



**GOVERNMENT OF THE  
DISTRICT OF COLUMBIA**

**OFFICE OF THE INSPECTOR GENERAL**

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**Report on the Activities of the  
Office of the Inspector General  
Fiscal Year 2002**

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

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



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## **MESSAGE FROM CHARLES C. MADDUX, ESQ. INSPECTOR GENERAL**

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It has now been more than a year since the dissolution of the federal Control Board, which was created by Congress in 1995 to address the extraordinary financial crisis that nearly led the District government into bankruptcy. As a District government agency that must independently provide the results of effective and objective oversight to the District's executive and legislative leadership, to agency officials, and to the United States Congress, it is now more crucial than ever for the Office of the Inspector General (OIG) to focus on the root causes of fiscal imbalance – inaccurate records management, waste of revenue and other resources, failure to establish sound policies and training, fraudulent and incompetent procurement practices, mismanagement of personnel, and dysfunctional service delivery. In addition, we must look to the future by targeting specific problem areas that we believe necessitate an immediate and proactive response to prevent the continuation or recurrence of familiar examples of waste, abuse, and mismanagement that needlessly drain the limited resources of the city.

*Progress to date is encouraging.* In FY 2002, our audits, inspections, and investigations focused on a broad array of issues and problems facing the District. Output and impact measures of the efforts of each of our four divisions in FY 2002 are set forth in detail in the body of this report. These measures include statistical accomplishments (such as monetary benefits) as well as the implementation of recommendations that are key to correcting systemic deficiencies.

The audit of the annual financial report for FY 2002, conducted under a contract with this Office, demonstrated the District's ability to balance its budget for a fifth consecutive year. Additionally, the District's leaders and executive management have exerted great efforts in correcting many of the reported deficiencies and internal control weaknesses that have plagued District agencies. It was heartening to see that our audit that tested the implementation of audit recommendations in seven District agencies found nearly an 80 percent implementation rate.

While this percentage is better than that of many federal agencies, much work remains. In many of the agencies we have investigated, audited, or inspected, we continue to find material internal control breakdowns and needed improvement in compliance with existing District rules and federal government regulations. Consequently, the District remains at risk that many of the District's goals - including a strong and effective school system, accessible and deliverable healthcare, clean and safe communities, and affordable housing - will not be realized to their fullest extent.

*Risk assessments provided the basis for setting future priorities.* Looking forward, our audit and inspection work for FY 2003 includes those programs and activities that posed the highest risks to improving the District's service delivery and continued financial strength. Taking these challenges into consideration, we designed the FY 2003 audit and inspection plan to focus on five themes: Revenue Enhancement; Spending and Efficient Use of

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## **MESSAGE FROM CHARLES C. MADDUX, ESQ. INSPECTOR GENERAL**

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Resources; Delivery of Citizen Services; Support Services; and Audits required by Law. For revenue enhancement, our audits will focus on a key material weakness, Medicaid reimbursements. For spending issues, we will continue to provide required coverage of District procurements, focusing particularly on expert and consulting services. No less important will be our audits and inspections that assess the effectiveness of citizen services, including the areas of housing, child support, mental health services, special education, and foster home care. Similar to last year's audit coverage, we will continue to audit automated information systems in FY 2003, placing emphasis on child support systems and data center operations.

*Audits continued to identify potential monetary benefits and improvements for the District.* Our audits were performed at 24 District agencies, addressing requests from the Mayor and agency heads, the City Council, as well as planned issue areas. In addition to our required audit of the procurement process, we audited some new areas, such as housing and mental health, at the request of agency heads. With management's interest and prompt action on the audit recommendations, we have been helpful in initiating operational improvements and obtaining potential monetary benefits for the District. In summary, our audit group had a very successful year, issuing 31 reports containing over 200 recommendations and identifying over \$40 million in potential monetary benefits.

*Inspections continued to identify deficiencies that could endanger citizens and employees.* Our Inspections and Evaluations Division (I&E) focused the bulk of its resources on six inspections within the Department of Health (DOH), the city agency with arguably the most critical health and safety mission on behalf of District citizens. These inspections have produced eight Management Alert Reports with a number of important findings and recommendations for improvements. Examples of areas of concern include the following: inadequate inspection of the city's 1500 x-ray machines and 280 pharmaceutical sites; a need to conduct background checks on operators and employees of 582 licensed childcare facilities; and numerous environmental and safety problems at a detoxification center overseen by DOH. I&E also inspected and issued a comprehensive report on the Parking Services Administration. During FY 2002, we also finalized plans to return to agencies previously inspected in order to monitor compliance with recommendations that have been approved by the Inspector General and agreed to by the inspected agency.

*Medicaid Fraud Control Unit continued to ferret out abuse of Medicaid and of the vulnerable citizens who participate in the program.* As noted above, statistics are a useful but not exclusive method to measure the achievements or value of an effective Office of Inspector General. Our Medicaid Fraud Control Unit (MFCU) provides a graphic illustration of this point. In addition to investigating and prosecuting economic crimes against the District's Medicaid program, by law this unit is also charged with investigating and prosecuting cases of abuse or neglect in nursing homes, group homes for the mentally retarded, and group homes for the mentally ill. In doing so, the MFCU protects our most

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

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vulnerable citizens. While in many ways it is difficult to quantify the benefits of these law enforcement efforts, we believe that deterring abuse and neglect in these settings clearly contributes to the quality of life for nursing home and group home residents. Moreover, improving their quality of life is of great importance not only to the residents directly affected, but also to their loved ones and everyone else who cares about our community.

*Investigations continued to hold government officials accountable for serious misconduct and mismanagement.* During the past fiscal year, the Investigations Division (ID) was required to direct its resources to a smaller number of complex and lengthy investigations that arose out of complaints of serious misconduct and mismanagement on the part of senior District government officials, as well as significant allegations of fraud, theft, and programmatic deficiencies. For example, during FY 2002 the ID completed a lengthy investigation into allegations of improper fundraising activities conducted under the auspices of the Executive Office of the Mayor (EOM) and implicating numerous District government employees. These activities spanned a two and a half year period, encompassed nine civic events and raised approximately \$1.5 million. In conjunction with this investigation, the Mayor issued two executive orders that substantially amend and improve the process by which District government employees may solicit and receive donated funds.

The ID also completed an investigation of contracting and resume irregularities on the part of the former Chief, Fire and Emergency Management Service (FEMS) and three of his subordinates. The ID also successfully investigated an allegation that an agency's promotional test was compromised in a manner that adversely affected the equity of promotional opportunities at the senior officer level. As a result of this investigation, the entire testing process has been revamped and secured. The ID also thoroughly investigated the system by which automobiles are towed in the District, identified the weaknesses, and made recommendations for corrective action. Revised towing regulations have been drafted and should be implemented soon.

These investigations, both administrative and criminal in nature, required District government officials to take responsibility for their improper activities, as well as those of their subordinates, and to address and correct inadequacies in personnel and program management. ID investigations result in the recoupment of money lost to waste, fraud, and theft (over \$900,000), and result in new or revised laws, regulations and policies to improve the effectiveness of District government operations.

*The OIG will continue to protect its independence.* At the same time that it created the Control Board as a temporary measure designed to address catastrophic financial and managerial difficulties experienced by the District government in 1995, Congress expressed its intent to establish a reconstituted and permanent Inspector General's Office that would not only continue to audit the city's financial records, but would also act as a watchdog over the

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INSPECTOR GENERAL**

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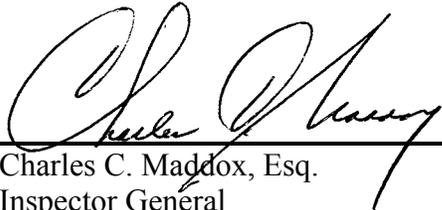
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city government in an effort to ferret out fraud, waste, theft of property, violations of ethical standards, and mismanagement.

Realizing that this mandate would be impossible without an Inspector General who is insulated from political pressure, Congress passed legislation to protect two crucial requirements for an Inspector General: (a) the ability to select sufficiently qualified personnel who have the freedom to be objective in determining the subject matter and intensity of what is investigated, inspected, or audited; and (b) the ability to budget and spend, without interruption of funding in the amount necessary to support thorough and hard-hitting investigations, inspections, and audits. Congress deemed this independence to be essential, especially when the IG's reports may be critical or embarrassing to city government officials, whether they be elected or appointed.

That being said, I was disappointed to note that, since the demise of the Control Board, legislation has been proposed that would remove the budgetary protections afforded by Congress. While this legislation has been forestalled for now, other laws, such as The Domicile Act, which passed locally on June 4, 2002, and the FY 2003 Budget Support Act of 2002, which also passed locally on June 4, 2002, undercut our ability to hire and retain the best employees irrespective of domicile. I view limitations on the Inspector General's ability to hire and retain the most suitable employees to be serious impairments to the independence of the Office. Perhaps worse, these limitations could prove detrimental to the continuing ability of this Office to effect the millions of dollars of fines, restitutions, and potential monetary savings that each year far exceed our annual budget.

Because I believe that the contributions of this Office continue to be crucial to maintaining integrity in government, I have honored and will continue to honor the original intent of Congress. As noted in the Congressional Record in 1995, Congress reconfigured the Office of the Inspector General as an agency that would have "political independence and financial resources to act as a strong watchdog over the city government [with] a budget [that] can only be changed by Congress." 141 CONG. REC. H4067. District citizens deserve no less, and should expect no less.

  
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Charles C. Maddox, Esq.  
Inspector General

November 26, 2002

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## **EXAMPLES OF CORRECTIVE ACTIONS**



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## **EXAMPLES OF CORRECTIVE ACTIONS**

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In an effort to sharpen the focus of our audits, inspections, and investigations, the OIG continuously 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 Control Board 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: delivery of key services to citizens; theft and fraud; the Medicaid program and patient abuse; false employment applications and resumes; procurement and contracting; and management controls. 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 serious matters revealed during an audit, inspection, or investigation that require immediate attention. It 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.
- A Fraud Alert Report (FAR) is given broad distribution and identifies fraudulent practices that could exist at agencies other than the one under review.

Because 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: Delivery of Key Services to Citizens**

District leaders expressed concerns about whether taxpayer dollars were being used optimally to serve the citizens' best interests in a number of areas to include: housing and urban development; child and family services, police and fire protection; healthcare and motor vehicle services.

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## EXAMPLES OF CORRECTIVE ACTIONS

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**Response Strategy 1:** We increased our audits, inspections, and investigations of agencies responsible for delivery of essential citizen services. The common goal of these reviews was to help improve operations at these agencies. For example, our audit of the Department of Housing and Community Development (DHCD) found that (DHCD) did not invest the HOME Investments Partnership Act (HOME) funds in a manner that maximized the use of private sector financing to help finance mortgage loans for District of Columbia residents. Specifically, DHCD did not obtain the maximum use of private sector funding because the ratio (leverage) of private financing to government funds achieved by the District of Columbia Housing Finance Agency (DCHFA) was significantly lower than the leverage obtained by the other major organization used by DHCD to provide assistance to finance mortgage loans. As a result of the transfer of HOME funds and District of Columbia HOME repayment funds to DCHFA, DHCD lost the opportunity to obtain as much as \$32.2 million in private sector financing to invest in mortgage loans for District of Columbia residents.

**Example of Impact:** Based on our audit results, management agreed to reassess the HOME program and develop citywide policies and strategies to maximize the use and effectiveness of financial resources. The results of this assessment will be incorporated into a Consolidated Plan for the District.

**Response Strategy 2:** Our inspection of the Department of Public Works, Parking Services Administration (DPW/PSA) found several operational deficiencies that impeded the ability of employees to improve service quality and thereby negatively impacted on service delivery to citizens. The inspection team found that the closure of the District's only impoundment lot resulted in decreased revenues to the city and inconvenienced vehicle owners, generating numerous complaints and media reports. In addition, the inspection revealed that mechanical problems plagued the PSA tow truck fleet, which affected vehicle removal, traffic control, and revenues; emergency communication equipment was not readily accessible; computerized ticketing equipment experienced frequent failures; and procedural problems at vehicle auctions may have resulted in a revenue loss to the city.

**Example of Impact:** In response to our 39 findings and 55 recommendations, DPW management agreed to take action to address 80 percent of the reported conditions, and confirmed to our satisfaction that the remaining 20 percent had either been addressed or were being addressed. We finalized plans to initiate a follow-up inspection to ensure that agreed-upon recommendations are implemented.

**Response Strategy 3:** As a result of the inspection of the Department of Health (DOH), we issued eight Management Alert Reports (MARs). The MARs were issued even before completion of the final report in order to alert the agency to critical health and safety issues and encourage management to take immediate action on matters that could pose a danger to citizens and/or employees. Issues included uninspected x-ray machines, pharmacies, and ambulances; lead paint hazards in childcare facilities; environmental and safety problems at

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## EXAMPLES OF CORRECTIVE ACTIONS

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the city's detoxification center, and a physician whose license was suspended for misconduct in neighboring jurisdictions but not in the District.

**Example of Impact:** In all instances, the Director of DOH responded timely and completed or initiated action to ensure that urgent public health and safety concerns were addressed immediately. In addition, DOH committed to seek permanent solutions to systemic issues that require long-term planning and action.

**Response Strategy 4:** The OIG conducted a comprehensive investigation of the towing industry and its relationship with Metropolitan Police Department (MPD) officers and the Department of Consumer and Regulatory Affairs (DCRA). Few aspects of the District government generated more adverse publicity and public concern last year than the inability of the District government to account for vehicles that were towed from its streets. Recommendations were made to significantly improve the system and for responsible agency heads to take administrative action against those who were dilatory in their duties or engaged in conflicts of interest with regard to their relationships with towing companies.

**Example of Impact:** As a result, DCRA, in coordination with the EOM, drafted sweeping new regulations designed to remedy the problem, hold the towing industry accountable, and provide timely notification to the owners of towed vehicles. It is expected that these regulations will be enacted in FY 2003.

### **Problem Area: Theft and Fraud**

Criminal misconduct by employees and contractors has continued to prove 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 encourages others (employees and/or contractors) to do the same. Finally, the District, while paying for both the employee's salary and the cost of contracted services, receives the benefits of neither.

The OIG reviewed approximately 4,000 Hot Line calls, as well as approximately 200 written complaints and referrals from the public and the executive and legislative branches of government. This volume of communication to the OIG reflected continuing public concern about theft and embezzlement on the part of employees, time and attendance fraud, general employee misconduct, and false billings/claims on the part of contractors.

**Response Strategy 1:** Our audit programs included specific review steps to help identify areas susceptible to fraud. Additionally, we coordinated our efforts with investigative authorities to maximize our use of resources and analysis.

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## EXAMPLES OF CORRECTIVE ACTIONS

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For example, the OIG contracted with an audit firm to review the Financial Records of the District of Columbia Community Services (DCCS), Inc. The audit identified unsupported use of District government funds and questionable transactions in the amounts of \$3,198,033 and \$1,343,489, respectively. Unsupported funds were defined as those for which canceled checks or other documentation was not available to support the expenditure claimed. Questionable transactions included real property transactions, furniture purchases, and related-party transactions.

**Example of Impact:** The results of this audit were provided to investigative authorities for appropriate action. The employee found to have violated the law was sentenced to jail.

**Response Strategy 2:** The OIG referred 143 complaints to District government agency heads for review, investigation, and response.

**Example of Impact:** As detailed herein, numerous employees were disciplined and program changes were implemented in a number of District government agencies; including the District of Columbia Public Schools (DCPS), the DCRA, the Department of Fire and Emergency Medical Services (FEMS), the DOH, and the Department of Motor Vehicles (DMV).

**Response Strategy 3:** The Investigations Division opened 162 new investigations, the majority of which were in response to allegations of theft and fraud. The results of 41 investigations were referred to the United States Attorney's Office (USAO) for prosecutorial consideration. Almost all of the OIG's significant criminal investigations were worked jointly with the FBI and other law enforcement partners and, where appropriate, covert investigative techniques were employed.

**Example of Impact:** During FY 2002, the OIG obtained 16 convictions as a result of criminal investigations of theft, fraud, and public corruption, a fifty percent increase from the previous fiscal year. For example, the General Counsel for the Office of the Chief Financial Officer (OCFO) was determined to have embezzled over \$300,000; he was prosecuted, convicted and required to make full restitution. A DMV employee was prosecuted for stealing license plates and validation stickers. A Department of Corrections employee was prosecuted for theft of property from Lorton prison. A District contractor was successfully prosecuted for embezzling \$350,000 in District funds. An employee of the OCFO pled guilty to theft for stealing funds from the Office of Finance and Treasury. Employees of the DCPS, Office of Tax and Revenue, Department of Mental Health, and others were all successfully prosecuted for theft.

**Response Strategy 4:** The OIG, in cooperation with the Office of Internal Security, OCFO, Department of Employment Services and other agencies, initiated proactive investigative strategies to uncover and terminate systemic theft of funds from entitlement programs.

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## EXAMPLES OF CORRECTIVE ACTIONS

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**Example of Impact:** This partnership strategy, called “Operation Double Dip,” identified individuals who were receiving unemployment benefits through fraud and deception. In the last six months of the fiscal year, four individuals were successfully prosecuted and ordered to make restitution.

This fraud detection program expanded to include the investigation of individuals who retain annuity payments of retired District government employees long after an annuitant has been deceased. The program also expanded to include the investigation of individuals who used the social security numbers of deceased individuals in order to obtain free medical services pursuant to establishment of the District’s Health Care Safety Net.

### **Problem Area: Medicaid Program and Patient Abuse**

The District’s Medicaid program currently has a budget of approximately \$1 billion, 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. The Medicaid Fraud Control Unit (MFCU) is uniquely situated to address these issues.

In addition, the Medicaid Program was identified in recent Management Letters related to the Comprehensive Annual Financial Report as a material weakness affecting the District’s financial management infrastructure. At least one Congressional committee, as well as the Mayor and the Council, recognized that Medicaid is a serious problem for the District that has threatened the solvency of some District agencies.

**Response Strategy:** The MFCU vigorously investigated allegations of fraud, abuse, and neglect regarding the Medicaid program. When allegations could be substantiated, we pursued criminal prosecution and civil enforcement efforts. Moreover, we believe this criminal and civil litigation served as a deterrent to Medicaid abuse throughout the health care community.

Beyond law enforcement, we 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:** As a result of our aggressive efforts to investigate and prosecute fraud and abuse in the Medicaid program, as well as our outreach efforts, we initiated 30 new fraud cases and 18 new abuse cases. We were also credited with approximately \$350,000 in civil

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## EXAMPLES OF CORRECTIVE ACTIONS

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recoveries. Furthermore, in partnership with the United States Attorney's Office, we obtained four criminal convictions, including a groundbreaking manslaughter conviction of a medical professional whose reckless care led to the drowning death of a patient.

**Response Strategy:** Through the efforts of our Comprehensive Annual Financial Report (CAFR) Oversight Committee, we continued to place strong emphasis on the area of Medicaid. In doing so, we provided detailed information and analysis to enable stakeholders to assess the impact of Medicaid risks. In addition, the OIG designated the Medicaid Program for audit emphasis until the risks to the District are more manageable.

Few programs can have such a significant positive effect on the well being of our citizens as the Medicaid Program, which, if not properly managed, can have a significantly negative impact on the financial health of the District.

**Example of Impact:** District management established a District-wide management team to address the vulnerabilities associated with the Medicaid program. This action resulted, in part, from findings in the District of Columbia government's FY 2001 Management Letter, which corresponds to the CAFR. The Management letter issued by KPMG, LLC cited the area of Medicaid as a material weakness, particularly in accounting and financial reporting by the DCPS. Monitoring of expenditures and accounting for Medicaid expenditures were a particular problem.

Specifically, the DCPS Comprehensive Annual Financial Report showed that DCPS concluded FY 2001 with a \$64.5 million deficit in locally appropriated funds. As required by federal law, this overspending was reported to the appropriate officials. DCPS management concluded that, to an overwhelming extent, the deficit was caused by expenditures for court-ordered or statutorily mandated special education programs and related transportation programs that proved to be in excess of projected and budgeted amounts. At the same time, FY 2001 over-estimates of Medicaid revenue, as well as prior years, resulted in an assumption of disallowed Medicaid costs by the local budget.

### **Problem Area: False Employment Applications and Resumes**

In the past year there have been a number of highly publicized incidents of academic fraud ranging from plagiarism in academia, to bogus scientific testing protocols, to the inaccurate resume of the football coach at Notre Dame University. The District is not immune from this ethical societal problem, despite the clear warning on the District government's employment application that failure to provide truthful and accurate information is cause for termination and criminal prosecution. The District government has no clearly defined method or standard requirements for conducting background checks on candidates for employment, and until recently, the most senior government officials were not required to even complete an employment application. As a result, the ID investigated an alarming number of allegations

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## EXAMPLES OF CORRECTIVE ACTIONS

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that District government employees obtained employment under false or misleading pretenses.

