

**TESTIMONY OF CHARLES J. WILLOUGHBY
INSPECTOR GENERAL**

**BEFORE THE COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE ON WORKFORCE DEVELOPMENT AND
GOVERNMENT OPERATIONS**

FISCAL YEAR 2007 PERFORMANCE REVIEW

FEBRUARY 11, 2008

GOOD AFTERNOON CHAIRPERSON SCHWARTZ AND MEMBERS OF THE COMMITTEE. SEATED WITH ME ARE WILLIAM J. DIVELLO, THE ASSISTANT INSPECTOR GENERAL (IG) FOR THE AUDIT DIVISION; ALVIN WRIGHT, THE ASSISTANT IG FOR THE INSPECTIONS AND EVALUATIONS DIVISION; LEONARD ODOM, THE ASSISTANT IG FOR THE INVESTIGATIONS DIVISION; AND SUSAN KENNEDY, DIRECTOR OF THE MEDICAID FRAUD CONTROL UNIT.

I AM PLEASED TO TESTIFY AT THIS PERFORMANCE HEARING, WHICH COVERS THE OFFICE OF THE INSPECTOR GENERAL'S (OIG) STATISTICAL REPORTING OF ACCOMPLISHMENTS IN FY 2007 AND THE FIRST QUARTER OF FY 2008. BEFORE DISCUSSING OUR INDIVIDUAL PERFORMANCE MEASURES AND ACCOMPLISHMENTS IN DETAIL, I WOULD LIKE TO SET FORTH, PURSUANT TO YOUR REQUEST, THE TOP FIVE CHALLENGES AND GOALS FOR THE OFFICE OF THE INSPECTOR GENERAL:

CHALLENGES

1. RECRUIT AND RETAIN HIGHLY QUALIFIED EMPLOYEES IN A HIGHLY COMPETITIVE ENVIRONMENT FOR HUMAN RESOURCES.

2. ENSURE THAT EMPLOYEES IN ALL AGENCIES, BRANCHES, AND COMPONENTS OF THE DISTRICT GOVERNMENT UNDERSTAND:
 - (A) THE AUTHORITY AND JURISDICTION OF THE OIG, AND
 - (B) THE OBLIGATION TO REPORT ALL INSTANCES OF WASTE, FRAUD, AND ABUSE TO THE OIG.

3. CONTINUALLY ASSESS THE STRATEGIC PRIORITIES OF THE CITY IN A WAY THAT ENABLES US TO DETERMINE THE MOST EFFICIENT AND EFFECTIVE USE OF LIMITED PERSONNEL RESOURCES IN CONDUCTING AUDITS, INVESTIGATIONS, AND INSPECTIONS THAT RELATE TO THE PROGRAMS AND OPERATIONS OF THE DISTRICT GOVERNMENT.

4. ADDRESS A GROWING WORKLOAD THROUGH INCREASED LEVERAGING OF PERSONNEL RESOURCES.

5. ENSURE THAT RECOMMENDATIONS MADE IN OUR REPORTS TO AGENCIES ARE NOT JUST AGREED TO BUT IMPLEMENTED AS WELL.

GOALS

1. COMPLETION OF ACTIVITIES SPECIFICALLY MANDATED BY DISTRICT AND FEDERAL STATUTES, SUCH AS AUDITS OF HIGHWAY TRUST FUND, PROCUREMENT ACTIVITIES, AND OVERSIGHT OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT.

2. PROVIDING A MEANS TO KEEP THE MAYOR, THE COUNCIL, AGENCY AND DEPARTMENT HEADS FULLY AND CURRENTLY INFORMED OF PROBLEMS AND DEFICIENCIES RELATING TO THE ADMINISTRATION OF DISTRICT GOVERNMENT PROGRAMS AND OPERATIONS.

3. ESTABLISHMENT OF ACCOUNTABILITY, CONTROL AND COMPLIANCE

PROGRAMS TO PROVIDE AUDITS AND INSPECTIONS THAT FOCUS EFFORTS ON MITIGATING RISKS THAT POSE THE MOST SERIOUS CHALLENGES TO DISTRICT AGENCIES AND OTHER STAKEHOLDERS SO THAT DISTRICT GOVERNMENT ENTITIES CAN BETTER MAINTAIN FISCAL INTEGRITY AND OPERATIONAL READINESS.

4. IMPLEMENTATION OF THE REQUIREMENT IN THE OIG STATUTE THAT THE INSPECTOR GENERAL INDEPENDENTLY CONDUCT INVESTIGATIONS INTO ALLEGATIONS OF WASTE, FRAUD, AND ABUSE, AND REPORT THOSE CASES WHICH ARE CRIMINAL IN NATURE TO FEDERAL OR DC PROSECUTORS, AS APPROPRIATE.

5. CONDUCTING INVESTIGATIONS OF OFFICIAL MISCONDUCT AND INVESTIGATION AND PROSECUTION OF CASES OF FRAUD AND ABUSE WITHIN THE MEDICAID PROGRAM FOR THE DISTRICT OF COLUMBIA.

