utilizing effective cash management practices for requesting reimbursement of grant funds once program expenditures had been made. Ineffective cash management practices resulted in a potential loss of as much as \$935,000 of interest revenue on grant expenditures. In addition, one agency had not timely requested reimbursement for expenditures made and lost an additional \$14,000 because the period available to request reimbursement for grant funds had expired. Also, the District paid nearly \$162,000 to an accounting firm to reconcile grant records of two of these agencies because of poor record keeping practices.

Recommended Corrective Actions:

- Departments of Human Services, Health, and Employment Services (DHS, DOH, and DOES) ensure compliance with the policy contained in the Grants Policies and Procedures Manual regarding requests for reimbursements and institute a quarterly reporting requirement on unreimbursed grant expenditures;
- The Office of Finance and Treasury (OFT) increase its monitoring efforts over agencies' grant cash management practices to ensure that agencies comply with the requirement to request reimbursement;
- DHS, DOH, and DOES ensure compliance with the requirements for proper record keeping as stated in the District's Grants Policies and Procedures Manual; and
- OFT report the outcome of the ongoing reconciliation to the OIG, specifically identifying what the actual receivables are, the amounts that have been collected, the amounts that still could be collected, and the amounts that have been lost because the period to obtain reimbursement has expired.

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Report on the Fiscal Year 2000 Audit of District of Columbia Projects Jointly Funded by the Department of Public Works and the Federal Highway Administration, May 10, 2001, OIG No. 00-1-04KA

For FY 2000, the OIG audited 22 projects jointly funded by the Federal Highway Administration (FHWA) and the Department of Public Works (DPW). We found that of the 14 projects closed during FY 2000, DPW over-billed FHWA by \$120,000 on 5 projects and under-billed the FHWA by \$609,000 for 7 projects. DPW also spent \$1.6 million less than was budgeted for the 16 closed projects. Our review of 8 on-going projects identified that DPW under-billed FHWA by \$4.5 million. Lastly, we found that DPW had not closed 17 completed grant projects.

Recommended Corrective Actions:

- Establish controls to ensure that costs are properly allocated and that DPW bills to the Highway Trust Fund are accurate and supported by valid expenses;
- Close out the 17 listed remaining projects; and
- Establish and follow similar requirements for closeout of grant projects as provided for contracts in 27 DCMR §§ 1204.4 and .5.

Audit of Job Training Programs Within the Department of Employment Services, May 15, 2001, OIG No. 01-1-18KA

The audit was conducted by contract under the supervision of the OIG. The report concluded that the DOES is rapidly moving toward full integration of services required by the Workforce Investment Act of 1998. However, the DOES transition does have weaknesses that require correction. These weaknesses include establishing consistency in case file management, follow-up contact with clients, and case management performance reviews. Further, written operating procedures are lacking, customer satisfaction surveys have not been completed, training services were purchased without having met eligibility criteria, and the DOES website lists incorrect information. In addition, adequate staffing is lacking on new systems, and the youth program activities may not be fully or correctly utilizing individual assessment tools.

Recommended Corrective Actions:

- Institute a system for reviewing case management file maintenance, case workloads and follow-up services;
- Develop written operating procedures;
- Establish an independent customer and employer satisfaction survey system;
- Retrain contract specialists and evaluators on the eligibility criteria for accepting applications from service providers;

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- Enhance accessibility to and visibility of the one-stop centers, ensuring information about the centers is accurate and widely available;
- Review staffing needs; and
- Analyze the youth services program to determine if the contracted services meet core needs.

Audit of the District of Columbia Federal Highway Trust Fund, June 29, 2001, OIG No. 01-2-09KA

Our review disclosed that the financial statements administered by the management of the Department of Public Works present fairly, in all material respects, the financial position of the District of Columbia Highway Trust Fund as of September 30, 2000, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Audit of the Washington Metropolitan Area Transit Commission for the Fiscal Year Ended June 30, 2000, June 29, 2001, OIG No. 01-1-7KC

Our review disclosed that the financial statements administered by management of the Washington Metropolitan Area Transit Commission present fairly, in all material respects, the financial position of the Washington Metropolitan Area Transit Commission as of June 30, 2000, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Controls Over Information Technology Equipment at the District of Columbia Fire and Emergency Medical Services Department, August 22, 2001, OIG No. 00-2-11FB

Our review covered the District of Columbia Fire and Medical Emergency Services (DCFEMS) information technology (IT) purchases during FYs 1998, 1999, and 2000, and IT equipment and software maintained at various DCFEMS locations. This audit was performed at the request of DCFEMS. We found that internal controls and accountability for DCFEMS IT-related resources were virtually nonexistent. Furthermore, documentation supporting IT purchases of services and software could not be relied on to determine accurately the extent of IT procurements.

Recommended Corrective Actions:

- Develop policies and procedures that will assist management in maintaining proper accountability over funds transferred to GSA for IT goods and services procured through the GSA Federal Acquisition Services for Technology Program;
- Provide the OIG with supporting documentation relative to the status of the \$970,000 identified in the finding;

ACTIVITIES OF THE AUDIT DIVISION

- Establish a property accountability system that includes policies that require management approval of employee use of DCFEMS property and that the approval documentation be maintained until the property is returned;
- Conduct periodic reviews of employee use of DCFEMS property to determine whether the use of the property continues to be justified;
- Conduct and maintain a complete inventory of software and hardware and establish inventory records;
- Notify the Office of the Chief Technology Officer (OCTO) of the availability of any unneeded items;
- Terminate circuits and lines connected in the home of the DCFEMS former employee;
- Recoup the cost of circuits and lines, as appropriate, from the former DCFEMS employee;
- Conduct a needs assessment, with assistance of the OCTO, of the leased communications circuits and eliminate all unneeded circuits;
- Provide training to its program personnel on contract administration duties;
- Analyze the amounts reported as questioned costs and provide documentation that substantiates these disbursements;
- Coordinate with OCTO and the Office of Contracting and Procurement in the development of policies and procedures for project development and the procurement of software and hardware;
- Perform a cost/benefit analysis to determine whether it is cost beneficial to continue to lease IT equipment as opposed to purchasing IT equipment;
- Maintain an inventory of leased equipment detailing the: (1) date of lease expiration; (2) location of leased assets; and (3) responsible official; and
- Initiate action relative to the IT leases to ensure continuity of service.

Audit of the Unemployment Benefit System, the District's On-Line Compensation System Within the Department of Employment Services (DOES), September 17, 2001, OIG No. 01-1-21CF

The audit was conducted by contract under the supervision of the OIG. The report disclosed various weaknesses that resulted in inefficient and ineffective operations that impeded compliance with applicable laws and regulations. Specifically, the report notes that the on-line compensation system is technologically outdated for the current environment. Further, DOES has not implemented adequate system security and controls. For example, the identification codes of employees who process claims are not tied in to their user identification codes and passwords. Also, DOES is not adequately monitoring the work of contractors who help administer the unemployment benefit system.

ACTIVITIES OF THE AUDIT DIVISION

Recommended Corrective Actions:

- Develop policies and procedures to continually assess the business requirements of the Unemployment Compensation Program and modify the District On-Line Compensation System (DOCS) to meet the current environment;
- Review the system's security and control features to ensure that the features are adequate; and
- Develop an in-house technical team to provide oversight and monitoring of contractor activities.

Memorandum of Comments and Recommendations for Management Improvements in Accounting Processes at the Washington Metropolitan Area Transit Commission, September 21, 2001, OIG No. 01-1-7KC(2)

While we found no reportable internal control weaknesses during our audit of the Washington Metropolitan Area Transit Commission for the period ended June 30, 2000, we did find that some improvements were needed in controls over use of obsolete checks, disbursements and accounting for allotments.

Recommended Corrective Actions:

- Destroy obsolete checks and obtain new sequentially numbered checks with the correct banking information;
- Promptly issue checks for payment after they are prepared, reviewed and signed, and cancel invoices once paid to avoid duplicate payments; and
- Record the receipt of allotments consistent with generally accepted accounting principles.

Audit of Controls Over Access to the System of Accounting and Reporting (SOAR), September 28, 2001, OIG No. 00-02-05FL

We found that the SOAR Program Management Office did not provide adequate training for the agency security officers and that there were inadequate policies and procedures for decentralizing the duties of the security administrator.

Recommended Corrective Actions:

- Develop and implement formal policies and procedures to provide adequate training for agency security officers; and
- Develop and implement policies and procedures to provide for the decentralization of security administrator duties.

ACTIVITIES OF THE AUDIT DIVISION

Summaries of Management Implication Reports Issued in FY 2001

The Division issued three Management Implication Reports (MIRs) in FY 2001.

Management Implication Report on Federal Acquisition Services for Technology Program, October 30, 2000, MIR 01-A-01

The purpose of this MIR was to inform District agencies that currently utilize the General Services Administration's (GSA) Federal Acquisition Services for Technology (FAST) Program of the need to: (1) ensure adequate separation of responsibilities when procuring goods and services through the GSA FAST Program; (2) track transferred funds and corresponding expenditures made through the GSA FAST Program; and (3) prevent circumvention of budgetary controls by transferring funds to the GSA FAST Program. This information was subsequently incorporated into an audit report: Controls Over Information Technology Equipment at the District of Columbia Fire and Emergency Medical Services Department, August 22, 2001, OIG No. 00-2-11FB.

