



U.S. Department of
Transportation

BUDGET ESTIMATES

FISCAL YEAR 2024

OFFICE OF
INSPECTOR GENERAL

SUBMITTED FOR THE USE OF
THE COMMITTEES ON APPROPRIATIONS

Office of Inspector General
Fiscal Year 2024 Budget Estimates

TABLE OF CONTENTS

Section 1: Overview

Administrator's Overview for the Office of Inspector General	1
FY 2023 Organizational Chart (Exhibit I-A)	3
FY 2024 Organizational Chart (Exhibit I-B)	4

Section 2: Budget Summary Tables

FY 2024 Budget Authority (Exhibit II-1)	5
FY 2024 Budgetary Resources (Exhibit II-2)	6
FY 2024 Budget Request by DOT Strategic and Organizational Goals (Exhibit II-3)	7
FY 2024 Outlays (Exhibit II-4)	8
Summary of Requested Funding Changes from Base (Exhibit II-5)	9
Summary of Requested Funding Changes from Base (Exhibit II-5 – IIJA)	10
Working Capital Fund (Exhibit II-6)	11
Full-time Equivalents (Exhibit II-7)	12
Full-time Permanent Positions (Exhibit II-8)	13

Section 3: Budget Request by Appropriation Account

Appropriations Language	15
Summary by Program Activity (Exhibit III-1)	16
Summary Analysis of Change from FY 2023 to FY 2024 (Exhibit III-1a)	17
Detailed Justification for the Office of Inspector General	18

Section 4: Research, Development, and Technology

Not Applicable

Section 5: Information Technology

FY 2024 Information Technology Budget Request and Narrative	37
---	----

Section 6: 10-Year Funding Table

10-Year Funding History	39
-------------------------	----

SECTION 1: OVERVIEW

ADMINISTRATOR’S OVERVIEW FOR THE OFFICE OF INSPECTOR GENERAL

The Department of Transportation’s (DOT) Office of Inspector General (OIG) requests \$121.001 million to support an estimated 412 full-time equivalents (FTE) in fiscal year (FY) 2024. In addition, we estimate we will be able to support another 2 FTEs using carryover funding from the Disaster Relief Appropriations Act of 2013 (DRAA), 2 FTEs using carryover funding from the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act), and 9 FTEs using funding from the Infrastructure Investment and Jobs Act of 2021 (IIJA), for an estimated total of 425 FTEs in FY 2024.

This request includes current services level adjustments for an annualization of a 2023 pay raise of 4.6 percent, a 2024 pay raise of 5.2 percent, an additional compensable day in FY 2024, an increase to Federal Employee Retirement System (FERS) contributions, General Services Administration (GSA) rent estimates, DOT Working Capital Fund (WCF) estimates, and a non-pay inflation rate of 2 percent.

Our request includes \$640,000 in program increases for criminal investigator body worn cameras (BWC) and migration of information technology (IT) operations for the Office of Data Analytics and Computer Crimes (DACC) into a cloud environment in accordance with executive orders (EO) and Office of Management and Budget (OMB) cybersecurity requirements. It also includes adjustments to the FY 2023 Enacted Budget for salaries and benefits to enable OIG to maintain its FTE level at 412; annual licensing, maintenance, and specialized contractor support costs to address cybersecurity and IT cloud initiatives in accordance with OMB cybersecurity standards; an increase to the annual Council of Inspectors General on Integrity and Efficiency (CIGIE) assessment; and contract support for the Great Lakes St. Lawrence Seaway Development Corporation (GLS) financial statement audit. These initiatives are explained further in the Detailed Justification section.

Since Congress enacted the Inspector General Act of 1978 and established DOT-OIG and many other Federal offices of inspectors general, we have been dedicated to providing independent, objective reviews of the efficiency and effectiveness of DOT’s programs and operations. Our work leads to substantial financial and program improvements in safety and other areas, as well as significant returns on taxpayer investments.

In FY 2022, we issued 42 audit reports with 222 recommendations, and our investigations resulted in 73 convictions and 54 indictments. Our work produced over \$1.5 billion in financial recommendations and over \$58 million in fines, restitutions, recoveries, and forfeitures. From FY 2018 through FY 2022, we achieved an average return on investment (ROI)¹ of \$26 to \$1.

¹ ROI calculations compare the cost for OIG to do business to the revenue and other savings generated through court-ordered fines, restitutions, recoveries, forfeitures, recoveries of improper payments, recommended cost savings, and recommendations for funds put to better use.

Inspector General Reform Act Statement

Section 6 of the Inspector General (IG) Act of 1978 was amended by the Inspector General Reform Act of 2008, Public Law Number 110-409, to require certain information about budget submissions. In accordance with section 6(g) of the act, we submit the following information:

- OIG requested and received \$120.265 million for FY 2024 from the Department. OIG requested \$120.265 million for FY 2024 from OMB and received \$121.001 million.
- OIG's FY 2024 budget request is for \$121.001 million in support of 412 FTEs with an additional 13 FTEs to be supported with carryover supplemental funding, for a total of 425 FTEs.
- The amount included in this request to fund external training courses is \$750,000.
- The amount included in this request to support CIGIE is \$484,000.

EXHIBIT I-A
FY 2023 ORGANIZATIONAL CHART
OFFICE OF INSPECTOR GENERAL

3

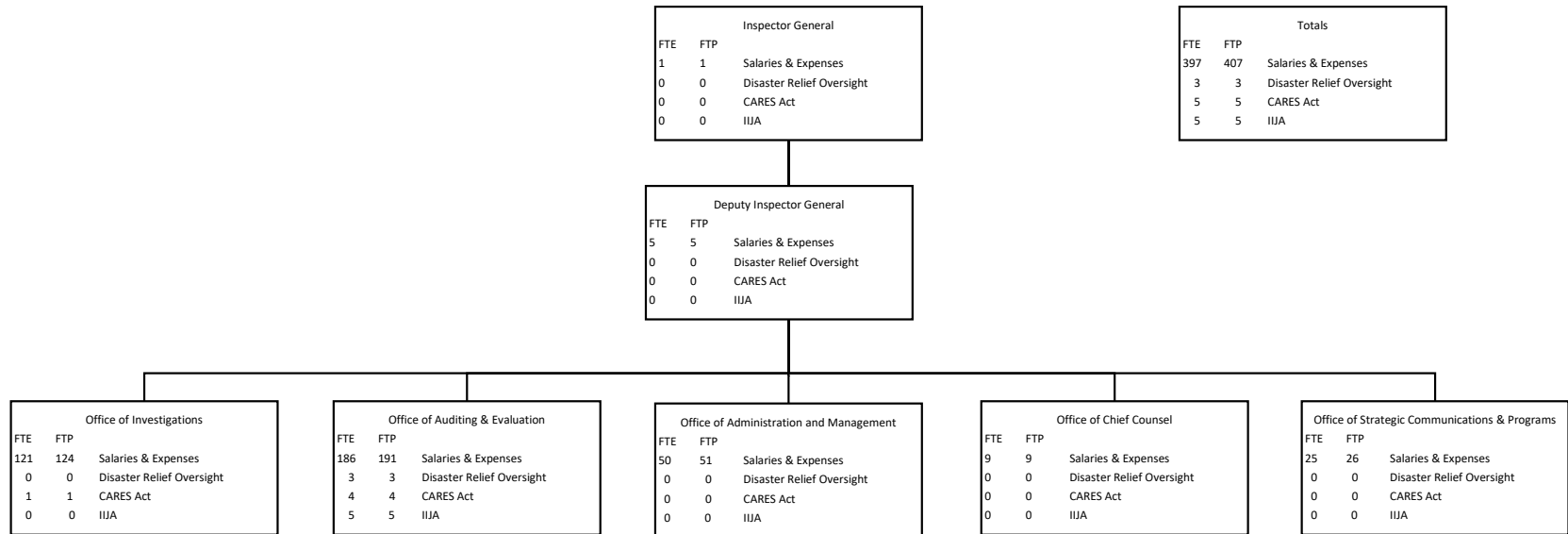
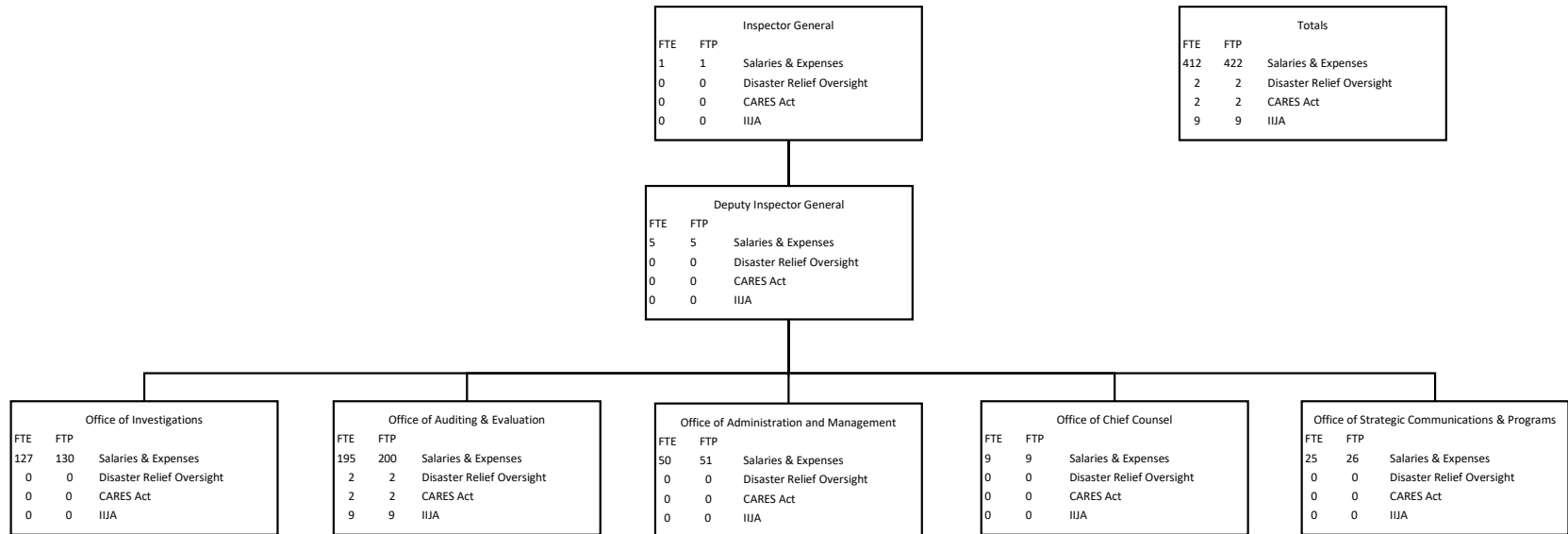