PERFORMANCE SUMMARY

EACH OF THE FOUR OIG DIVISIONS – AUDIT, INVESTIGATIONS, INSPECTIONS AND EVALUATIONS, AND THE MEDICAID FRAUD CONTROL UNIT (MFCU) – HAS A SEPARATE SET OF PERFORMANCE MEASURES THAT RELATE TO THE WAYS IN WHICH OUR WORK ADDRESSES THE OIG STATUTORY RESPONSIBILITIES AND SUPPORTS CITYWIDE STRATEGIC PRIORITIES. ALL FOUR DIVISIONS CONTINUE TO MEET OR EXCEED MOST OF THEIR INDIVIDUAL PERFORMANCE GOALS.

I WILL NOW PROVIDE AN OVERVIEW OF THE ACTIVITIES AND RESULTS OF EACH OF OUR FOUR DIVISIONS.

AUDIT DIVISION

AUDITS PERFORMED BY THE OIG INCLUDE BOTH PERFORMANCE AND FINANCIAL AUDITS TO IMPROVE ACCOUNTABILITY AND TO FACILITATE EFFECTIVE DECISION MAKING. IN ADDITION, THE AUDIT DIVISION OVERSEES CERTAIN AUDITS PERFORMED BY CONTRACTORS.

THE OIG CONTINUES TO PLAY A ROLE IN ASSISTING DISTRICT AGENCY MANAGERS TO ADDRESS VARIOUS AREAS OF RISK. IN LOOKING FOR WAYS TO MITIGATE THE VARIOUS RISKS FACING THE DISTRICT, WE FASHION AUDITS TO ASSESS THE RESULTS OF BUDGETED PROGRAMS, INCLUDING THE ECONOMY, EFFICIENCY, AND EFFECTIVENESS OF MANAGEMENT ACTIONS TAKEN TO ADDRESS THOSE RESULTS. IN FY 2007, THE AUDIT DIVISION CONTINUED ITS INCREASED FOCUS ON ISSUES SURROUNDING D.C. PUBLIC SCHOOLS (DCPS), MEDICAID, VULNERABLE POPULATIONS, PROCUREMENT AND CONTRACTING, AND CITIZEN SAFETY AND PROTECTION. ADDITIONALLY, BASED ON OUR WORK DURING THE PAST YEAR, WORKFORCE ADMINISTRATION HAS PRESENTED THE DISTRICT WITH A LEVEL OF FINANCIAL AND OPERATIONAL RISK THAT WE BELIEVE NEEDS CLOSER MANAGEMENT SCRUTINY AND OVERSIGHT, AND SO, WE WILL EXPAND OUR INVOLVEMENT IN THIS AREA IN FY 2008.

AUDIT STATISTICS

IN ORDER TO MEASURE OUR PERFORMANCE AGAINST OUR GOALS, WE REPORT ON POTENTIAL MONETARY BENEFITS IDENTIFIED AND DISTRICT AGENCY COVERAGE. THE AUDIT DIVISION SIGNIFICANTLY EXCEEDED EXPECTATIONS ON ALL OF ITS PERFORMANCE MEASURES. FOR EXAMPLE, OIG AUDITS HAVE POTENTIALLY GENERATED \$47 MILLION IN BENEFITS, SIGNIFICANTLY EXCEEDING THE ESTABLISHED TARGET OF \$17 MILLION. COMPARING THESE BENEFITS TO AUDIT DIVISION COSTS OF APPROXIMATELY \$3.46 MILLION RESULTS IN A RETURN ON INVESTMENT THAT EXCEEDS \$13.50 FOR EACH AUDIT DOLLAR INVESTED. ADDITIONALLY, WE AUDITED 31 AGENCIES/OFFICES, EXCEEDING OUR TARGET BY 5 PERCENT, AND PRODUCED 35 AUDIT REPORTS.

EXAMPLES OF SIGNIFICANT AUDITS:

THE AUDIT DIVISION COMPLETED AN AUDIT OF THE DEPARTMENT OF HEALTH'S OVERSIGHT OF MANAGED CARE ORGANIZATIONS (MCOS) THAT PROVIDE HEALTHCARE TO DISTRICT RESIDENTS. THE AUDIT DISCLOSED SIGNIFICANT DEFICIENCIES AND MISMANAGEMENT OF THE MCO PROGRAM'S RATE SETTING CAPITATION METHODOLOGY THAT RESULTED IN THE DISTRICT PAYING NEARLY \$100 MILLION MORE THAN NECESSARY FOR PATIENT CARE IN THE PAST 5 YEARS. APPROXIMATELY \$30 MILLION OF THE \$100 MILLION REPRESENTED LOCAL DOLLARS. ANOTHER AUDIT QUESTIONED THE CURRENT PROCESS FOR PROVIDING NON-EMERGENCY TRANSPORTATION SERVICES COVERED BY MEDICAID. THE AUDIT RESULTED IN THE RECALCULATION OF THE NUMBER OF NON-EMERGENCY ANNUAL TRIPS, THE RE-SOLICITATION OF A

CONTRACT TO MANAGE THE PROGRAM, AND A RECURRING SAVINGS OF ABOUT \$6.8 MILLION ANNUALLY. WE WILL CONTINUE OUR VIGOROUS OVERSIGHT OF THE MEDICAID PROGRAM, FOCUSING ON SUCH AREAS AS NURSING HOME REIMBURSEMENTS, THIRD PARTY LIABILITY, MEDICAID RECORDKEEPING AND DOCUMENTATION, AND OTHER RELATED ISSUES.