Management Implication Report on the Status of the District of Columbia's Compliance with the Single Audit Act, January 8, 2001, MIR No. 01-A-02

The purpose of this MIR was to address the status of the District of Columbia's compliance with the Single Audit Act. Non-federal entities (state and local governments and non-profit entities) receiving federal financial assistance in the form of grants, loans, loan guarantees, and property must comply with the Single Audit Act. The District of Columbia has not been in full compliance with the Single Audit Act since its inception due to the audits not being completed on a timely basis. As of the date of our report, single audits for several District agencies had not been completed for fiscal years 1997, 1998, and 1999. Only three District agencies have completed single audits up until FY 1999.

Management Implication Report Regarding Accountability for the Fiscal Year 1999 Comprehensive Annual Financial Report (CAFR), August 6, 2001, MIR No. 01-A-03

The various factors that caused the delay in issuing the FY 1999 financial audit opinion became widely known in public hearings and meetings involving the Executive Office of the Mayor, Office of the Chief Financial Officer, Council of the District of Columbia, and the D.C. Financial Responsibility and Management Assistance Authority. Each of these entities took positive steps to prevent such factors from impacting the audit opinion for the FY 2000 CAFR. Therefore, instead of further examining problems associated with the FY 1999 opinion, we monitored and reported on the actions that the District took to ensure a timely audit opinion for the FY 2000 CAFR. The FY 2000 CAFR audit opinion was issued on time. This MIR provides highlights of the actions taken and lessons learned by cognizant District officials that should preclude recurrence of the delays experienced during the completion of the FY 1999 CAFR.

ACTIVITIES OF THE AUDIT DIVISION

Summaries of Management Alert Reports Issued in FY 2001

The Division issued 18 Management Alert Reports (MARs) in FY 2001.

Management Alert Report on Procurement Practices at the Public Benefit Corporation, November 21, 2000, MAR 01-A-01

This MAR provided the interim results of the then ongoing audit, which was being conducted regarding deficient procurement policies, procedures, and practices at the Public Benefit Corporation. This report characterized management controls over procurement as nonexistent or substandard. Subsequently, the results of this MAR were incorporated into the final audit report: Audit of District of Columbia Health and Hospitals Public Benefit Corporation, March 29, 2001, OIG No. 00-02-13JB.

Management Alert Reports Regarding Performance Measures and the Mayor's Scorecard

We issued four MARs in connection with our audit of performance measures and the Mayor's Scorecard. These MARs were issued as interim reports pending consolidation of results, which were ultimately incorporated into the final audit report: Audit of Contract Performance Measures and the Mayor's Scorecard Measures, March 20, 2001, OIG No. 00-2-12MA. These MARs include:

- **Management Alert Report on Performance Measures and the Mayor's Scorecard at the Department of Public Works, December 4, 2000, MAR No. 01-A-02**
- **Management Alert Report of the Mayor's Scorecard Measures and Contract Performance Measures at the Department of Motor Vehicles, February 1, 2001, MAR No. 01-A-03**
- **Management Alert Report on Performance Measures and the Mayor's Scorecard at the Department of Fire and Emergency Medical Services, February 12, 2001, MAR No. 01-A-04**
- **Management Alert Report on Performance Measures and the Mayor's Scorecard at the Metropolitan Police Department, February 26, 2001, MAR No. 01-A-05,**

ACTIVITIES OF THE AUDIT DIVISION

Management Alert Reports Regarding Follow-up on Past OIG Recommendations to District Agencies

We issued eight MARs in connection with our follow-up audit project OIG No. 01-1-01MA. The objective of the audit was to determine whether agencies have implemented agreed-to recommendations that were intended to correct deficiencies, and whether the agencies actually corrected deficiencies. These MARs were issued as interim reports pending consolidation of results into a draft report, which would be staffed for comment by agency heads and other District officials. The draft and final report are expected to be issued in the first quarter of FY 2002. These MARs include:

- **Management Alert Report on the Need to Track the Status and Monitor the Implementation of Past Recommendations Made to the District Government, April 3, 2001, MAR No. 01-A-07**
- **Management Alert Report on the Follow-up on Past OIG Recommendations at the District of Columbia Lottery and Charitable Games Control Board, April 3, 2001, MAR 01-A-06**
- **Management Alert Report on the Follow-up on Past OIG Recommendations at the District of Columbia Department of Corrections, April 25, 2001, MAR 01-A-08**
- **Management Alert Report on the Follow-up on Past OIG Recommendations at the District of Columbia Public Schools, May 21, 2001, MAR 01-A-12**
- **Management Alert Report on the Follow-up on Past OIG Recommendations at the University of the District of Columbia, August 8, 2001, MAR-01-A-13**
- **Management Alert Report on the Follow-up on Past OIG Recommendations at the District of Columbia Office of Finance and Resource Management, June 27, 2001, MAR 01-A-14**
- **Management Alert Report on the Follow-up on Past OIG Recommendations at the District of Columbia Office of the Chief Technological Officer, August 6, 2001, MAR 01-A-15**
- **Management Alert Report on the Follow-up on Past OIG Recommendations at the District of Columbia Department of Housing and Community Development, June 27, 2001, MAR 01-A-16**

ACTIVITIES OF THE AUDIT DIVISION

Management Alert Report on the Need to Improve Controls Related to the District's Financial Disclosure System, May 9, 2001, MAR No. 01-A-09

This report was issued for immediate action by District officials in connection with the ongoing audit, project OIG No. 01-2-16KA, of the District Division of Transportation (DDOT), Department of Public Works. Our objective in reviewing the financial disclosure system at DDOT was to determine whether it adhered to laws, regulations, and procedures and whether the agency was vulnerable to conflicts or apparent conflicts of interest. The information contained in this report will be ultimately incorporated in the final audit report.

Management Alert Reports Regarding the Ongoing Audit of the Washington Humane Society

We issued two MARs in connection with an audit of management operations at the Washington Humane Society, audit project OIG No. 01-1-05WHS. The objectives of the audit are to determine whether services provided by the Washington Humane Society are in accordance with contract provisions and applicable laws, regulations, policies, and procedures. This ongoing audit is expected to be issued in the first quarter of FY 2002. These two MARs include:

- **Management Alert Report on the Need for the Department of Health to Address Deficiencies of the Washington Humane Society, April 24, 2001, MAR No. 01-1-10**

- **Management Alert Report on the Need for the Department of Health to Address Deficiencies of the Washington Humane Society, May 22, 2001, MAR 01-A-11**

Management Alert Report on the Office of the Chief Financial Officer's Certification Process Over the \$47 Million Savings Initiative for the Fiscal Year 2001 Budget, August 23, 2001, MAR 01-A-17

This MAR was issued in connection with an ongoing audit, Certification of the District's Fiscal Year 2001 Savings Plan, audit project OIG No. 01-1-02MA. Title XLVII, Sections 4702(2) and (3) of the FY 2001 Budget Support Act, D.C. Law 13-172 (Budget Support Act) provides that the CFO must certify that \$37 million in Management Reform Savings and \$10 million in Operational Improvement Savings can be achieved to allow for program allocation of \$75 million in freed-up appropriations. The primary audit objective is to verify the reliability and accuracy of the \$47 million in savings. The audit will also determine whether adequate management controls have been implemented in order to monitor and track the savings. Finally, as part of the overall savings initiative under the "workforce management" component, the audit will determine whether District agencies permanently reduced 1,000 full-time employee positions from their respective FY 2001 budget baselines. We

ACTIVITIES OF THE AUDIT DIVISION

prepared this Management Alert Report to bring to the immediate attention of District officials the concerns and issues that we had identified to date. Additionally, we issued this MAR as a means to solicit responses on eight specific issues that required clarification.

Management Alert Report on the Potential Shortfall at the District of Columbia Public Schools, September 27, 2001, MAR No. 01-A-20

This Management Alert Report (MAR No. 01-A-20) addressed the District of Columbia Public Schools' (DCPS) potential for exceeding its budget authority by year-end. If the DCPS's budget authority was exceeded, it may be necessary to investigate and report a possible Anti-Deficiency Act Violation (31 U.S.C. § 1341).