These allegations, when publicized, had a material negative impact on the public's confidence in District government officials. In a number of instances, a candidate providing a false employment application and/or resume was hired and, over a period of years, eventually promoted to positions of trust and responsibility before the fraud was uncovered. On one occasion, a candidate did not answer "yes" or "no" to the question of prior arrests; he merely wrote, "will discuss at interview." Even more alarming, there was no indication that any interview was conducted or that the candidate was queried about this "red-flag" response. This candidate was hired, resulting in the employment of an individual with a record of significant felony convictions. On another occasion, a candidate for a teaching position with the DCPS proffered academic credentials that reflected an advanced degree from a so-called institution of higher learning that in fact had been investigated and shut down by the FBI as an Internet "paper degree" mill.

**Response Strategy 1:** The OIG vigorously investigated instances of false employment applications and resume fraud.

**Examples of Impact:** The former General Counsel to the OCFO was prosecuted for defrauding the government by having falsely claimed that he had earned a law degree and was a member of a state bar. This individual received a significant jail sentence, and was ordered to make restitution for the enhanced and inappropriate salary he was paid as a result of his deception.

In another case, the former Chief, FEMS and two deputy chiefs resigned their positions with the District government following the discovery of deceptive and/or false statements on employment applications and resumes.

Also, a DCPS executive was reassigned and required to return salary overpayments as a result of a lack of clarity in the academic credentials that the candidate submitted in support of an employment application.

**Response Strategy 2:** The OIG made recommendations to the D.C. Office of Personnel (DCOP) to ensure that all District government employees, without exception, complete an employment application at the time they are considered for employment. The recommendations included suggestions for improving the background investigations process for cabinet level and other senior official appointments. Also, the OIG provided guidance to other agencies to better vet candidates for employment.

**Example of Impact:** The DCOP implemented a more stringent vetting process for cabinet-level positions. Furthermore, the D.C. Council allocated additional funding specifically to DCOP to support the conduct of thorough background investigations.

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## EXAMPLES OF CORRECTIVE ACTIONS

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### **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, inspections, and investigations revealed recurrent and pervasive areas of waste, mismanagement, cost overruns, inferior products, shoddy workmanship, and fraud in many programs. Specific causes of noncompliance with procurement laws and regulations include:

- failure to establish agency procurement guidance for implementing legal and regulatory requirements;
- insufficient number of experienced procurement personnel;
- little or no effective contract administration;
- lack of effective contract administration policies and procedures; and
- lack of procurement training.

**Response Strategy 1:** For FY 2003, 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.

**Example of Impact:** These plans were captured in the FY 2003 Audit and Inspection Plan, which alerts all stakeholders about potential risk areas and planned OIG efforts to address them.

**Response Strategy 2:** Our audit of the Metropolitan Police Department (MPD) disclosed that the agency did not have adequate contract administration procedures in place to monitor and oversee the fleet maintenance contract. Consequently, MPD generally experienced more frequent vehicle repairs, database and other recording errors, and payment mistakes. These outcomes, in part, may have contributed to an additional \$1.3 million being spent on the fleet maintenance contract for the 14-month contract base year period ending September 30, 2000.

**Example of Impact:** As a result, actions were taken by MPD to strengthen internal controls relative to contract administration, including monitoring of the billing process.

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## EXAMPLES OF CORRECTIVE ACTIONS

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**Response Strategy 3:** The OIG placed a high priority on the investigation of allegations of systemic or high dollar-value procurement fraud. One investigation determined that a contractor submitted false invoices to the Department of Corrections for services not provided.

**Example of Impact:** As a result of the investigation, the contractor was required to settle with the District government, return tens of thousands of dollars in overpayments, and make a \$17,000 contribution to the District's Anti-Fraud Fund.

**Response Strategy 4:** In another instance, the OIG determined that the head of an agency clearly engaged in a conflict of interest by improperly influencing his Contract Officer to award a sole source contract to a friend.

**Example of Impact:** The agency head is no longer employed with the District government.

**Response Strategy 5:** Investigators uncovered numerous instances wherein District government agencies entered into oral contacts in violation of District law. The responsible officials were recommended for disciplinary action that could include letters of sanction, suspension, or termination.

### **Problem Area: Management Controls**

The OIG continued to receive allegations about employee misconduct, which often resulted when agency supervision and management controls were inadequate. We 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. If allowed to persist, 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 found broad and systemic deficiencies in the operations and management of all inspected agencies.

**Response Strategy 1:** We performed a District-wide audit to determine the extent to which District agencies are complying with audit recommendations. Many of those recommendations address poor internal controls, ineffective procedures, and inefficient program delivery.

**Example of Impact:** As a result of this audit, management initiated aggressive action and has established a database and recommendation protocol that will help ensure effective implementation of audit recommendations.

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## EXAMPLES OF CORRECTIVE ACTIONS

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**Response Strategy 2:** The OIG prioritized the investigation of allegations of programmatic deficiencies in government service that are symptomatic of a lack of adequate management oversight.

**Examples of Impact:** In one example, an investigation determined that a promotion test for senior officers in FEMS had been compromised, to the detriment of hundreds of competitive officers. The responsible employee was terminated and the test revised and re-administered. As a result, confidence in the testing process was improved.

In another example, an OIG investigation determined that a training official provided erroneous information in a training class of new female recruits that led three trainees to obtain abortions because of their belief that abortions were necessary in order to retain their jobs. The official was disciplined and later retired.

**Response Strategy 3:** Management Alert and other reports were submitted to agency heads throughout the year to caution them about urgent matters that could lead to misconduct, fraud, or abuse. For example, we issued a Fraud Alert Report that alerted agency heads to avoid a telephone marketing scam perpetrated on cellular telephone users in the District government.

**Example of Impact:** As a result, the Office of the Chief Technology Officer initiated its own alert to all District government employees to avoid the scam and report any unusual activity that could help bring the perpetrators to justice.

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## **GENERAL ACTIVITIES**



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## GENERAL ACTIVITIES

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### 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 § 2-302.08(a-1) (2001).

### ABOUT THE OIG

The OIG, an executive branch agency within the District of Columbia government, conducts audits, inspections, and investigations of government programs and operations. In order to carry out its duties and responsibilities, the OIG is granted by statute access to the records and property of other District agencies. The OIG refers all evidence of criminal violations that it uncovers to the U.S. Department of Justice. For administrative matters involving District government employees, the OIG makes recommendations to the Mayor or an agency head, as appropriate.

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 § 2-302.08(a)(1)(A), (B), and (D) (2001). The statute also provides that the Inspector General can be removed from office only for cause.

Federal law shields the Inspector General's independence from political pressure through oversight of its budget: the OIG submits its budget for Congressional approval with the statutory proviso that the Mayor and the Council of the District of Columbia may not revise the OIG's budget submission and may only make recommendations or comment upon the

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## **GENERAL ACTIVITIES**

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same. Once approved, the OIG's budget is appropriated solely for the operation of the Office and must be paid to the Inspector General in such installments and at the times he/she requests.

However, the OIG's budget autonomy was placed into jeopardy during Fiscal Year 2002 as a result of the Fiscal Year 2003 Budget Request Act (D.C. Act 14-402). As passed by the D.C. Council in May 2002, the Act contained two provisions that significantly affect the independence of the OIG: a) Section 119(a) of the Act eliminated the provision in the OIG's statute that prohibits the D.C. Council from revising the IG's annual budget submissions for the operation of the Office; and b) Section 119(b) mandates that the D.C. Office of Personnel (DCOP) may waive the excepted service residency requirement only where the OIG demonstrates exceptional circumstances for the waiver or where the position has been deemed as "hard-to-fill."

When the Act was submitted to the Mayor for approval, the Mayor vetoed the budget provision, and signed the Act with the residency provision intact. As justification for his veto of the budget provision, the Mayor cited the need to maintain the IG's independence from political pressure – or the appearance thereof – that could be exerted by the Mayor or any Councilmember. As of this publication, the Budget Act is awaiting Congressional approval.

Regardless of whether Congress approves the Budget Request Act, the original Congressional language regarding OIG residency waivers has already been eliminated with the passage of the Fiscal Year 2003 Budget Support Act of 2002, D.C. Law 14-190, and the Executive and Excepted Service Domicile Amendment Act of 2002 (Domicile Act), D.C. Law 14-185. The D.C. Council passed the Domicile Act in June 2002, transmitted the legislation for Congressional review, and the Act became law on October 1, 2002. Similarly, the Budget Support Act became law on October 1, 2002.

Prior to enactment of these Acts, D.C. Code § 1-609.06(d) carved out a specific residency waiver provision for employees of the OIG, which allowed DCOP to waive the residency requirements applicable to excepted service personnel simply upon the application of the IG. Council's Budget Support Act and Domicile Act, while modifying other subsections of the statute, deleted the provision pertaining to unrestricted OIG waivers in its entirety. The statute now contains general language that requires the Office of Personnel to waive the residency requirement for excepted service personnel, including OIG employees, only where there are exceptional circumstances or where the agency can demonstrate that the position should be designated as "hard-to-fill."

The imposition of these stringent residency restrictions on OIG excepted service employees has resulted in a disparate impact on the OIG's personnel practices because, unlike most District agencies that utilize the excepted service only for certain executive and policy level positions, all OIG positions are in the excepted service. The OIG's unrestricted waiver

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## GENERAL ACTIVITIES

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authority was based upon the District of Columbia Inspector General Improvement Act, PUB. L. NO. 105-7, which was passed by Congress in 1997. At that time, Congress recognized the necessity for the OIG to hire and retain qualified employees “from the widest possible talent pool” to ensure that the critical mandate of the Office was fulfilled in future years. H.R. REP. NO. 105-29, pt. 1, at 2 (1997). The newly enacted residency restrictions contravene Congressional intent by forcing the OIG to hire from a diminished pool of applicants; additionally, this pool may include significant numbers of District employees from agencies that are present or future subjects of OIG audits, inspections, and investigations.

### STATUTORY RESPONSIBILITIES

The D.C. Procurement Practices Act of 1985 (D.C. Law 6-85, effective February 21, 1986) initially set forth the statutory duties of the OIG. Subsequently, 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). The D.C. Council then enacted the Office of the Inspector General Law Enforcement Powers Amendment Act of 1998 (D.C. Law 12-190, effective March 26, 1999), which empowered the OIG’s criminal investigators with the following law enforcement powers: (1) to carry firearms in the District of Columbia while engaged in the performance of official duties; (2) to make arrests without a warrant for felony violations committed in their presence in the District; and (3) to 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 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. These acts are codified at D.C. Code § 2-302.08 (2001).

As codified, the responsibilities of the OIG include:

- Independently initiating and conducting fiscal and management audits, inspections and investigations of District government operations.

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## **GENERAL ACTIVITIES**

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- 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.
- 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 purposes of the bill are to increase the independence of the OIG and grant OIG investigators full law enforcement authority. In addition, the bill amends D.C. Code § 23-501(2) (2001) to include designated OIG personnel in the definition of “law enforcement officer,” ensures the IG’s authority to initiate independently investigations of the District of Columbia Housing Authority, and amends the Theft and White Collar Crimes Act to include OIG audits, inspections, and investigations in the definition of “official proceedings.”

With regard to OIG audits, Bill 14-314 mandates that the OIG receive advance notification of all external audits conducted by any government entity, and that the IG and the D.C. Auditor give due regard to the activities of their respective agencies, except in circumstances where the disclosure of confidential information would be detrimental to the mission of either agency. The bill also requires that the OIG’s Annual Report provide the status of significant findings and recommendations that have been forwarded to the Mayor and remain unresolved for over six months, and further requires that the OIG give an opinion on the appropriateness of the final resolution and risks, if any, to the District that may result from the final resolution.

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## **GENERAL ACTIVITIES**

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To buttress the OIG's independence, the bill seeks to allow the IG to independently appoint and terminate OIG employees, and it prohibits mayoral interference with OIG operations. Finally, Bill 14-314 seeks to remove the IG's salary cap, currently set at level IV of the Executive Service, and requires that the IG may only be removed for cause by the Mayor with the approval of 2/3 of the Council, present and voting.

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 result of the proposals set forth in Bill 14-314, Chairman Orange introduced Bill 14-332, the "Inspector General Integrity Committee Establishment Amendment Act of 2001" on September 19, 2001.

If the Council acts upon either piece of legislation, the bills will be submitted for vote by the Council following a mark-up period. If the bills are passed by the Council, they will be transmitted to Congress for a 30-day review as a prerequisite to becoming law.

As of the publication date of this Annual Report, the Council has not acted upon either Bill 14-314 or Bill 14-332. Each bill remains pending in committee.

### **ORGANIZATION**

The OIG is comprised of the Inspector General, the Principal Deputy Inspector General, the Deputy Inspector General for Investigations, the General Counsel, the Chief of Staff, and four divisions, which are: the Audit Division; the Investigations Division; the Inspections and Evaluations Division; and the Medicaid Fraud Control Unit (MFCU). An Assistant Inspector General (AIG) leads each Division and a Director leads the MFCU. All executives report directly to the Principal Deputy Inspector General. Reporting to the Deputy Inspector General for Investigations are the AIG for Investigations and the Director of the MFCU. Reporting to the General Counsel are the legal staff. Reporting to the Chief of Staff are the Budget Officer, the Chief of Procurement, the Administrative Officer and the Director of Management Information Technology. The Chief of Staff also directs relations with the media, the City Council, and Congress. The following organizational chart depicts the reporting hierarchy.

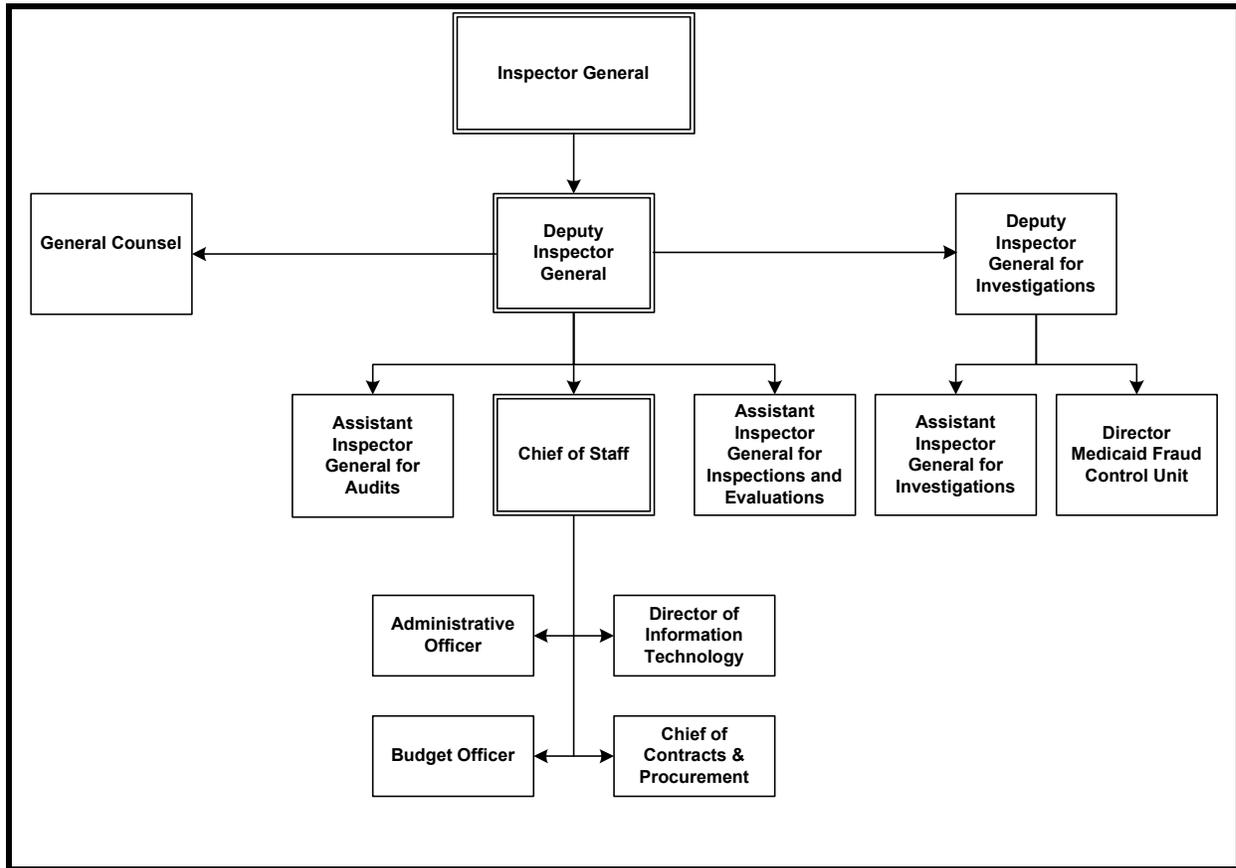
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## GENERAL ACTIVITIES

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### BUDGET AND PERSONNEL

The Office of the Inspector General's FY 2002 approved operating budget for all sources was \$12.4 million. Of this amount, \$2.3 million was allocated for the Comprehensive Annual Financial Report. There were 108 full-time positions supported by this budget. The Office received 89 percent (\$11 million) from local funding which supported 92 full-time positions and received 11.0 percent (\$1.3 million) from federal funding, which supported 16 full-time positions for the Medicaid Fraud Control Unit.

### SENIOR STAFF

Senior staff positions were occupied as follows:

#### Inspector General

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

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## GENERAL ACTIVITIES

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### Deputy Inspector General

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

### Deputy IG for Investigations<sup>1</sup>

12/16/01 – present: Jerome O. Campana

### General Counsel

12/31/00 – present: Karen E. Branson, Esq.

### Deputy General Counsel

8/11/02 – present: Victoria L. Lucchesi

### Chief of Staff

5/21/00 – present: Gloria P. Johnson

### Assistant Inspector General for Investigations

11/10/97 – 8/16/02: David M. Bowie (*Currently Vacant*)

### Deputy Assistant Inspector General for Investigations

5/15/98 – present: Alfred Miller

### Assistant Inspector General for Audits

6/18/00 – present: William J. DiVello

### 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 – 6/28/02: Ilene J. Nathan, Esq.

9/9/02 – present: Juan J. Rivera, Esq.

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<sup>1</sup> A newly created position in FY 2002

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## GENERAL ACTIVITIES

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### Administrative Officer

3/12/93 – present: Grace Y. Price

### Budget Officer

3/16/98 – present: Ranee Phillips

### Chief of Contracts & Procurement

9/9/01 – present: Russell Symons

## 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 for its staff. The following is a summary of the number and type of training courses taken by personnel of the OIG Divisions.

The training courses received in FY 2002 by OIG personnel are summarized as follows:

<u>Type of Training</u>	<u>No. of Courses Taken</u>
1. Audit	20
2. Investigative	11
3. Inspections	09
4. Medicaid/Health Care Fraud	10
5. Computer	38
6. Office Management/Administrative	<u>18</u>
<b>Total training courses:</b>	<b>106</b>

## TESTIMONY BY THE INSPECTOR GENERAL FOR FISCAL YEAR 2002

Listed below are the 10 topics and dates of OIG testimony presented before the City Council and the U.S. Congress.

October 12, 2001	Testimony of OIG on Bill 14-2, the “Misdemeanor Jury Trial Act of 2001”
October 15, 2001	Testimony Before the D.C. Council Committee on Government Operations - Bill 14-314, The “Office of the Inspector General Independence and Law Enforcement Amendment Act of 2001”
December 7, 2001	Testimony Before the U. S. House Subcommittee on the District of Columbia, Committee on Government Reform on

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## GENERAL ACTIVITIES

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	“The District of Columbia School Reform Act of 1995 – Blue Print for Educational Reform in the District of Columbia”
December 13, 2001	Testimony Before the D.C. Council Public Roundtable on Bill 14-342, The “Mandatory Autopsy for Deceased Wards of the District of Columbia and Mandatory Unusual Incident Report Act of 2001”
January 17, 2002	Testimony Before the D.C. Council Committee on Government Operations – Public Oversight Hearing on “The District of Columbia’s Inspector General’s Term of Office and Principal Residence”
January 31, 2002	Testimony Before the D.C. Council Public Roundtable on Contracting and Procurement in the District of Columbia – “The Utilization of Minority Local and Small Businesses, Part II”
February 12, 2002	Testimony Before the D.C. Council Committee on Government Operations – “Fiscal Year 2001 Performance Review”
April 9, 2002	Testimony Before the D.C. Council Committee on Government Operations Oversight Hearing – “The Report of Investigation of Fundraising Activities of the Executive Office of the Mayor”
April 12, 2002	Testimony Before the D.C. Council Committee on Government Operations – “Fiscal Year 2003 Budget Review”
June 13, 2002	Testimony of D.C. Inspector General Before the U.S. Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations, The House Committee on Government Reform, “Medicaid Claims: Who’s Watching the Money?”