IN FY 2007, ON-GOING AND COMPLETED AUDITS AT DCPS COVERED SUCH ISSUES AS HIGH SCHOOL GRADUATION REQUIREMENTS, STUDENT RESIDENCY REQUIREMENTS, PAYROLL VERIFICATION, AND CONTRACTING FOR TEACHER EDUCATION. OUR DCPS AUDIT PLANS FOR FY 2008 CONTAIN NEW AUDITS THAT ADDRESS FISCAL AS WELL AS ACADEMIC RISK AREAS. A SAMPLING OF OUR PROPOSED AUDITS INCLUDES TOPICS THAT ADDRESS SERVICE CONTRACTS, GRANT REVENUE, THE DCPS ATHLETICS PROGRAM, SPECIAL EDUCATION PROGRAMS, AND TRUANCY MANAGEMENT.

IN FY 2007, TWO AUDITS ADDRESSED HIGH RISK PROGRAMS CONCERNING VULNERABLE POPULATIONS, ONE INVOLVING THE DISTRICT'S HIV/AIDS POPULATION AND THE OTHER ADDRESSING THE ABILITY TO ACCOUNT FOR FOSTER CHILDREN PLACEMENTS. IN FY 2008, THE OIG WILL CONTINUE TO FOCUS ON ISSUES AFFECTING VULNERABLE POPULATIONS, INCLUDING HEALTHCARE SERVICES AND PUBLIC LIBRARIES.

TO ADDRESS RISK ASSOCIATED WITH PROCUREMENT AND CONTRACT ADMINISTRATION, WE HAVE AUDITED AND PLAN TO AUDIT NUMEROUS

ASPECTS OF PROCUREMENT. IN FY 2007, THE OIG COMPLETED AN AUDIT OF THE ADMINISTRATIVE SERVICES MODERNIZATION PROGRAM RESULTING IN A RECOMMENDATION TO ADOPT A MAJOR ACQUISITION METHODOLOGY. WE ALSO REVIEWED CONTRACTING PRACTICES FOR OUTSOURCING THE AGING AND DISABILITY RESOURCE CENTER AND REVIEWED SUBCONTRACTOR COSTS ASSOCIATED WITH THE DISTRICT'S EMPLOYEE DISABILITY COMPENSATION PROGRAM.

IN REGARD TO CITIZEN SAFETY AND PROTECTION, WE HAVE CONDUCTED AUDITS RELATED TO THE ACCOUNTING OF CHILDREN PLACED IN FOSTER HOMES AND THE DISTRICT'S HOMICIDE CLOSURE RATE.

FINALLY, I WANT TO TOUCH ON THE ISSUE OF WORKFORCE ADMINISTRATION. THIS AREA HAS PRESENTED THE DISTRICT WITH A LEVEL OF FINANCIAL AND OPERATIONAL RISK THAT WE BELIEVE NEEDS CLOSER MANAGEMENT SCRUTINY AND OVERSIGHT. AS SUCH, IN FY 2007, WE PERFORMED TWO AUDITS ON THIS ISSUE WITH AN AUDIT OF HIRING PRACTICES AT THE DEPARTMENT OF PARKS AND RECREATION AND A REVIEW OF THE EMPLOYEE DISABILITY COMPENSATION PROGRAM. WE WILL EXPAND OUR INVOLVEMENT IN FY 2008 TO COVER SUCH ISSUES AS WORKFORCE INVESTMENT PROGRAMS, THE UNEMPLOYMENT COMPENSATION PROGRAM, PROTECTION OF PERSONAL DATA, THE DCPS PERSONNEL AND PAYROLL SYSTEM, EMPLOYEE SUSPENSIONS WITH PAY, AND OTHER WORKFORCE TOPICS.

INVESTIGATIONS DIVISION

IN FY 2007, OUR INVESTIGATIONS DIVISION MAINTAINED EMPHASIS ON CRIMINAL INVESTIGATIONS THAT RESULTED IN PROSECUTION, AN OUTCOME THAT WE BELIEVE HAS THE MOST SIGNIFICANT DETERRENT EFFECT ON OFFICIAL MISCONDUCT. WE PRESENTED 92 CASES FOR PROSECUTION TO FEDERAL AUTHORITIES. OF THESE, 22 CASES WERE ACCEPTED FOR FURTHER INVESTIGATION OR PROSECUTION. THE CASES THAT WERE DECLINED WERE PRESENTED TO THE D.C. OFFICE OF THE ATTORNEY GENERAL FOR PROSECUTION. SEVENTEEN OF THOSE CASES WERE ACCEPTED FOR FURTHER INVESTIGATION BY THAT OFFICE. OUR CASES RESULTED IN 7 INDICTMENTS, 12 CONVICTIONS, AND \$2,575,125 IN RESTITUTION, FINES, AND RECOVERIES.