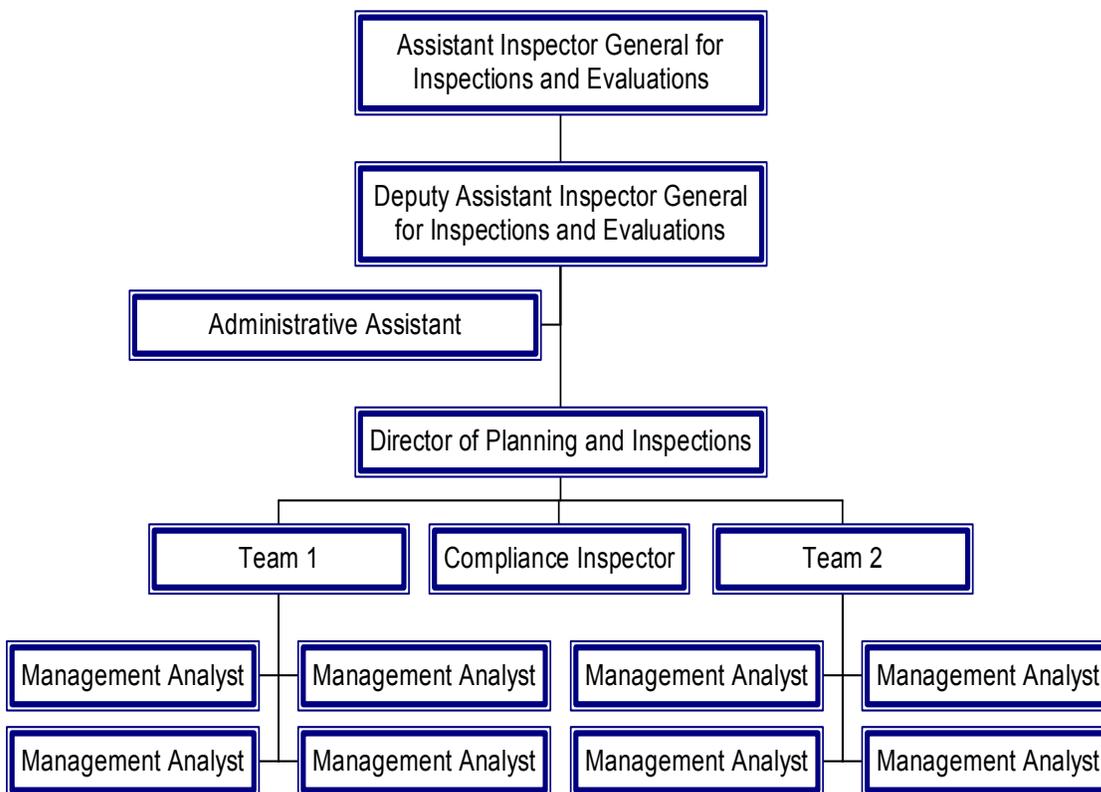
**ACTIVITIES OF THE INSPECTIONS
AND EVALUATIONS DIVISION**



ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

ORGANIZATION AND MISSION

The OIG Inspections and Evaluations Division (I&E) is headed by an Assistant Inspector General (AIG), a Deputy Assistant Inspector General (DAIG), and a Director of Planning and Inspections (P&I). The AIG sets policy and, through the DAIG, provides leadership and direction to the Division. The Director of P&I manages inspection and evaluation activities both in the field and at OIG headquarters, and oversees the day-to-day administrative activities in the Division.



I&E 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 a Report of

ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

Inspection (ROI) and in Management Alert Reports (MAR). OIG provides a MAR when the Inspector General believes that a matter that surfaced during an inspection 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 has nine inspectors and an administrative assistant. All inspectors have four-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. Senior Inspectors 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.

I&E 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 2001

The I&E Division issued four inspection reports in FY 2001 containing 195 findings and 307 recommendations, and four Management Alert Reports (MARs). Inspections can take from 3 months to a year, depending on the size of an agency, the complexity of the issues, and the inspection resources available. Recommendations were made to agency and department heads that called for corrective measures to improve operations, address deficiencies, and ensure that District and federal laws, regulations, and policies are followed. Costs for inspections completed during FY 2001 are shown later in this section of this report.

Department of Public Works (DPW), Solid Waste Management Administration, Inspection Report 00-0003KA, December 2000

The inspection of the DPW Solid Waste Management Administration was conducted from June to September 2000. The report has 66 findings and 103 recommendations. The inspection team found a failure to comply with federal health and safety regulations, non-compliance with District regulations regarding solid waste transfer stations, failure to comply with Office of Occupational Safety and Health regulations, a lack of reliable vehicles, pest infestation at waste collection facilities, a lack of security procedures for employees, a lack of standardized training for sweeper operators, and a lack of written policies and procedures.

ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

District of Columbia Housing Authority, Management Alert Report, 01-I-005, February 15, 2001

The Director of the Housing Authority was alerted to the storage of refrigerators and other appliances and bulk items in an unsecured area where children might gain access to them. Inspectors observed a number of such items adjacent to a recreation center in the Barry Farms community. Many had doors attached that could close and trap a child inside. These storage conditions violated both federal law and District regulations.

Recommendations: That the Director of Housing ensure that doors of discarded refrigerators, stoves and other containers are removed prior to storage; that the storage area be fenced securely to prevent access by children; and that policies and procedures be implemented to ensure the safe handling, storage, and disposal of appliances and other containers that children might enter and become trapped.

Department of Parks and Recreation (DPR), Management Alert Report 01-I-004, February 26, 2001

The Director of the Department of Parks and Recreation was alerted to serious safety and health deficiencies at child development facilities overseen by DPR. Inspectors found that 10 of the 20 facilities inspected had one or more conditions that endangered children and violated District of Columbia Municipal Regulations, federal law, and the National Building and Fire Prevention Codes. Problems included exposed heating pipes and electrical wiring, locked emergency exits, insufficient lighting, unsanitary food preparation, internal and external trash and clutter, and buildings located in areas dominated by drug activity and loitering.

Recommendation: That DPR coordinate with the Department of Health, the Fire Department, and the Office of Occupational Safety and Health to conduct the physical inspections and operational reviews necessary to ensure that all unhealthy and unsafe conditions are identified and corrected.

Department of Public Works (DPW), Fleet Management Administration Inspection Report, 01-0001KA, March 2001

The inspection of DPW Fleet Management Administration was conducted from October 2000 to February 2001. The report has 34 findings and 46 recommendations. The inspection team found violations of federal health and safety regulation violations, untrained employees working as mechanics, the lack of a vehicle replacement plan that led to thousands of dollars being wasted, serious deficiencies in the vehicle disposal process, a lax

ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

preventive maintenance program, and a slowness to use long-term planning for vehicle replacement compared to surrounding jurisdictions.

Department of Corrections, D.C. Jail, Management Alert Report 01-I-006, June 20, 2001

The Director of the Department of Corrections was alerted to numerous violations of federal law and national building and fire codes at the Central Detention Facility (D.C. Jail). The Inspection Team found, among other things, uninspected and discharged fire extinguishers, improper storage of hazardous materials, the absence of a federally required Hazardous Communication Plan, no emergency evacuation plans, poor housekeeping practices and vermin contamination, and poor ventilation.

Recommendation: That the Director take immediate steps to inspect the cited areas and act quickly to abate serious hazards and ensure compliance with federal and District laws.

Department of Corrections, D.C. Jail, Management Alert Report 01-I-007, August 2, 2001

The Director of the Department of Corrections was informed that all possible alternatives for relocating inmates during renovation of the D.C. Jail had not been considered and that some of these options could result in substantial cost and time savings. Existing plans called for relocation of one cellblock at a time which would lead to significant security concerns and logistical problems. The Inspection Team determined that other options would greatly reduce security concerns and significantly reduce costs and renovation time.

Recommendation: That the Director establish a team to evaluate alternatives to the existing renovation plans so that a more informed decision could be made.

Department of Parks and Recreation, Inspection Report 01-0002HA, September 2001

The inspection of the Department of Parks and Recreation (DPR) was conducted from August 2000 to March 2001. The report has 49 findings and 84 recommendations. The inspection followed complaints from both District residents and DPR employees about problems in DPR's summer recreation programs, the poor condition of some recreation facilities, and chronic personnel management issues. The inspection found serious repair and maintenance problems throughout DPR, systemic weaknesses in contract administration and tracking of accountable property, numerous safety issues at childcare facilities, and inordinately low salaries among DPR employees.

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Department of Public Works (DPW), Parking Services Administration, Inspection Report 01-0003KA, November 2001

The inspection of the DPW Parking Services Administration (PSA) was conducted from April to August 2001. The report has 45 findings and 68 recommendations. The inspection team found that the closure of the District's only impoundment lot has decreased revenues and inconvenienced vehicle owners; mechanical problems plague the tow truck fleet which affects vehicle removal, traffic control, and revenues; emergency communication equipment is not readily accessible; computerized ticketing equipment experiences frequent failures; and procedural problems at vehicle auctions may result in lost revenue.

Inspections and Evaluations Division Performance Statistics Fiscal Years 2000-2001

<u>Activity</u>	<u>FY 2000</u>	<u>FY 2001</u>
Reports Issued ¹	10	7
Findings	110	195
Recommendations Made to Agencies	169	307
Recommendations Agreed to by Agencies	137	(Pending)

¹ Includes Reports of Inspection and Management Alert Reports

ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

Fiscal Year 2001 Costs for Completed Inspections

<u>Inspection Title</u>	<u>Cost</u>	<u>Cost If Outsourced²</u>
DPW Solid Waste Management Administration	\$120,400	\$350,000
DPW Fleet Management Administration	\$51,815	\$150,625
Department of Parks and Recreation	\$275,200	\$800,000
DPW Parking Services Administration	\$38,872	\$113,000
Total Costs	\$486,287	\$1,413,625

TESTIMONY BEFORE THE CITY COUNCIL

I&E Inspectors testified during hearings conducted by the Council of the District of Columbia twice during FY 2001. These hearings were called in response to our Reports of Inspection on the DPW Solid Waste Management Administration and the Fleet Management Administration.

COMPLIANCE AND FOLLOW-UP INSPECTIONS

The I&E Division monitors 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 timeline for acting upon and completing all recommendations made in the report. The I&E Compliance Inspector will track an agency's progress until the agency complies with all recommendations. 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

² Based on hourly wages (\$43 per hour District employee versus \$125 per hour contractor employee) x total hours worked on inspection.

ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

Compliance Inspector perceives discrepancies, the agency is contacted so that the matter can be resolved satisfactorily. In addition, re-inspections are done when on-site verification of agency compliance is deemed necessary.

PERFORMANCE MEASURES TO EVALUATE PROGRESS

Through the compliance tracking and follow-up inspection process, I&E monitors and measures the extent of improvements in agency operations and service delivery. The number of recommendations agreed to by agency management, the degree of agency compliance with agreed-upon recommendations, and subsequent improvements in agency operations (or the lack thereof) are clear indicators of the effectiveness of the overall performance of the OIG inspection program.