EXHIBIT I-B
FY 2024 ORGANIZATIONAL CHART
OFFICE OF INSPECTOR GENERAL

4



SECTION 2: BUDGET SUMMARY TABLES

EXHIBIT II-1
FY 2024 BUDGET AUTHORITY
OFFICE OF INSPECTOR GENERAL
(\$000)

ACCOUNT NAME	M / D	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
SALARIES & EXPENSES	D	<u>\$ 103,150</u>	<u>\$ 108,073</u>	<u>\$ 121,001</u>
Rescissions				
Transfers				
Offsets				
Gross New Budget Authority	D	\$ 103,150	\$ 108,073	\$ 121,001
Rescissions		\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -
NET NEW BUDGET AUTHORITY REQUESTED:		<u>\$ 103,150</u>	<u>\$ 108,073</u>	<u>\$ 121,001</u>
Mandatory BA				
Discretionary BA		\$ 103,150	\$ 108,073	\$ 121,001
Supplemental Funding				
COVID-19 Supplementals				
CARES Act		\$ -	\$ -	\$ -
IIJA Supplemental (Division J)		\$ 4,324	\$ 4,324	\$ 4,324
Transfers From Other Accounts		\$ 4,324	\$ 4,324	\$ 4,324
Grand Total, All Appropriations		<u>\$ 107,474</u>	<u>\$ 112,397</u>	<u>\$ 125,325</u>

EXHIBIT II-2
FY 2024 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
OFFICE OF INSPECTOR GENERAL
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

ACCOUNT NAME	M / D	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
SALARIES & EXPENSES	D	\$ 103,150	\$ 108,073	\$ 121,001
Rescissions				
Transfers				
Offsets				
TOTAL BASE APPROPRIATION		\$ 103,150	\$ 108,073	\$ 121,001
Gross New Budgetary Resources	D	\$ 103,150	\$ 108,073	\$ 121,001
Rescissions		\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -
TOTAL BUDGETARY RESOURCES:		<u><u>\$ 103,150</u></u>	<u><u>\$ 108,073</u></u>	<u><u>\$ 121,001</u></u>
Mandatory				
Discretionary		\$ 103,150	\$ 108,073	\$ 121,001
Obligation Limitation				
Supplemental Funding				
COVID-19 Supplementals		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CARES Act		\$ -	\$ -	\$ -
IIJA Supplemental (Division J)		<u>\$ 4,324</u>	<u>\$ 4,324</u>	<u>\$ 4,324</u>
Transfers From Other Accounts		\$ 4,324	\$ 4,324	\$ 4,324
Emergency Disaster Relief Oversight		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Disaster Relief Appropriations Act		\$ -	\$ -	\$ -
Grand Total, All Appropriations		<u><u>\$ 107,474</u></u>	<u><u>\$ 112,397</u></u>	<u><u>\$ 125,325</u></u>

EXHIBIT II-3
FY 2024 BUDGET REQUEST BY DOT STRATEGIC AND ORGANIZATIONAL GOALS
Appropriations, Obligation Limitation, and Exempt Obligations
OFFICE OF INSPECTOR GENERAL
(\$000)

	Safety	Economic Strength	Equity	Climate & Sustainability	Transformation	Organizational Excellence	Total
ACCOUNT							
Salaries & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,001	\$ 121,001
IIJA Supplemental (Division J)						\$ 4,324	\$ 4,324
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,325	\$ 125,325

Safety: Make our transportation system safer for all people. Advance a future without transportation-related serious injuries and fatalities.

Economic Strength and Global Competitiveness: Grow an inclusive and sustainable economy. Invest in our transportation system to provide American workers and businesses reliable and efficient access to resources, markets, and good-paying jobs.

Equity: Reduce inequities across our transportation systems and communities they affect. Support and engage people and communities to promote safe, affordable, accessible, and multimodal access to opportunities and services while reducing transportation-related disparities, adverse community impacts, and health effects.

Climate & Sustainability: Tackle the climate crisis by ensuring that transportation plays a central role in the solution. Substantially reduce greenhouse gas emissions and transportation-related pollution and build more resilient and sustainable transportation systems to benefit and protect communities.

Transformation: Design for the future. Invest in purpose-driven research and innovation to meet the challenges of the present and modernize a transportation system of the future that serves everyone today and in the decades to come.

Organizational Excellence: Strengthen our world class organization. Advance the Department's mission by establishing policies, processes, and an inclusive and innovative culture to effectively serve communities and responsibly steward the public's resources.

Note: This funding split is provided for reporting purposes only. OIG provides accountability across DOT's mission and activities. However, consistent with OIG's independence, OIG cannot commit in advance to allocating its resources in support of specific DOT goals.

EXHIBIT II-4
FY 2024 OUTLAYS
OFFICE OF INSPECTOR GENERAL
(\$000)

	M / D	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Salaries & Expenses	D	\$ 101,526	\$ 107,581	\$ 119,708
TOTAL:		\$ 101,526	\$ 107,581	\$ 119,708
Mandatory				
Discretionary		\$ 101,526	\$ 107,581	\$ 119,708
Supplemental Funding				
COVID-19 Supplementals				
CARES Act		\$ 1,074	\$ 1,250	\$ 500
IIJA Supplemental (Division J)				
Transfers From Other Accounts		\$ -	\$ 1,250	\$ 2,250
Emergency Disaster Relief Oversight				
Disaster Relief Appropriations Act		\$ -	\$ 750	\$ 500
Grand Total, Outlays from all Appropriations		\$ 102,600	\$ 110,831	\$ 122,958

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF INSPECTOR GENERAL
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Salaries & Expenses	Baseline Changes											
	FY 2022 Actual	FY 2023 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2023 FTE	FY 2024 Pay Raises 5.2%	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2024 Baseline Estimate	Program Increases/ Decreases	FY 2024 Pres. Budget
PERSONNEL RESOURCES (FTE)												
Direct FTE	387	405							15	420	(4)	416
FINANCIAL RESOURCES												
ADMINISTRATIVE EXPENSES												
Salaries and Benefits	\$77,917	\$81,823	\$903		\$3,228	\$344			\$4,549	\$90,847		\$90,847
Travel	\$2,425	\$2,425							(\$160)	\$2,265		\$2,265
Transportation	\$5	\$5								\$5		\$5
GSA Rent	\$5,161	\$5,156					(\$3,008)			\$2,148		\$2,148
Communications, & Utilities	\$1,025	\$970								\$970		\$970
Printing	\$0	\$0								\$0		\$0
Other Services:	\$8,933	\$9,543							\$2,381	\$11,924		\$11,924
-WCF	\$5,915	\$6,307						\$4,201		\$10,508		\$10,508
Supplies	\$275	\$275								\$275		\$275
Equipment	\$1,464	\$1,539							(\$150)	\$1,389	\$640	\$2,029
Insurance Claims and Indemnities	\$10	\$10								\$10		\$10
Unvouchered	\$20	\$20								\$20		\$20
Admin Subtotal	\$103,150	\$108,073	\$903	\$0	\$3,228	\$344	(\$3,008)	\$4,201	\$6,620	\$120,361	\$640	\$121,001
TOTAL	\$103,150	\$108,073	\$903	\$0	\$3,228	\$344	(\$3,008)	\$4,201	\$6,620	\$120,361	\$640	\$121,001

Note: FTEs represent those funded by annual base appropriations as well as carryover CARES Act/DRAA supplemental funding. Additional FTEs funded by IIJA supplemental funding are displayed on the following exhibit (Exhibit II-5 - IIJA).