OUR SPECIAL AGENTS WERE INVOLVED IN JOINT CRIMINAL INVESTIGATIONS WITH THE OFFICE OF THE UNITED STATES ATTORNEY, THE FEDERAL BUREAU OF INVESTIGATION, AND OFFICES OF THE INSPECTOR GENERAL WITH THE SOCIAL SECURITY ADMINISTRATION, THE UNITED STATES DEPARTMENT OF TRANSPORTATION (DOT), AND THE UNITED STATES DEPARTMENT OF EDUCATION. EXAMPLES OF THESE JOINT INVESTIGATIONS INCLUDE THE:

1. CONVICTION OF THE FORMER EXECUTIVE DIRECTOR OF THE DISTRICT OF COLUMBIA SCHOOL'S OFFICE OF CHARTER SCHOOL OVERSIGHT, WHO USED HER POSITION TO DIVERT MONEY BELONGING TO THE DISTRICT

AND THE FEDERAL NO CHILD LEFT BEHIND PROGRAM TO VARIOUS BANK ACCOUNTS BENEFITING HERSELF AND HER FRIENDS.

2. CONVICTION OF AN OFFICE OF THE CHIEF FINANCIAL OFFICER (OCFO) EMPLOYEE FOR SUBMITTING FRAUDULENT TIME AND ATTENDANCE RECORDS FOR AN EMPLOYEE OF THE DEPARTMENT OF YOUTH REHABILITATION SERVICES (DYRS), WHO ALSO PLED GUILTY. THE OCFO EMPLOYEE WAS SENTENCED TO 5 YEARS PROBATION AND ORDERED TO PAY \$19,002.76 IN RESTITUTION; THE DYRS EMPLOYEE WAS SENTENCED TO 5 YEARS PROBATION, 180 DAYS OF HOME CONFINEMENT, 300 HOURS OF COMMUNITY SERVICE, AND ORDERED TO PAY RESTITUTION OF \$19,002.76.
3. CONVICTION OF A DISTRICT RESIDENT FOR FRAUDULENTLY RECEIVING TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BENEFITS AND SOCIAL SECURITY INCOME FOR A CHILD NOT IN HIS CARE. THE INDIVIDUAL WAS SENTENCED TO 1 YEAR PROBATION, 60 DAYS IN A HALFWAY HOUSE, 40 HOURS OF COMMUNITY SERVICE, AND ORDERED TO PAY \$6,000 RESTITUTION.

IN ADDITION TO CRIMINAL INVESTIGATIONS, THE OIG CONDUCTS ADMINISTRATIVE INVESTIGATIONS OF DISTRICT EMPLOYEES WHO VIOLATE DISTRICT REGULATIONS, INCLUDING THE DISTRICT'S STANDARDS OF CONDUCT. IN FY 2007, OUR ADMINISTRATIVE INVESTIGATIONS COVERED A WIDE RANGE OF MISCONDUCT, AND RESULTED IN SIX REPORTS OF INVESTIGATION BEING ISSUED.

IN ADDITION TO CONDUCTING INVESTIGATIONS INVOLVING SIGNIFICANT NON-CRIMINAL MISCONDUCT, THE DIVISION OPERATES A REFERRAL PROGRAM BY WHICH THE OIG REFERS TO OTHER DEPARTMENTS AND AGENCIES ADMINISTRATIVE MATTERS THAT CAN BEST BE ADDRESSED BY THOSE AGENCIES. IN MOST CASES, THE OIG MONITORS THE RESPONSES TO THESE REFERRALS TO ENSURE THAT THE MATTERS ARE HANDLED APPROPRIATELY.

OUR INVESTIGATIONS DIVISION ANNUALLY RECEIVES APPROXIMATELY 4,000 CALLS THROUGH ITS HOTLINE OPERATION. DURING FY 2007, OUR INVESTIGATORS ADDRESSED 551 INVESTIGATIVE MATTERS, OPENED 118 NEW INVESTIGATIONS, AND REFERRED A TOTAL OF 301 MATTERS. TWO HUNDRED AND FIFTY MATTERS WERE REFERRED TO THE HEADS OF 38 DISTRICT DEPARTMENTS AND AGENCIES, AND 51 REFERRALS WERE MADE TO 24 FEDERAL OR STATE AGENCIES.

THE INVESTIGATIONS DIVISION EXCEEDED GOALS IN ALL FIVE PERFORMANCE MEASURES FOR FY 2007. NOW AT NEARLY FULL STAFF, THE INVESTIGATIONS DIVISION IS EXCEEDING ALL OF ITS FY 2008 PERFORMANCE OBJECTIVES. THESE EFFORTS HAVE CULMINATED IN A SIGNIFICANT IMPROVEMENT IN OUR HIGHEST PRIORITY - CONVICTIONS, RECOVERIES, AND RESTITUTIONS.