FY 2002 INSPECTION PLAN

The FY 2002 Inspection Plan, issued August 31, 2001, is consistent with the Mayor's initiative to review, evaluate, and improve performance standards in all components of the District of Columbia government. The Division has planned seven inspections in FY 2002: Fire and Emergency Medical Services Department; the Department of Health; the Department of Human Services; the Office of Property Management; the Department of Housing and Community Development; the Office of Personnel; and the Public Service Commission.



ACTIVITIES OF THE INVESTIGATIONS DIVISION

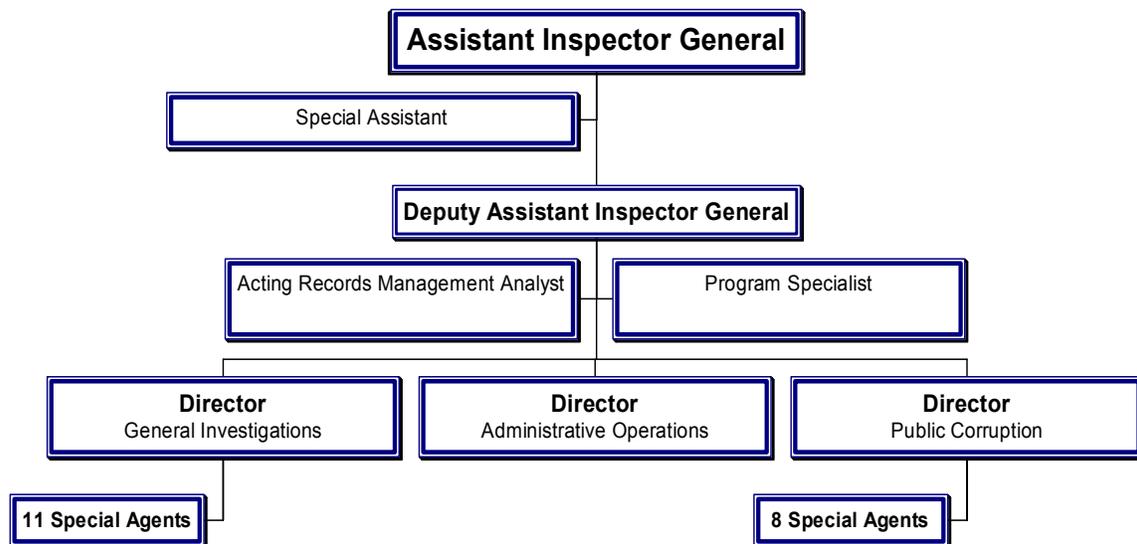


ACTIVITIES OF THE INVESTIGATIONS DIVISION

ORGANIZATION

The OIG Investigations Division (ID) 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 General Investigations Unit is responsible for managing both administrative and criminal investigations into allegations of fraud, waste and abuse involving all District personnel and agencies not specifically handled by the other investigative units. During this fiscal year, a new position, the Director of Administrative Operations, was created. The incumbent is responsible for providing a broad range of administrative support for the division. This includes, but is not limited to, identifying and procuring needed investigative material resources, identifying division training needs and procuring services needed to satisfy identified needs. In addition, the Director of Administrative Operations is responsible for critically reviewing the written work products of special agents and ensuring that reports adequately address investigative issues and comply with office-wide and ID standards. During this fiscal year the Procurement Fraud Unit of the ID was disbanded, and its functions were transferred to the Public Corruption Unit.

Investigations Division Organizational Chart



The Investigations Division is responsible for conducting criminal and administrative investigations into allegations of criminal misconduct by District employees and contractors.

ACTIVITIES OF THE INVESTIGATIONS DIVISION

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 the OIG Investigations Division 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 the three units identified above, the Investigations Division includes a Records Management Unit, which is responsible for maintaining investigative files and the permanent files of other OIG divisions. This unit is responsible for querying and inputting data into a number of databases essential for the support of ongoing investigations and the overall mission of this Division.

Another component of the Investigations Division is the Referral Program. Complaints or allegations received by the OIG 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 us by a specified date. The Referral Program is a major mechanism by which we respond to citizen complaints and is a valuable component of the ID. It is also a highly successful instrument by which the OIG holds the various components of District government accountable to the public interest.

CREDENTIALS AND QUALIFICATIONS

The Investigations Division is comprised of 28 employees, including 5 managerial/supervisory personnel, 19 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, U.S. Secret Service, Army Criminal Investigations Command, and major police departments. Newly hired investigators are required to attend and successfully pass a 10-week basic training course at the Federal Law Enforcement Training Academy, Glynco, Georgia. In addition, we require that all

ACTIVITIES OF THE INVESTIGATIONS DIVISION

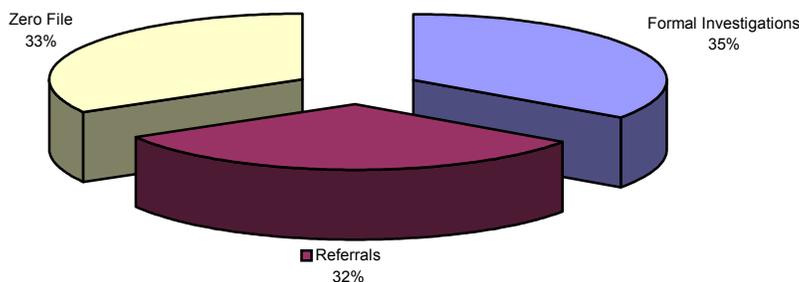
investigative personnel meet the firearm qualification standards of both the FBI and the MPD.

FY 2001 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 and/or matters that we lack sufficient resources to address, is to place the case in our “Zero” file without further action.

At the start of FY 2001, the OIG had 259 pending investigations. An additional 512 investigative matters were received during FY 2001. Of those 512 matters, 182 were opened as formal investigations, 169 were referred to agency heads for action, and 174 were closed by placement in the Zero file.

The chart below reflects the methods used in addressing investigative matters received in FY 2001:



Investigations

The chart that follows compares three ID performance measures for fiscal years 2000 and 2001. In each category, there is a FY 2001 decrease compared with FY 2000. The decrease noted below, in each performance area, is directly attributed to the diversion of ID investigative resources to conduct a major high priority investigation. In February 2001, the OIG received requests from both the Mayor and District Council to conduct a thorough and wide ranging investigation to determine whether District employees had improperly engaged in fundraising activities during 1999 and 2000. In this regard, an unusually high portion of investigative resources of the ID were dedicated to this investigation for nine months of FY 2001. This resulted in a significant lack of resources to investigate other pending matters having lower priority.

ACTIVITIES OF THE INVESTIGATIONS DIVISION

<u>Activity</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>Percent Increase (Decrease)</u>
Investigations Opened	193	182	(5.70%)
Investigations Closed	169	159	(5.92%)
ROIs ¹ Prepared	87	46	(47.13%)

The following is a breakdown, by District agencies/departments involved, of the 159 investigations closed in FY 2001:

Administrative Services-Finance & Resource Management	1
Advisory Neighborhood Commission	6
Board of Elections and Ethics	2
Chief Financial Officer	3
Chief Management Office	1
Commission for Women	1
Commission on Mental Health Services	4
Council of the District of Columbia	2
D.C. General Hospital – Public Benefit Corporation	4
D.C. General Hospital	4
D.C. Lottery & Charitable Games Control Board	3
D.C. National Guard	1
D.C. Public Schools	9
D.C. Retirement Board	1
D.C. Superior Court	1
Department of Consumer and Regulatory Affairs	8
Department of Corrections	16
Department of Employment Services	13
Department of Health	9
Department of Housing and Community Development	1
Department of Human Rights & Minority Business Development	1
Department of Human Services	10
Department of Motor Vehicles	7
Department of Public Works	8
Department of Parks and Recreation	3
District of Columbia Auditor	1
Financial Control Board	1
Fire and Emergency Medical Services Department	2
Inspector General	1
Metropolitan Police Department	15

¹ Reports of Investigation

ACTIVITIES OF THE INVESTIGATIONS DIVISION

Office of Aging – Board of Appeals & Review	1
Office of Banking and Financial Institutions	1
Child and Family Services Agency	2
Office of Finance and Treasury	1
Office of Labor Relations and Collective Bargaining	1
Office of Property Management	1
Office of the Mayor	1
Office of Unemployment Fund Compensation	1
Parole Board	1
Public Charter Schools	1
Public Service Commission	2
Taxicab Commission	2
University of the District of Columbia	3
Water and Sewer Authority	<u>2</u>
Total Closed Investigations	<u>159</u>

HOTLINE USAGE

Detailed hotline statistics are included in Appendix D. D.C. Code, 2001 Ed. § 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



Hotline Duty Agent

1-800-521-1639. A total of 268 calls was received on this line during FY 2001, down from 327 in FY 2000. 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, email, facsimile, in person, and by referral from other departments and agencies.

As reflected in the statistical table in Appendix D, 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 to enable the OIG to initiate an investigation. Other calls concern matters that

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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, 2001 Ed. § 2-302.08(a)(3)(F), to be referred to the USAO for prosecution. In FY 2001, the OIG referred 39 cases to the USAO for possible prosecution, and 22 were accepted for further investigation. In 17 cases, prosecution was declined.

The investigations conducted by the OIG (in some cases, in conjunction with other law enforcement agencies) resulted in six convictions in FY 2001. Those convicted received sentences ranging from imprisonment to probation and home detention.