EXHIBIT II-5 - IIJA
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF INSPECTOR GENERAL
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	FY 2022 Actual	FY 2023 Enacted	Baseline Changes							FY 2024 Baseline Estimate	Program Increases/Decreases	FY 2024 Pres. Budget
			Annualization of Prior Pay Raises	Annualization of new FY 2023 FTE	FY 2024 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/Decrease	Inflation and other adjustments to base			
Salaries & Expenses, IIJA												
PERSONNEL RESOURCES (FTE)												
Direct FTE	0	5								5	4	9
FINANCIAL RESOURCES												
ADMINISTRATIVE EXPENSES												
Salaries and Benefits	\$4,324	\$4,324								\$4,324		\$4,324
Travel										\$0		\$0
Transportation										\$0		\$0
GSA Rent										\$0		\$0
Communications, & Utilities										\$0		\$0
Printing										\$0		\$0
Other Services:										\$0		\$0
-WCF										\$0		\$0
Supplies										\$0		\$0
Equipment										\$0		\$0
Insurance Claims and Indemnities										\$0		\$0
Unvouchered										\$0		\$0
Admin Subtotal	\$4,324	\$4,324	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,324	\$0	\$4,324
TOTAL	\$4,324	\$4,324	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,324	\$0	\$4,324

EXHIBIT II-6
WORKING CAPITAL FUND
OFFICE OF INSPECTOR GENERAL
(\$000)

	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
DIRECT:			
Salaries & Expenses	\$ 5,915	\$ 6,307	\$ 10,508
SUBTOTAL	<u>\$ 5,915</u>	<u>\$ 6,307</u>	<u>\$ 10,508</u>
REIMBURSABLE:			
Salaries & Expenses	\$ -	\$ -	\$ -
SUBTOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL, Base programs	<u><u>\$ 5,915</u></u>	<u><u>\$ 6,307</u></u>	<u><u>\$ 10,508</u></u>
SUPPLEMENTAL FUNDING			
COVID-19 Supplementals Subtotal			
CARES Act	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
IIJA Supplemental (Division J) Subtotal			
Transfers From Other Accounts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total, All Sources	<u><u>\$ 5,915</u></u>	<u><u>\$ 6,307</u></u>	<u><u>\$ 10,508</u></u>

EXHIBIT II-7
OFFICE OF INSPECTOR GENERAL
PERSONNEL RESOURCE -- SUMMARY
TOTAL FULL-TIME EQUIVALENTS

	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
<u>DIRECT FUNDED BY APPROPRIATION</u>			
Salaries & Expenses	382	397	412
SUBTOTAL, DIRECT FUNDED	382	397	412
<u>REIMBURSEMENTS / ALLOCATIONS / OTHER</u>			
Reimbursements and 'Other'			
Salaries & Expenses	0	0	0
Allocations from other Organizations			
Salaries & Expenses	0	0	0
SUBTOTAL, REIMBURSE./ALLOC./OTH.	0	0	0
BASE TOTAL FTEs	382	397	412
<u>SUPPLEMENTAL FUNDED FTEs</u>			
COVID-19 Supplementals			
CARES Act	5	5	2
IIJA Supplemental (Division J)			
Transfers From Other Accounts	0	5	9
Emergency Disaster Relief Oversight			
Disaster Relief Appropriations Act	0	3	2
SUBTOTAL, Supplemental Funded	5	13	13
TOTAL FTEs	387	410	425

INFO:
Allocations to Other Agencies

EXHIBIT II-8
OFFICE OF INSPECTOR GENERAL
RESOURCE SUMMARY – STAFFING
FULL-TIME PERMANENT POSITIONS

	<u>FY 2022 ACTUAL</u>	<u>FY 2023 ENACTED</u>	<u>FY 2024 PRES. BUDGET</u>
<u>DIRECT FUNDED BY APPROPRIATION</u>			
Salaries & Expenses	<u>389</u>	<u>407</u>	<u>422</u>
SUBTOTAL, DIRECT FUNDED	<u>389</u>	<u>407</u>	<u>422</u>
<u>REIMBURSEMENTS/ALLOCATIONS/ OTHER</u>			
Reimbursements and 'Other'			
Salaries & Expenses	0	0	0
Allocations from other Organizations			
Salaries & Expenses	0	0	0
SUBTOTAL, REIMBURSE./ALLOC./OTH.	<u>0</u>	<u>0</u>	<u>0</u>
BASE TOTAL POSITIONS	<u>389</u>	<u>407</u>	<u>422</u>
<u>SUPPLEMENTAL FUNDED FTPs</u>			
COVID-19 Supplemental funding			
CARES Act	5	5	2
IIJA Supplemental (Division J)			
Transfers From Other Accounts	0	5	9
Emergency Disaster Relief Oversight			
Disaster Relief Appropriations Act	<u>0</u>	<u>3</u>	<u>2</u>
SUBTOTAL, Supplemental Funded	<u>5</u>	<u>13</u>	<u>13</u>
TOTAL POSITIONS	<u>394</u>	<u>420</u>	<u>435</u>

INFO:

Allocations to Other Agencies

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION 3: BUDGET REQUEST BY APPROPRIATION ACCOUNT

**DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL**

Appropriations Language

For necessary expenses of the Office of the Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, [\$108,073,000] \$121,001,000: *Provided*, That the Inspector General shall have all necessary authority, in carrying out the duties specified in the Inspector General Act, as amended (5 U.S.C. App.), to investigate allegations of fraud, including false statements to the government (18 U.S.C. 1001), by any person or entity that is subject to regulation by the Department of Transportation.

EXHIBIT III-1
OFFICE OF INSPECTOR GENERAL
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Salaries & Expenses	\$ 103,150	\$ 108,073	\$ 121,001
TOTAL, Base appropriations	\$ 103,150	\$ 108,073	\$ 121,001
FTEs			
Direct Funded	382	397	412
Reimbursable, allocated, other			
Supplemental Funding			
COVID-19 Supplementals			
Cares Act	\$ -	\$ -	\$ -
IIJA Supplemental (Division J)			
Transfers From Other Accounts	\$ 4,324	\$ 4,324	\$ 4,324
Emergency Disaster Relief Oversight			
Disaster Relief Appropriations Act	\$ -	\$ -	
TOTAL, Supplemental Funding	\$ 4,324	\$ 4,324	\$ 4,324
Supplemental Funding FTEs			
COVID-19 Supplemental Funding			
CARES Act	5	5	2
IIJA Supplemental (Division J)			
Transfers From Other Accounts	0	5	9
Emergency Disaster Relief Oversight			
Disaster Relief Appropriations Act	0	3	2
SUBTOTAL, Supplemental FTEs	5	13	13
Account	\$ 107,474	\$ 112,397	\$ 125,325

Program and Performance Statement

The Department of Transportation (DOT) Inspector General conducts independent audits, investigations and evaluations to promote economy, efficiency and effectiveness in the management and administration of DOT programs and operations, including contracts, grants, and financial management; and to prevent and detect fraud, waste, abuse and mismanagement in such activities. This appropriation provides funds to enable the Office of the Inspector General to perform these oversight responsibilities in accordance with the Inspector General Act of 1978, as amended (5 U.S.C. App.).

EXHIBIT III-1a

**OFFICE OF INSPECTOR GENERAL
SUMMARY ANALYSIS OF CHANGE FROM FY 2023 TO FY 2024
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>\$000</u>	<u>FTE</u>
FY 2023 ENACTED	\$108,073	397
ADJUSTMENTS TO BASE:		
Annualization of Prior Pay Raise(s)	903	
Annualization of FY 2023 FTE	0	
FY 2024 Pay Raise (5.2%)	3,228	
Adjustment for Compensable Days	344	
Federal Employee Retirement System (FERS)	100	
Salaries & Benefits adjustment	4,449	15
GSA Rent	(2,783)	
Building Federal Protective Services (GSA Rent line)	(225)	
Building Federal Protective Services (Other Services line)	225	
Working Capital Fund	4,201	
Non-Pay Inflation (2.0%)	306	
Travel	(160)	
Equipment	160	
IT data center cloud migration (Other Services line)	500	
IT data center cloud migration (Equipment line)	(500)	
Cybersecurity and IT cloud annual licensing and maintenance costs	825	
Cybersecurity and IT cloud contractor support	550	
CIGIE adjustment	95	
GLS financial statement audit contract support	70	
SUBTOTAL, ADJUSTMENTS TO BASE	12,288	15
PROGRAM REDUCTIONS	0	0
PROGRAM INCREASES		
Body cameras for Criminal Investigators	200	
Office of Data Analytics and Computer Crimes IT cloud migration	440	
SUBTOTAL, PROGRAM INCREASES	640	0
FY 2024 PRES. BUDGET	121,001	412
Supplemental Appropriations	4,324	13
TOTAL	125,325	425

**DETAILED JUSTIFICATION FOR
THE OFFICE OF INSPECTOR GENERAL**

**FY 2024 Office of Inspector General Budget Request
(\$000)**

Program Activity	FY 2022 Actual	FY 2023 Enacted	FY 2024 Pres. Budget
Salaries and Expenses	\$103,150	\$108,073	\$121,001
TOTAL	\$103,150	\$108,073	\$121,001
FTEs	382	397	412
Supplemental-funded FTEs	5	13	13
Total FTEs	387	410	425

OIG requests \$121.001 million to support an estimated 412 FTEs in FY 2024. In addition, we estimate we will be able to support another 2 FTEs using carryover funding from DRAA, 2 FTEs using carryover funding from the CARES Act, and 9 FTEs using funding from IIJA, for an estimated total of 425 FTEs in FY 2024.