INSPECTIONS AND EVALUATIONS DIVISION

THE INSPECTIONS AND EVALUATIONS DIVISION (I&E) PROVIDES OBJECTIVE, THOROUGH, AND TIMELY ASSESSMENTS OF THE MANAGEMENT AND KEY OPERATIONS OF DISTRICT AGENCIES. I&E FOCUSES PARTICULARLY ON AGENCIES RESPONSIBLE FOR THE DELIVERY OF SERVICES TO CITIZENS, AND THOSE IN WHICH SIGNIFICANT PROBLEMS COME TO THE ATTENTION OF THE MAYOR, THE COUNCIL, AND OTHER STAKEHOLDERS. I&E RECOMMENDATIONS TO AGENCY AND DEPARTMENT HEADS TYPICALLY CALL FOR CORRECTIVE MEASURES TO ENSURE THAT DISTRICT AND FEDERAL LAWS, REGULATIONS, AND POLICIES ARE FOLLOWED, THAT DEFICIENCIES ARE ADDRESSED, AND THAT OPERATIONS ARE IMPROVED.

INSPECTION PERFORMANCE MEASURES

DURING FY 2007, I&E MET ITS PERFORMANCE GOALS BY CONDUCTING THREE INSPECTIONS, THREE SPECIAL EVALUATIONS, AND TWO RE-INSPECTIONS. WITH RESPECT TO THESE EIGHT PROJECTS, FOUR FINAL REPORTS HAVE BEEN ISSUED, ONE DRAFT REPORT IS WITH AN AGENCY FOR COMMENT, AND THREE DRAFT REPORTS ARE BEING REVIEWED AND PREPARED INTERNALLY FOR RELEASE TO THE RESPECTIVE AGENCIES FOR COMMENT. AS A RESULT OF THESE INSPECTION ACTIVITIES, I&E ALSO ISSUED NINE MANAGEMENT ALERT REPORTS (MARS). COLLECTIVELY, THESE PROJECTS GENERATED

APPROXIMATELY 120 FINDINGS, AND 225 RECOMMENDATIONS WERE PRESENTED TO DISTRICT AGENCY MANAGERS.

FY 2007 INSPECTION AND RE-INSPECTION ACTIVITIES

AT THE REQUEST OF A COUNCILMEMBER, I&E CONDUCTED A SPECIAL EVALUATION OF THE TIMELINESS AND IMPARTIALITY OF THE DEPARTMENT OF EMPLOYMENT SERVICES' (DOES) PROCESSES FOR RESOLVING DISPUTED PRIVATE SECTOR WORKERS COMPENSATION CLAIMS. THE TEAM FOUND NO EVIDENCE OF DELIBERATE DELAYS OR BIAS AGAINST INJURED WORKERS IN DECIDING DISPUTED CLAIMS, AND DETERMINED THAT DOES HAS MECHANISMS IN PLACE TO ENSURE THAT ITS PROCESSES ARE IMPARTIAL. HOWEVER, THE TEAM DID FIND THAT DOES EMPLOYEES' EFFORTS HAD BEEN NEGATIVELY AFFECTED BY:

1. INCONSISTENCIES IN THE WAY DISPUTED CLAIMS WERE PROCESSED;
2. SUPERVISORS WHO WERE NOT ALWAYS AVAILABLE TO ASSIST EMPLOYEES IN PROCESSING CLAIMS; AND
3. INEFFECTIVE CASE TRACKING SYSTEMS.

AMONG OTHER THINGS, THE TEAM RECOMMENDED THAT DOES DEVELOP A PLAN TO ADDRESS AREAS OF CONCERN IDENTIFIED IN AN OIG EMPLOYEE SURVEY, SUCH AS FAIR DISTRIBUTION OF ASSIGNMENTS, SUPERVISOR AVAILABILITY AND GUIDANCE, AND INSUFFICIENT POLICIES AND PROCEDURES. WE ALSO RECOMMENDED THAT DOES ACQUIRE OR DEVELOP A

COMPREHENSIVE, SEARCHABLE SYSTEM TO TRACK STAKEHOLDERS' COMPLAINTS FROM RECEIPT THROUGH TO RESOLUTION.

I&E CONDUCTED A RE-INSPECTION OF THE OFFICE OF THE CHIEF MEDICAL EXAMINER (OCME) AS FOLLOW-UP TO THE INITIAL INSPECTION WE CONDUCTED IN 2003. THE REVIEW CONCLUDED THAT OCME WAS IN COMPLIANCE WITH 50 OF 79 RECOMMENDATIONS IN THE INITIAL INSPECTION. THE TEAM NOTED THE FOLLOWING SPECIFIC IMPROVEMENTS IN OCME: (1) THE DEVELOPMENT OF GUIDELINES FOR DECEDENT IDENTIFICATION, AUTOPSIES, THE RELEASE OF BODIES, TISSUE DISPOSAL AND RETENTION, AND THE SECURITY AND MAINTENANCE OF RECORDS; (2) A SIGNIFICANT REDUCTION IN THE BACKLOG OF AUTOPSY REPORTS AND UNCLAIMED OR UNIDENTIFIED BODIES; AND (3) THE IMPLEMENTATION OF AN AUTOMATED CASE TRACKING SYSTEM THAT ALLOWS OCME TO TRACK INFORMATION SUCH AS BODY RELEASE AND DISPOSITION, AND TO GENERATE CASE REPORTS AND STATISTICAL DATA. FIFTEEN NEW RECOMMENDATIONS WERE PRESENTED TO OCME CONCERNING THE FOLLOWING AREAS: ENSURING EMPLOYEE HEALTH AND SAFETY; CLARIFYING THE ROLE OF AUTOPSY TECHNICIANS; AND TRACKING AND RESOLVING COMPLAINTS FROM THE PUBLIC.