### PRESS HIGHLIGHTS FOR FY 2002<sup>2</sup>

**“District’s Blue Plain Employees Continue To Face Safety Hazards, Report Says”**  
November 9, 2001 (WP)

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<sup>2</sup> **References:** Washington Post – **WP** The Washington Times – **WT** DCWatch – **DCW** Washington City Paper – **WCP** The Common Denominator – **CD** WTOP NEWS – **WTOP** ABC 7 News -**WJLA**

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## GENERAL ACTIVITIES

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**“Illegal Sale Of D.C. Tags Scrutinized, DMV Says”**

November 14, 2001 (WP)

**“D.C. Health-Care Program Defies Predictions”**

December 4, 2001 (WP)

**“Stalled Towing Reforms Angers D.C. Council”**

December 7, 2001 (WP)

**“New Towing Report On Tap For District”**

December 18, 2001 (WT)

**“D.C. Reopens Probe Of Fire Equipment Allegations”**

December 20, 2001 (WP)

**“Independent Inquiry Urged In Police Overfilling Flap”**

January 8, 2002 (WT)

**“D.C. Fire Trucks In Woeful Shape, Supply”**

January 14, 2002 (WT)

**“D.C. Humane Society Provide Strays As Blood Donors”**

January 28, 2002 (WP)

**“Few Plans Promotion Retest For Firefighters”**

January 29, 2002 (WT)

**“FBI Probes Towing, Arrest 60 In Scams”**

February 21, 2002 (WT)

**“D.C. Seeks Investigations Of Special-Ed Referrals, *Lawyer’s Links To Test Firm, Schools Questioned*”**

February 21, 2002 (WP)

**“District To Audit Non-Profits”**

March 9, 2002 (WP)

**“D.C. Fire Officials’ Records Review, *Errors Targeted In Applications*”**

March 14, 2002 (WP)

**“Police Audit Faults Records, *Probe Confirms Overtime Needs, Says D.C. Fails To Keep Track*”**

March 25, 2002 (WP)

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## **GENERAL ACTIVITIES**

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**“Reforms Noted At City Agencies, *Review Finds Audits Taken Seriously*”**

May 2, 2002 (WP)

**“Inspector General Looking At Resume Of DC Fire Chief”**

May 15, 2002 (WUSA9 NEWS)

**“Towing Figures Called Inflated”**

May 22, 2002 (WT)

**“D.C. Agency Keeps Cash Of Deceased”**

June 14, 2002 (WT)

**“Ex-D.C. Official Is Charged With Embezzlement” (Saamir Kaiser)**

June 26, 2002 (WP)

**“Abuse Of Sick Leave Cited For Delays In Answering 911 Calls”**

July 18, 2002 (WP)

**“IG Faults Hiring Policies for Few”**

July 31, 2002 (WT)

**“ANC Role Questioned In Light Of IG Probe”**

August 2, 2002 (WT)

**“Emergency Medical Services Chief Linked to Abortions Retires”**

September 23, 2002 (WT)

### **WEBSITE**

The OIG website ([www.dci.gov](http://www.dci.gov)) 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 audit and inspections reports, notices regarding completed investigations, annual reports, testimony, press releases, requests for proposals and vacancy announcements. 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.

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## **GENERAL ACTIVITIES**

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**FISCAL YEAR 2003 AUDIT AND INSPECTION PLAN**



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## **FISCAL YEAR 2003 AUDIT AND INSPECTION PLAN**

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The annual audit and inspection plan includes descriptions of mandated audits and discretionary audits and inspections to be conducted in the upcoming fiscal year based on risk assessments of vulnerable programs and issues; input from the District's executive and legislative leadership, agency officials, and other stakeholders; and the requirements of Public Law. This year, we have also included audits and inspections ongoing as of September 1, 2002. A copy of our annual plan can be accessed via our website at [www.d cig.org](http://www.d cig.org).

In an effort to sharpen the focus of our audits and inspections, the OIG continuously assesses those programs and activities that pose the greatest risk 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 D.C. Financial Responsibility and Management Assistance 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.

Our annual audit and inspection plan includes OIG initiatives for audit and inspection coverage that will focus on areas that present the highest risks to maintaining the District's fiscal integrity and continued financial strength. In assessing these risks, our FY 2003 Audit and Inspection Plan (Plan) has been designed to concentrate on five strategic themes that will govern our operations, help us achieve our mandated mission, and further the Mayor's strategic initiatives. These themes are:

- Revenue Enhancement
- Spending and Efficient Use of Resources
- Delivery of Citizen Services
- Support Services
- Audits Required by Law

The Plan also takes into consideration the legislative triggers that could require the District's return to the operational control of the D.C. Financial Responsibility and Management Assistance Authority. D.C. Code § 47-392.09 (2001) states, in part, that a "control period" is initiated upon the occurrence of any of the following events:

- requisitioning by the Mayor of advances from the Treasury of the U. S. under Title VI of the D.C. Revenue Act of 1939;
- failure of the District government to provide sufficient revenue to a debt service reserve fund of the Authority;

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## **FISCAL YEAR 2003 AUDIT AND INSPECTION PLAN**

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- the default by the District government with respect to any loans, bonds, notes or other form of borrowing;
  
- the failure of the District government to meet its payroll for any pay period;
- the existence of a cash deficit of the District government at the end of any quarter of the fiscal year;
- the failure of the District government to make required payments to pensions and benefits; or
- the failure of the District government to make required payments to any entity established under an interstate compact to which the District of Columbia is a signatory.

We have undertaken an ambitious audit plan, shaped in part by concerns of the District leadership. Accordingly, our audit and inspection plan reflects ideas and suggestions from the Mayor's office, Councilmembers, District agency officials, and others. The listing of a particular audit or inspection in this plan does not necessarily mean that problems exist or that a review will be undertaken. The realities of having limited resources and the unknown priorities arising from exigencies throughout the year often determine what audits or inspections can ultimately be initiated in any fiscal year.

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## **ACTIVITIES OF THE AUDIT DIVISION**



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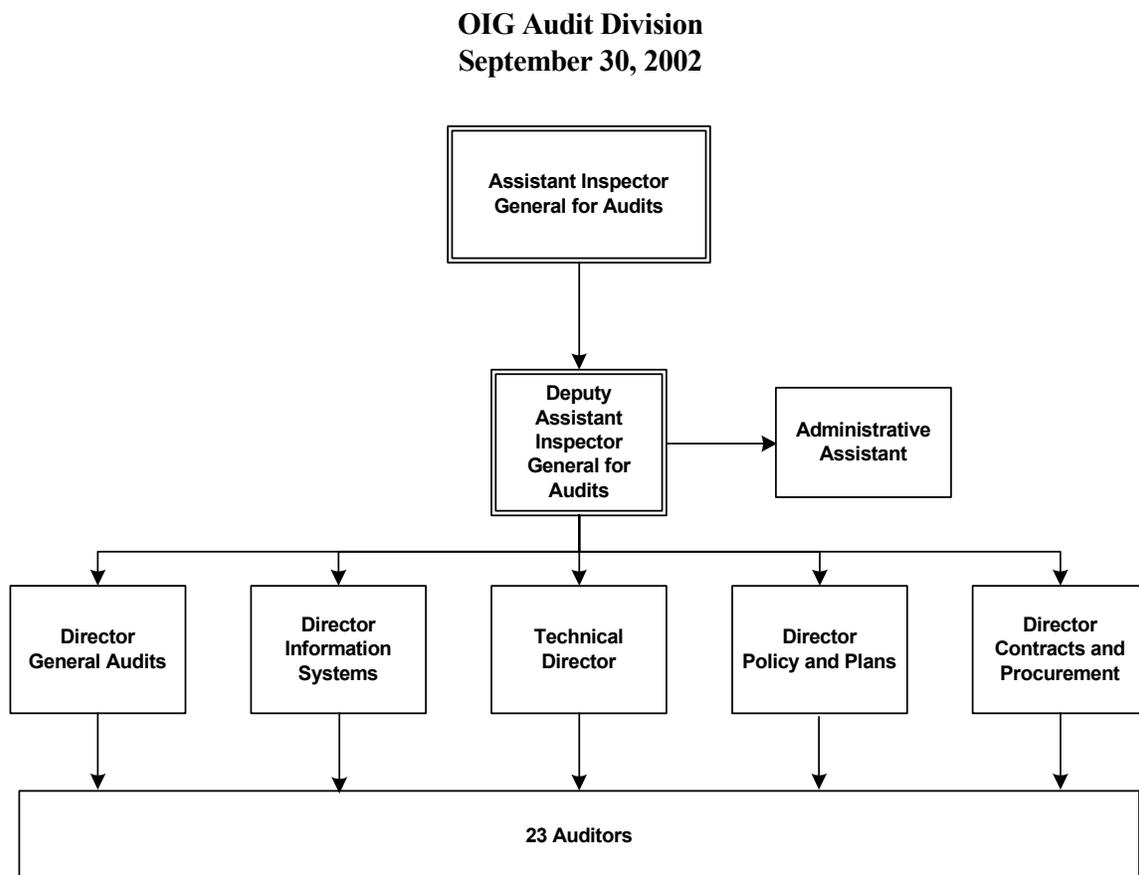
## ACTIVITIES OF THE AUDIT DIVISION

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### ORGANIZATION

The OIG Audit Division, comprised of a staff of 31 professionals, 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 leadership and direction for the Division. The Directors manage the day-to-day projects and activities of the auditors. The audit directorates are: (1) General Audits; (2) Information Systems; (3) Technical; (4) Policy and Plans; 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

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## **ACTIVITIES OF THE AUDIT DIVISION**

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

### **CREDENTIALS AND QUALIFICATIONS**

Auditors possess a 4-year degree from an accredited college or university. Additionally, many of our auditors 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.

### **AUDITOR TRAINING**

To ensure its auditors meet qualification requirements of generally accepted government auditing standards, the Audit Division requires each auditor to complete 80 hours of continuing professional education every 2 years and no fewer than 20 hours in any 1 calendar 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.

Additionally, we have guest speakers address our auditors on accounting and auditing topics so that we may stay current on all pertinent issues. We also conduct in-house training

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## **ACTIVITIES OF THE AUDIT DIVISION**

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sessions, allowing us to take advantage of our own expertise, and promoting the sharing of ideas, audit approaches, and methodologies to address various issues within District agencies.

### **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 comply with Generally Accepted Government Auditing Standards with respect to the performance of an external quality control review (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 inspector general audit organizations (Federal Audit Executive Committee) to have a round-robin of peer reviews every 3 years.

To meet this District 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 peer review. We have scheduled our first peer review to be performed during the second quarter of FY 2003. Subsequent peer reviews 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 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.

The AIGA has also 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 began participating in a peer review of another government's audit entity in November 2002.

### **CONTINUATION OF LIAISON ACTIVITY**

Pursuant to the statutory mandate contained in D.C. Code § 2-302.08(a)(3)(B) and (C) (2001), 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.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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In order to prevent duplication of effort, and reduce any learning curve, we continually coordinate audit efforts with the General Accounting Office (GAO), the District of Columbia Auditor, and federal inspector general offices.

For example, during FY 2002, we conducted a follow up review of the recommendations made by the GAO in their January 2001 report, "Weak Controls Place DC Highway Trust Fund and Other Data at Risk." During the performance of this audit, we coordinated with GAO to ensure a smooth transition of this audit (by statute, responsibility for conducting this audit was transferred from GAO to the OIG), discuss methodologies, and report current findings.

Additionally, during the performance of the District of Columbia Public School's financial statement audit, OIG officials met frequently with the D. C. Auditor to discuss findings identified and coordinate efforts concerning a performance audit being conducted by her office.

### **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 2002 to measure the percentage of audit recommendations implemented. We strongly believe that this will be a valid measure of our contributions because it is an outcome measure.

In addition, 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.

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## ACTIVITIES OF THE AUDIT DIVISION

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### FY 2002 AUDIT AGENCY COVERAGE

The Audit Division issued 31 final reports, 4 Management Alert Reports (MARs) and 1 Management Implication Report (MIR) for FY 2002. Audits performed were conducted as part of our FY 2002 Audit and Inspection 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 31 audit reports involved the following 24 District government agencies.

- |   |  |
|---|--|
| 1. Department of Consumer and Regulatory Affairs                    | 13. Fire and Emergency Medical Services Department |
| 2. Department of Corrections  | 14. Metropolitan Police Department                 |
| 3. Department of Employment Services                                | 15. Office of Contracting and Procurement          |
| 4. Department of Health   | 16. Office of Finance and Resource Management      |
| 5. Department of Housing and Community Development                  | 17. Office of Personnel                            |
| 6. Department of Human Services                                     | 18. Office of Planning                             |
| 7. Department of Mental Health                                      | 19. Office of Property Management                  |
| 8. Department of Public Works                                       | 20. Office of the Chief Financial Officer          |
| 9. District Department of Transportation                            | 21. Office of the Chief Technology Officer         |
| 10. District of Columbia Lottery and Charitable Games Control Board | 22. Office of the Corporation Counsel              |
| 11. District of Columbia Public Schools                             | 23. University of the District of Columbia         |
| 12. District of Columbia Water and Sewer Authority                  | 24. Washington Convention Center Authority         |

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 2002 are shown in Appendix B.

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## ACTIVITIES OF THE AUDIT DIVISION

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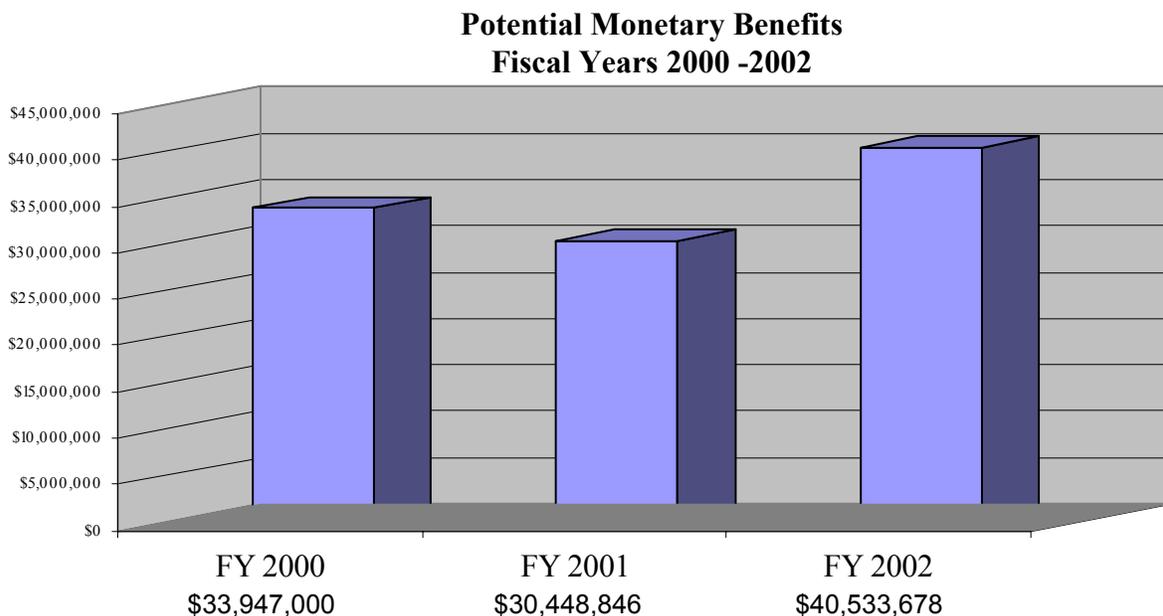
### SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDITS

For FY 2002, we issued 31 reports with potential monetary benefits exceeding \$40 million. These benefits compare to Audit Division costs of approximately \$2.8 million. Accordingly, the return on investment for audits performed by OIG audit staff has been approximately \$14 for each dollar invested.

To more readily identify and report potential monetary benefits, the OIG began including a schedule in our FY 2002 audit reports that identifies potential benefits resulting from the audit. The schedule identifies the corresponding benefit by recommendation, a description of the identified benefit, and type of benefit. We believe this schedule synthesizes the essence of each recommendation and presents it in a clear concise manner that is easily understood.

The benefits of each recommendation are described as economy and efficiency, internal control and compliance, or program results. The type of benefit is reported as either monetary or nonmonetary. Monetary benefits can be further categorized as either funds put to better use, questioned costs, or disallowed costs.

The following chart compares the monetary benefits that this Division identified in the previous 3 fiscal years.



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## **ACTIVITIES OF THE AUDIT DIVISION**

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### **FOLLOW-UP ON PREVIOUS RECOMMENDATIONS**

Pursuant to the D.C. Code § 2-302.08(f-2)(7) (2001), 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 City Administrator, to determine the extent to which agencies are complying with audit recommendations, the OIG conducted a District-wide audit of agencies' implementation of recommendations from previous audit reports. The results of this audit were published in April 2002.

The overall objectives of the audit were to determine whether agencies have: (1) implemented agreed-to recommendations; and (2) actually corrected reported deficiencies. The scope of the audit included 58 audit reports issued to 18 District government agencies during the 3-year period (FYs 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. To accomplish our objectives, we reviewed 16 audit reports that contained a total of 193 recommendations issued to District agencies during the 3-year period.

The results of this audit showed that District agency management successfully implemented approximately 80 percent of our report recommendations. We are very pleased with these results, as similar audits by the General Accounting Office show a 70 percent implementation rate in federal agencies. The OIG plans to conduct this audit on a triennial basis. The next review is scheduled to be completed in FY 2005. We have established a target implementation rate for audit recommendations to be 85 percent for the next triennial period (FYs 2001 – 2003).

### **FISCAL YEAR 2002 OPEN AUDIT RECOMMENDATIONS**

For FY 2002, the Audit Division issued 31 final reports with a combined total of 228 recommendations, of which, 14 are considered to be open as of September 30, 2002. As these reports have been recently issued, we plan to conduct follow-up reviews in 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.

### **COMPLETION OF THE ANNUAL FINANCIAL AUDIT**

We contracted with the accounting firm of KPMG, LLP, to perform a financial statement audit and prepare the District's FY 2001 Comprehensive Annual Financial Report (CAFR). The audit reported an unqualified opinion, meaning that the District's general-purpose financial statements were fairly presented in accordance with generally accepted accounting

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## **ACTIVITIES OF THE AUDIT DIVISION**

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principles. With the issuance of the FY 2001 CAFR, the city has received its fifth consecutive unqualified opinion on its financial statements.

Along with the CAFR, KPMG issued the FY 2001 Management Letter citing material weaknesses in multiple agency or program areas. Specifically, at the University of the District of Columbia (UDC), KPMG found that the financial accounting and results of operations of UDC were not readily determinable during a substantial part of the year. KPMG also found material weaknesses in accounting and financial reporting by the District of Columbia Public Schools, particularly regarding the monitoring of expenditures, accounting for Medicaid expenditures and capital projects. Finally, KPMG found material weaknesses in several agencies regarding supporting documentation for the District's Medicaid Program.

Other reportable conditions relate to significant deficiencies in the design or operation of internal control over financial reporting that could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management. For FY 2001, there were six such reportable conditions. These conditions related to areas such as cash management, payroll process management, accounting for non-routine transactions, and budgetary revisions. Though not as serious as material weaknesses, other reportable conditions also warrant priority attention.

While the OIG will continue to assess District agencies' implementation of recommendations, it is the responsibility of District government management to ensure that agencies correct the deficiencies noted in audit reports. The OIG will work with managers, as appropriate, to help them monitor the implementation of recommendations.

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) OVERSIGHT COMMITTEE**

To oversee the CAFR, the OIG established the Comprehensive Annual Financial Report Oversight Committee (Committee). A charter identifying the Committee's purpose, composition, meeting schedule, and responsibilities governs the Committee. The Committee provides assistance to the OIG in fulfilling its oversight responsibility. The Committee oversees the progress of the audit and addresses any issues that may arise from the audit or may prevent the audit from being completed timely. The Committee's purposes include: 1) monitoring the reliability and integrity of the CFO's financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance; 2) monitoring the independence and performance of the District's independent auditors (Auditors); and 3) providing an open avenue of communication among the Auditors, Council of the District of Columbia (Council), CFO, and other District management officials.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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The Committee is comprised of District officials, who are independent of the CFO, and who are free of any relationship that, in the opinion of the OIG, would interfere with their exercise of independent judgment as a committee member. For example, the Committee is comprised of at least two representatives each from the OIG, the Council, and the Executive Office of the Mayor. The Committee also invites representatives from the U.S. Congress and the GAO, as well as CFO representatives, to attend select meetings, as appropriate.

The Committee also holds an annual kickoff conference at the onset of the annual financial audit to establish audit milestones and set expectations for the current year's audit.

### **CONTRACTS FOR EXTERNAL AUDITS AND OTHER SERVICES**

Pursuant to D.C. Code § 2-302.08(a)(3)(B)(2001), the OIG provides oversight for external audits of the District government. The amendments to the OIG statute that became effective on April 5, 2000, gave 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 10 contract audit engagements during FY 2002. A summary of the results of these audits is included in the following section.