RESTITUTIONS AND RECOVERIES

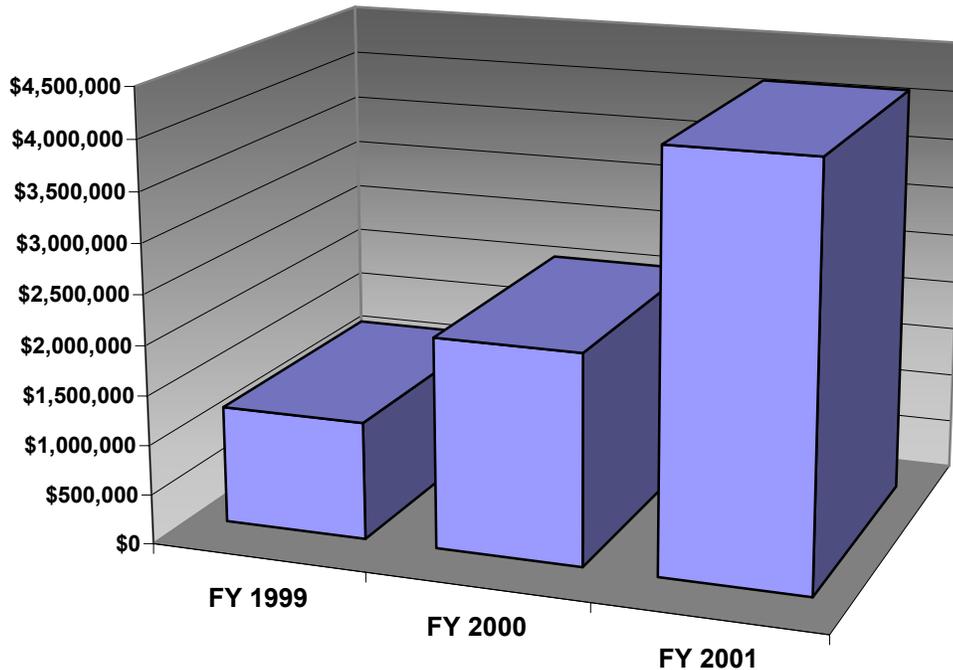
During FY 2001, individuals convicted as a result of OIG investigations were ordered to pay a total of \$721,191.22 in restitution, fines, assessments, taxes, and penalties. In addition, the Investigations Division recouped \$2,959,646.39 in asset seizures.

Summary of Restitution and Recoveries

	FY 1999	FY 2000	FY 2001
Asset Seizure	0	0	\$2,959,646
Restitution	\$1,183,023	\$2,109,834	\$1,181,071
Recoveries	<u>\$ 2,451</u>	<u>\$ 2,860</u>	<u>0</u>
Totals	\$1,185,474	\$2,112,694	\$4,140,717

ACTIVITIES OF THE INVESTIGATIONS DIVISION

Restitutions and Recoveries



REPORTS OF INVESTIGATIONS (ROIs)



The OIG issued 46 ROIs in FY 2001. 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 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. This summary is distributed to the Mayor, the City Council, the Authority, and the Congress, as

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appropriate. ROIs issued in FY 2001 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

Conflict of Interest Violations by a District Employee

A former employee in the Department of Human Rights and Minority Business Development entered a guilty plea in U.S. District Court to four counts of conflict of interest for creating District purchase orders to a fictitious company. On April 12, 2001, this individual was sentenced to 5 years probation and ordered to pay a \$2,000 fine and \$14,841.37 in restitution. This was a joint investigation with the FBI.

Fraud Against the Government of the District of Columbia

The former Executive Director of the D.C. Concerned Citizens Caucus (D.C. CCC) directed a fraud scheme against the District of Columbia. This individual had obtained a grant and loan from the Department of Housing and Community Development (DHCD) in the amount of \$92,000 to enable D.C. CCC to purchase and renovate houses for the purposes of re-sale to low or moderate-income purchasers. However, this individual spent the DHCD funds on commemorative calendars and other commemorative items, and for the personal benefit of herself and her immediate family. A guilty plea was entered in September 18, 2001, in U.S. District Court to one count of fraud. Sentencing is scheduled for November 2001. This was a joint investigation with the FBI.

Embezzlement by a Department of Motor Vehicles (DMV) Employee

In a judgment of consent in D.C. Superior Court on June 5, 2001, a former DMV employee was ordered to pay \$7,700 in restitution and a penalty of \$5,000 for embezzling DMV funds.

Theft of D.C. Public School (DCPS) Funds by an Employee

A former employee of DCPS was sentenced in U.S. District Court on July 26, 2001, after pleading guilty to felony theft. This individual's position at DCPS had allowed her access to imprest funds, from which she fraudulently issued checks to herself. She was sentenced to 4 months home detention, 5 years probation and ordered to pay \$19,500 in restitution to the District.

ACTIVITIES OF THE INVESTIGATIONS DIVISION

A Report Concerning the Review of the District of Columbia Towing Regulations and Their Enforcement

In this review of present tow regulations and procedures for the District cranes and private tow companies, this Office found a lack of control measures to prevent vehicles from being misplaced and the resulting inconvenience to District residents. Five specific findings were recorded, and 11 recommendations were offered to resolve the findings.

A Report of Investigation into the Circumstances Leading to the Death of B.B.

This review was conducted based on a request from the Office of the Mayor to determine how the Child and Family Services Agency (CFSA) handled all matters leading to the reunification of B.B., a minor, with her mother, and the possibility that negligence on the part of CFSA could have caused B.B. to be placed in an unsafe environment. This review resulted in the offering of six recommendations to establish and/or improve existing safeguards within the District's child welfare system for the purpose of not having a recurrence of this tragic event.

Theft of Funds by an Employee of the Department of Consumer & Regulatory Affairs (DCRA)

A former employee who worked as the liaison/coordinator of the DCRA SummerWorks '99 Program pled guilty in D.C. Superior Court to one count of False Representation. This individual, who stole funds designated for four youths by falsifying their program attendance sheets, was sentenced to 6 months supervised probation, 30 days incarceration (suspended), ordered to pay \$190.00 in restitution and a \$1,000 fine.

Misuse of a District Vehicle by a Department of Public Works (DPW) Employee

A DPW employee was suspended for 15 working days when an investigation revealed that he had used a District vehicle as a means of transportation between his home and workplace.

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 these referrals to ensure that the matters are handled appropriately. During FY 2001, the Referral Program 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 to hold agency heads accountable for thoroughly addressing issues of mismanagement and inefficiency within their respective agencies. During FY 2001, the OIG referred a total of 169 matters to the following District agencies:

ACTIVITIES OF THE INVESTIGATIONS DIVISION

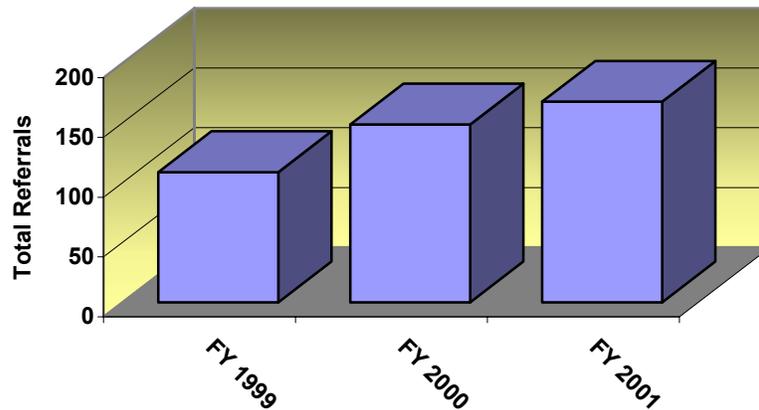
<u>Agency</u>	<u>Number of Referrals</u>
Administration for HIV/AIDS	1
Board of Elections and Ethics	2
Boxing and Wrestling Commission	1
Child and Family Services Agency	3
Commission on Mental Health Services	2
D.C. Housing Authority	5
D.C. Office of Personnel	3
D.C. Public Schools	10
D.C. Superior Court	1
Department of Consumer and Regulatory Affairs	18
Department of Corrections	10
Department of Employment Services	6
Department of Fire and Emergency Medical Services	8
Department of Health	4
Department of Housing and Community Development	1
Department of Human Services	18
Department of Insurance and Securities Regulation	1
Department of Mental Health	3
Department of Motor Vehicles	17
Department of Public Works	9
Department of Parks and Recreation	3
Executive Office of the Mayor	1
Federal Agencies	3
Metropolitan Police Department	16
Office of Campaign Finance	2
Office of the Chief Financial Officer	6
Office of the Chief Medical Examiner	1
Office of the Chief Technology Officer	1
Office of the Corporation Counsel	3
Office of Pay and Retirement	1
Office of Tax and Revenue	4
Public Benefit Corporation (D.C. General)	1

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Public Service Commission	1
Water and Sewer Authority	<u>3</u>
Total Referrals:	<u>169</u>

Referrals for the Past 3 Fiscal Years

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Total Referrals	109	149	169



SIGNIFICANT RESULTS FROM THE REFERRAL PROGRAM

The following are examples of significant outcomes for referrals either sent to agency heads or resolved during FY 2001.

Case 1: This referral to the District of Columbia Public Schools was made in FY 2000, but resolved in FY 2001. A former teacher continued to receive paychecks despite repeated notification to the DCPS Office of Payroll. The agency's investigation confirmed the continued payments and the following actions were taken:

- The employee responsible for processing the former teacher's time and attendance records was reassigned and no longer performs payroll-related duties.
- A *Stop Payment Order* was placed on all checks issued to the former teacher.
- DCPS' internal audit division reviewed the entire process involved with generating payroll checks.