I&E COMPLETED AND PUBLISHED A REPORT ON A SPECIAL EVALUATION OF CONDITIONS IN THE DISTRICT'S ACTIVE FIRE STATIONS DURING A RE-INSPECTION OF THE FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT

(FEMS). THE RE-INSPECTION WAS LAUNCHED DURING FY 2007 AS FOLLOW-UP TO OUR INITIAL INSPECTION OF FEMS IN 2002. DUE TO CONDITIONS OBSERVED DURING INITIAL SITE VISITS, THE RE-INSPECTION TEAM EVALUATED 31 OF 33 FIRE STATIONS AND THE FIRE BOAT FACILITY. THE TEAM FOUND NUMEROUS DEFICIENCIES, INCLUDING INOPERATIVE SMOKE DETECTORS, UNABATED ASBESTOS HAZARDS, EXPOSED ELECTRICAL WIRING, EMERGENCY CALL ALERTING SYSTEMS THAT DID NOT OPERATE PROPERLY, AND BROKEN WINDOWS. THE TEAM ALSO FOUND THAT EMPLOYEES WORKING IN THE FEMS PROPERTY MANAGEMENT OFFICE (PMO) LACKED POSITION DESCRIPTIONS AND AN EFFECTIVE MECHANISM FOR TRACKING MAINTENANCE AND REPAIR REQUESTS THROUGH TO RESOLUTION. WE RECOMMENDED, AMONG OTHER THINGS, THAT FEMS: TAKE STEPS IMMEDIATELY TO ABATE THE ASBESTOS HAZARDS IDENTIFIED AT THREE FIRE STATIONS; DEVELOP A STRATEGY TO IDENTIFY, PRIORITIZE, TRACK, AND TIMELY COMPLETE NECESSARY REPAIRS OF ALL CONDITIONS THAT THREATEN THE HEALTH, SAFETY, AND MORALE OF FEMS EMPLOYEES; AND DEVELOP POSITION DESCRIPTIONS FOR EMPLOYEES WORKING IN THE PMO.

I&E PRODUCED NINE MANAGEMENT ALERT REPORTS (MARS) DURING FY 2007. DURING OUR RE-INSPECTION OF FEMS, FOUR MARS WERE ISSUED. ONE COMMUNICATED OUR CONCERN THAT FEMS EMPLOYEES WERE NOT RECEIVING ALL REQUIRED TRAINING IN UNIVERSAL PRECAUTIONS AGAINST OCCUPATIONAL EXPOSURE TO BLOOD AND OTHER POTENTIALLY INFECTIOUS

MATERIALS. ANOTHER MAR, BASED ON OUR UNANNOUNCED VISITS TO FEMS FACILITIES, DETAILED DEFICIENCIES IN THE SECURITY AND READINESS OF RESERVE AMBULANCES AND SPECIAL OPERATIONS VEHICLES. I&E'S INSPECTION OF THE DEPARTMENT OF MENTAL HEALTH'S EDUCATIONAL PROGRAMS PROMPTED THE ISSUANCE OF TWO MARS. ONE ADDRESSED OUR CONCERNS REGARDING OVERDUE PSYCHOLOGICAL REEVALUATIONS OF CHILDREN WITH EMOTIONAL DISORDERS. THE SECOND CITED CLINICIANS WHO, WITHOUT COMPLETED AND SATISFACTORY BACKGROUND CHECKS, WERE PROVIDING DIRECT SERVICES TO CHILDREN AND YOUTHS IN VIOLATION OF D.C. LAW. MARS ISSUED TO OCME DURING FY 2007 HIGHLIGHTED THE DISTRICT'S LACK OF A STANDARD PROCESS FOR PROMPT, OFFICIAL PRONOUNCEMENTS OF DEATH, AND CITED A NEED FOR MORE MEDICOLEGAL INVESTIGATORS AT OCME.

FY 2008 INSPECTIONS AND RE-INSPECTION ACTIVITIES

OUR FY 2008 INSPECTIONS IN PROGRESS THUS FAR INCLUDE THE OFFICE OF ADMINISTRATIVE HEARINGS (OAH), WHERE OUR PRIMARY FOCUS IS ON OAH'S OPERATIONAL EFFECTIVENESS AND THE QUALITY OF SERVICE DELIVERY, AND THE DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS (DCRA), AN INSPECTION WHICH CONSTITUTES THE THIRD PART OF A THREE-PART INSPECTION. THIS INSPECTION FOCUSES ON THE EFFECTIVENESS AND EFFICIENCY OF DCRA'S COMMERCIAL INSPECTIONS, OFFICE OF THE SURVEYOR, PERMIT PROCESSES, AND ZONING OFFICE. ALSO, AT THE REQUEST OF THE

MAYOR, I&E IS LEADING A TEAM OF OIG EMPLOYEES IN AN EVALUATION OF THE DISTRICT GOVERNMENT'S COORDINATION AND PROVISION OF SOCIAL SERVICES TO BANITA JACKS AND HER FAMILY.