This request includes current services level adjustments for an annualization of a 2023 pay raise of 4.6 percent, a 2024 pay raise of 5.2 percent, an additional compensable day in FY 2024, an increase to FERS contributions, GSA rent estimates, DOT WCF estimates, and a non-pay inflation rate of 2 percent.

What is the program and what does this funding level support?

Our office employs a highly trained, specialized workforce to conduct audits, investigations, and other administrative and enforcement activities. Since Congress established Federal offices of inspectors general in 1978, we have been dedicated to fulfilling our unique role as DOT's only in-house source for objective examinations of departmental programs.

The IG Act of 1978, as amended, requires offices of inspectors general to

- conduct independent audits and investigations;
- promote economy, efficiency, and effectiveness;
- prevent and detect fraud, waste, and abuse;
- refer criminal violations to the Attorney General for prosecution;
- review pending legislation and regulations; and
- keep the Secretary and Congress fully and currently informed.

Our request includes \$640,000 in programs increases for the following items:

- \$200,000 for BWCs to enable our office to establish a BWC program in accordance with EO 14074, *Advancing Effective, Accountable Policing and Criminal Justice Practices to Enhance Public Trust and Public Safety*, dated May 25, 2022. This EO requires all Federal law enforcement agencies to adopt BWC policies that mandate activation during certain law enforcement activities. This request ensures each investigator has their own individually assigned BWC system and includes all hardware, docking stations, and first year cloud storage costs. Annual, recurring costs for the program for digital evidence storage would begin in FY 2025.
- \$440,000 to begin migrating DACC's data center infrastructure into an IT cloud environment to strengthen its cybersecurity posture and improve efficiencies. This migration will comply with Federal Government cybersecurity and modernization requirements such as EO 14028, *Improving the Nation's Cybersecurity*, dated May 12, 2021, and OMB Memorandum M-22-09, *Moving the U.S. Government Toward Zero Trust Cybersecurity Principles*, dated January 26, 2022. An IT cloud environment will allow for a more secure, flexible, and robust IT infrastructure that can expand and contract as necessary, without the overhead costs of maintaining equipment, troubleshooting problems, and handling incidents of component failure. In FY 2024, we plan to initiate a disaster recovery/backup solution and a hybrid testing environment for DACC. There will be an annual cost for continuing services, and we anticipate the costs to increase over time as we transition additional physical infrastructure and our data analytics capabilities and capacities grow. As part of this migration, we will reduce our physical data center footprint and physical IT hardware requirements, resulting in savings to current physical infrastructure costs.

Our request also includes adjustments to the FY 2023 Enacted Budget for the following items:

- \$4.449 million for salaries and benefits to enable OIG to maintain its FTE level at 412. OIG's per-FTE costs have risen more than allowable salaries and benefits increases over recent years.
- \$825,000 for annual licensing and maintenance costs associated with cybersecurity and IT cloud initiatives necessary for our office to meet OMB cybersecurity standards such as EO 14028 and OMB Memorandum M-22-09. Because OIG administers its own IT infrastructure separate from DOT, it is very difficult for our office to fund these continuing requirements. We also request that the \$500,000 included in the FY 2022 President's Budget to fund one-time costs associated with migrating our data center infrastructure into an IT cloud environment remain in our budget. These funds will help support additional annual licensing and maintenance costs associated with cybersecurity and IT cloud initiatives. At the time of the FY 2022 President's Budget submission, we could not realistically estimate these annual costs and were unaware of future requirements such as EO 14028 and OMB Memorandum M-22-09.
- \$550,000 for specialized contractor support to address cybersecurity and IT cloud initiatives in accordance with EO 14028 and OMB Memorandum M-22-09.
- \$95,000 for additional support for CIGIE, for a total FY 2024 contribution of \$484,000.

- \$70,000 for contract support for the financial statement audit of GLS. GLS is one of DOT's Operating Administrations (OA) for which DOT-OIG has oversight authority under the IG Act. For many years, our office provided oversight of GLS financial management and business operations by reviewing the work of a contractor retained by GLS to audit its financial statements. However, in FY 2017, GLS terminated that contract and OIG began performing financial statement audits, making it the only DOT financial audit that OIG performed in-house. OIG uses support contracts to perform financial statement audits of other DOT entities and plans to do the same for GLS in FY 2023. This will also free up OIG staff to conduct audit work in other areas.

OIG is committed to fulfilling its statutory responsibilities under the IG Act while supporting DOT's mission and the Secretary's strategic goals and priorities, especially those concerning transportation safety and investments in infrastructure. Our work helps the Department and its OAs meet the performance targets identified in their strategic goals. Our 5-year strategic plan aligns with the Department's mission and describes the goals, strategies, related risks, and performance measures we have identified to help us achieve our mission.

To maximize our available audit resources and provide the greatest possible benefits to the Department and the public, we have a comprehensive 24-month tactical audit plan that we update annually. As part of this plan, we maintain a catalogue of possible audit areas that we develop from reviews of DOT budget data, business plans, performance reports, modal websites, and publications. We have identified, and plan to initiate, 121 audits in critical areas across the OAs.

To maximize our investigative resources, ensure effective resource allocation, and deliver meaningful results to the Department and the public, we review our investigative priorities annually. Such reviews give us the flexibility to address emerging regional and national trends and tackle issues of high interest to the Department, Congress, and the American public. Generally, we prioritize cases involving public safety, procurement and grant fraud, employee integrity, and cases in the public interest.

Each year, we issue a report on DOT's top management challenges that presents our assessment of the Department's management and operations, and identifies issues that require the most immediate attention to minimize financial and safety risks. For FY 2023, we identified the following top management challenge areas.

- **Aviation safety.** Key challenges: improving oversight of aircraft certification, and maintaining confidence in the Federal Aviation Administration's (FAA) ability to oversee air carrier operations and address long unresolved safety issues.
- **Surface transportation safety.** Key challenges: overcoming oversight challenges to help reduce surface transportation fatalities, and improving monitoring and enforcement of surface transportation safety programs.
- **Air traffic control and airspace modernization.** Key challenges: meeting staffing needs at the Nation's most critical air traffic control facilities, ensuring air carriers provide fair and adequate service, and achieving Next Generation Air Transportation

System (NextGen) benefits for airspace users and deploying controller automation tools to improve efficiency.

- **Surface transportation infrastructure.** Key challenges: managing risks to achieve goals; enhancing award, administration, and oversight processes over new and existing funded programs and projects; and executing Federal priorities related to the impact of climate change, advancing equity, and promoting resilience in infrastructure.
- **Contract and grant fund stewardship.** Key challenges: establishing sound pricing for contract and grant awards, and verifying contract and grant expenditures are supported and proper, including compliance with Made in America laws.
- **Financial management.** Key challenges: preventing and detecting increases in improper payments, and enhancing policies and procedures to monitor and report grantee spending.
- **Information security.** Key challenges: strengthening enforcement and implementation of DOT's enterprisewide information security program to prevent cyberattacks, and addressing obstacles to moving towards a Zero Trust Architecture.
- **Fraud prevention and detection.** Key challenges: identifying and assessing fraud, and proactively managing fraud risks through oversight, outreach, and data analysis.
- **Innovation and the future of transportation.** Key challenges: implementing DOT's innovation principles, advancing the safe integration of vehicle automation and electric vehicles on our Nation's roads, and safely integrating new technologies into the National Airspace System.
- **Evolving operations and workforce management.** Key challenges: coordinating effectively to address DOT and stakeholder capacity challenges to successfully deliver IJA programs, and maximizing the benefits of workforce flexibilities and the hybrid work environment to enhance efficiency, effectiveness, and engagement.

We will continue to leverage the institutional knowledge of our staff—our most valuable resource for achieving our mission—and execute the work identified in our tactical audit plans and investigative priorities. These plans and priorities provide the general framework we use to focus our resources across the Department and its OAs, covering the following array of topics.