ACTIVITIES OF THE INVESTIGATIONS DIVISION

- The former teacher returned the \$5,012.22 that she had received.

Case 2: This referral to the Department of Parks and Recreation was made in FY 2000, but resolved in FY 2001. Employees of the Aquatics Division were assigned brevet managerial rank over the summer, but did not receive the commensurate pay increases. The agency's investigation confirmed the error and each of the employees who was entitled to back pay (one employee was not) received the amount in full.

Case 3: This referral to the Commission on Mental Health Services involved an allegation that the agency was not meeting its obligations to a disabled employee. The matter was settled with an agreement by which the complainant accepted a lump-sum cash payment in exchange for withdrawing all claims against the agency.

Case 4: This referral to the Office of the Chief Technology Officer concerned widespread errors in the pay stubs of agency employees, including accumulated leave, employment status, and benefits information. The agency's investigation substantiated the allegations, and showed that the errors had already been corrected or would be corrected shortly.

Case 5: This referral involved an allegation that the DCPS was \$77,000.00 delinquent in payments to a private contractor who provided transportation services for special education students. The agency's investigation showed that the company had not actually submitted an invoice for the services, and that the invoice, now received, would be paid once it was certified.

Case 6: This case involved an allegation that a District of Columbia hotel was operating a bar without having an alcohol license. The Department of Consumer and Regulatory Affairs determined that the hotel did have the necessary license, but had not posted it publicly, as required.

Case 7: This referral to the Department of Human Services involved an allegation that a social worker was negligent in keeping current with a child's case. The agency's investigation partially substantiated the allegation, confirming some negligence in monitoring compliance with a court order pertaining to the child's treatment. The social worker was admonished to "closely monitor and ensure compliance with the court order for the [child]."

Case 8: A citizen referred to a clinic by the Department of Human Services found no one present, loud music playing, and unguarded records left in public. The agency's investigation substantiated some of the allegations, with the result that the clinic has revised its procedures to ensure that the front desk is covered full-time to protect records against even the appearance of privacy violation.

Case 9: This referral to the Department of Fire and Emergency Medical Services concerned an allegation that a firefighter had been absent without leave and was replaced informally

ACTIVITIES OF THE INVESTIGATIONS DIVISION

without the AWOL ever being reported. The agency's investigation conclusively disproved the allegation: the subject firefighter was not scheduled to work the day in question.

Case 10: This referral to the Department of Employment Services involved a request for assistance from a citizen who believed that the agency had not been helpful in assisting him to collect back wages owed. The complainant sent the IG a letter noting that he had received some of the contested wages.

Case 11: This referral to the Department of Consumer and Regulatory Affairs reported flaws in the agency's telephone system. The agency acknowledged the problems, but since January has created a new position – manager of customer service – to identify and resolve agency telephone problems (among other duties). A measurable plan has also been implemented to eliminate the problems, and agency officials have met with officials of the telephone company.

Case 12: This referral to the Water and Sewer Authority concerned an allegation that the congregation of an in-construction church tapped into the municipal water lines without authorization. The agency confirmed the unauthorized connection and severed it.

PERFORMANCE MEASURES TO EVALUATE PROGRESS

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

- 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.
- The number of matters successfully investigated and accepted for prosecutive actions by both the U.S. Attorney's Office and the Office of the Corporation Counsel is indicative of the progress made towards resolving identified risks.

Existing performance measures are shown in Appendix C.



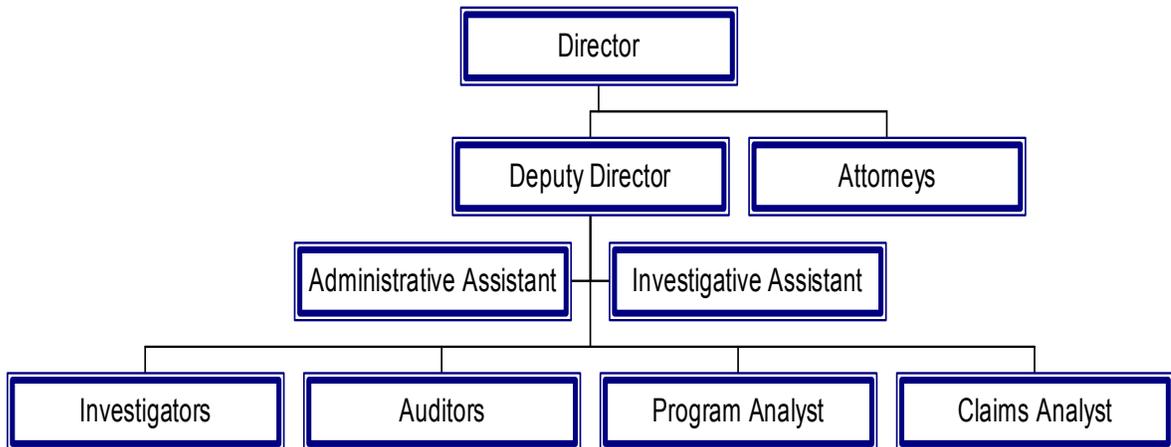
**ACTIVITIES OF
THE MEDICAID FRAUD CONTROL UNIT**



ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

ORGANIZATION

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, and FY 2001 was the first year in which the unit was fully staffed and completely operational. The goal of the unit is to investigate and prosecute cases of fraud and abuse within the Medicaid program for the District of Columbia. Headed by a Director, the 15 members of the unit bring a variety of skills and experiences to the task. Of particular value is the health-care industry background that members possess, including hospital billing, health-care accounting and insurance experience. The unit is organized in a strike force fashion with prosecutors leading teams generally composed of investigators and auditors. This method of organization presents significant advantages, in that attorneys are able to provide legal analysis from the very beginning of each case, and in turn prosecutors are familiar with the case long before it results in litigation.



The unit is one of 48 certified Medicaid Fraud Control Units nationwide. As a certified unit, the MFCU receives 75 percent of its funding in the form of a grant from the U.S. Department of Health and Human Services, Office of Inspector General. In order to remain eligible for these yearly grants, the unit must conform to a number of federal requirements described in the Code of Federal Regulations. In addition to complying with all mandatory federal standards, the unit must provide quarterly and annual statistical reports demonstrating its continued productivity and a significant return on the investment in federal and District tax dollars. The MFCU is a member of the National Association of Medicaid Fraud Control Units and regularly coordinates with its counterparts in 47 states.

The MFCU's enforcement efforts fall into two general categories – financial fraud against the Medicaid program and the abuse of patients in Medicaid-funded nursing homes and other

ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

institutional settings or board and care facilities. Both of these areas entail investigations, litigation, outreach and legislative components.

ANTI-FRAUD EFFORTS

One key aspect of the Unit's continuing efforts against waste, fraud and abuse in the District's Medicaid program is our continuing partnership with the Medical Assistance Administration (MAA) of the District's Department of Health. This partnership with MAA includes, among other things, numerous regularly scheduled and informal meetings to discuss particular cases and projects. The Unit most frequently interacts with MAA's Surveillance and Utilization Review Unit (SUR). This year was a period of rebuilding and reorganization for the SUR. During this rebuilding era we have provided MAA with frank and substantive suggestions to maximize the productivity of both the SUR and the MFCU in the future. As an example of systemic improvements in our operations, the MFCU has now been given direct online access to Medicaid claims information. This allows us to do a number of things, including the ability to instantly verify the status of health care providers. In this way, investigations can proceed more efficiently, with fewer burdens on MAA and MFCU personnel.

Although this year was marked by a great deal of focus on the laying of groundwork for future success, the Unit is now working on a significant number of fraud cases. Currently, there are over 20 fraud cases being investigated, and 16 new matters were opened during FY 2001. The Unit is investigating allegations of fraud involving a broad variety of health care providers, ranging from nationally known institutions to solo practitioners. Medical specialties involved in our cases include physicians, dentists, pharmacies, nursing homes, and transportation providers. Investigations can lead to the filing of criminal, civil and/or administrative charges. Although fraud cases frequently take upwards of three or four years to move from receipt of an allegation to the filing of charges, we currently have a number of matters that are moving at a faster than usual pace. In fact, working with the U.S. Attorney's Office, the Unit filed criminal charges in its first fraud case in August 2001. In that case, a District of Columbia optometrist has been charged with defrauding the Medicaid program over a number of years. He was convicted of theft and conspiracy counts in D.C. Superior Court on October 10, 2001.

During this year there were also significant developments in the legislative arena. On February 6, 2001, the District of Columbia Council issued a resolution declaring a need to amend the Medicaid Provider Fraud Prevention Amendments Act of 1980 to reflect the existence of the MFCU and to grant it additional authority to investigate and prosecute Medicaid fraud under the District of Columbia Medicaid Fraud statute. On that date the Council also passed emergency legislation giving the MFCU the ability to investigate and prosecute cases under the Medicaid Provider Fraud Prevention Amendments Act of 1984, D.C. Code, 2001 Ed. § 4-801 *et seq.* The Council was supported in these actions by

ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

testimony provided by the MFCU. This new legislation allows the MFCU to utilize Medicaid fraud statutes that were previously only available to the Corporation Counsel. Furthermore, when utilizing these statutes, the Unit is now empowered to initiate criminal misdemeanor and civil cases in Superior Court. Permanent legislation has now been introduced in the D.C. Council that would grant these powers to the Unit on an ongoing basis. This new legislation provides the Unit with new charging options in fraud cases, complementing its already existing ability to prosecute cases under the United States Code or the D.C. Code in collaboration with the United States Attorney's Office. We anticipate continuing our fruitful relationship with the U.S. Attorney's Office but now will have additional options in the event that the U.S. Attorney's Office declines to pursue matters we present to them. Furthermore, this legislation provides us with the additional option of teaming with the Office of the Corporation Counsel (OCC), and where appropriate, jointly prosecuting a case with it. We have discussed this option with OCC, and that office is open to considering it in the future.