MEDICAID FRAUD CONTROL UNIT

THE MFCU'S ENFORCEMENT EFFORTS FALL INTO TWO GENERAL CATEGORIES: (1) FINANCIAL FRAUD AGAINST THE MEDICAID PROGRAM COMMITTED BY PROVIDERS; AND (2) ABUSE, NEGLECT, OR FINANCIAL EXPLOITATION OF PERSONS WHO RESIDE IN MEDICAID-FUNDED FACILITIES, SUCH AS NURSING HOMES AND GROUP HOMES.

PERFORMANCE MEASURES

THE UNIT'S PERFORMANCE MEASURES REFLECT ITS MISSION AND INCLUDE: EVALUATING ABUSE OR NEGLECT COMPLAINTS WITHIN ONE BUSINESS DAY OF RECEIPT; EVALUATING FRAUD CASES RECEIVED BY THE UNIT WITHIN 21 DAYS OF RECEIPT; EVALUATING COMPLAINTS OF FINANCIAL EXPLOITATION WITHIN 5 DAYS OF RECEIPT; PROVIDING TRAINING OR IN-SERVICE EDUCATION TO TEN RELEVANT ENTITIES DURING THE FISCAL YEAR; AND OBTAINING TEN CRIMINAL OR CIVIL RESOLUTIONS, THAT IS, A PLEA, SETTLEMENT, OR VERDICT, DURING THE FISCAL YEAR.

IN FY 2007, THE MFCU SUBSTANTIALLY EXCEEDED ALL FIVE OF ITS PERFORMANCE GOALS. STATISTICALLY, THE UNIT HAD ITS MOST SUCCESSFUL

AND PRODUCTIVE YEAR SINCE CERTIFICATION IN 2000. STATISTICS ALONE, HOWEVER, DO NOT CONVEY ALL THE EFFORTS THE UNIT MAKES IN ORDER TO SERVICE THE COMMUNITY BY INVESTIGATING AND PROSECUTING ABUSE AND MEDICAID FRAUD.

ABUSE OF VULNERABLE PERSONS AND UNUSUAL INCIDENTS

THE MFCU TAKES SIGNIFICANT STEPS TO PROTECT THE DISTRICT'S MOST VULNERABLE CITIZENS AND CONTINUES TO MAKE PROTECTION OF THAT POPULATION A PRIORITY. THIS YEAR'S PERFORMANCE GOALS REFLECT THE UNIT'S SUCCESS IN INVESTIGATING AND PROSECUTING THESE CASES, AS WELL AS EDUCATING THE COMMUNITY ABOUT ABUSE AND NEGLECT.

THE MFCU'S INVESTIGATIONS OF ABUSE AND NEGLECT BEGIN WITH ITS REVIEW AND ASSESSMENT OF UNUSUAL INCIDENT REPORTS WHICH ARE RECEIVED FROM HEALTHCARE PROVIDERS, TYPICALLY INSTITUTIONS SUCH AS NURSING HOMES AND GROUP HOMES, AS WELL AS FROM INDIVIDUALS, FAMILY MEMBERS, AND HEALTHCARE WORKERS.

EACH FISCAL YEAR, THE MFCU RECEIVES AN INCREASING NUMBER OF UNUSUAL INCIDENT REPORTS. ALTHOUGH MANY OF THE REPORTS ULTIMATELY DO NOT INVOLVE ABUSE OR NEGLECT, IT IS IMPOSSIBLE TO MAKE SUCH A DETERMINATION WITHOUT ASSESSING THE COMPLAINT AND, AT TIMES, CONDUCTING AN INVESTIGATION. IT IS CRUCIAL THAT ALL REPORTS ARE ASSESSED QUICKLY SO THAT FURTHER ABUSE CAN BE PREVENTED.

IN FY 2007, THE MFCU REVIEWED AND ASSESSED 3,575 REPORTS ADDRESSING UNUSUAL INCIDENTS AT NURSING AND GROUP HOMES. THIS REPRESENTS AN INCREASE OF 17.5% FROM FY 2006. THE PERFORMANCE TARGET FOR FY 2007 WAS TO REVIEW 80 PERCENT OF THE REPORTS WITHIN ONE BUSINESS DAY OF RECEIPT. THE UNIT EVALUATED 94 PERCENT OF THE REPORTS WITHIN ONE BUSINESS DAY, THEREBY SIGNIFICANTLY EXCEEDING ITS TARGET GOAL. SINCE THE BEGINNING OF FY 2008, THE MFCU HAS RECEIVED APPROXIMATELY 287 UNUSUAL INCIDENTS EACH MONTH. IF REPORTS CONTINUE TO COME IN AT THIS RATE, THE UNIT WILL ONCE AGAIN SEE AN INCREASE IN THE NUMBER OF UNUSUAL INCIDENT REPORTS IT RECEIVES IN FY 2008.