### **SUMMARIES OF AUDIT REPORTS ISSUED IN FY 2002**

#### **1. Audit of the District of Columbia Metropolitan Police Department (MPD) Fleet Maintenance Contract, 01-2-08FA, Issued 12/17/2001.**

Our audit disclosed that the MPD did not have adequate contract administration procedures in place to monitor and oversee the fleet maintenance contract. As a result, MPD, in general, experienced more frequent vehicle repairs, database and other recording errors, and payment mistakes. These outcomes, in part, may have contributed to an additional \$1.3 million being spent on the fleet maintenance contract for the 14-month contract base year period ending September 30, 2000.

#### **Corrective Actions**

We addressed four recommendations to the MPD Chief of Police. The recommendations, in part, centered on updating policy and procedural guidance to improve contract administration and oversight of the vehicle maintenance and repair contract, emplacing qualified personnel to institute and enforce these policies, and enacting interim measures to monitor and oversee contract performance pending issuance and implementation of new guidelines. We additionally recommended implementing a new fleet management information system to meet the needs for contract oversight requirements.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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### **2. Report on Management Operations at the Washington Humane Society (WHS), 01-1-05HC, Issued 12/21/2001.**

Our audit disclosed that the Department of Health (DOH) needs to improve WHS compliance with contract terms and laws, establish effective controls over WHS operations and ensure proper levels of accountability. Specifically, we found that:

1. WHS did not comply with certain contract provisions while providing animal control and related services to the District over a 3-year period;
2. DOH certified vouchers for payments totaling \$1.8 million without the proper review of the charges;
3. WHS did not properly record or fully account for the dispensing of controlled substances;
4. WHS violated the Migratory Bird Treaty Act by euthanizing approximately 800 federally protected migratory birds without valid permits to do so;
5. WHS did not have internal controls and accountability over cash receipts and District property; and did not remunerate the District for the correct amount of fees collected at the Shelter for animal adoptions and redemptions, and
6. DOH did not incorporate all necessary contract provisions that relate to providing animal control services.

#### **Corrective Actions**

We addressed recommendations to the DOH that, in part, identified the need to:

- develop effective procedures to monitor the WHS contract;
- allocate additional resources to monitor the WHS contract;
- properly review invoices prior to certification of payment vouchers;
- create written policies and procedures for the payment processing function;
- adhere to the Migratory Bird Treaty Act requirements; and
- establish accounting controls over cash receipts and property.

### **3. Follow-up Management Review of the District of Columbia Water and Sewer Authority (WASA), 01-2-15LA, Issued 1/7/2002.**

Our original report included seven recommendations. We have determined that of these seven, WASA has taken sufficient steps to implement two recommendations. Actions taken by WASA and the D.C. Occupational Safety and Health Administration

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## **ACTIVITIES OF THE AUDIT DIVISION**

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(DC OSHA) to address three others are ongoing, and two recommendations remain unresolved.

We want to acknowledge that WASA has taken actions to address these recommendations and, moreover, to develop and implement a viable safety program. WASA has reacted positively to our identification of specific safety and health issues and has corrected identified deficiencies noted in our original report. Additionally, WASA has developed and begun implementation of many safety-related programs and policies since our original audit. However, many of these programs and policies are in their early stages of development and implementation and sufficient time has not yet passed to evaluate compliance or assess their effectiveness.

**4. The Fiscal Year 2001 Comprehensive Annual Financial Report (CAFR) for the Year Ended September 30, 2001, N/A, Issued 1/28/02.**

The District's FY 2001 CAFR was conducted by 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 2001 CAFR, the city has received its fifth consecutive unqualified opinion on its financial statements.

**5. Federal Payment for the Washington Interfaith Network (WIN), 01-2-22, Issued 1/30/2002.**

The OIG terminated its certification work in connection with the subject audit project because the Washington Interfaith Network (WIN) had not received matching funds from private sources for the Project as of the end of November 2001, and had not made its accounting records available to us at that time. The federal payment was conditioned upon:

1. WIN receiving matching funds from private sources for pre-construction costs incurred;
2. Certification by the OIG of the receipt of matching funds and costs; and
3. Disbursement of the federal payment by December 31, 2001.

We noted that WIN had established a non-profit corporation, WIN/Enterprise Fort Dupont Nehemiah Homes, Inc. (WEFD), to provide home ownership opportunities in the Fort Dupont Dwellings neighborhood of the District. Furthermore, WEFD had engaged Enterprise Homes, Inc., a development management services company, to manage the Fort Dupont Dwellings and Additions Project. However, at the time of our review, WIN had not yet met all requirements to receive the reimbursement.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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Pub. L. No. 107-96, effective on December 21, 2001, extends through December 31, 2002, the time period in which a federal payment can be made to reimburse WIN for costs incurred for preconstruction activities for the Fort Dupont Dwellings and Additions Project. Because the time period for the federal payment has been extended, WIN may obtain matching funds from private sources and request the OIG to make the certifications necessary in order for WIN to receive a federal payment by December 31, 2002.

**6. Audit of the District of Columbia Highway Trust Fund, 02-1-1KA(b), Issued 2/1/2002.**

Our audit included a review of existing internal controls for the purpose of expressing an opinion on financial accounting records and determining the extent of substantive testing required. Additionally, we tested for compliance with the provisions of selected laws and regulations and found no instances of noncompliance that would be reportable under generally accepted government auditing standards.

In our opinion, the financial statements present fairly, in all material respects, in conformity with generally accepted accounting principles, the Fund's assets and liabilities as of September 30, 2001, and its revenues, expenditures, and changes in fund balance for the year then ended.

**7. Department of Consumer and Regulatory Affairs Professional Engineers' Fund Financial Statements For the Year Ended September 30, 2000 and Independent Auditor's Report Thereon, 01-1-28CR(a), Issued 2/11/2002.**

**AND**

**8. Department of Consumer and Regulatory Affairs (DCRA) Professional Engineers' Fund Financial Statements For the Six Months Ended March 31, 2001 and the Year Ended September 30, 2000 and Independent Auditor's Report Thereon, 01-1-28CR(b), Issued 2/11/2002.**

These two audits were conducted by contract under the purview of the OIG. The results disclosed that the financial statements presented fairly, in all material respects, the financial position of the Fund as of March 31, 2001, and September 30, 2000, and the results of its operations and cash flows for the 6 months ended March 31, 2001, and the year ended September 30, 2000, in conformity with generally accepted accounting principles.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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DCRA management agreed with the findings and provided details of actions taken or planned to address the recommendations.

**9. Audit of the Comprehensive Automated Payroll and Personnel System (CAPPS) Migration Process, 01-01-14AT, Issued 2/15/2002.**

Our audit revealed that the District did not have a single project manager over the payroll conversion process with the authority and responsibility to coordinate and plan the entire project. The affected agencies (the owners of the data) were not adequately participating in validating the data in CAPPS that would be migrated to Unified Personnel and Payroll System (UPPS).

Inadequate participation by District agencies in the validation of data contributed to serious internal control weakness in the separation of responsibilities between the CAPPS Project Management Office and owners of the CAPPS/UPPS data. As a result of inadequate agency participation, the CAPPS database could contain incomplete and inaccurate personnel and payroll data.

### **Corrective Actions**

We directed one recommendation to the Office of the Chief Financial Officer and the Office of Personnel, and four recommendations to the Office of the Chief Technology Officer. The recommendations, in part, centered on:

1. Appointing a single project manager over the CAPPS/UPPS migration process;
2. Establishing a general project management framework (District-wide) over systems development, modification, and implementation projects;
3. Implementing adequate controls to ensure that for each information technology project, a project master plan is developed to maintain control over the project through completion; and
4. Designating ownership for application data to a particular agency or control group for maintenance, modification, and implementation projects.

**10. Automated Health Benefits Enrollment Program, 02-2-6BE, Issued 2/15/2002.**

The OIG completed a limited review of the automated health benefits open enrollment process. Qualified employees can now make changes to mailing address information and/or changes in health care providers can be made through the District's intranet by accessing the District of Columbia Employee Health Benefit Open Enrollment Registration Form.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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We conducted this review because of concern about the absence of an on-line transaction authorization that would prevent or detect unauthorized changes to an employee's personnel and health care provider data. In limited tests of access controls, we found that only two pieces of information were needed to access an employee's data.

Beginning with the new FY 2002 open enrollment period, the D.C. Office of Personnel has updated the system to require three pieces of data. As these pieces of data are not readily known, this added security measure should prevent unauthorized access to employee records.

**11. Audit of the Use of Unauthorized Software at the Office of Contracting and Procurement (OCP), 02-2-7PO, Issued 2/27/2002.**

Our review confirmed that an OCP computer specialist had installed and operated software that could be used for hacking on two OCP personal computers. The computer specialist's installation and use of the software went undetected because, in the absence of District-wide end-user computing guidelines, OCP did not establish adequate internal controls over its end-user computing.

### **Corrective Actions**

We directed two recommendations to OCP and one recommendation to the Office of the Chief Technology Officer (OCTO) that we believed were necessary to correct the deficiencies noted in this report. The recommendations, in part, centered on:

1. OCP developing policies and procedures over its end-user computing;
2. OCP taking a personnel action, if deemed appropriate for the circumstances, in accordance with the District of Columbia Personnel Manual, for misuse of government equipment and resources; and
3. OCTO developing policies and procedures over the District's end-user computing environment.

**12. Audit of Overtime at the Metropolitan Police Department (MPD), 01-2-17FA, Issued 3/20/2002.**

Our audit disclosed that overtime and compensatory time was adequately supported and properly calculated. However, we identified areas in which the Metropolitan Police Department (MPD) could strengthen controls, which may help to reduce related costs. Specifically, MPD needed to:

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## **ACTIVITIES OF THE AUDIT DIVISION**

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- Make information technology enhancements in its Time and Attendance and Court Information System (TACIS) to automate and flag instances when overtime hours approach Fair Labor Standards Act (FLSA) limits;
- Make reports, by member, that include the number of hours worked for MPD and for external employers, available to supervisors to ensure hours worked are not excessive and that members adhere to guidelines for outside employment; and
- Improve documentation of work performed while in an overtime status to supplement PD Form 1130.

### **Corrective Actions**

We addressed seven recommendations to MPD that, in part, centered on:

- Implementing policies that would require non-court overtime and compensatory time worked to be more clearly identified than that contained in PD Form 1130. Specifically, the support should identify what work the member performed and the associated cost benefit. Improved documentation should describe meetings and other collaborative efforts between MPD and the U.S. Attorney's Office and describe court proceeding in which overtime or compensatory time was incurred.
- Ensuring that personnel comply with outside employment and uniform allowance requirements.
- Automating select features in TACIS, to include edit flags for persons reaching FLSA limitations.
- Training supervisors in the use of the TACIS system so that they can review overtime and compensatory hours worked to ensure hours are within budget constraints and not excessive.

### **13. Agency-Wide Review of Selected Functions Within the Department of Employment Services (DOES), 01-1-27CF, Issued 4/11/2002.**

The audit was conducted by contract under the purview of the OIG. This report, the 5th and final in a series of reports, summarized the findings from all of the audits performed at DOES and identified systemic issues requiring management attention relative to all programs audited at DOES. The systemic issues included:

1. Lack of policies and procedures on key program activities and functions to assist agency employees and contractors in the performance of their responsibilities.

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## ACTIVITIES OF THE AUDIT DIVISION

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For example, agency personnel and outside contractors performed overlapping duties.

2. Inadequately trained agency personnel and a high turnover within agency senior level management personnel. For example, the agency has had three Directors in the last 5 years, and the Deputy Director at the inception of this review left the agency before the completion of our fieldwork.
3. Inadequate oversight and monitoring of duties performed by outside contractors resulting in ineffective case management and increased overall program cost.
4. Lack of an integrated information management system to provide information on case management and financial activities of the programs.
5. No clear line of authority/communication and coordination related to decision-making on program administration between DOES.

The four previously issued reports on the DOES were: (1) the Disability Compensation Program, report OIG No. 00-1-14CF dated September 19, 2000; (2) the Workers' Compensation Program, report OIG No. 01-1-13CF dated January 25, 2001; (3) the Workforce Investment Act, report OIG No. 01-1-18CF dated May 15, 2001; and (4) the Unemployment Benefit System, report OIG No. 01-1-21CF dated September 17, 2001.

**14. District of Columbia Management Letter, September 30, 2001, 02-1-12MA, Issued 4/11/2002, and 02-1-16GA, Issued 8/12/2002.**

The Management Letter for the DCPS' general purpose financial statements for FY 2001 reported material weaknesses in accounting and financial reporting by DCPS, particularly in areas related to operating and capital expenditures. It also reported material weaknesses in the District's Medicaid program.

The DCPS responded favorably to the audit recommendations, stating that concerted efforts would be undertaken to improve internal controls over financial accounting and reporting. DCPS also appointed an interim Medicaid director and modified or developed policies and procedures over capital and operating expenses.

**15. Audit of District Agencies' Implementation of Audit Recommendations, 01-1-01MA, Issued 4/23/2002.**

Our audit identified that the District needed to establish a system to track the status and monitor the implementation of recommendations made to District agencies by the OIG, General Accounting Office, various federal inspectors general, and non-government auditors. This need became evident during our follow-up audit. None of the seven

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## **ACTIVITIES OF THE AUDIT DIVISION**

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agencies we selected for review had established an organized system for tracking and monitoring the status of audit recommendations.

The audit showed that the rate at which District agencies implemented agreed-to audit recommendations ranged from a high of 90 percent to a low of 63 percent. On average, the 7 District agencies, which were reviewed, complied with 80 percent of the recommendations. Where corrective actions were implemented, we believe that sufficient action was taken by management to address noted deficiencies.

In response to a draft of this report, the City Administrator indicated that the Office of Improvements Division (OID) has designed a database and recommendation protocol that meets the intent of the Office of Management and Budget Circular A-50, which guides federal agencies in audit follow up. OID also will be sending a regular report to agency Directors to verify that agreed-to recommendations are being implemented.

**16. Follow-Up Review of the General Accounting Office Report Concerning the District of Columbia Highway Trust Fund Information Security, 02-1-1KA(a), issued 4/24/2002.**

This report represents our follow up review of the recommendations made by the General Accounting Office (GAO) in their January 2001 report, “Weak Controls Place DC Highway Trust Fund and Other Data at Risk” (GAO-01-155).

The GAO report contained three findings, in which they summarized 10 information system control weaknesses. The 10 information system control weaknesses contained 50 computer security weaknesses that, if compromised, could affect the District’s ability to prevent and/or detect unauthorized changes to the Fund and other District financial information. GAO made six recommendations for correcting each of the information system control weaknesses. Our audit identified an additional 21 computer security weaknesses, for a total of 71 specific computer security weaknesses requiring corrective actions by the Department of Public Works, the Office of the Chief Technology Officer, or both agencies. As of the date of this report, the District had taken corrective action on 36 computer security weaknesses and planned to take corrective actions on 31 computer security weaknesses. However, no action had been taken or planned for four computer security weaknesses.

**17. Audit of the District of Columbia Antifraud Fund, 02-2-11CB, Issued 5/30/2002.**

Our audit disclosed that a separate account had been established to account for funds collected and disbursed related to false claims recoveries. Additionally, we raised concerns about the timeliness, and completeness of payments made to the Fund. Recommendations were made to address reported deficiencies. Since the issuance of

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## **ACTIVITIES OF THE AUDIT DIVISION**

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the draft report, the Corporation Counsel has taken action to address the audit recommendations.

**18. Report on the Examination of the District of Columbia's Highway Trust Fund Forecast Statements, 02-1-1KA(c), Issued 5/31/2002.**

Our examination included a review of existing internal controls for the purpose of expressing an opinion on the accompanying forecasted statements. In our opinion, the forecasted statements referred to above are presented in conformity with guidelines for presentation of forecasted information established by the American Institute of Certified Public Accountants. The underlying assumptions made and methodologies used to develop the statements provide a reasonable basis for the 7-year forecast.

**19. Audit of Department of Mental Health's Patient Accounts, 01-1-06RM(a), Issued 6/13/2002.**

The Department's patient accounts were not effectively or efficiently managed. An analysis of approximately 3,000 accounts valued at about \$3.7 million and maintained by the Department disclosed:

- Approximately 600 accounts, for deceased patients, totaling over \$1 million, had accumulated for possibly as long as 30 years because procedures had not been established to notify relatives of funds remaining in these accounts.
- Limited amounts of funds (usually burial funds) have been disbursed to relatives of deceased patients during this 30-year period.
- About 1,000 accounts had balances of less than \$10, many with less than \$1, and therefore, should be closed out.
- The Department continued to maintain approximately 900 open accounts totaling over \$250,000 for patients who were discharged.
- The Department maintained a significant number of accounts for patients who were cared for and resided in contractor operated residential care facilities. Elimination of these accounts can significantly reduce time-consuming workload duties.

Additionally, Department case managers did not always fulfill their fiduciary responsibilities as representative payees for the patients. There were also payments of District funds made to ineligible patients. Finally, we noted that the Department did not implement prior audit recommendations because the system for tracking

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## **ACTIVITIES OF THE AUDIT DIVISION**

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recommendations was not effective. The recommendations were designed to improve patient account management.

### **Corrective Actions**

We addressed 14 recommendations to the Department that, in part, centered on:

- Developing where nonexistent, or strengthening current policies and procedures, in accordance with D.C. probate laws, regulations, and other statutory requirements to ensure proper control of mental health patient accounts.
- Developing a formal tracking system that addresses individual recommendations and ensures that all of the recommendations contained in this and prior audits are implemented.
- Obtaining the services of an independent public accounting firm to conduct an immediate audit of the patient accounts to reconcile account balances in the Patient Accounts System.

### **20. Audit of the District of Columbia Historic Preservation Division's Grant Processes and Procedures, 01-2-19BD, Issued 6/18/2002.**

We found that management controls over the Historic Preservation Division operations were incomplete and lacked the basic processes needed to ensure the overall integrity of program and fiscal activities. Namely, duties and responsibilities were not properly separated, lines of accountability were not clearly established, Department of Interior regulations were not honored, documentation was nonexistent in many instances, written Historic Preservation Division policies and procedures were not complete, and routine management oversight was lacking.

Accordingly, we identified approximately \$200,000 in unsupported subgrantee costs and matching share contributions. Additionally, in each of the 19 subgrantee project files that we reviewed, some level of noncompliance with Department of Interior procurement standards existed.

### **Corrective Actions**

We directed 13 recommendations to the Office of Planning Director for the newly appointed Historic Preservation Division program manager to implement. The recommendations, in part, centered on: 1) ensuring an adequate separation of duties for Historic Preservation Division processes and procedures; and 2) establishing a sound internal control environment so that policies and procedures can be followed.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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**21. Audit of Procurement Activities at the Washington Convention Center Authority (WCCA), 01-1-20ER, Issued 6/19/2002.**

Our audit found that WCCA was generally in compliance with procurement regulations as provided by the applicable District of Columbia Municipal Regulations and WCCA regulations. Also, WCCA had an adequate training program in place for the Contract and Procurement Service Department. However, WCCA did not always properly use the purchase card method of procurement or justify the use of the sole source method of procurement. There were 15 occasions of alleged fraudulent use of procurement cards that resulted in WCCA terminating 2 employees; however, WCCA did not report the instances of criminal activity to the Inspector General as required by District Personnel Manual § 1803.8.

We addressed five recommendations to the WCCA General Manager that focus on using purchase cards properly, justifying sole-source procurements, and reporting wrongdoing.

**22. District of Columbia Public Schools (DCPS) Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2001, Issued 6/24/2002.**

**AND**

**23. Report on Compliance and on Internal Control Over Financial Reporting, 02-1-15GA, Issued 8/12/2002.**

The DCPS Comprehensive Annual Financial Report showed that DCPS concluded FY 2001 with a \$64.5 million deficit in locally appropriated funds. This overspending has been reported to the appropriate officials as required by federal law. DCPS management concluded that, to an overwhelming extent, this deficit was caused by expenditures for court-ordered or statutorily mandated special education programs and related transportation programs that proved to be in excess of projected and budgeted amounts. At the same time, FY 2001, as well as prior years' over-estimates of Medicaid revenue resulted in an assumption of disallowed Medicaid costs by the local budget.

With regard to the Report on Compliance, the independent auditor opined that the DCPS general purpose financial statements present fairly, in all material respects, the financial position of the DCPS as of September 30, 2001.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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**24. Audit of the Office of Contracting and Procurement (OCP) Training Program, 01-1-04MA, Issued 6/28/2002.**

Our audit found that OCP has not been able to fully implement training program due to: 1) budget constraints; 2) limited evaluation of training needs and verification of training received; and 3) inadequate individual development plans.

As a result, OCP procurement employees are not assured of receiving the training needed to carry out their responsibilities of procuring hundreds of millions of dollars in goods and services for the District government. Moreover, the limited training hinders OCP efforts to correct any identified skills and knowledge gaps for effective performance and to stay abreast of the changes in the procurement profession.