The Unit has also engaged in anti-fraud educational and outreach presentations in the private sector. We have spoken to health-care industry and senior citizen groups throughout the District to introduce our unit, make formal presentations and answer questions.

The Unit's investigation and prosecution of fraud cases have also been marked by a great deal of cooperation with other law-enforcement agencies. In particular we are working a number of ongoing investigations with the FBI and/or the U.S. Department of Health and Human Services, Office of Inspector General. Furthermore, we are an active participant in the U.S. Attorney's Office's health-care fraud task force for the District of Columbia. In addition to these local activities, the Unit has been very involved in national anti-fraud efforts. We are an active member in the National Association of Medicaid Fraud Control Units (NAMFCU) and work cooperatively with our fellow MFCUs nationwide. We are the only MFCU that has been invited to be a regular participant in the United States Department of Justice Health-Care Fraud Working Group (HCFWG). In fact, the Director of the unit was invited to make a presentation to this national group of prosecutors and investigators on the intertwining of health-care fraud and drug diversion. This presentation was positively received and resulted in additional invitations to make similar presentations to other national health-care fraud groups. Furthermore, a protocol created by the Unit for investigating fraud in connection with abused drugs was presented to the HCFWG and has been distributed nationwide. Similarly, the Director of the Unit was invited to become a member of the Board of Directors of the Bureau of National Affairs *Health Care Fraud Report*.

Another very important aspect of our involvement in national health-care fraud activities is our participation in global settlements. On occasion, health-care providers engage in similar fraudulent activities and schemes in multiple states. The Unit has joined with other MFCUs, under the auspices of the National Association of Medicaid Fraud Control Units, to effectively investigate and resolve cases of this nature. The use of multi-state teams

ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

representing the interests of all aggrieved states allows the District to recoup monies without each state duplicating the efforts of the others. While several global cases are still in negotiation at the end of FY 2001, the District did receive a \$70,200 settlement from a major corporation in September.

Other accomplishments in addition to the organizational and outreach activities described above, include recovery of significant sums this year for the Medicaid program. In FY 2001 the unit has been credited with recoveries of over \$350,000. Furthermore we have identified additional overpayments, which have been referred to MAA for administrative collections.

PATIENT ABUSE

Another vital aspect of the MFCU is the work done in the area of patient abuse. Our unit has jurisdiction to investigate and prosecute cases of abuse and neglect in nursing homes, group homes for the mentally retarded or mentally ill, and board and care facilities. Cases of physical abuse generally involve an intentional assault on the patient. In contrast, neglect cases typically focus on poor care rendered to the patient. This can include poor medical care, poor nutrition or sanitation, or a failure to properly supervise living conditions.

Abuse cases are among the most disturbing matters handled by the unit. These cases are generally assigned to unit personnel with a specialized background who can handle them in a diligent and expeditious, yet sensitive manner. They require investigators and prosecutors to sort through voluminous medical records and documents, while often working with emotional and distressed patients, their families and medical staff.

Since May 2000, nursing homes, community residence facilities and group homes have been required by D.C. law to immediately notify the Inspector General's Office of unusual incidents. We continue to reach out to these providers to inform them of their legal obligation and its importance to the well being of their residents. In FY 2001, over 2,800 unusual incident reports were received. They ranged from reports of changes in medical conditions of nursing home patients to reports of alleged assaults of residents by employees of the facilities. The unusual incident reporting requirement allows the Unit specialists in abuse and neglect to commence their investigations with little delay.

The District of Columbia has passed new legislation focusing on the abuse of vulnerable adults. The Seniors Protection Amendment Act of 2000 criminalizes both the abuse and the neglect of vulnerable adults. The new law includes prohibitions of abuse by assault or threats of assault, verbal harassment or involuntary confinement. Neglect that is now criminal includes the failure to provide the care necessary to maintain the physical and mental health of a vulnerable adult. This law expands the prosecution options available in abuse cases and

ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

allows for the filing of charges much more specifically targeted at this type of abusive behavior. We anticipate utilizing this new law whenever appropriate in future cases.

In September 2001, the Unit obtained its first conviction in a case investigated and prosecuted by the Unit. In this case, jointly handled by the MFCU and the U.S. Attorney's Office, the defendant was found guilty of beating a blind and mentally retarded resident of a group home. The defendant was jailed immediately upon the finding of guilt and is currently awaiting final sentencing. Presently, there are six other cases we have presented to the U.S. Attorney's Office, and all have been accepted for prosecution.

GOVERNMENTAL LIAISON

In addition to all of the above-mentioned cooperative activities, the MFCU continues to work closely with the Department of Health in a number of ongoing efforts to prevent patient abuse and neglect. We also work closely with the Metropolitan Police Department (MPD) in this area. For example, we have provided the MPD with information on our Unit's patient abuse activities and MFCU contact information. This was provided to MPD patrol officers during roll call at the various police districts. Furthermore, both MPD and the Fire Department have agreed to provide relevant information in this area during appropriate training sessions.

LEGISLATIVE REVIEW AND ADVICE

In addition to the legislative activities described above, the MFCU personnel have commented on and provided advice regarding potential legislation affecting, but not solely concerning, the MFCU. This advice is given in the form of both formal testimony and numerous informal presentations to District policy makers.

MANAGEMENT ALERT REPORTS

The MFCU periodically issues Management Alert Reports (MARs) to District agencies that are involved with the Medicaid program. These are based on potential problems or weaknesses in the Medicaid program as seen from the perspective of the MFCU. The Division issued 5 MARs in FY 2001. The following is a brief description of the potential problems and suggested corrective steps provided for consideration in each MAR.

ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

Summaries of Management Alert Reports Issued in FY 2001

Management Alert Report Regarding Requirement for Medicaid Providers to Obtain Surety Bonds, MAR M00-1, December 21, 2000

This MAR recommended that the requirements for participation in the D.C. Medicaid program be amended to require that some or all Medicaid providers obtain a surety bond to protect against the loss of monies made available for medical assistance to eligible Medicaid recipients. The surety bond is a reasonable response to perceived weaknesses in the Medicaid program. It is not uncommon for providers who apply to participate in the Medicaid program to be financially unstable. Even those providers who are financially solid at the time of their application may become financially distressed at a later point. Other abusive practices by Medicaid providers may include intentional actions such as simply ceasing to do business in order to skirt financial responsibility for overpayments. Imposition of a surety bond requirement for Medicaid providers is a measured response to current practices that put at risk monies intended for the benefit of Medicaid recipients.

Management Alert Report Regarding Routine Monitoring and Reporting for Contracts Between MAA and Health Maintenance Organizations, MAR M01-1, February 12, 2001

This MAR recommended amendments to contracts between MAA and health maintenance organizations (HMO) to require routine monitoring and affirmative reporting of deceased recipients who were once eligible for medical assistance under the Medicaid program. The contracts between MAA and HMOs do not impose an affirmative duty on the HMOs to routinely monitor and certify to MAA in a timely manner the identity and number of enrollees currently living and those who are deceased. Each HMO under the managed care program is reimbursed per enrollee, by a capitated rate on a monthly basis. Thus, it is important that MAA is accurately apprised of the death of enrollees in a timely manner. Without such routine monitoring and certification, there is a chance that an HMO will not forward appropriate patient information to MAA, which may continue to pay it a monthly capitation fee. The routine monitoring and reporting imposed on the HMOs will instill discipline and accountability in the District's managed care program.

Management Alert Report Recommending Revision of D.C. Healthy Families Program Application Form, MAR 01-M02, March 12, 2001

This MAR recommended that the Income Maintenance Administration of the Department of Health revise the application filed by individuals and families under the D.C. Healthy Families program. The suggested revisions would strengthen consent provisions for applicants to permit quality control and program integrity review by MAA and other governmental agencies, including the D.C. Office of the Inspector General (Medicaid Fraud

ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

Control Unit). The proposed revisions would also require consent for detailed review of information in the case record, including personal interviews and medical record review. These changes to the application would inform the applicant that the Medicaid program strives for quality medical services as well as an accurate claims process in relation to services rendered. The changes would also emphasize the fact that program integrity reviewers have authority under federal and D.C. law to gain access to medical records.

Management Alert Report Recommending Self-Reporting by Selected Providers Participating in the District's Medicaid Program, MAR 01-M03, March 27, 2001

This MAR recommended that steps be taken to mandate self-reporting by some providers participating in the District's Medicaid program. Under the current regulations, there is no mechanism to encourage providers to detect and remit payment of overpayments made under the program during the calendar year. Because of the large number of providers participating in the Medicaid program and the very nature of the causes of overpayments, it is not feasible to rely solely on efforts made by the program to detect and correct excess payments made to providers. Thus, a process should be established that would place the burden on providers to report to MAA excess payments received from the Medicaid program. Self-reporting would not only enhance MAA's ability to learn of overpayments but would also strengthen the legal basis to recover overpayments.

Management Alert Report Regarding Enforcing Compliance with Instructions Issued by MAA, MAR 01-M04, April 5, 2001

This MAR recommended that steps be taken to enforce compliance with the existing instructions in the manual issued by MAA for reimbursement of transportation services under the District's Medicaid program. Manual provisions require that as a pre-condition for authorization to provide reimbursable transportation services, medical necessity for the transportation must be determined and documented by the recipient's physician. It is believed that because medical necessity provisions are not being enforced, the possibility of open-ended availability of free transport for recipients results. MAA should insist that the documentation supporting the medical necessity for initial and renewed (or standing) authorizations for transportation services be provided, as required.