Departmentwide

- Assess DOT's oversight of financial and procurement-related issues, such as requirements for reporting contractors' past performance information, research facility contracts and agreements, contract administration, and management of contracts for IT products and services.
- Review departmental cybersecurity, financial statements, and improper payments.
- Review departmental and OA oversight of the funding provided by the Inflation Reduction Act of 2022, IJA, and the three COVID-19 related relief acts—CARES Act, Coronavirus Response and Relief Supplemental Appropriations Act, and American Rescue Plan Act of 2021.

- Conduct outreach activities to enhance fraud prevention awareness and generate investigative referrals from departmental, State, and local stakeholders in relation to procurement and grant fraud.
- Investigate fraud, waste, and abuse of IIJA and departmental COVID-19 relief funding.

Federal Aviation Administration

- Assess FAA’s acquisition and NextGen modernization programs, ranging from risk reduction to improvement in the execution of billion-dollar efforts. These audits will help determine the overall program costs, schedule, and performance of individual NextGen programs, such as the Data Communications system, voice communication systems, and the Terminal Sequencing and Spacing system.
- Assess aviation safety, including FAA’s oversight of pilot medical screening and domestic repair stations, airlines’ safety practices, and integration of Unmanned Aircraft Systems (UAS) into commercial airspace.
- Investigate the sale of unapproved aircraft parts, falsified commercial airman certificates, crimes involving UASs—such as smuggling contraband into prisons, and destruction of law enforcement UASs—and illegal air shipments of hazardous materials.

Federal Highway Administration (FHWA)

- Evaluate FHWA’s oversight of the billions of dollars it provides to States and localities to build, maintain, and repair the Nation’s roads and bridges. Audits will include assessments of FHWA’s oversight of performance monitoring for Federal-aid projects, pavement projects, and tunnel programs; the States’ quality assurance and control standards for materials; and implementation of new priorities with a focus on how success will be defined, monitored, and measured for new infrastructure programs.
- Investigate deceptive practices in FHWA-funded projects, such as product substitution, overbilling, bid rigging, substandard work, cost mischarging, and fraud related to disadvantaged business enterprises (DBE).

Federal Motor Carrier Safety Administration (FMCSA)

- Assess FMCSA’s use of carrier data for safety intervention, oversight of Motor Carrier Safety Assistance Program grants and performance, and oversight of its drug and alcohol clearinghouse practices and related data quality.
- Assess FMCSA’s implementation of eInvoicing in its safety grant programs.
- Investigate violations of FMCSA regulations governing interstate transportation of household goods to protect consumers and workers from fraudulent and deceptive practices.
- Investigate motor carrier safety violations, such as unsafe transport of hazardous materials, commercial driver’s license (CDL) fraud by schools and third-party testers, and carriers that reincarnate with different identities to circumvent safety regulations and penalties.

National Highway Traffic Safety Administration (NHTSA)

- Assess NHTSA's procedures for collecting, analyzing, and managing information to identify safety-related vehicle defects and oversight, as well as enforcement of manufacturers' compliance with Federal motor vehicle safety standards.
- Evaluate NHTSA's preparedness to regulate, oversee, and promote advancements in vehicle technology.
- Investigate possible fraud in NHTSA grant programs, particularly Strategic Traffic Enforcement Program grants awarded to law enforcement agencies, and allegations of false statements to NHTSA by automobile manufacturers and suppliers to the automotive industry.

Federal Railroad Administration (FRA)

- Evaluate FRA's Focused Inspection Plan and assess the Agency's policies for its new internal audit process.
- Investigate illegal shipments of hazardous materials, violations of rail safety regulations, and fraud on FRA-funded projects.

Federal Transit Administration (FTA)

- Assess FTA's oversight of selected rail projects, initiatives to maintain public transportation projects in a state of good repair, and oversight of Buy America requirements.
- Evaluate FTA's oversight of DRAA funds, including contract award and risk mitigation practices.
- Assess FTA's policies and procedures for evaluating the accuracy and timeliness of real property inventories.
- Investigate FTA-funded projects, focusing on issues such as product substitution, overbilling, substandard work, cost mischarging, and fraud involving DBEs.

Maritime Administration (MARAD)

- Evaluate MARAD's controls over the use of its emergency relief program funds.
- Investigate fraud, waste, and abuse of MARAD-funded projects, as well as employee integrity matters, including responses to allegations of sexual assault and allegations of harassment and retaliation against personnel at the U.S. Merchant Marine Academy.

Pipeline and Hazardous Materials Safety Administration (PHMSA)

- Evaluate PHMSA's implementation of the National Packaging Strategic Plan goals for high-risk hazardous materials packaging.
- Investigate fraud that may impact PHMSA's programs, including pipeline safety, cylinder retesting, illegal shipments of hazardous materials, and falsification of DOT-required hazardous materials' packaging and marking.

The following are examples of OIG’s recently issued audit reports and results of criminal investigations that demonstrate the impact of our work in relation to the Department’s strategic objectives and major programs and our ability to provide timely and relevant oversight of emerging issues.

Federal Aviation Administration

FAA Has Made Progress on a UAS Traffic Management Framework, but Key Challenges Remain (issued September 28, 2022)

UAS, commonly known as “drones,” are rapidly growing in number in the National Airspace System. Currently, there is limited infrastructure available to manage widespread expansion of small UAS operations in low-altitude airspace (below 400 feet) where FAA does not provide air traffic services. Congress directed FAA to conduct activities that will allow implementation of UAS Traffic Management (UTM), including a UTM Pilot Program. Citing the importance of UAS traffic management, the Ranking Members of the House Committee on Transportation and Infrastructure and its Aviation Subcommittee requested that we evaluate FAA’s efforts to develop and implement UTM, including the pilot program and any interactions FAA has had with other Government agencies. Our objectives were to assess FAA’s (1) progress with UTM development and implementation, including results of its UTM Pilot Program, and (2) collaboration with other Government agencies regarding UTM.

FAA has made initial progress in developing a UTM framework and testing UTM concepts through the UTM Pilot Program. For example, FAA continues to develop and refine its concept of operations and has deployed some initial UTM capabilities, such as an automated system for authorizing UAS operations near airports. However, FAA has not established milestones for implementing the policies and processes necessary to allow for UTM deployment or finalized how the Agency plans to use the UTM Pilot Program results to inform near-term efforts. While UTM stakeholders stated that the pilot program was successful, they noted common areas of concern with UTM implementation, such as slow progress, the need for additional rules for remotely identifying UAS, and lack of information on next steps. In addition, FAA has not yet completed coordination with other Government agencies.

We made four recommendations to improve FAA’s efforts to develop and implement a UTM.

FAA Has Opportunities To Better Inform International Pilot Training for Boeing Aircraft Through Enhanced Transparency and Oversight (issued July 27, 2022)

Two fatal crashes involving Boeing 737 MAX 8 aircraft in 2018 and 2019 drew widespread attention to FAA oversight and certification practices, including the Agency’s process for establishing pilot training requirements for the aircraft. The Chairmen and Ranking Members of the House Committee on Transportation and Infrastructure and its Subcommittee on Aviation requested that we review domestic and international pilot training standards related to commercial passenger aircraft. Our audit objectives were to (1) evaluate FAA’s process for establishing pilot training requirements for U.S. and foreign air carriers operating U.S.-certificated large passenger aircraft and (2) review

international civil aviation authorities' requirements for air carrier pilot training regarding the use of flight deck automation. We focused on FAA's role in setting training requirements as the certificating authority for Boeing aircraft and its efforts to enhance upset prevention and recovery training.

While each country is responsible for setting its own pilot training requirements, FAA has the opportunity to inform other countries' requirements through increased transparency and oversight. For example, FAA provides aircraft-specific guidance to air carriers and other organizations when developing training programs. However, the guidance does not clearly state the level of experience FAA assumed pilots would have—which is significant given that the skills and average experience of pilots can vary among countries. In addition, FAA has worked with international civil aviation authorities to provide guidance on air carrier pilots' use of flight deck automation. These efforts include conducting international outreach and training on specific flight scenarios and leading a working group to develop new international standards and guidance on pilots' use of automation. Nevertheless, our survey of international civil aviation authorities found that countries' requirements regarding the use of flight deck automation varied.

We made four recommendations to enhance FAA's transparency and oversight to better inform international pilot training requirements.

FAA Quickly Awarded CARES Act Funds but Can Enhance Its Oversight Approach To Promote Effective Stewardship (issued July 18, 2022)

The CARES Act provided FAA with \$10 billion to help airports deal with the public health emergency caused by COVID-19. FAA awarded \$9.1 billion in grants to airports nationwide, using its existing Airport Improvement Program (AIP) to distribute the funds. Our objective for this self-initiated audit was to assess whether FAA's policies and procedures for awarding and overseeing CARES Act grants are sufficient to protect taxpayer interests.