THE UNIT IS CURRENTLY INVESTIGATING OVER 160 ABUSE OR NEGLECT MATTERS AND 16 MATTERS OF FINANCIAL EXPLOITATION OF VULNERABLE ADULTS. IN FY 2007, THE MFCU OBTAINED 11 CONVICTIONS IN THE AREAS OF ABUSE, NEGLECT, SEXUAL ASSAULT, OR FINANCIAL EXPLOITATION OF VULNERABLE ADULTS. THIS IS MORE THAN DOUBLE THE NUMBER OF CONVICTIONS THAT WERE OBTAINED TWO YEARS AGO, AND AN INCREASE FROM FY 2006.

ANTI-FRAUD EFFORTS

OTHER MFCU ENFORCEMENT EFFORTS ARE INVESTIGATIONS AND PROSECUTIONS OF FINANCIAL FRAUD AGAINST THE MEDICAID PROGRAM. CURRENTLY, THE UNIT IS WORKING ON APPROXIMATELY 58 MATTERS

INVOLVING ALLEGATIONS OF PROVIDER FRAUD, 40 OF WHICH WERE INITIATED IN FY 2007.

THESE INVESTIGATIONS INVOLVE ALLEGATIONS OF FRAUD RELATING TO A BROAD VARIETY OF HEALTHCARE PROVIDERS, FROM INSTITUTIONS TO SOLO PRACTITIONERS. MEDICAL SPECIALISTS INVOLVED IN THE MFCU'S CASES INCLUDE PHYSICIANS, PHARMACISTS, MEDICAL EQUIPMENT SUPPLIERS, AND TRANSPORTATION PROVIDERS. INVESTIGATIONS CAN LEAD TO FILING CRIMINAL, CIVIL, AND/OR ADMINISTRATIVE CHARGES.

IN ADDITION TO INITIATING CASES, THE UNIT ENGAGES IN ANTI-FRAUD EDUCATIONAL AND OUTREACH PRESENTATIONS IN THE PRIVATE SECTOR. WE SPEAK TO GROUPS THROUGHOUT THE DISTRICT TO INTRODUCE OUR UNIT, MAKE FORMAL PRESENTATIONS, AND ANSWER QUESTIONS. MOREOVER, WE WORK CLOSELY WITH OTHER LAW ENFORCEMENT AGENCIES, AND THE MFCU IS A MEMBER OF SEVERAL LOCAL LAW ENFORCEMENT TASK FORCE GROUPS. ONE OF THE MFCU'S PERFORMANCE MEASURES IS TO PROVIDE TRAINING OR IN-SERVICE EDUCATION TO 10 ENTITIES EACH FISCAL YEAR. IN FY 2007, THE TARGET GOAL WAS TO ACHIEVE 60 PERCENT OF THIS PERFORMANCE MEASURE. THE MFCU SUBSTANTIALLY EXCEEDED ITS TARGET GOAL BY PROVIDING 10 TRAININGS DURING FY 2007, INCLUDING PRESENTATIONS BY THE DIRECTOR AT NATIONAL CONFERENCES RELATED TO ELDER ABUSE AND ELDER SEXUAL ABUSE.

CRIMINAL/CIVIL RESOLUTIONS

DURING FY 2007, THE UNIT OBTAINED 17 RESOLUTIONS TO OUTSTANDING FRAUD, ABUSE, NEGLECT, SEXUAL ASSAULT, AND FINANCIAL EXPLOITATION MATTERS. IT OBTAINED 14 CRIMINAL CONVICTIONS AND RECOVERED OVER \$2.3 MILLION IN RESTITUTION TO THE MEDICAID PROGRAM IN 3 GLOBAL SETTLEMENTS AND 2 FRAUD MATTERS, RECOUPING NEARLY \$4 FOR EVERY DISTRICT DOLLAR FUNDING THE UNIT.

IN FY 2007, THE MFCU UNDERWENT SIGNIFICANT CHANGE - THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DISTRICT INCREASED THE MFCU'S BUDGET, ENABLING THE MFCU TO HIRE FIVE ADDITIONAL FULL-TIME EMPLOYEES TO CONTINUE AND EXPAND THE ACCOMPLISHMENTS ATTAINED BY THE MFCU IN PAST YEARS.

CONCLUSION

I LOOK FORWARD TO WORKING WITH THE CHAIRPERSON AND THE MEMBERS OF THIS COMMITTEE. I AM PROUD OF OUR FY 2007 AND FY 2008 ACCOMPLISHMENTS TO DATE, ALL OF WHICH CAN BE REVIEWED IN GREATER DETAIL BY VISITING THE OIG'S WEBSITE. THE OIG WILL CONTINUE TO FOCUS OUR LIMITED RESOURCES ON MITIGATING THOSE RISKS WHICH POSE THE MOST SERIOUS CHALLENGES TO DISTRICT AGENCIES AND STAKEHOLDERS.

THIS CONCLUDES MY TESTIMONY, AND I WILL BE HAPPY TO ANSWER YOUR QUESTIONS.