### **Corrective Actions**

We addressed six recommendations to the Director, OCP, that centered on: verifying employee educational background and prior procurement training; assessing employee skills; targeting individual development plans to the specific needs of individuals; evaluating personnel training needs; using alternative low-cost sources of procurement training; developing an adequate tracking system; and completing the OCP handbook.

**25. Verification of the District of Columbia Fiscal Year 2001 Savings Initiative, 01-1-02MA, Issued 7/1/2002.**

We were able to verify that the District's FY 2001 budget was reduced to reflect the \$47 million in savings initiatives and that, in total, the District did not overspend its local budget. While agency budgets were reduced to reflect the \$37 million in management reform savings and \$10 million in operational improvement savings, the District received supplemental appropriations from Congress and reprogrammed local funds among agencies and object classes in order to achieve reported savings and meet other budget pressures. We could not, however, obtain data from District officials that would assure us that the additional funds were not used to offset reported personal and nonpersonal reductions.

Even with these additional funds, which totaled over \$114 Million for the 8 agencies we reviewed, we identified that 1 agency overspent its local budget by approximately \$120,000. Additionally, four agencies overspent their personal services local budget, and two other agencies overspent their nonpersonal services local budget. Our review also found that for personal and nonpersonal services, the cumulative amounts for agency expenditures for all income sources (federal, local, and inter-District) did not exceed appropriated budget amounts for FY 2001.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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Additionally, our review identified areas of non-compliance related to the achievement of the FY 2001 savings initiative. Specifically, the District obligated funds from its Reserve Fund before the completion of certification that all of the savings had been achieved as stipulated by federal law. In addition, District program managers did not have controls in place to monitor the savings at the agency levels to ensure that savings were achieved as outlined in the savings initiative.

### **Corrective Actions**

We directed two recommendations to the OCFO. In response to the audit, the OCFO provided a confirmation of savings totaling \$39.6 million and certified that these savings have been permanently eliminated from the respective agency baseline budgets for FY 2002. However, the OCFO did not provide a management representation letter, as requested, which would provide assurances that the savings would be carried beyond FY 2002 and that any additional funding requests are for new initiatives only. Additionally, we requested that the OCFO make a determination whether an Anti-Deficiency Act Violation has occurred relative to the use of reserve funds prior to the completion of certification that the required amount of savings were achieved. The OCFO did not provide a response regarding this issue. As such, we consider these two issues to be unresolved.

### **26. Audit of Cellular Telephone Usage at the Department of Mental Health, 01-1-06RM(b), Issued 7/11/2002.**

The Department's telecommunications policy restricting possession and use of cellular telephones to emergency personnel is ineffective. Our audit showed that:

- Cellular telephones had been provided to approximately 409 of an estimated 2,000 employees, or about 20 percent of its workforce, far in excess of the number of employees that represent emergency personnel.
- Usage of cellular telephones had not been effectively managed or efficiently controlled. Monthly billings had not been routinely reviewed or evaluated, and cellular telephone usage had not been verified or accounted for.
- The Department maintained cellular contracts with two different service providers.
- The Department spent about \$380,000 on cellular phone bills in fiscal year 2001, approximately \$300,000 of which could have been put to better use, by reducing the number of authorized cellular telephones and making them available only to essential personnel.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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### **Corrective Actions**

We addressed 5 recommendations to the Department that, in part, centered on: 1) revising telecommunications policies and procedures to define and identify specific needs for cellular telephone users, and to require authorization from the employee's supervisor; and 2) conducting a current inventory to account for all cellular telephones.

**27. Independent Accountant's Report on the Financial Records of the District of Columbia Community Services (DCCS), Inc., 02-2-13JA, Issued 8/19/2002.**

This audit was conducted by contract under the purview of the OIG as part of an investigative effort. The audit was completed in 1999; however, in accordance with OIG policy, we have delayed issuance of this report until the completion of the investigative effort. The investigation involved a former contractor responsible for the fiscal activities of DCCS. As a result of the investigation, this individual has plead guilty to improper fiscal activities.

The audit identified unsupported use of District government funds and questionable transactions in the amounts of \$3,198,033 and \$1,343,489, respectively. Unsupported funds are defined as those for which canceled checks or other documentation was not available to support the expenditure claimed. Questionable transactions included: 1) real property transactions; 2) furniture purchases; and 3) related-party transactions.

**28. District of Columbia Public School's (DCPS) Facilities Management Department, 01-2-24GA, Issued 9/13/02.**

Our review of the DCPS Facilities Maintenance Department (FMD) included: 1) a review of the efficiency and effectiveness of FMD's operations; 2) an assessment of FMD's controls and procedures to ensure its ability to meet operational and financial objectives; and 3) a review of FMD's oversight over contractors.

The audit disclosed 10 conditions of noncompliance to include: inadequate written financial policies and procedures to measure key processes within FMD; a lack of the financial expertise to properly monitor, budget, classify, and report on FMD's financial issues; insufficient review procedures that prevented the proper classification of routine maintenance repairs as capital projects.

As a result of our audit, we directed 10 recommendations to DCPS. DCPS' responses to a draft of this report were generally responsive to the intent of the recommendations.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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However, DCPS did not provide comments that fully address 4 of the 10 recommendations made. We will continue to work with DCPS to reach final agreement on these unresolved recommendations.

Notwithstanding this reported deficit, our independent auditor opined that the DCPS general purpose financial statements present fairly, in all material respects, the financial position of the DCPS as of September 30, 2001.

**29. Audit of Selected Functions at the District Department of Transportation (DDOT), 01-2-16KA, Issued 9/24/2002.**

The report includes three findings. We found that there is a need to improve controls related to the District-wide financial disclosure system and locally at the Department of Public Works (DPW) and the DDOT. We also found that DDOT had not established internal controls over reporting time and attendance of the inspectors working at remote industrial plant sites. Finally, during our review of time and attendance, we found that DDOT section chiefs supervised contractor employees working for the Project Management Services Division as if they were District employees. Such supervision violates personnel and procurement regulations and the terms of two contracts.

### **Corrective Actions**

We made 22 recommendations to correct the deficiencies we noted in the report. Fourteen recommendations were directed at improving the financial disclosure statement process both within DPW/DDOT and for the District overall. Five recommendations were made to improve internal controls over the time and attendance process exercised over plant inspectors at remote sites. The final three recommendations centered on improving controls in the administration of consulting service contracts.

**30. Audit of the Department of Housing and Community Development's (DHCD) Management of the Home Investment Partnerships Program, 02-1-9DB(a), Issued 9/30/2002.**

The DHCD did not invest HOME funds in a manner that maximized the use of private sector financing to help finance mortgage loans for District of Columbia residents. Specifically, DHCD did not obtain the maximum use of private sector financing because the ratio (leverage) of private financing to government funds achieved by the District of Columbia Housing Finance Agency (DCHFA) was significantly lower than the leverage obtained by the other major organization used by DHCD to provide assistance to finance mortgage loans (see Table 4 for details). As a result of the transfer of HOME funds and District of Columbia HOME repayment funds to DCHFA, DHCD

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## **ACTIVITIES OF THE AUDIT DIVISION**

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lost the opportunity to obtain as much as \$32.2 million in private sector financing to invest in mortgage loans for District of Columbia residents.

DHCD did not submit eligible costs to the U.S. Department of Housing and Urban Development (HUD) for drawdown for the HOME portion of 28 of 108 mortgage loans (26 percent) completed by DCHFA. As a result, DHCD failed to obtain \$1,315,178 in reimbursable HOME costs from HUD for the 28 completed mortgage loans and failed to reimburse District of Columbia general fund accounts in a timely manner.

DHCD requested and received from HUD, in December 1998, a drawdown of \$1 million of HOME funds without providing satisfactory information necessary to validate the drawdown. As a result, DHCD obtained a drawdown of HOME funds from HUD that exceeded (by \$27,673) the \$972,327 to which it was entitled and did not pay interest earned on unexpended drawdown amounts due HUD. Further, due to the lack of adequate documentation, it cannot be clearly determined whether the drawdown requested and received by DHCD was authorized in accordance with federal regulations, related directly to Grant Agreement Number 98-33, occurred as a result of the lack of DHCD internal control procedures, occurred as a result of a violation of DHCD internal control procedures, or a combination of one or more of these factors.

### **Corrective Actions**

We directed 8 recommendations to the Director, DHCD. In their response, DHCD officials generally agreed with the report, its conclusions, and seven of the eight audit recommendations. DHCD disagreed with our recommendation to evaluate the use of a home purchase trust fund to operate as a revolving fund and to provide an additional source of financial assistance to low-income to moderate-income first-time homebuyers in the District of Columbia. This recommendation remains unresolved.

## **SUMMARIES OF MANAGEMENT ALERT REPORTS ISSUED IN FY 2002**

### **1. District of Columbia's CAPPS/UPPS Migration Project, MAR 02-A-01, Issued 10/19/2001**

This Management Alert Report was issued in connection with our audit of the District's Comprehensive Automated Personnel Payroll System (CAPPS) to the Unified Personnel Payroll System (UPPS) Migration (Project). The purpose of the MAR was to inform District officials of the need to: (1) establish a single project manager over the Project; and (2) require the involvement of all agencies in the validation of CAPPS and UPPS personnel and payroll data prior to actual conversion. We incorporated the conditions noted in this Management Alert Report into our final report entitled, Comprehensive

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## **ACTIVITIES OF THE AUDIT DIVISION**

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Automated Payroll and Personnel System Migration Process, 01-01-14AT, issued 2/15/2002.

**2. Office of Contracting and Procurement (OCP) Computer Hacking, MAR 02-A-02, Issued 12/10/2001.**

This Management Alert Report was prepared in response to a request by the Director of OCP, that the OIG investigate an OCP employee found to have unauthorized software installed on his government assigned personal computers and to advise OCP of possible courses of action.

District Managers, specifically OCP, in this instance, cannot consistently hold employees accountable for equipment and software entrusted to their care or prevent inappropriate PC usage without end-user computing policies and procedures that are consistent with the District's security and internal control framework. End-user computing policies and procedures would provide internal controls and a basis to address inappropriate behavior and to create an awareness program that would foster effective internal controls.

We incorporated the conditions noted in this Management Alert Report into our final report entitled, Use of Unauthorized Software at the Office of Contracting and Procurement, 02-2-7PO, issued February 27, 2002.

**3. Health Care Safety Net Contract, MAR 02-A-03, Issued 4/9/2002.**

The purpose of this Management Alert Report was to bring to the immediate attention of management at the Department of Health Management the concerns and issues that we had identified to date during our performance of the audit of the Healthcare Safety Net contract. Issues identified centered on the following:

1. Contract Oversight
2. Data Submission - Alliance Service Levels/Reconciliation Efforts
  - a. Verification of Alliance Membership Rolls
  - b. Verification of Alliance Data

These issues were incorporated into a final report published in October 2003, which will be included in next year's annual report.

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## **ACTIVITIES OF THE AUDIT DIVISION**

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#### **4. Informing Consumer Residence Facilities of Reporting Requirements of D.C. Law 13-104, MAR 02-A-04, Issued 8/20/2002.**

The purpose of this Management Alert Report was to inform officials at the Department of Mental Health (DMH) that they need to inform operators of Consumer Residence Facilities (CRFs), under contract with the Department of Mental Health, of the reporting requirements of D.C. Law 13-104, as amended by D.C. Law 14-070, Mandatory Autopsy for Deceased Wards of the District of Columbia and Mandatory Unusual Incident Report Temporary Act of 2001. This need became evident during our ongoing review of the DMH's unusual incident notification and reporting procedures.

The issues described above will be incorporated into a formal OIG audit report in FY 2003.

#### **SUMMARY OF THE MANAGEMENT IMPLICATION REPORT ISSUED IN FY 2002**

##### **District-Wide Procurement Issues (FYs 2000 through 2002), MIR 02-A-01, Issued 9/26/2002.**

This Management Implication Report (MIR) advised District agencies of the pervasive problems that audits have disclosed concerning the District's procurement practices. Our Office, the General Accounting Office, contract auditors, and the auditors responsible for the Comprehensive Annual Financial Report and related financial reports issued a total of 174 audit reports on District operations covering numerous agencies from FY 2000 through 2002. Of this total, 28 reports focused on one or more key procurement areas such as the adequacy of competition, contract pricing, receipt of deliverables and payment, contract administration, and contract funding. Agency heads should be mindful that these areas must be properly managed to prevent further occurrences of the conditions outlined in this MIR.

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**ACTIVITIES OF THE AUDIT DIVISION**

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**ACTIVITIES OF THE INSPECTIONS  
AND EVALUATIONS DIVISION**



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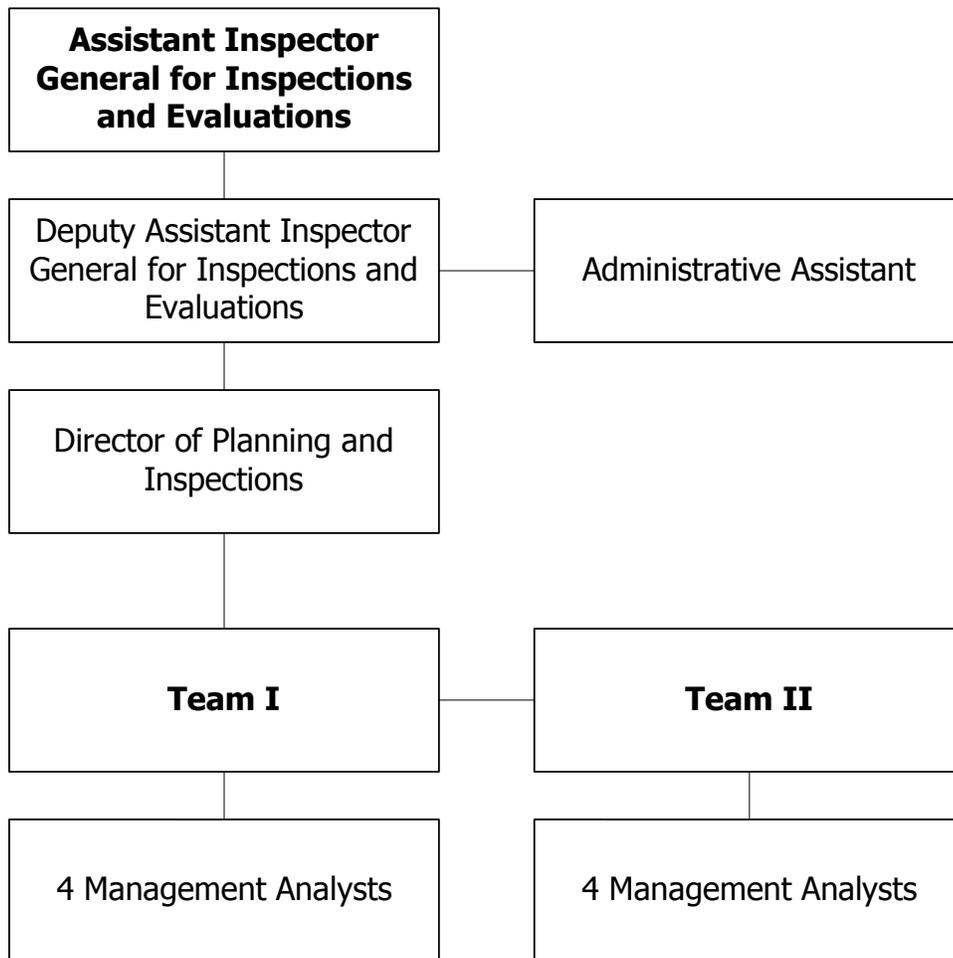
## ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

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### 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

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## **ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION**

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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 Inspection (ROI) and in Management Alert Reports (MAR). The OIG provides a MAR when the Inspector General believes that a matter 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 eight management analysts 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 governments or federal agencies 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 2002**

The I&E Division issued one inspection report in FY 2002 containing 39 findings and 55 recommendations, and 8 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.

#### **Department of Public Works (DPW) Parking Services Administration— Inspection Report 02-001KA, May 2002**

The inspection of the DPW Parking Services Administration resulted in 39 findings and 55 recommendations. The inspection team found inadequate emergency equipment and communication procedures; tow trucks that were old and frequently out of service, and being used beyond their normal service life; final sale prices for thousands of cars sold at auction not entered into databases; and costs for handling abandoned and junked vehicles from other jurisdictions not being recovered. The

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## **ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION**

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inspection team did find that a private towing contract was being monitored effectively.

### **Department of Health (DOH)—Management Alert Report, 02-I-001, December 27, 2001**

The Director of the Department of Health was informed that DOH was not inspecting x-ray machines and District sites that dispense or sell pharmaceuticals in compliance with District law and DOH's own internal inspection policy. Due to the lack of adequate staff to conduct inspections, only a small percentage of the city's 1500 x-ray machines had been inspected. In addition, DOH did not have enough pharmacists to inspect all of the more than 280 pharmaceutical sites and programs in the District.

**Recommendation:** That the Director take immediate steps to hire qualified employees to inspect all x-ray machines and pharmaceutical sites in the District that have not been inspected according to District law and DOH regulations.

### **Department of Health (DOH)—Management Alert Report 02-I-002, December 27, 2001**

The Director of the Department of Health was informed that the system for storing and retrieving vital records pertaining to the credentials of health care professionals had significant deficiencies. Inspectors found that files containing confidential data were filed improperly, were not properly secured, and had been exposed to water damage.

**Recommendation:** That the Director ensure that all files containing information regarding the credentials of health care professionals be placed in a secure file room, that all files be organized so that information can be easily retrieved, and that sufficient space be provided to ensure that records are protected from further water damage.

### **Department of Health (DOH) and Fire and Emergency Medical Services (FEMS)—Management Alert Report 02-I-003, December 27, 2001**

The Director of the Department of Health and the Chief of the Fire and Emergency Services were informed that none of the approximately 60 ambulances operated by FEMS had a current inspection and license as required by District law. DOH is responsible for inspecting and licensing all private and government-owned ambulances operating in the District. Inspectors found that according to DOH

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## **ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION**

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records, no FEMS ambulances had been inspected since March 2000, and no current licenses had been issued to FEMS.

**Recommendation:** That the Director and the FEMS Chief coordinate efforts to ensure that all District ambulances are inspected and licensed immediately.

### **Department of Health (DOH)—Management Alert Report 02-I-004, January 30, 2002**

The Director of the Department of Health was alerted to serious health and safety deficiencies regarding childcare facilities licensed by DOH. Inspectors found that criminal background checks were not being conducted on all operators and employees of the 582 licensed facilities providing child-care in the District and that there are no District laws, regulations or DOH policies requiring background checks. In addition, inspectors found that the District does not require annual testing of childcare facilities to ensure that they are free of lead-based paint contaminants.

**Recommendation:** That the Director coordinate with the Mayor and the City Council on emergency legislation to mandate criminal background checks for all childcare providers, and that all childcare facilities be required to undergo annual testing for lead-based paint contaminants.

### **Department of Health (DOH)—Management Alert Report 02-I-007, April 26, 2002**

The Director of the Department of Health was informed that complaints regarding insufficient personnel and vehicles, and the lack of adequate training for DOH inspectors that were brought to the attention of DOH management in a December 2001 Management Alert Report remained unresolved. Employees complained about the lack of inspectors and vehicles to conduct inspections efficiently, and the lack of training necessary to maintain skills and certifications required to conduct inspections effectively.

**Recommendation:** That the Director provide the staff and vehicles necessary to conduct inspections in accordance with federal and District laws and that all inspectors are given the opportunity and means to attend all required training.

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## **ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION**

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**Department of Health (DOH)—Management Alert Report 02-I-006,  
June 28, 2001**

The Director of the Department of Health was informed that the main telephone number advertised for substance abusers to obtain critical treatment information is often not answered or callers receive a busy signal. In addition, employees do not have voicemail so callers are unable to leave messages. Consequently, employees cannot efficiently receive and respond to calls from substance abusers seeking help or from any other District stakeholders.

**Recommendation:** That the Director take immediate action to ensure that the telephone system will allow employees to respond to callers promptly and efficiently.

**Department of Health (DOH)—Management Alert Report, 02-I-007,  
August 20, 2002**

The Director of the Department of Health was informed that an article published in a local newspaper indicated that a doctor who had been suspended from practice in both Virginia and New York for inappropriate conduct of a sexual nature may have an active license to practice in the District.

**Recommendation:** That the Director review the status of the medical license of the doctor and determine whether action should be taken to suspend the license based on the circumstances that gave rise to the Virginia and New York suspensions.

**Department of Health (DOH)—Management Alert Report, 02-I-008,  
September 25, 2002**

The Director of the Department of Health was alerted to numerous environmental and safety problems at a detoxification center overseen by DOH. Inspectors found, among other things, poor ventilation, exposed, rusting and leaking pipes, unsanitary food preparation and food service areas, possible electrical and fire code violations, and evidence of vermin infestation throughout the facility.