Leveraging AIP allowed FAA to announce CARES Act awards for more than 3,000 airports in just 2 weeks. However, changes in the Agency's oversight process regarding supporting documentation requirements affected its ability to monitor program performance, and we found that it contributed to over \$271 million in unsupported costs, \$85 million in questioned costs, and \$3 million of improper payments. FAA also did not establish procedures for deobligating CARES Act grants that become inactive or exceed the period of performance. Furthermore, the Agency did not provide airport sponsors with adequate guidance on documenting workforce retention data. These internal control weaknesses hindered FAA's ability to ensure that it is operating the program as Congress intended, administering projects in a fiscally responsible manner, and achieving reporting and compliance objectives.

We made seven recommendations to improve FAA's oversight of COVID relief funds.

FAA Needs Additional Accountability and Transparency in Reporting Performance Measures and Targets for Major System Investments and Environmental Reviews (issued March 14, 2022)

FAA is responsible for managing and operating the busiest and most complex airspace system in the world. The FAA Reauthorization Act of 2018 required the Secretary of Transportation to establish metrics for evaluating FAA's management and performance related to (1) the timely and cost-effective completion of projects and (2) the effectiveness in achieving the goals for an expedited, coordinated environmental review process for major safety, security, and capacity projects. The act also required our office to report on FAA's progress. Our objectives were to determine FAA's progress in meeting the performance targets for (1) the timely and cost-effective completion of projects and (2) the achievement of an expedited, coordinated environmental review process.

FAA did not meet its major system targets in FYs 2019 and 2020, and full accountability and transparency in reporting were limited. Specifically, FAA did not meet its performance measure for 90 percent of major baselined acquisition programs to be within 10 percent of the current cost, schedule, and performance baselines. Also, we found weaknesses in FAA's reporting that limited transparency and accountability. For example, FAA does not disclose when it removes programs from the measure that exceed baselines by over 10 percent and no longer reports them. In contrast, FAA reported meeting the environmental performance target to achieve on-schedule performance for 90 percent of FAA-led major transportation projects and to reduce the average time to complete environmental reviews. However, FAA's actual results were unclear because the Agency may not have included all major projects or captured when project milestones were late in the measure. As a result, FAA's reporting may not provide an accurate picture on how major system investments are performing or the extent to which the Agency meets its goals in the environmental measure.

We made three recommendations to improve FAA's reporting on performance measures for major system investments and environmental review processes.

April 22, 2022: Former Chief Executive Officer of Private Jet Charter Company Sentenced for Bankruptcy Fraud

The former President and Chief Executive Officer of a private jet charter company was sentenced in the U.S. District Court for the Eastern District of Virginia to 30 months of incarceration, 36 months of supervised release, \$365,961 in restitution, a forfeiture of \$177,383, and an \$800 special assessment. In December 2021, the individual was convicted of bankruptcy fraud, false statements and falsification of records in relation to a bankruptcy proceeding, and false bankruptcy declaration. The investigation revealed that between April 2016 and November 2017, the individual schemed to hide assets from creditors in a bankruptcy proceeding by transferring the assets to another individual. In addition, the individual made several false statements under oath at the meeting of the creditors.

March 7, 2022: *FAA Employee Sentenced for Involvement in Capitol Breach*

A former FAA employee was sentenced in the U.S. District Court for the District of Columbia to 30 days of home detention with electronic monitoring, 24 months of probation, 60 hours of community service, \$500 in restitution, and a \$10 special assessment. In December 2021, the individual pleaded guilty to participating in the riot on January 6, 2021 at the U.S. Capitol, and to being present in the Capitol building without authorization. Surveillance footage showed the individual in the Rotunda and other areas of the Capitol.

February 10, 2022: *Former Inmate Sentenced for Role in Scheme To Use Drones To Smuggle Contraband into Fort Dix Federal Prison*

A former inmate was sentenced in the U.S. District Court for the District of New Jersey to 5 months of incarceration, 1 year of supervised release, and a \$25 court assessment. The former inmate was also sentenced to 14 months of incarceration, to be served consecutively, for violating the terms of their prior supervised release. In January 2022, the former inmate pleaded guilty to possessing and obtaining contraband while in prison and violating the terms of a supervised release for assault. The investigation revealed that around October 30, 2018, while an inmate at Fort Dix Federal Prison, the individual helped coordinate the drone delivery of a package containing tobacco, cell phone chargers, and USB charging cables into an inmate housing unit at the prison.

Federal Highway Administration

FHWA Has Made Progress Implementing a Tunnel Safety Program, but Work Remains To Complete a Reliable Inventory, Fully Assess Compliance, and Effectively Monitor Critical Risks (issued January 17, 2023)

Tunnels are important parts of the Nation's highway infrastructure. According to FHWA—the Agency responsible for overseeing tunnels—an average of 15 million vehicles a day travel through more than 500 tunnels on public roads across the country. The majority of these tunnels have exceeded their designed service lives, and timely and reliable inspections help detect safety problems and prevent failures. The Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21) required FHWA to implement a tunnel safety program. Given the importance of FHWA's role in tunnel safety, we conducted this audit to assess the Agency's progress in implementing its tunnel safety program. Specifically, we focused on FHWA's (1) maintenance of a national tunnel inventory, (2) compliance review process, and (3) monitoring of critical risks to tunnel safety.

FHWA has made progress implementing a comprehensive tunnel safety program as required by MAP-21 by establishing a national tunnel inventory, inspection standards, training for tunnel inspectors, and annual compliance reviews. However, we found that FHWA's national tunnel inventory is incomplete because the Agency has not provided clear guidance to its Divisions and the State DOTs on how to classify some types of structures as tunnels and verify that they have inventoried all tunnels. Inaccurate and unreliable data also persist in the inventory due to inadequate data processing

procedures that do not flag errors or require corrections. In addition, some internal controls for FHWA's tunnel safety compliance review process are ineffective, resulting in compliance determinations that do not reflect the severity of deficiencies or adhere to the Agency's review criteria. Lastly, FHWA has created an internal database to monitor critical tunnel safety risks, but the database lacks a clear scope and detailed guidance to help ensure that Division staff input complete and accurate data.

We made 12 recommendations to help FHWA improve the implementation of its tunnel safety program.

Opportunities Exist for FHWA To Strengthen Its Oversight of Contract Change Orders Under the Federal-aid Highway Program (issued July 20, 2022)

For FY 2022, FHWA oversaw about \$52 billion in Federal-aid Highway Program funds. The Agency made these funds available to State DOTs for highway and infrastructure projects. Modifications to a project's contract specifications were frequently done through change orders. Change orders are important components of the Federal-aid Highway Program since they can affect projects' cost, schedule, design details or specification requirements, or a combination of these key elements. Given the possible risks to program oversight posed by change orders, we initiated this audit to assess FHWA's oversight of contract change orders.

We found data limitations that could impact FHWA's ability to monitor and oversee change orders. Furthermore, FHWA's methodology for its compliance assessment program reviews may lessen the reviews' usefulness for oversight and monitoring of change orders. The Agency also lacks a consistent definition of change order as well as clear guidance on what constitutes a major change. Lastly, FHWA's policy and guidance on change orders in its Contract Administration Core Curriculum Manual is outdated, and its guidance for monitoring and tracking its change order reports and associated findings lacks clarity.

We made six recommendations to help FHWA strengthen its oversight role and help to mitigate potential exposure to risks related to change orders.

April 27, 2022: FHWA Debars New York and New Jersey Individuals and Companies

FHWA debarred 15 individuals and related businesses from Federal Government projects and contracting for a period of 3 years, retroactive to their dates of suspension. The debarments stem from a District Attorney's Office of New York (DANY) Construction Fraud Task Force investigation into corruption and fraud connected to DOT-funded projects. The investigation uncovered schemes to bribe a New York City government official in exchange for confidential information on future construction projects and fraud related to Disadvantaged, Minority, and Women-Owned Business Enterprise programs. The investigation examined the FHWA-funded New York State DOT Kosciuszko Bridge Reconstruction Project and various FTA-funded New York

State Metropolitan Transportation Authority (MTA) subway projects, and other projects. DOT-OIG conducted this investigation with the DANY Construction Fraud Task Force.

January 18, 2022: Illinois and Missouri Construction Companies Agree to Civil Settlement

The U.S. Attorney's Office for the Southern District of Illinois and the State of Illinois entered into a civil settlement agreement with two construction companies and their presidents. The defendants agreed to pay a total of \$440,000 to resolve civil False Claims Act allegations. The Government alleged that the two companies conspired to provide materially false representations and information about the ownership and control of one of the companies for DBE certification and recertification purposes.