APPENDICES

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Fiscal Years 1999 - 2001 Audit Division Performance Statistics

Activity	FY 99	FY 00	FY 01
OIG Reports Issued ¹	28	31	37
OIG Audits Outstanding	17	12	20
Contract Audits Completed	44	36	26
Contract Audits Outstanding	59	23	10
Total Audits Completed	72	67	63
Total Audits Outstanding	76	35	30
OIG Audit Savings	\$18,884,000	\$31,747,000	30,448,846
Contract Audit Savings	\$9,482,500	\$2,200,000	0
Monetary Benefits From All Audits	\$28,366,500	\$33,947,000	\$30,448,846
Contract Solicitation Cancellations ²	27	7	N/A
Percentage of Recommendations Implemented ³	N/A	N/A	TBD
District Agency Coverage	N/A	14	17
Signing of Annual City-Wide Audit Contract	Signed 6/99	Signed 9/00	Signed 7/01

¹ Number reported includes audit reports, MIRs and MARs.

² Beginning in FY 2001, contract cancellations are now performed by the OIG Chief Procurement Officer and are no longer included as a performance measurement for the Audit Division.

³ This is a new performance measure established for FY 2001. The OIG is currently in the process of conducting an audit of past recommendations made at District agencies. The results of this audit will be used to establish the baseline. Target percentage to be determined (TBD).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Fiscal Year 2001 Audit Cost and Recommendation Status

Audit Title	Cost ¹	Rec's Made	Rec's Open
Audit of Property Donated to the Government of the District of Columbia	\$28,346	8	0
Audit of the Mental Retardation and Developmental Disabilities Program	\$195,616	32	0
Management Review of the District of Columbia Water and Sewer Authority	\$92,928	7	2
Audit of the District of Columbia Public Schools Special Education Program	\$53,472	8	1
Report on the Review of the Workers' Compensation Program Within the Department of Employment Services	\$103,750	12	1
Audit of Contract Performance Measures and the Mayor's Scorecard Measures	\$79,292	10	0
Audit of the District of Columbia Health and Hospitals Public Benefit Corporation	\$45,097	8	0
Audit of Federal Grant Management Practices	\$95,108	4	0
Report on the Fiscal Year 2000 Audit of the District of Columbia Projects Jointly Funded by the Department of Public Works and the Federal Highway Administration	\$71,227	3	0
Job Training Programs Within the Department of Employment Services	\$103,750	7	0
Audit of the District of Columbia Federal Highway Trust Fund	\$94,485	0	0
Audit of the Washington Metropolitan Area Transit Commission for the Fiscal Year Ended June 30, 2000	\$25,127	0	0
Controls Over Information Technology Equipment at the D.C. Fire and Emergency Medical Services Department	\$52,676	17	3
Audit of the Unemployment Benefit System, the District's On-Line Compensation System Within the Department of Employment Services	\$103,750	3	0
Memorandum of Comments and Recommendations for Management Improvements in Accounting Processes at the Washington Metropolitan Area Transit Commission	\$1,211	4	0
Audit of Controls Over Access to the System of Accounting and Reporting	\$68,701	2	1
Totals	\$1,214,536	125	8

¹ Costs were calculated as the total hours charged multiplied by the average hourly wage of the employees within the Audit Division.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Fiscal Years 1999 - 2001 Investigations Division Performance Statistics

Activity	FY 1999	FY 2000	FY 2001
Investigative Matters Addressed*	670	580	512
Investigations Opened	227	193	182
Investigations Closed	188	169	159
Investigative Reports Prepared	26	87	46
Cases Referred	109	149	169
Referred Cases Closed	51	115	154
Cases Accepted by USAO	16	29	22
Cases Presented to USAO	19	45	39
Cases Presented to Corporation Counsel	2	13	1
Asset Seizure	0	0	\$2,959,646.39
Restitution	\$1,183,023	\$2,109,834	\$1,181,071.22
Recoveries	\$2,541	\$2,861	\$0.00
Convictions	16	7	6
MARs	N/A	5	3
FARs	N/A	1	0
MIRs	N/A	8	2

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Fiscal Year 2001 Hotline Statistics

Category	Q1	Q2	Q3	Q4	Total
Threats to public health, to public safety, or to the environment, or involving unsafe working conditions	4	2	3	2	11
Physical assaults or threats of violence	1	3	0	1	5
Fraud, theft, or false claims	8	17	9	4	38
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	14	5	5	33
Governmental waste, inefficiency, or mismanagement	26	13	10	18	67
Contract fraud or procurement violations	2	1	2	1	6
False statements	0	0	0	0	0
Ethics violations and conflicts of interest	1	2	1	1	5
Time and attendance fraud	2	2	0	3	7
Harassment, retaliation, or abuse of authority by a supervisor or by another government official	1	2	6	10	19
Hiring, promotion, or other treatment of employees in violation of personnel regulations	5	5	8	5	23
Incivility or lack of response from an agency	3	3	3	10	19
Miscellaneous	3	7	10	5	25
<i>TOTAL</i>	67	74	60	67	268

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Press Highlights for FY 2001

“Lax Management Cited In Parks Report”

September 27, 2001 (WT)

“Group Home Caretaker Found Guilty Assaulting Mentally Disabled And Blind Patient: Inspector General Brings First Case To Court For Criminal Prosecution”

September 24, 2001 (OIG)

“D.C. Rethinks Fire Dept. Pregnancy Test: Review Follows Alleged Job Threat Against Women”

September 5, 2001 (WP)

“Towers Take Car Owners For A Ride”

August 28, 2001 (WT)

“D.C. Fire Audit Details Waste Computer Equipment Unaccounted For”

August 23, 2001 (WP)

“D.C. DMV Probed In Rental Car Referrals: Staff Encourages \$30 Test Loaners”

August 22, 2001 (WP)

“D.C. Schools Audit Clean”

July 31, 2001 (WT)

“Watchdog Agency Asks New Powers Inspector General Seeks Authority To Make Arrests”

July 19, 2001 (WP)

“Council Mulls IG’s Autonomy Request”

July 11, 2001 (WT)

“D.C. Firefighter Gave Out Exam Answers Probe Finds”

May 24, 2001 (WP)

References: Washington Post - **WP** The Washington Times – **WT** DCWatch – **DCW** Washington City Paper – **WCP** The Common Denominator – **CD** WTOPNEWS – **WTOP** ABC 7 News **WJLA** Office of the Inspector General Press Release – **OIG**

Press Highlights (cont'd)

“Inspector General Finds Cheating On Fire Promotion Exam”

May 24, 2001 (WTOP)

“Finances Mishandled At UDC Audit Says: Report Says Problems Pose Risk To District”

May 10, 2001 (WP)

“Probe Finds 8 Key Errors In Brianna Case”

May 2, 2001 (WP)

“DPW Audit Uncovers Shocking Deals”

April 27, 2001 (WT)

“Police Overtime Investigated”

April 22, 2001 (WJLA)

“District’s Money Miscues Continue Audit Finds: Financial Outlook Good Inspector General’s Letter Says But Management Problems Persist”

April 20, 2001 (WP)

“Audit Of PBC Cites Lack Of ‘Meaningful’ Oversight D.C. General Hospital”

March 30, 2001(WTOP)

“Review Of City Goals Finds Problems But Honest Ones”

March 21, 2001 (WP)

“PBC Broke Contracting Rules Audit Finds: Health Agency Allegedly Steered Some Agreements”

March 19, 2001 (WP)

“Public Good Private Endeavor Collide: Group Created By Williams Aide May Have Violated Laws In Millennium Effort”

March 18, 2001 (WP)

References: Washington Post - **WP** The Washington Times – **WT** DCWatch – **DCW** Washington City Paper – **WCP** The Common Denominator – **CD** WTOPNEWS – **WTOP** ABC 7 News **WJLA** Office of the Inspector General Press Release – **OIG**

Press Highlights (cont'd)

“D.C. Probes Bias Report At Shelter After Death: Facility For Hispanics Accused Of Ejecting Man”

March 17, 2001 (WP)

“WTOP News Learns Of Fire Dept. Investigation: Cheating On Promotional Exam Alleged”

March 3, 2001 (WTOP)

“D.C. Agencies Broke U.S. Law Official Says”

February 3, 2001 (WP)

“New Questions In District’s Housing Probe”

February 14, 2001 (WP)

“Williams Seeks Probe Of Nonprofit Funds”

February 8, 2001 (WP)

“Council Steps Up Medicaid Fraud Fight: The City Loses An Estimated \$84 Million A Year To Fraudulent Medicaid Reimbursements”

February 7, 2001 (Metro WP)

“Council Member Seeks Fundraising Probe”

February 7, 2001 (Metro WP)

“Inspector General Probes Head Of Youth Services”

December 1, 2000 (WT)

“Special Ed Bus Audit Cites Waste”

November 22, 2000 (WP)

“D.C. Contract Hiring Proposal Too Lax Official Says”

November 17, 2000 (WP)

“Blue Plains Knew Of Perils Report Says”

November 9, 2000 (WP)

References: Washington Post - WP The Washington Times – WT DCWatch – DCW Washington City Paper – WCP The Common Denominator – CD WTOPNEWS – WTOP ABC 7 News WJLA Office of the Inspector General Press Release – OIG