**Recommendation:** That the Director order an immediate inspection of the facility to determine if there are any violations of District codes pertaining to health, food safety and building conditions, and ensure that corrective actions are taken as necessary, that the Director ensure that regular maintenance is

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## ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION

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performed, and that building codes and sanitation at the facility conform to all applicable District and federal standards.

### 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 time line for acting upon and completing all recommendations made in the report. Compliance inspectors will track an agency's progress until all recommendations have been complied with. Agencies are asked to submit documentation on each recommendation in the inspection report that explains the action taken by the agency to comply. These submissions are reviewed in line with the intent of the findings and recommendations in the inspection report. When the 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.

#### *Inspections and Evaluations Division Performance Statistics* Fiscal Years 2001-2002

Activity	FY 2001	FY 2002
Reports Issued <sup>1</sup>	14	11
Findings	195	66
Recommendations made to Agencies	345	83
Recommendations agreed to by Agencies	235	62

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<sup>1</sup> Includes Reports of Inspection and Management Alert Reports

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## **ACTIVITIES OF THE INSPECTIONS AND EVALUATIONS DIVISION**

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### **2003 INSPECTION PLAN**

The FY 2003 Inspection Plan, issued August 30, 2002, 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 three inspections in FY 2003: the Office of the Chief Medical Examiner; the Youth Services Administration in the Department of Human Services; and the D.C. Taxicab Commission.

Compliance inspections scheduled for this fiscal year will verify implementation of inspection recommendations for the Department of Motor Vehicles, the Department of Motor Vehicles Inspection Station, the Department of Health's Medicaid Assistance Administration, the Department of Parks and Recreation, and the Department of Public Works.

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**ACTIVITIES OF THE INSPECTIONS  
AND EVALUATIONS DIVISION**

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**ACTIVITIES OF THE INVESTIGATIONS DIVISION**



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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

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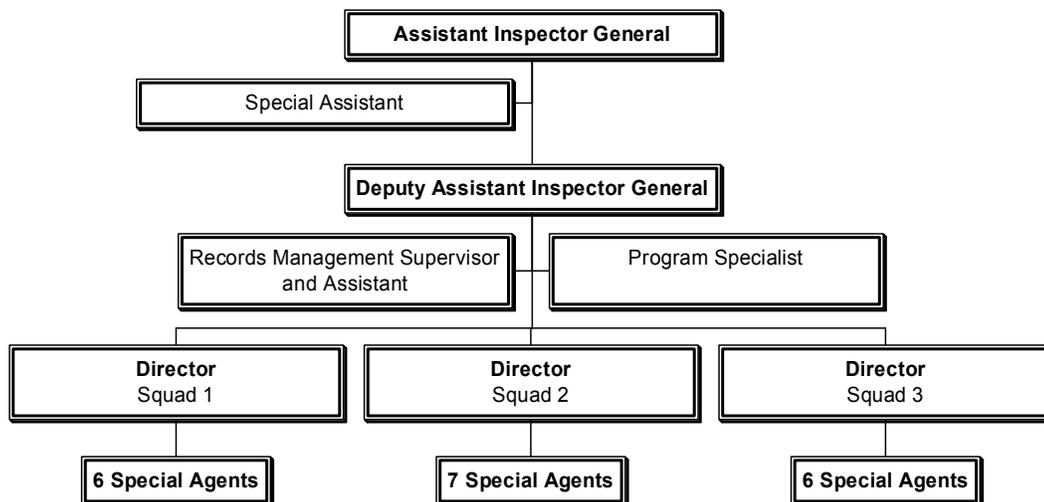
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### ORGANIZATION

The OIG Investigations Division (ID) is headed by a Deputy Inspector General for Investigations (DIGI), who is responsible for providing leadership and direction to the Division and to the Medicaid Fraud Control Unit. The day-to-day operation of the ID is the responsibility of the Assistant Inspector General for Investigations (AIGI), who supervises a management team that consists of a Deputy AIGI and three Directors. Each Director is responsible for a team of Special Agents who are assigned both administrative and criminal investigations concerning District government operations, District government employees, and those doing business with the District government. During this fiscal year the position of Records Management Supervisor was created to provide organization and accountability to the various records systems of the OIG. This supervisor reports directly to the Deputy AIGI. The Program Specialist is responsible for the effective operation of the Hotline Program and for the Referral Program.

The ID is comprised of 28 employees, including 5 managerial/supervisory personnel, 19 Special Agents, 1 Special Assistant, and 3 support staff members. OIG Special Agents are sworn law enforcement officers and are required to possess a 4-year degree from an accredited college or university; many of our Special Agents hold advanced degrees and professional certifications. Newly hired Special Agents are required to attend and successfully complete a 10-week basic training course at the Federal Law Enforcement Training Academy, Glynco, Georgia. They are also required to meet the firearm qualification standards of both the FBI and the MPD. ID staff includes former investigators and managers from law enforcement agencies, such as the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration, the U.S. Secret Service, federal OIGs, and major police departments. Special Agents are authorized to carry firearms during the performance of official duty, make arrests in limited situations, execute search warrants, and administer oaths.

### Investigations Division Organizational Chart



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## **ACTIVITIES OF THE INVESTIGATIONS DIVISION**

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### **RESPONSIBILITIES**

The ID is responsible for conducting criminal and administrative investigations into allegations of waste, fraud, and abuse on the part of District government employees and contractors. In addition, the ID conducts investigations of District government employee conduct alleged to be violative of the Standards of Conduct. When investigative findings solely indicate non-criminal employee misconduct or management deficiencies, Reports of Investigations (ROIs) are prepared and forwarded to the responsible agency heads. These administrative investigations typically uncover violations of District law, policy, and/or regulations. They also identify the individuals responsible for the violations and make recommendations for disciplinary action. Equally important to the investigative process, however, is the identification of program weaknesses, contracting irregularities, and other institutional problems that place a District government agency at risk for waste, fraud, and abuse. Therefore, the ROIs frequently make concrete recommendations to correct the identified deficiencies, provide guidance on the applicable laws and regulations, and suggest employee training where appropriate.

When the investigative findings are indicative of criminal conduct, they are presented to either the Office of Corporation Counsel (OCC) or the United States Attorney's Office (USAO) for the District of Columbia for prosecutorial opinion and action. When a case is accepted by either entity for prosecutorial consideration, the investigation will proceed under the guidance and direction of the prosecutors and often in conjunction with other law enforcement partners, such as the FBI. The investigative findings are also used to determine whether civil action is appropriate in addition to or in lieu of criminal prosecution.

The Records Management Unit is responsible for maintaining the investigative files of the ID and for coordinating the development and retention of all OIG files in accordance with District law and policy. The Unit is also responsible for maintaining the chain-of-custody for all evidence and for protecting the identity of matters subject to the Grand Jury secrecy provisions of Rule 6(e) of the Federal Rules of Evidence. In addition, the Unit works closely with the OIG's General Counsel to identify and produce documents requested pursuant to the District of Columbia Freedom of Information Act. Consequently, the Unit is also responsible for maintaining a comprehensive database of ID investigative information and a formal case file system that allows the ID to locate all investigative information through the identity of complainants, subjects, and critical witnesses.

The Referral Program is an important adjunct to the investigative work of the ID and allows the OIG to be responsive to citizen complaints of waste, fraud, and abuse. Complaints and allegations received by the OIG that do not warrant formal investigation by the ID are referred to the appropriate District or other government agency for consideration and resolution. In most cases, the responsible agency head is requested to respond to the ID's questions and concerns. Based on the adequacy of the response, the ID determines whether further investigation is warranted. The Referral Program is an invaluable mechanism by

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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

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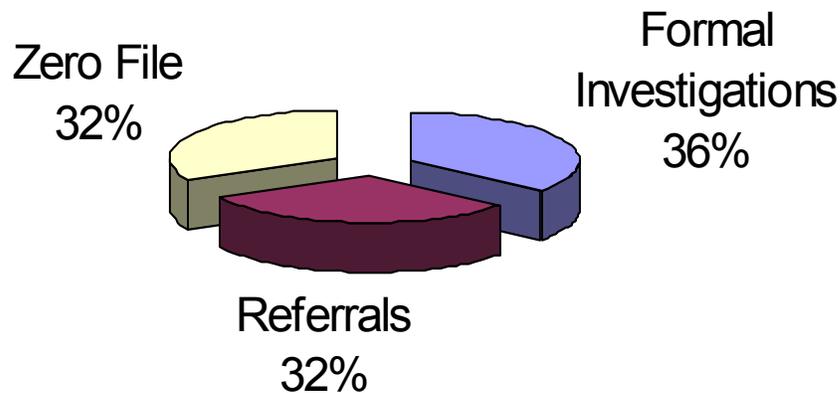
which the OIG is able to inquire of District government agency heads in order to ensure that they are accountable to citizen concerns and responsive to the public interest.

The Hotline Program is an equally important component of the ID whereby the OIG is available 24 hours a day to receive telephonic complaints from District government employees and the general public. OIG investigative personnel are on duty every working day during normal business hours to respond to telephonic complaints. All complaints received during non-business hours are recorded and an appropriate response is initiated the next workday.

### INVESTIGATIVE WORKLOAD AND PRIORITIES

At the start of FY 2002, the OIG had 273 pending investigations. A total of 451 new investigative complaints was received during FY 2002. Of those 451 matters, 162 were opened as formal investigations, 143 were referred to agency heads for action, and 146 were closed without further action (or placed in the “Zero” file).

The chart below reflects the proportionate resolution of investigative matters received in FY 2002:



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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

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Each Special Agent retains an average caseload of between 15 to 20 formal investigations. This is an exceptionally high workload in comparison to federal OIGs and other law enforcement agencies that investigate public corruption and government fraud. Consequently, the ID is required to prioritize the use of its strained investigative resources. Priority investigations include the following:

- Matters referred from the Executive Office of the Mayor (EOM), D.C. Council, and Congress.
- Allegations of serious criminal activity on the part of District government employees involving government fraud and public corruption.
- Allegations of procurement fraud that are of a significant dollar value.
- Allegations of misconduct on the part of agency heads and other high-ranking executives in the District government.
- Systemic program or management deficiencies that need immediate attention and correction.

In February 2001, the OIG received simultaneous referrals from the Mayor and D.C. Councilmembers requesting an investigation of public allegations that employees of the EOM were engaged in improper fundraising. Because the allegations implicated numerous District government employees, including executives of the EOM, and because the fundraising activities raised substantial sums of money, the OIG determined that it was necessary to devote almost all of the ID's resources to this investigation for approximately 10 months. This investigation yielded a 514-page ROI, which was submitted to the Mayor, the D.C. Council, and other public officials in March 2002.

As a consequence of this unique investigation, the ID was required to place other investigative matters in abeyance for substantial periods of time during both FY 2001 and 2002, and statistical comparisons of relevant data reflect this deviation from the norm. As the chart below indicates, the number of matters opened for active investigation decreased and, consequently, the number of ROIs prepared decreased as well. The increase in case closures was due, in part, to improved and effective responses received from agency heads pursuant to the Referral Program. However, in keeping with the ID's priorities, the number of criminal convictions increased dramatically.

<u>Activity</u>	<u>FY 2001</u>	<u>FY 2002</u>	<b>Percent Increase (Decrease)</b>
Investigations Opened	182	162	(11%)
Investigations Closed	159	299	88%
ROIs Prepared	46	25	(46%)
Criminal Convictions Obtained	11	16	45%

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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

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### INVESTIGATIONS CLOSED

The following is a breakdown, by District agencies/departments involved, of the 299 investigations closed in FY 2002. These statistics are reflective of the size of the agency, the nature of its mission, and the proportionate frequency with which the ID initiates investigations based on credible allegations of waste, fraud, and abuse.

Advisory Neighborhood Commissions	4
Board of Elections and Ethics	1
Child and Family Services Agency	2
Civilian Complaint Review Board	1
Commission on Mental Health Services	1
Council of the District of Columbia	1
D.C. General Hospital – Public Benefit Corporation	3
D.C. Housing Authority	4
D.C. Lottery and Charitable Games Control Board	2
D.C. Office of Personnel	3
D.C. Public Schools	23
D.C. Superior Court	3
Dept. of Consumer and Regulatory Affairs	22
Dept. of Corrections	5
Dept. of Employment Services	11
Dept. of Fire and Emergency Medical Services	21
Dept. of Health	22
Dept. of Housing and Community Development	11
Dept. of Human Services	13
Dept. of Insurance and Securities Regulation	2
Dept. of Mental Health	6
Dept. of Motor Vehicles	29
Dept. of Parks and Recreation	5
Dept. of Public Works	17
Executive Office of the Mayor	4
Housing Finance Agency	1
Metropolitan Police Department	16
Office on Aging	1
Office of Business and Economic Development	1
Office of Cable Television	1
Office of the Chief Financial Officer	7
Office of the Chief Technology Officer	2
Office of Communications	1
Office of the Corporation Counsel	2
Office of Economic Development	1
Office of Grants Management	1

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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

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Office of Human Rights	4
Office of Property Management	2
Office of the Recorder of Deeds	2
Office of Tax and Revenue	1
Office of Unemployment Fund Compensation	1
Other	21
Public Charter Schools	1
Public Service Commission	1
Taxicab Commission	5
University of the District of Columbia	3
Water and Sewer Authority	8
<b>Total Closed Investigations</b>	<b><u>299</u></b>

### HOTLINE USAGE

Detailed hotline statistics are included in Appendix D. D.C. Code § 47-2881 (2001) requires the OIG to submit quarterly reports to Congress on the number and nature of calls placed to the Hotline. The OIG Hotline numbers are (202) 727-0267 and 1-800-521-1639. Approximately 4,000 hotline calls are received every year. 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) do not report sufficient information to enable the OIG to initiate an investigation, and other calls concern matters that are not within the OIG's jurisdiction for investigation. Still other matters cannot be pursued because the OIG lacks the personnel and resources to handle the investigations.

Numerous complainants call the OIG Hotline to report that District government agencies were not responsive to their initial calls. Many of these and other inquiries were successfully redirected to a responsive District government official or resolved informally with the caller.

The OIG received a total of 211 calls on the Hotline during FY 2002 that required further action by the ID. 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 via mail, email, facsimile, in person, and by referral from other departments and agencies, the EOM, the D.C. Council, and Congress.

### SUMMARY OF PROSECUTIVE ACTIVITY

The OIG is required to refer credible allegations of criminal conduct on the part of District government employees and contractors to the USAO for prosecutorial consideration (D.C. Code § 2-302.08(a)(3)(F) (2002)). In FY 2002, the OIG referred 41 cases to the USAO for

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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

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possible prosecution; 27 were accepted for further investigation, and 14 cases were declined prosecution. The investigations conducted by the OIG (and, in some cases, in conjunction with other law enforcement agencies) resulted in 16 convictions in FY 2002. The individuals who were convicted received sentences that included imprisonment, home detention, probation, fines, and restitution.

### RESTITUTIONS AND RECOVERIES

During FY 2002, individuals convicted as a result of OIG investigations were ordered to pay a total of \$669,936.34 in restitution, fines, and recoveries. In addition, the ID recouped \$205,425 in asset seizures.

#### Summary of Restitution and Recoveries

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Asset Seizure	\$ 0	\$2,959,646	\$205,425
Restitution/Fines/Recoveries	<u>2,112,694</u>	<u>1,181,071</u>	<u>669,936</u>
<b>Totals</b>	<b>\$2,112,694</b>	<b>\$4,140,717</b>	<b>\$875,361</b>

### INVESTIGATIVE REPORTS

The OIG issued 25 investigative reports (ROIs) in FY 2002. Formal ROIs are issued at the conclusion of significant investigations of misconduct, waste, fraud, and abuse. In cases where the allegations are substantiated, the ROIs recommend disciplinary and/or remedial action where appropriate. These ROIs are then distributed to responsible District government agency heads, with executive summaries distributed to the Mayor, the D.C. Councilmembers, and, where necessary, to Congressional oversight committees.

In addition, the ID prepares a variety of other investigative reports to respond to more immediate problems. Management Alert Reports (MARs) are issued to particular District government agency heads to alert them to an issue uncovered during the course of an ID investigation that requires immediate attention. For example, in FY 2002 the ID issued a MAR to alert the Department of Health (DOH) to allegations of systemic misuse of District government vehicles by DOH employees. The ID also issued a MAR to alert the Department of Consumer and Regulatory Affairs (DCRA) that numerous employees may be driving District government vehicles without valid District government licenses.

Management Implication Reports (MIRs) are issued to numerous agency heads to alert them to issues or problems that affect more than one agency. For example, the OIG issued a MIR in FY 2002 to alert agency heads to be mindful of the liability created by instances of the use of alcohol by off-duty District government employees on District property.

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## **ACTIVITIES OF THE INVESTIGATIONS DIVISION**

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Fraud Alert Reports (FARs) are issued to agency heads as notification of particular criminal schemes. For example, the OIG issued a FAR in FY 2002 that alerted agency heads to avoid a telephone telemarketing scam perpetrated on cellular telephone users, and another FAR was issued to DCRA to require the agency to improve the process by which electrical permits are issued.

Finally, the ID issued numerous Significant Activity Reports during FY 2002 to notify the Mayor and affected agency heads of criminal prosecutions and convictions of District government employees and contractors.

Based on the number and content of investigations undertaken by the ID in FY 2002, there appears to be a continuing problem in three particular areas involving District government employees:

- Theft of goods, services, and funds.
- Misuse of District government vehicles.
- Submission of false and misleading personnel information on applications for employment and accompanying résumés.

### **SIGNIFICANT INVESTIGATIONS**

#### **An Investigation of Certain Fundraising Activities of the Executive Office of the Mayor**

In January 2001, various media reports called into question the propriety of certain fundraising activities conducted by the EOM. As a result of these reports, Mayor Anthony A. Williams and D.C. Councilmembers Vincent B. Orange and David A. Catania requested that the OIG conduct a thorough investigation into allegations that the EOM's fundraising efforts may have violated campaign, ethical, and/or criminal law. This thirteen-month investigation covered two and a half years of fundraising activities, involving numerous District government employees, and required hundreds of interviews as well as detailed financial analyses of the activities of various non-profit corporations.

In total, the OIG's investigation encompassed nine fundraising events, in which the EOM - in conjunction with several non-profit organizations - raised approximately \$1.5 million. The most significant of the investigation's sixteen general findings include the following: 1) that the EOM solicited large sums of money from private donors that either had business relationships with the city or were contributors to the Mayor's re-election campaign without adhering to public accounting and disclosure safeguards in the process; 2) that government employees created private non-profit organizations in order to raise and control funds and, in some cases, failed to resolve the EOM's financial obligations with vendors; and 3) that District government employees conducted fundraising activities on behalf of private non-profit entities from government offices and during office hours.

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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

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These findings, in turn, resulted in several recommendations and referrals to federal authorities and District agencies, ranging from recommendations to the OCF and District agency heads for disciplinary action against District government employees for ethical violations, to referrals to the OSC and the U.S. Internal Revenue Service/D.C. Office of Tax and Revenue for potential violations of the Hatch Act and the tax codes, respectively. In addition, the OIG requested the OCC and the Office of the Chief Financial Officer (OCFO) to consider whether the EOM's failure to adhere to conditions set forth in Congressional Appropriation Acts concerning the Mayor's gift acceptance authority constituted a violation of the federal Anti-Deficiency Act. Finally, the OIG referred this report to the USAO for consideration of prosecutorial merit.

As a result of the fundraising allegations and the OIG's investigation, Mayor Williams issued Mayor's Order 2002-2 and Memorandum 2002-1 in January 2002 to establish formal policy and procedures for the solicitation and receipt of donations by District government employees. These documents, *inter alia*, created a new Office of Partnerships and Grants Development and set forth uniform procedures for District government agencies to ensure that all future donations comport with federal and District legal requirements.

### **Fraud by a Senior District Government Employee**

Saamir Kaiser, former General Counsel, OCFO, repeatedly made false and fraudulent statements concerning his credentials in order to obtain positions and promotions within the District government. As a result of these false statements, Kaiser obtained salary payments totaling \$266,000. In addition, Kaiser served as the Assistant Treasurer for the D.C. Tobacco Settlement Financing Corporation and defrauded the Corporation out of more than \$248,000, using the funds for personal expenses. In July 2002, Kaiser pled guilty to fraud in the first degree and mail fraud charges and, in October 2002, he was sentenced to four and a half years of federal imprisonment and ordered to pay restitution in the amount of \$514,000. The court further sentenced him to an additional six years of supervised probation, during which time restitution will be taken from any income that he earns. In a separate civil case, Kaiser agreed to pay \$150,000 in punitive damages to the District government.