Federal Motor Carrier Safety Administration

June 16, 2022: Pennsylvania Third-Party CDL Examiner Sentenced for Wire Fraud

An individual was sentenced in the U.S. District Court for the Eastern District of Pennsylvania to 15 days of imprisonment, 24 months of supervised release, a \$10,000 fine, \$4,950 in restitution, a \$1,200 special assessment, and 80 hours of community service. In January 2022, the individual, a former third-party CDL examiner, pleaded guilty to wire fraud in connection with a fraudulent CDL scheme. From February to March 2018, the individual provided pre-signed CDL skills examination score sheets to a co-conspirator who completed the sheets with passing scores to fraudulently qualify individuals who did not actually take the CDL test. In addition, between September and October 2018, the individual conducted CDL skills examinations on a third-party testing facility's behalf. The individual charged each applicant \$275 but kept the money instead of submitting it to the company.

May 20, 2022: Florida Moving Company and Its Owner Ordered To Pay Over \$21 Million for Deceptive Practices

The Seventeenth Judicial Circuit in Broward County, Florida, entered a final judgment as to liability and an order of permanent injunction against a moving company and its owner. The judgment totaled \$21,789,306, including about \$5.28 million in restitution imposed under Florida's Deceptive and Unfair Trade Practices Act, and \$16.5 million in civil penalties.

The ruling arose from civil complaints that the Florida Attorney General's Office filed in December 2018 against 7 individuals and 19 household goods moving companies or their affiliated entities. The moving companies were all located in Broward and Dade Counties. The complaints alleged that the companies conducted deceptive moving practices by using false or deceptive advertising practices or offering low-price, purportedly binding estimates to entice customers to purchase their services. They then took custody of people's belongings, raised prices, and forced customers to pay the inflated prices before releasing the goods. The companies also claimed that highly trained professional or expert movers would perform the services; however, untrained laborers regularly performed the moves, often damaging, destroying, or stealing the customers' property.

National Highway Traffic Safety Administration

NHTSA Has Mitigated Risks and Ensured Compliance With Requirements for Highway Safety Grants (issued July 20, 2022)

To help combat highway fatalities, the Fixing America's Surface Transportation Act (FAST Act) of 2015 authorized over \$2.7 billion in highway safety grant funds for fiscal years 2016 through 2020. NHTSA awarded these grants to States, which distributed them to a network of sub-grantees then monitored the funds' use for each State Highway Safety Office. Due to the significant amount of grant funding authorized by the FAST Act and the importance of NHTSA's oversight, we initiated this audit as a follow up to our 2014 recommendations to help the Agency improve oversight controls for safety grants. Specifically, we reviewed NHTSA's actions to improve controls over (1) mitigation of deficiencies identified by the Agency's triennial management reviews of States, (2) monitoring States' compliance with Federal grant requirements, (3) States' timeliness in expending grant funds, and (4) developing and implementing an electronic database to identify and monitor recurrent or systemic grant oversight findings.

NHTSA implemented our 2014 recommendations to improve the Agency's oversight of highway safety grants. Specifically, NHTSA worked with States to mitigate deficiencies, and revised its grant oversight policies and procedures to require documentation of States' corrective actions and management approval for closing actions. The Agency also implemented updated monitoring procedures and a risk assessment process for improving States' compliance with Federal grant requirements and for monitoring the timeliness of States' expenditure of highway safety grant funds. Finally, NHTSA is evaluating options to replace its grant information system. We made no recommendations.

June 3, 2022: Washington State Individual Ordered To Pay \$22,100 in Restitution

The U.S. District Court for the Western District of Washington ordered an individual to pay \$22,100 in restitution to the victims of a vehicle smuggling scheme. Between 2015 and 2019, the individual filed false documentation with U.S. Customs and Border Protection to import vehicles that did not meet Federal Motor Vehicle Safety Standards and Clean Air Act requirements. The individual sold the vehicles without disclosing that they failed to meet Federal standards. The individual was previously sentenced to 30 days of incarceration, 5 years of supervised release, and a \$300 special assessment.

May 26, 2022: Eighth Massachusetts State Trooper Sentenced in Overtime Abuse Investigation

The U.S. District Court for the District of Massachusetts sentenced a retired Massachusetts State Police Trooper, to 2 years of probation, including 6 months of home confinement; \$5,500 in fines; and \$14,062 in restitution. In January 2019, the retired trooper pleaded guilty to embezzling from an agency receiving Federal funds. The trooper was responsible for enforcing criminal and traffic regulations and received payment for overtime shifts without working some or all of the billed hours. The retired trooper was the eighth Massachusetts State Trooper to be charged and sentenced in this investigation.

Federal Railroad Administration

FRA Uses Automated Track Inspections To Aid Oversight but Could Improve Related Program Utilization Goals and Track Inspection Reporting (issued April 27, 2022)

While track-caused rail accident numbers and rates have declined over the past 2 decades, defective track conditions are still among the most frequent causes of train derailments. FRA's Track Division deploys track inspectors and its Automated Track Inspection Program (ATIP) to determine whether railroads are complying with minimum safety requirements for railroad track. Given the impact of track conditions on railroad safety, we initiated this audit to evaluate FRA's use of automated inspections to aid track safety oversight.

FRA deploys eight ATIP inspection vehicles to monitor track conditions nationally and recently took actions to improve the program's operation and oversight. However, the Agency's formal program metric for ATIP vehicle utilization is outdated. Specifically, FRA contracts out operation of these vehicles to two contractors but only established a single utilization goal to run the ATIP vehicles 150 survey days a year. While some individual ATIP vehicles came close to the goal, collectively the ATIP fleet fell short, with an average 80-percent utilization between FYs 2016 and 2021. FRA officials offered several reasons, including weather events, to explain the missed goal. In addition, over half of the 539 ATIP-related inspection reports we reviewed contain inaccurate data—in part because FRA does not have sufficient guidance on recording ATIP-related inspection activities. FRA also relies on inspectors to respond promptly to changing conditions and use their territory knowledge in planning their work, but does not have any national or formal district-level track inspection planning processes in place. However, FRA does use ATIP vehicles and survey data to perform data-driven evaluations of railroad track testing programs and improve its data inventories. Until FRA improves ATIP utilization goals and ATIP-related track inspection reporting, it cannot ensure its resources are optimally targeted to support the Agency's track oversight.

We made six recommendations to improve FRA's use of automated inspections to aid track safety oversight.

June 29, 2022: Former Engineer Sentenced for Operating a Train Under the Influence of Alcohol

The U.S. District Court for the Southern District of Iowa sentenced a former engineer to 36 months of supervised release, a \$4,000 fine, and a \$100 special assessment for operating a train under the influence of alcohol.

March 21, 2022: Former FRA Inspector Sentenced for Falsifying Inspection Report

A former hazardous materials inspector for FRA was sentenced in the U.S. District Court for the Northern District of Texas to 12 months and 1 day of incarceration, 36 months of supervised release, \$61,600 in restitution, and a \$100 special assessment. In November 2021, the individual pleaded guilty to making a false statement when representing that a hazardous materials inspection had been performed at a railyard company.

Federal Transit Administration

FTA Can Enhance Its Controls To Mitigate COVID-19 Relief Funding Risks (issued October 12, 2022)

Since March 2020, Congress has provided \$69.5 billion in supplemental funding to FTA to help transit systems in the United States mitigate the impacts of the Coronavirus Disease 2019 (COVID-19) pandemic. As of August 1, 2022, FTA had obligated over \$63 billion and expended over \$46 billion. In addition to increased funding, the CARES, Coronavirus Response and Relief Supplemental Appropriations, and American Rescue Plan Acts permitted changes in how recipients use FTA funds. Accordingly, our audit objective was to assess the design of FTA's controls to address risks FTA has identified for COVID-19 relief funding.

FTA's 2021 Internal Control Plan identified 16 risks and mitigation strategies related to the Agency's COVID-19 relief funds, 12 of which FTA currently considers to be risks. We determined that FTA's controls fully address 8 of these 12 remaining risks because they are relevant and sufficient in scope and specificity to mitigate the related risk, and partially address 4 of the 12 risks. For the four risks that Agency officials indicated no longer applied, we found that FTA's controls partially address two risks and do not address two. We included our assessment of these areas should FTA management determine at a future time that the risks are applicable. Adding controls for those risk areas that are not fully addressed will help the Agency mitigate the impact of the risks facing its COVID-19 relief funding.

We made two recommendations to improve controls for addressing COVID-19 funding risks.

January 18, 2022: *Former Utah Transit Authority Employee Sentenced for Making False Statements to Federal Agents*

A former Utah Transit Authority (UTA) employee pleaded guilty in the U.S. District Court for the District of Utah to charges of making false statements to DOT-OIG and Federal Bureau of Investigation (FBI) Special Agents. The former employee was sentenced to 6 months of home detention, 3 years of probation, a \$30,000 fine, and a \$100 assessment.

While working as a UTA employee, the individual hired a contractor to perform work at UTA bus stop sites. The contractor later performed additional construction work at the individual's residence and submitted an invoice to UTA for contractor payment. During an interview with DOT-OIG and FBI Special Agents, the individual falsely claimed to have paid for the residential work.