### **An Investigation into Whether a Fire and Emergency Medical Services Department (FEMS) Promotional Test was Compromised**

This investigation revealed that an unauthorized study guide was prepared and disseminated to several test takers who were testing for either the Sergeant, Lieutenant, or Captain examination. The investigation also identified the FEMS employee responsible for preparing the unauthorized study guide. This employee's conduct was presented to a FEMS trial board; subsequently, he was found guilty of misconduct and terminated. Additionally, the promotional examination was discarded and a new examination was prepared and issued. This employee's conduct adversely affected over 400 FEMS employees and cost the District

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## **ACTIVITIES OF THE INVESTIGATIONS DIVISION**

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additional funds to contract for the development of a new examination. As a result of the OIG investigation, corrective action has been taken and, hopefully, confidence and equity restored to the FEMS promotion examination process.

### **A Report Concerning the Review of the District's Towing Regulations**

As a result of numerous complaints, the ID commenced a comprehensive review of towing operations and procedures for the District cranes and private tow companies. The investigation determined that there was a lack of control measures to prevent vehicles from being misplaced, which resulted in a severe inconvenience and added cost to District residents. Five specific findings were recorded, and eleven recommendations were offered to resolve the findings and to suggest revisions to the District's tow regulations. As a result of our investigation and recommendations, the District's tow regulations have been revised and are pending approval by the D.C. Council.

### **An Investigation into an Allegation that the Chief, FEMS, Produced a False Résumé**

Based on a request from the EOM and the District of Columbia Office of Personnel (DCOP), the OIG conducted an investigation to determine whether the former FEMS Chief submitted false information on his résumé when he applied for the position. During the investigation, the former Chief admitted that a reference on this résumé to a degree from a college was inaccurate because he had no such degree. In addition, the investigation determined that his résumé falsely stated that he received awards from two professional associations. As a result of this investigation, the OIG made recommendations to DCOP to improve pre-employment background investigative procedures within the EOM and DCOP. The former Chief resigned from his position.

### **Violation of the Pregnancy Discrimination Act by a District Government Manager**

Based on a referral from FEMS, the ID investigated allegations that a management employee improperly warned newly hired female Emergency Medical Technicians (EMT) not to become pregnant during their first year of employment or suffer the consequences of termination. As a result, three EMTs terminated their pregnancies out of fear of losing their jobs. The investigation substantiated the allegations and recommended disciplinary action against the management employee for violation of the Pregnancy Discrimination Act. The management employee was suspended without pay for four weeks, demoted from supervisor to paramedic, and subsequently retired from District service.

### **Bribery of a District Government Official**

The owner of a business that contracted with the District government to perform janitorial services at several District buildings was charged in a 23-count indictment by a federal grand jury for participating in a conspiracy to bribe an unnamed District government official and

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## **ACTIVITIES OF THE INVESTIGATIONS DIVISION**

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for committing wire fraud. As a result of criminal indictments, the ID, in conjunction with the FBI, executed criminal forfeiture actions upon which cash and properties belonging to the company and its owner, valued at approximately \$3,190,275, were seized. The company's owner and a District government official fled the United States and are currently fugitives.

### **Wire Fraud and Embezzlement by a Former Employee of the District of Columbia Community Services (DCCS) Corporation**

The former DCCS Executive Director was sentenced to a prison term of 33 months after pleading guilty to one count of wire fraud in connection with a \$350,000 embezzlement scheme involving DCCS funds. This employee was also ordered to pay \$344,931 in restitution and to serve three years of supervised release.

### **Theft of Government Property by a Former Department of Corrections (DOC) Employee**

A former DOC employee pled guilty and was sentenced to three months probation and ordered to pay \$50 to the Victims of Crimes Fund, in connection with the theft of District government property. These thefts occurred at the Central Warehouse, DOC, Lorton, Virginia complex. The employee resigned upon notice of the ID's investigation.

### **Theft of Government Property by a Contractor**

Based on a referral from the Office of Tax and Revenue (OTR), the ID investigated an allegation that a contract employee stole several computers and related equipment from the Office of the Recorder of Deeds (ROD). The employee worked as a computer network administrator and was responsible for managing the computer network in the ROD building, where he had unrestricted access to the computer storage room. During the investigation, the employee admitted taking computer equipment valued at over \$8,000. The investigation showed that this employee sold the equipment at several pawnshops in Prince George's County. With the assistance of Prince Georges County detectives, OIG agents recovered most of the stolen items and returned them to ROD. The employee was indicted on one count of felony theft in the first degree and, in April 2002, pled guilty to one count of misdemeanor theft in the second degree. He was sentenced to serve two years supervised probation and ordered to pay restitution in the amount of \$1,325 – the cost of the unrecovered items. The employee was also terminated from his contract position.

### **Theft of D.C. Public School (DCPS) Funds by a District Government Employee**

A former employee of DCPS was sentenced in federal court in November 2001 after pleading guilty to one count of Theft Concerning Programs Receiving Federal Funds. The individual's position allowed him access to funds in the Direct Activity Purchase System (DAPS) from which he wrote checks to purchase merchandise for himself. The individual

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## **ACTIVITIES OF THE INVESTIGATIONS DIVISION**

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also created false entries and documents to hide irregularities in the administration of the DAPS account. He was sentenced to four months incarceration and three years of supervised release, the first four months of which was to be served in home detention under electronic monitoring. He was also ordered to pay restitution in the amount of \$6,923.10.

### **Contractor Overbilling to the Department of Corrections**

An investigation was conducted based on a request from the Director, DOC, to determine if a contractor submitted false invoices for services not provided. The investigation resulted in the OCC and the contractor reaching a settlement, whereby: (1) the contractor agreed to pay the District government \$34,000 at seven percent interest for three years, to be credited to the DOC, and (2) the contractor agreed to pay \$17,000 into the District government's Anti-Fraud Fund.

### **Theft of Services by a District Employee**

A former employee of the Commission on Mental Health Services was sentenced in D.C. Superior Court in January 2002 after pleading guilty to one count of false representation. This employee fraudulently obtained \$906 in District wages for two-weeks of military training that she did not attend in June 1999. Her actions involved conspiring with a United States Army Reserve official, who prepared fictitious military orders purportedly calling her to active reserve duty for the two-week period. She was sentenced to 30 days incarceration, which was suspended, and one year of probation. She was also ordered to pay a fine of \$200 and \$50 to the Victims of Violent Crimes Fund.

### **Theft of District License Plates and Validation Stickers**

A DMV employee was arrested and charged with theft of District license plates and validation stickers. This employee worked at the desk where a District citizen surrendered their license plates. The employee took these plates and placed them on her vehicle, adding new validation stickers to the plates, which were also stolen from DMV. The employee was also charged with driving without a valid driver's license and operating an unregistered motor vehicle. In March 2002, the employee was sentenced to five months probation and required to pay a \$50 fine. In addition, the employee's employment with DMV was terminated.

### **Theft of Funds by a District Government Employee, OCFO**

A former employee of the Office of Finance and Treasury, OCFO, pled guilty to second-degree theft. This employee had transferred \$5,000 from a District custodial account into a personal bank account, and attempted to hide the theft by claiming the \$5,000 was transferred inadvertently while conducting wire transfer testing. In an attempt to further conceal the theft, the employee presented management with an account credit statement showing the

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## **ACTIVITIES OF THE INVESTIGATIONS DIVISION**

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funds had been credited back to the custodial account. However, an investigation revealed the source of the credited amount was from another District government account. This employee resigned prior to the initiation of our investigation, but was sentenced to two years supervised probation, 25 hours community service, and ordered to pay restitution of \$5,000 as well as a \$50 court assessment.

### **Operation Double Dip**

The ID, in conjunction with the USAO and the Department of Employment Services (DOES), initiated a joint investigation to detect and prosecute individuals who unlawfully received unemployment benefits. To date, this ongoing investigative effort has resulted in four guilty pleas to First Degree theft in violation of District law, and sentences that include probation, community service, and \$54,678 in court ordered restitution.

### **REFERRALS**

The OIG frequently refers to other departments and agencies administrative matters that can best be addressed by those agencies or due to jurisdictional issues. For example, issues involving the electoral process are referred to the Office of Campaign Finance (OCF), Hatch Act allegations are referred to the U.S. Office of Special Counsel (OSC), and EEO-related complaints are referred to the Office of Human Rights. In addition, the OIG is a party to a Memorandum of Understanding with the MPD, which provides that allegations of traditional personal and property crimes, as well as all complaints involving controlled substances, are referred to the MPD. Most allegations of misconduct on the part of the MPD employees are referred to the MPD's Office of Professional Responsibility.

In most cases, the OIG monitors the responses to these referrals to ensure that the matters are handled appropriately. 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 2002, the OIG referred a total of 143 matters to the following District agencies:

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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

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<u>Agency</u>	<u>Number of Referrals</u>
Board of Real Property Assessments and Appeals	2
Child and Family Services Agency	2
Citizen Complaint Review Board	1
Council of the District of Columbia	2
D.C. Housing Authority	4
D.C. Lottery and Charitable Games Control Board	2
D.C. Office of Personnel	4
D.C. Public Schools	6
D.C. Taxicab Commission	3
Dept. of Consumer and Regulator Affairs	8
Dept. of Corrections	5
Dept. of Employment Services	5
Dept. of Fire and Emergency Medical Services	5
Dept. of Health	7
Dept. of Housing and Community Development	1
Dept. of Human Services	10
Dept. of Insurance and Securities Regulation	4
Dept. of Mental Health	4
Dept. of Motor Vehicles	16
Dept. of Parks and Recreation	1
Dept. of Public Works	8
Metropolitan Police Department	16
Office of the Chief Financial Officer	2
Office of the Chief Technology Officer	1
Office of Contracting and Procurement	4
Office of the Corporation Counsel	2
Office of Planning	2
Office of Property Management	1
Office of Tax and Revenue	3
Other	9
Superior Court	1
University of the District of Columbia	1
Water and Sewer Authority	1
<b>Total Referrals:</b>	<b><u>143</u></b>

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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

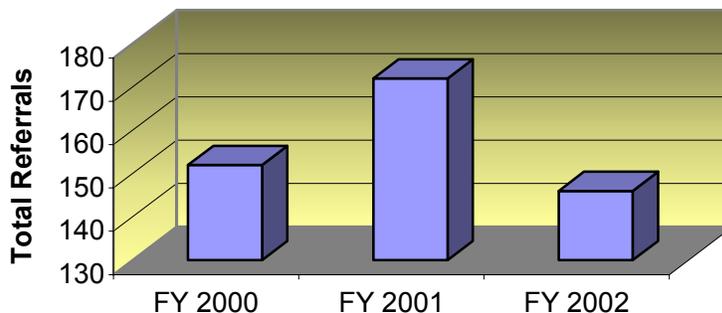
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### Referrals for the Past 3 Fiscal Years

Total Referrals	<u>FY 2000</u> 149	<u>FY 2001</u> 169	<u>FY 2002</u> 143
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**Referrals for the Past 3 Fiscal Years**



### SIGNIFICANT RESULTS FROM THE REFERRAL PROGRAM

The following are examples of significant outcomes for referrals either sent to agency heads or resolved during FY 2002.

**Case 1:** This referral to the OTR, OCFO, was made in FY 2001, but resolved in FY 2002. An employee alleged harassment and retaliation in the workplace, as well as age, race, and religion discrimination. While the agency was not able to confirm the acts of gross retaliation alleged, it did acknowledge that a number of administrative and managerial matters should have been addressed differently. The agency also was able to address the complainant's concerns to the complainant's satisfaction.

**Case 2:** The OIG referred this case to the Department of Mental Health (DMH) in FY 2001, but the matter was resolved in FY 2002. The basis for the referral stemmed from an allegation that an excepted service position had been improperly created and filled with an applicant who did not meet the residency requirement for the position. The agency's review of the allegation substantiated the allegations and the Excepted Service appointment was terminated.

**Case 3:** The OIG also referred this case to the DMH in FY 2001, but it was not resolved until FY 2002. The complainant alleged that inappropriate medication had been deliberately administered to a patient at St. Elizabeth's Hospital in retaliation for complaints that the patient made against hospital staff. The agency's review of this matter revealed that inappropriate medication had been administered to the patient; however, the agency found

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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

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that it had not been a deliberate act but the result of a transcription error to the medication sheet of another patient who had the same initials as this patient.

The nurse supervisor reviewed the incident, as required by hospital policy in all instances of medication error, and the employees who made the transcription error and administered the medication were counseled by their immediate supervisors. Furthermore, the nurse manager met with all unit nursing staff to reinforce the need for verification of medication transcription to ensure that transcriptions match physician orders. Each nurse is also required to review medication administration policy to reinforce understanding of policy and practice. The patient was unharmed by the incident and continues to reside in the community.

**Case 4:** This referral to the Department of Public Works involved an allegation that an employee, while in uniform, threatened a private citizen. The agency's review substantiated the allegation and a recommendation for termination ensued.

**Case 5:** This referral to the DOH grew out of an audit report concerning the Washington Humane Society's (the Society) safeguards on pharmaceuticals and the sale or transfer of animal blood in violation of the Society's contract with DOH. As a result of the agency's review, expired pharmaceuticals were replaced, record-keeping was updated, and the records were moved from the Society's headquarters to the shelter itself. A subsequent inspection confirmed that the old violations had been corrected, and there were no new violations. Two new logs were instituted for the use of controlled substances, and new record-keeping requirements have been designed. Blood transfers were found to have taken place, in violation of the terms of the Society's contract with DOH. The Society was informed of the violation and the latest Request For Proposal includes text explicitly prohibiting such transfers.

**Case 6:** This referral to the DOC involved an allegation that two employees were involved in an automobile accident while driving an agency vehicle, their supervisor falsely claimed to have witnessed the accident, and the supervisor failed to send the employee driver to alcohol and drug screening within twenty-four hours, as required. In response to this referral, the supervisor denied making a false statement regarding being a witness to the accident; however, the supervisor resigned shortly thereafter.

**Case 7:** This referral to the Department of Human Services (DHS) involved an allegation that an employee withheld food stamp benefits from twenty-five to thirty homeless clients for the employee's personal use. While the agency's review conclusively disproved the allegations, the review resulted in a recommendation to initiate a new system to routinely verify food stamp applicants' addresses in order to help prevent fraud.

**Case 8:** This referral to the DHS concerned an employee acting as a notary public at work despite possessing a notary public license in Maryland only. The agency's review of this allegation showed that the subject was a Maryland notary public, and that the employee's

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## ACTIVITIES OF THE INVESTIGATIONS DIVISION

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position did not require the performance of notary services. Because the employee had performed notary services at work at the request of other employees, the employee was instructed to cease performing these activities at work.

**Case 9:** This referral to the District of Columbia Housing Authority concerned an allegation that a supervisor forged a subordinate's name to a receipt for tools that had either not been delivered or had been appropriated by the supervisor. The agency's review substantiated the allegation that the supervisor had signed a subordinate's name to a receipt without the subordinate's permission; however, because the agency found no evidence of intentional wrongdoing or that the tools had not been delivered, the agency resolved the case by counseling the supervisor and giving the supervisor a written letter of reprimand.

**Case 10:** This referral to DHS involved an allegation that a recipient of Temporary Aid to Needy Families (TANF) resided in Maryland but falsely claimed District residency in order to continue to receive public assistance benefits. It was also alleged that the subject abused and neglected his/her child. The agency's review of this complaint found that the subject did reside in the District. However, because the review also revealed that the child had an excessive number of absences from school, the appropriate school intervention authorities were notified.

**Case 11:** This referral to DHS concerned another allegation that the subject falsely claimed District residency, and that the subject additionally falsely claimed that four children resided with him/her in order to obtain District government public assistance benefits. The agency's investigation substantiated the allegations, and the matter was referred to OCC for criminal prosecution. The overpayments of both food stamp benefits and TANF in this case totaled \$8,268.

**Case 12:** The OIG referred an allegation to the Child and Family Services Agency that an employee had made inappropriate personal use of an agency cellular telephone. The agency substantiated the allegation, recovered from the employee the total amount lost to the misuse, and placed a written reprimand into the employee's file for a six-month period.

**Case 13:** This referral to the FEMS involved an allegation that an employee claimed overtime pay for inspecting bars and nightclubs for overcrowding but failed to actually perform the duties claimed and was at home during the hours claimed. In light of the allegation, a Fire Marshal's Directive was issued to all members concerning overtime authorization. This memorandum establishes the number of hours and personnel authorized for events such as public assembly and neighborhood services activities. It also required all overtime and compensatory time to be approved through the chain of command. In addition, all officers have been instructed to thoroughly review overtime claims for public assembly and other events. The Fire Prevention Bureau is also in the process of creating an inspection form specifically for public assembly inspections that will increase accountability. Finally, a

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## **ACTIVITIES OF THE INVESTIGATIONS DIVISION**

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FEMS Inspector has a disciplinary action now pending before a Fire Trial Board as a result of this referral.

**Case 14:** In this referral to DHS, the complainant reported receiving bills for overpaid public assistance from DHS in the amounts of \$843 and \$974, but had not received public assistance benefits since 1996. Before contacting the OIG, the complainant had been unable to contact anyone at the agency to address the bills. The agency's review determined that the two claims were duplicative and not properly established. The review further revealed that \$130 was improperly recovered from the complainant in 1996. Accordingly, the agency notified the complainant and disbursed a \$130 refund. To prevent recurrence, the Income Maintenance Administration and OCFO have taken action to correct the cash assistance claims process and have scheduled upcoming customer service training.

**Case 15:** This referral to DCPS involved an allegation that student Individualized Education Plans (IEP) had been improperly altered. The agency's review substantiated the allegation that the IEPs of seven students were found to have been altered. As a result of the referral, the responsible school principal was given a fifteen-day suspension for failure to safeguard the integrity of the IEP process. Additionally, the IEPs were corrected and the students are receiving their appropriate services. Finally, document security has been revised so that IEPs are now locked with a limited list of individuals who are permitted access to them and reviewers must now sign a confidential register.

### **PERFORMANCE MEASURES TO EVALUATE PROGRESS**

The ID will employ the following performance measures to assess progress toward resolving identified risks:

- The number of complaints received and accepted for investigation.
- The number of investigations resolved and Investigative Reports prepared.
- The number of referrals resolved satisfactorily pursuant to our Referral Program.
- The number of matters successfully referred to and accepted for prosecutorial action by the USAO and the OCC.
- The number of convictions and resulting fines, recoveries, and restitution.

Existing performance measures are shown in Appendix C.

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**ACTIVITIES OF  
THE MEDICAID FRAUD CONTROL UNIT**



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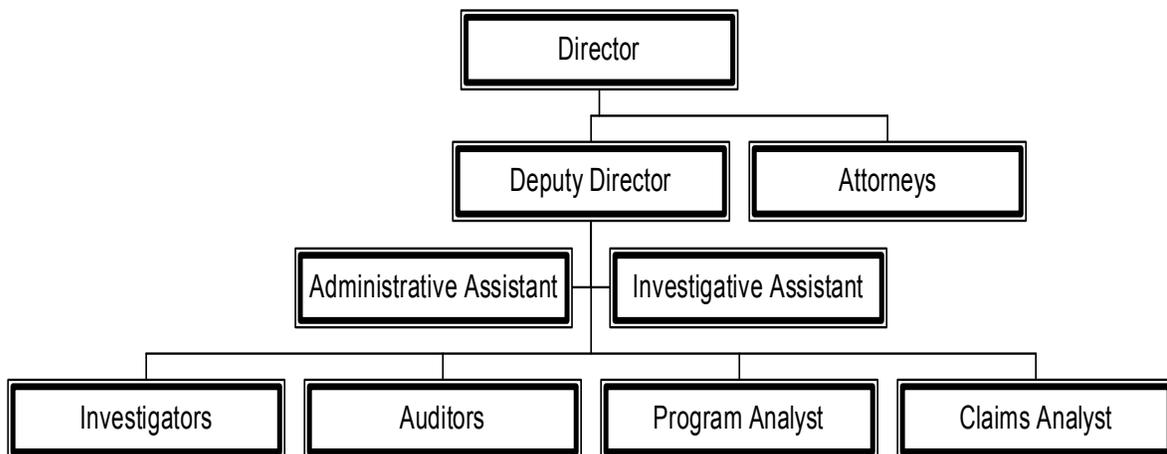
## ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

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### ORGANIZATION

FY 2002 marked the third year of existence for the Medicaid Fraud Control Unit (MFCU), which is the newest of the four divisions within the OIG. The United States Department of Health and Human Services certified the Unit on March 1, 2000, and FY 2002 was the second year in which the Unit was fully staffed and completely operational. The Unit's goal is to investigate and prosecute cases of fraud and abuse within the Medicaid program for the District of Columbia. Headed by a Director, the 16 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: a) financial fraud against the Medicaid program; and b) abuse or neglect of patients in Medicaid-funded nursing homes

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## **ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT**

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and other 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 discussions and meetings to review particular cases and projects. The Unit most frequently interacts with MAA's Surveillance and Utilization Review Unit (SUR). The SUR continues to be in a period of rebuilding and reorganization. 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 been given limited direct online access to Medicaid claims information regarding individual cases, which allows the Unit to instantly verify the status of health care providers. With greater access to this information, investigations can proceed more efficiently, with fewer burdens on MAA and MFCU personnel. Easy access to claims data for multiple providers and recipients will greatly facilitate our mission; whereas, delays in such access constitute an impediment in the investigation and prosecution of cases. Accordingly, we are continuing to seek greater access to claims data.

The Unit is now working on a significant number of fraud cases. Currently, we are working on approximately 40 fraud cases, including 30 matters that were opened during FY 2002. These involve allegations of fraud relating to a broad variety of health care providers, ranging from nationally known institutions to solo practitioners. Medical specialists involved in our cases include physicians, dentists, pharmacies, medical equipment suppliers, mental health clinics, nursing homes, and transportation providers. Investigations can lead to the filing of criminal, civil, and/or administrative charges. In fact, whenever appropriate, we consider the possibility of simultaneously working a case on parallel criminal, civil, and/or administrative tracks. In this way, we can obtain the powerful deterrent effect that comes with criminal convictions, and also maximize our potential for recovering funds taken from the Medicaid program. The first Unit fraud conviction of a Medicaid provider provides a clear illustration of this philosophy as put into practice. In this case, the Medicaid program alleged that optometrist John Toman defrauded it over a course of several years. After a thorough investigation, our Unit obtained a criminal conviction for theft from Medicaid. Dr. Toman pled guilty to two counts of theft in Superior Court in October 2001. He admitted to falsely charging the program a higher rate for grinding eyeglass lenses in his office, as opposed to the lower rate he was entitled to for providing lenses that had been ground outside of his office. Prior to Dr. Toman's conviction, the matter was referred to the United States Department of Health & Human Services for possible administrative action and civil penalties. A settlement was reached and monetary penalties were imposed in addition to his criminal convictions. Although health care fraud cases frequently take up to three or four

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## **ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT**

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years to move from receipt of an allegation to the filing of charges, the Unit currently has a number of matters that it believes will be resolved during FY 2003.

During FY 2002 there were also significant developments in the legislative arena. Previously, 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 §§ 4-801 – 804. The Council was supported in these actions by testimony provided by the MFCU. This legislation allowed the MFCU to utilize Medicaid fraud statutes that were previously only available to the Corporation Counsel. Furthermore, in utilizing these statutes, the Unit is now empowered to initiate criminal misdemeanor and civil cases in Superior Court. Permanent legislation has now been signed into law that grants these powers to the Unit on an ongoing basis. This legislation provides the Unit with greater charging options in fraud cases, complementing its already existing ability to prosecute cases under the U.S. Code or the D.C. Code in collaboration with the U.S. Attorney's Office. In fact, this legislation has already played a useful role in successful negotiations leading to a plea agreement in a criminal matter. 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.

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. Moreover, we work closely with industry groups on problems of mutual concern. One notable example is our effort in the area of OxyContin abuse. This highly addictive drug is often diverted from legal channels and sold on our nation's streets. Furthermore, drug dealers conspire with corrupt medical professionals to file false Medicaid claims to finance the drug trade. In other cases, individuals take advantage of unsuspecting professionals to obtain unneeded prescriptions for the drugs, which are eventually sold on the street. Either way, society may pay twice for this problem—through higher Medicaid costs and the added burden of increased addiction rates. Although the District's statistics do not indicate that we have been as hard hit by this problem as some of our neighbors, the Unit has taken a proactive approach to forestall future problems. We have reached out to the Medical Society of the District of Columbia (MSDC) through a letter informing MSDC of this potential problem and expressing the desire to work together. Our letter was received with enthusiastic cooperation; in fact, the bulk of it was reprinted in the MSDC newsletter and circulated to physicians throughout the District.

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## **ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT**

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The Unit continues to cooperate closely with other District and federal law enforcement agencies in the investigation and prosecution of fraud cases. In particular, the Unit is working on a number of ongoing investigations with the FBI and/or the U.S. Department of Health and Human Services, Office of Inspector General. In addition, the Metropolitan Police Department continues to provide invaluable assistance to our Unit in a number of ways. 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).

During FY 2002 the Unit demonstrated both the rapport it has established with other law enforcement agencies and the respect it has garnered from the legal community in a number of different ways. In particular, the Director of the Unit was invited to make presentations to national groups of FBI investigators on the general topic of Medicaid fraud and the specific topic of OxyContin abuse and how it affects Medicaid. Furthermore, the Unit Director was invited to make several presentations before other national audiences. For example, he presented on credentials fraud in health care before the Federal Credentials Forum, composed of health care related agencies throughout the federal government, and also spoke on that topic before a national group of District and state licensing officials. Similarly, the Director lectured on the Unit's innovative approaches to fighting fraud and abuse in the nursing home industry in a prestigious Continuing Legal Education program. Along these lines, members of the Unit have written several articles on health care fraud and abuse that have been published in legal periodicals. Furthermore, a protocol created by the Unit for investigating fraud in connection with abused drugs has been well received, and continues to be distributed nationwide.

Another very important aspect of the Unit's 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 NAMFCU, to effectively investigate and resolve cases of this nature. The use of multi-state teams representing the interests of all aggrieved states allows the District to recoup monies without each state duplicating the efforts of the others. In FY 2002, the Unit received over \$300,000 to settle global cases we worked on. The Unit continues to participate in several global settlement negotiations and anticipates receiving significant additional monetary settlements in FY 2003.

Moreover, recovery of significant amounts of program funds lost to fraud and abuse remains of paramount importance to the Unit. In FY 2002 the Unit was credited with recoveries of approximately \$350,000. Furthermore, we generally consider the amount of Medicaid program funds allegedly lost in any particular situation to be a key factor in determining

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## ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT

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whether to initiate an investigation. When investigations are commenced, the Unit seeks to structure them in such a way as to maximize the potential for recovery. The Unit anticipates that many of the cases initiated in FY 2002 – as well as those that are currently ongoing - will result in substantial future recoveries.

### 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. The latter cases 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.

In FY 2002 the Unit investigated and prosecuted several significant patient abuse cases. Perhaps most notable was *United States v. Keisha Holmes*. In that case, the defendant was a Certified Nursing Assistant in a District nursing home. She left an 89-year-old blind patient alone in a tub with running water, within a closed room. The patient could not lift herself from the tub and eventually drowned. During the interval while the patient was alone, the defendant was engaged in a number of nonemergency activities, including braiding another patient's hair. After the incident, Holmes was terminated from the nursing home, but was later hired at a second District nursing home, where she intentionally assaulted a patient. Working in concert with the U.S. Attorney's Office, the Unit obtained an indictment for involuntary manslaughter and assault. This was a groundbreaking case in several respects. To the best of our knowledge, it was the first prosecution for manslaughter or for reckless care in a District nursing home. Such cases are rare nationwide and relatively few have been successfully prosecuted. It also represented the first MFCU felony conviction. On October 10, 2002, Holmes was sentenced to 6-18 months imprisonment (all but 90 days suspended) on an attempted involuntary manslaughter count and 180 days (all but 60 days suspended) on an assault count. She also will be excluded from the Medicare and Medicaid programs nationwide.

The Unit also continued to work on abuse cases involving Medicaid patients residing in group homes for the mentally retarded. For example, on December 14, 2001, the Unit obtained the conviction of Winfred Lee on an assault charge. Defendant Lee was a caregiver in a group home for the mentally retarded and beat a blind resident under his care with a curtain rod. He was sentenced to 180 days imprisonment (all but 120 suspended). Similarly,

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## **ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT**

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in *United States v. Robinson*, the Unit obtained the assault conviction of another caregiver in a group home for the mentally retarded. In that case, defendant Robinson slammed a resident onto the floor, resulting in injuries requiring emergency room care. On June 11, 2002, Robinson was sentenced to 180 days imprisonment (all but 45 suspended).

Since May 2000, nursing homes, community residence facilities and group homes have been required by D.C. law to immediately notify the OIG's of unusual incidents. The Unit continues 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 2002, over 800 unusual incident reports were received, ranging 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's abuse and neglect specialists to commence their investigations with little delay. We continue to work with the industry and our partners at the Department of Health in order to make the reporting process more effective and efficient for all concerned.

The District of Columbia has one of the most progressive laws in the nation regarding the abuse of vulnerable adults. The Seniors Protection Amendment Act of 2000 criminalizes both the abuse and the neglect of vulnerable adults. The law includes prohibitions of abuse by assault or threats of assault, verbal harassment, or involuntary confinement. Neglect that now constitutes criminal behavior 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 allows for the filing of charges much more specifically targeted at this type of abusive behavior. The Unit anticipates utilizing this new law whenever appropriate in future cases.

### **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 anticipate significant new training programs in the future. 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. We also coordinated our previously noted abuse investigations with MPD so as to avoid any confusion or duplication of efforts.

### **LEGISLATIVE REVIEW AND ADVICE**

In addition to the legislative activities described above, MFCU personnel have commented on and provided advice regarding potential legislation affecting, but not solely concerning,

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## **ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT**

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the MFCU. This advice is given in the form of both formal testimony and numerous informal presentations to District policy makers. For example, on October 14, 2001, the Director of the MFCU testified before the District of Columbia Council on Bill 14-2, the "Misdemeanor Jury Trial Act of 2001," because of the potential impact that legislation could have on the Unit's prosecution of abuse cases in nursing homes and group homes for the mentally retarded and mentally ill. Also, on December 13, 2001, the Unit Director testified before the District Council on Bill 14-342, the "Mandatory Autopsy for Deceased Wards of the District of Columbia and Mandatory Unusual Incident Report Act of 2001." Our testimony included an assessment of the practical effects of the law and suggestions as to future improvements.

Another indicator of the standing of the MFCU in the health care community is the fact that it was the only state agency invited to present testimony at a Congressional hearing on problems in the Medicaid program. Inspector General Maddox and the Unit Director testified at the hearing entitled "Medicaid Claims: Who's Watching the Money" before the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations, of the House Committee on Government Reform. Their testimony stressed that many of the approaches we are implementing here in the District may be applied nationwide. In particular, our local/federal partnership for prosecution and our emphasis on simultaneously exploring criminal, civil, and administrative aspects of cases were described to the Committee. In addition, the testimony explained that the Unit goes beyond solely investigating and prosecuting individual cases, but also notes and reports on any systemic weaknesses that are observed. Other points received with great interest by the Committee were the Unit's commitment to work with other divisions within the OIG to help mitigate long-term risk to the program, as well as our efforts to find common ground with provider groups in the fight against fraud and abuse.

### **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 viewed from the perspective of the MFCU. The Unit issued two MARs in FY 2002. The following is a brief description of the potential problems and suggested corrective steps provided for consideration in each MAR.

#### **Summaries of Management Alert Reports Issued in FY 2002**

##### **Management Alert Report Regarding Participation of Federally Excluded Providers in the District's Employee Health Benefits Program, MAR No. 01-M-05, March 7, 2002**

This MAR notified the District's Office of Personnel that health care providers who had been convicted of defrauding the District's Medicaid program or abusing Medicaid patients were still providing services to District employees under the Health Benefits Program. This

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## **ACTIVITIES OF THE MEDICAID FRAUD CONTROL UNIT**

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situation came to light during the prosecution of John Toman, discussed in detail above. After Dr. Toman's conviction, he was - as a matter of law - excluded from all federal health care programs, including Medicaid, for at least five years. However, he continued to provide services to District employees under the Health Benefits Program. After alerting the Office of Personnel to this problem, the MAR suggested several ways that the District could avoid this risk to the quality and integrity of the health plans it offered to its employees. Chief among them was a suggestion that the Office of Personnel incorporate into its agreements with health plan administrators a requirement that no federally excluded health care providers can participate in their plans. This suggestion was quickly accepted. All new contracts with health plan administrators require certification that health care suppliers and providers are not excluded from the Medicare and Medicaid program. In the future, the District will avoid the anomalous situation of, on the one hand, excluding providers from Medicaid for having defrauded the program, while on the other hand, continuing to pay these providers for services rendered to District employees. Moreover, the District will also be protected from the possibility of having its employees treated by providers who were excluded from Medicaid nationwide because of crimes committed in other jurisdictions.

### **Management Alert Report Regarding Updating the Credentialing Process for Free Standing Mental Health Clinics, MAR No. 02-M-01, August 28, 2002**

This MAR notified the Department of Health that no agency in the District was assuming the responsibility of assuring that mental health professionals in Free Standing Mental Health Clinics were appropriately qualified. The MAR emphasized that the MAA should work closely with the newly-created Department of Mental Health so as to ensure that the new Department begins to assume these credentialing duties as soon as practical. Furthermore, it stressed that new rulemaking was needed so that the District's regulatory structure reflects the creation of the new Department. On October 15, 2002, MAA responded to the MAR. It recognized the need for changes in the existing rules governing these clinics, and indicated that the Department of Mental Health is now assuming new credentialing responsibilities. MAA agreed to work closely with the Department to ensure a successful transition of responsibilities.

### **CONCLUSION**

In its second full year of operation, the pace with which the Unit investigates fraud, abuse, and neglect cases continues to gather momentum. During FY 2002, the Unit obtained four criminal convictions and successfully concluded several cases involving first-time offenders with limited culpability by entering into pretrial diversion arrangements. In addition, the Unit continued to demonstrate a remarkably high level of activism and prestige for a relatively new Unit through its membership in task forces, invitations to make presentations, and publication of articles. Moreover, an excellent foundation for future success was constructed. There were a number of cases in which the Unit invested significant resources that are expected to bear fruit in FY 2003.

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## **APPENDICES**



**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of Inspector General**

**Fiscal Years 2000 – 2002 Audit Division Performance Statistics**

Activity	FY 2000	FY 2001	FY 2002
OIG Reports Issued <sup>1</sup>	31	37	26
Contracted Audits Completed	36	26	10
<b>Total Audits Completed<sup>2</sup></b>	<b>67</b>	<b>63</b>	<b>36</b>
OIG Audits Ongoing	12	20	29
Contracted Audits Ongoing	23	10	4
<b>Total Audits Ongoing at FY End</b>	<b>35</b>	<b>30</b>	<b>33</b>
Monetary Benefits (OIG Audits)	\$31,747,000	\$30,448,846	\$35,992,156
Monetary Benefits (Contracted Audits)	\$ 2,200,000	0	\$ 4,541,522
<b>Total Potential Monetary Benefits</b>	<b>\$33,947,000</b>	<b>\$30,448,846</b>	<b>\$40,533,678</b>
Percentage of Recommendations Implemented <sup>3</sup>	N/A	N/A	80%
District Agencies Audited	14	17	24
Contract Awarded: Comprehensive Annual Financial Report (Audit)	9/00	7/01	8/02

<sup>1</sup> Number reported includes audit reports, MIRs, and MARs completed by the Audit Division but does not include the audit reports completed by contractors, which are reported as "Contracted Audits Completed."

<sup>2</sup> The substantially lower number for FY 2002 from prior years is a result of District agencies having new authority to contract for audits and the transfer of authority to contract for Office of Management and Budget Circular A-133 audits to the Office of the Chief Financial Officer.

<sup>3</sup> This is a new performance measure. The OIG conducted an audit of District agencies' implementation of audit recommendations in FY 2002. Our baseline was based on the results of this audit. Such audits will be conducted on a triennial basis with the next audit scheduled to be completed in FY 2005.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of Inspector General**

**Fiscal Year 2002 Audit Cost and Recommendation Status**

Audit Title	Cost <sup>1</sup>	Recommendations	
		Made	Open
Audit of the District of Columbia Metropolitan Police Department Fleet Maintenance Contract	\$ 51,960	4	0
Report on Management Operations at the Washington Humane Society	57,240	26	0
Follow-up Management Review of the District of Columbia Water and Sewer Authority	35,840	6	0
2001 Comprehensive Annual Financial Report Year Ended September 30, 2001	2,082,534	0	0
Federal Payment for the Washington Interfaith Network	12,800	0	0
Audit of the District of Columbia Highway Trust Fund	108,480	3	0
Department of Consumer and Regulatory Affairs Professional Engineers' Fund Financial Statements For the Year Ended September 30, 2000 and Independent Auditor's Report Thereon	41,760	5	0
Department of Consumer and Regulatory Affairs Professional Engineers' Fund Financial Statements For the Six Months Ended March 31, 2001 and the Year Ended September 30, 2000 and Independent Auditor's Report Thereon		3	0
Audit of the Comprehensive Automated Payroll and Personnel System Migration Process	154,040	4	1
Automated Health Benefits Enrollment Program	3,400	0	0
Audit of the Use of Unauthorized Software at the Office of Contracting and Procurement	8,640	3	1
Audit of Overtime at the Metropolitan Police Department	117,200	7	1

<sup>1</sup> Costs were calculated as the total hours charged multiplied by the composite rate of Audit Division expenses.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of Inspector General**

**Fiscal Year 2002 Audit Cost and Recommendation Status**

Audit Title	Cost <sup>1</sup>	Recommendations	
		Made	Open
Agency-Wide Review of Selected Functions Within the Department of Employment Services	35,000	0	0
District of Columbia Management Letter, September 30, 2001	Included in District CAFR	20	0
Audit of District Agencies' Implementation of Audit Recommendations	100,040	36	1
Follow-Up Review of the General Accounting Office Report Concerning the District of Columbia Highway Trust Fund Information Security	61,920	4	3
Audit of the District of Columbia Antifraud Fund	4,000	3	0
Report on the Examination of the District of Columbia's Highway Trust Fund Forecast Statements	6,000	0	0
Audit of Department of Mental Health's Patient Accounts	14,600	14	0
Audit of the District of Columbia Historic Preservation Division's Grant Processes and Procedures	55,400	13	0
Audit of Procurement Activities at the Washington Convention Center Authority	59,160	5	0
District of Columbia Public Schools Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2001	327,026	0	0
Audit of the Office of Contracting and Procurement Training Program	107,960	6	0
Verification of the District of Columbia Fiscal Year 2001 Savings Initiative	51,120	2	2
Audit of Cellular Telephone Usage at the Department of Mental Health	12,760	5	0

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of Inspector General**

**Fiscal Year 2002 Audit Cost and Recommendation Status**

Audit Title	Cost <sup>1</sup>	Recommendations	
		Made	Open
Report on Compliance and on Internal Control Over Financial Reporting	Included in DCPS CAFR	19	0
District of Columbia Public Schools Management Letter, September 30, 2001	Included in DCPS CAFR	0	0
Independent Accountant's Report on the Financial Records of the District of Columbia Community Services, Inc.	61,500	0	0
District of Columbia Public School's Facilities Management Department	178,000	10	4
Audit of Selected Functions at the District Department of Transportation	51,920	22	0
Audit of the Dept. of Housing and Community Development's Management of the Home Investment Partnerships Program	70,040	8	1
District-Wide Procurement Issues (FYs 2000 through 20002) (MIR)	8,240	N/A	N/A
<b>Totals</b>	<b>\$ 3,878,580</b>	<b>228</b>	<b>14</b>

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of Inspector General**

**Fiscal Years 2000 - 2002 Investigations Division Performance Statistics**

Activity	FY 2000	FY 2001	FY 2002
Investigative Matters Addressed*	580	512	451
Investigations Opened	193	182	162
Investigations Closed	169	159	299
Investigative Reports Prepared	87	46	25
Cases Referred	149	169	143
Referred Cases Closed	115	154	163
Cases Accepted by USAO	29	22	27
Cases Presented to USAO	45	39	41
Cases Presented to Corporation Counsel	13	1	7
Asset Seizure	0	\$2,959,646	\$205,425
Restitution	\$2,109,834	\$1,181,071	\$669,936
Recoveries	\$2,861	\$0	\$46,888
Convictions	7	6	16
Indictments	N/A	N/A	18
MARs	5	3	3
FARs	1	0	2
MIRs	8	2	1

\* Includes active investigations, referrals to other agencies, and administrative closures of complaints received during previous fiscal years.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of Inspector General**

**Fiscal Year 2002 Hotline Statistics**

<b>Category</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Threats to public health, to public safety, or to the environment; or involving unsafe working conditions	0	2	0	1	3
Physical assaults or threats of violence	1	2	0	1	4
Fraud, theft, or false claims	5	8	11	12	36
Bribery, extortion, kickbacks, or illegal gratuities	1	2	4	1	8
Misuse of government funds or property, or use of official position for private gain	13	6	8	1	28
Governmental waste, inefficiency, or mismanagement	7	9	11	18	45
Contract fraud or procurement violations	6	4	2	2	14
False statements	2	1	1	0	4
Ethics violations and conflicts of interest	3	2	0	0	5
Time and attendance fraud	3	2	3	5	13
Harassment, retaliation, or abuse of authority by a supervisor or by another government official	5	4	6	4	19
Hiring, promotion, or other treatment of employees in violation of personnel regulations	3	1	1	2	7
Incivility or lack of response from an agency	0	4	6	3	13
Miscellaneous	4	4	0	4	12
<b>TOTALS</b>	<b>53</b>	<b>51</b>	<b>53</b>	<b>54</b>	<b>211</b>