Pipeline and Hazardous Materials Safety Administration

PHMSA Can Enhance Its Hazardous Material Fitness Reviews by Meeting Its Application Processing Goal and Addressing Oversight Gaps (issued March 23, 2022)

According to data from PHMSA, more than 3.3 billion tons of hazardous materials (hazmat) are transported within the United States each year. As PHMSA is responsible for evaluating the fitness of companies that transport hazmat, we initiated this audit to

assess PHMSA's implementation of Federal requirements for conducting fitness reviews of applicants seeking hazmat approvals or special permits. Specifically, we assessed (1) PHMSA's three-tier process for reviewing applicants' fitness and (2) internal controls the Agency employed to conduct those reviews and communicate the results, as required.

PHMSA is improving its three-tier hazmat fitness review processes, but its timeliness goal is not always achievable. Specifically, PHMSA processed most Tier 1 reviews within DOT's 120-day goal but took longer for Tiers 2 and 3. PHMSA investigators did meet Agency standards for inspecting and developing fitness memoranda. PHMSA is also improving its methods for tracking Tier 2 and Tier 3 applications and for documenting decisions regarding Tier 3 inspections. However, its software systems do not communicate with each other, and the Agency does not require fitness memoranda to identify relevant inspection report numbers—factors that will hinder PHMSA's efforts to meet its timeliness goal or identify possible problems. PHMSA also has internal control gaps for conducting hazmat fitness reviews but is working to address the gaps. In addition, some data were not correctly correlated to company profiles—an error that could impact the accuracy of Tier 1 reports and fitness reviews. Finally, PHMSA did not fully publicly communicate, as required, the status of applications delayed more than 120 days. Until PHMSA addresses these internal control gaps, it has less assurance its application review process will meet Federal requirements.

We made 12 recommendations to improve PHMSA's implementation of Federal requirements for conducting fitness reviews.

November 4, 2022: *Two Florida Individuals Sentenced for Stealing Fuel*

The U.S. District Court for the Southern District of Florida sentenced two individuals for stealing large volumes of fuel from multiple gas stations in South Florida while in transit from Port Everglades. Fuel is a hazardous material requiring compliance with DOT regulations when storing and transporting. The individuals received a total of 1 year of incarceration; 3 years of probation, including 2 years of home detention; 3 years of supervised release; \$198,820 in restitution; a \$17,595 fine; and \$200 in special assessments.

Great Lakes St. Lawrence Seaway Development Corporation

Independent Auditor's Report on the Great Lakes St. Lawrence Seaway Development Corporation's Financial Statements for Fiscal Years 2022 and 2021 (issued November 15, 2022)

In accordance with the Government Corporation Control Act of 1945, we audited the financial statements of GLS, a U.S. Government Corporation, as of and for the fiscal years ended September 30, 2022, and September 30, 2021.

In our opinion, GLS's financial statements present fairly, in all material respects, the Agency's financial position as of September 30, 2022, and September 30, 2021, and its operations and changes in cumulative results of operations, cash flows, budgetary resources and actual expenses, and changes in equity of the U.S. Government for the years then ended, in accordance with U.S. generally accepted accounting principles. We

found no material weaknesses in internal control over financial reporting based on the limited procedures we performed. We also found no reportable noncompliance for fiscal year 2022 with provisions of the applicable laws, regulations, and contracts we tested.

We made no recommendations.

September 7, 2022: Virginia Individual Sentenced in Connection with Government Contracting Fraud Scheme

The U.S. District Court for the Northern District of New York sentenced an individual to a \$2,000 fine, a criminal forfeiture of \$33,992, a \$100 special assessment, and \$33,992 in restitution to the U.S. Army. On March 30, 2022, the individual pleaded guilty to conspiracy to commit wire fraud. The individual and a co-conspirator, who are co-owners of a company, participated in a scheme to obtain Government construction contracts set aside for service-disabled veteran-owned small businesses (SDVOSB). The individual and co-conspirator falsely represented to Federal agencies that their company was a SDVOSB and it was managed and controlled by the individual. However, the co-conspirator actually managed the company and was not a service-disabled military veteran. The company received over \$3 million from various U.S. Army contracts, as well as nearly \$308,000 in revenue from a GLS contract that was set aside for SDVOSBs.

Office of the Secretary

DOT Has Made Progress Meeting the Requirements of the Geospatial Data Act of 2018 (issued September 28, 2022)

Geospatial data—which Federal agencies use to achieve their missions—contain information tied to locations, including geographic location identifiers. Transportation related geospatial data include instrument-flight-rule navigation charts and pipeline inspection boundary maps. In October 2018, Congress passed the Geospatial Data Act (GDA) on the management of the National Spatial Data Infrastructure (NSDI). NSDI has 18 geospatial data themes that cover data used by Federal agencies, including a transportation theme. Section 756 of the GDA requires Federal Geographic Data Committee to identify one or more covered agencies to serve as the lead covered agency for a specific data theme. The act’s section 759 sets requirements for covered agencies. As the lead covered agency for the transportation theme, DOT must address requirements under GDA section 756(b) for the transportation theme, and as a covered agency the requirements under sections 759(a) and 759(b). The act also requires inspectors general of covered agencies to report to Congress once every 2 years on their agencies’ geospatial data-related activities. Our audit objective was to assess DOT’s progress since our 2020 GDA audit. Specifically, we assessed the Department’s progress implementing its responsibilities (1) as a lead covered agency under section 756(b) and (2) as a covered agency under sections 759(a) and 759(b) of the act.

DOT has made progress complying with lead covered agency requirements. In 2020, DOT met two of the five lead covered agency requirements—information on user needs and theme administration. In 2022, DOT fully meets four requirements and partially meets one—a plan to implement standards for theme data. DOT has also made progress on the 12 applicable covered agency requirements. In 2020, DOT had met 4 of the 12

applicable requirements and in 2022, fully meets 9. The Department has not yet fully complied with the requirements for implementation of a geospatial information system strategic plan, records preparation, and the use of geospatial information. DOT complied with the requirements on annual reporting and maintenance of a geospatial data asset inventory.

We made one recommendation to help DOT comply with the requirements for lead covered agencies in the act's section 756(b).

Weaknesses in DOT's ITSS Award and Invoice Processes Increase the Risk of Inefficiencies During Acquisitions of Critical IT Products and Services (issued September 20, 2022)

DOT leverages information technology to achieve its mission of a safe, efficient, accessible, and convenient transportation system. Historically, IT systems were decentralized departmentwide, but that resulted in high costs and other inefficiencies and risks. In May 2017, the Office of the Chief Information Officer (OCIO) launched an IT shared services (ITSS) initiative to centralize IT decision making and transition to departmentwide acquisition vehicles where possible. Given the high-dollar amounts associated with DOT's IT acquisition spending—\$3.5 billion in fiscal year 2021—and the ongoing ITSS transition, we initiated this audit. Our objectives were to assess the Department's processes for (1) awarding its IT shared services contracts and (2) reviewing contractor charges.

Counter to Federal procurement requirements, DOT's contracting officers (CO) awarded multiple, noncompetitive actions to ITSS contract vehicles without proper justifications, beyond contract term limits, and despite prolonged contractor performance issues. For example, DOT awarded a 1-year, no options, \$950,000 ITSS vehicle noncompetitively, then extended it 16 times, increasing its period of performance to over 7 years and its value to \$15.2 million. In addition, COs did not always award such actions in a timely manner due in part to a lack of guidance. As a result, we found 10 lapses in 5 ITSS contract vehicles with a value of \$582.1 million during which DOT continued to receive and pay for IT services. Furthermore, while DOT's ITSS award documentation complied with most procurement requirements, there were a few notable exceptions. For example, officials could not locate most of the award documentation for one ITSS contract that covered over 11 years and had a value of \$525 million, raising questions about whether DOT obtained the best pricing. Finally, OCIO's practices for verifying ITSS contractor charges are not always reliable, in part because OCIO lacks adequate controls. As a result, the Department cannot give reasonable assurance that ITSS payments are proper, creating a risk for waste, fraud, and abuse.

We made nine recommendations to improve ITSS contract vehicles award and invoice review processes.

DOT Does Not Ensure Compliance With All Single Audit Provisions of OMB's Uniform Guidance (issued March 23, 2022)

DOT's OAs receive billions to provide financial assistance to States and other entities. OMB requires recipients that expend \$750,000 or more to perform single audits. OMB's Uniform Guidance sets requirements for single audits. Recipients must submit reporting

packages, including auditors' reports, to the Federal Audit Clearinghouse (FAC) and develop plans to resolve findings. Because of the importance of single audits to tax dollar stewardship, we reviewed single audit processes at FAA, FHWA, and FTA. Our audit objectives were to evaluate their processes for (1) verifying that single audits are completed and reports are submitted to FAC in the timeframe required by the Uniform Guidance, (2) issuing timely management decisions on single audit findings, and (3) following up on findings and recommendations, including high-priority findings and recommendations we identify in quarterly reports.

DOT does not ensure that single audit reports are completed and timely submitted to FAC and does not have a single audit accountable official to ensure OAs fulfill Uniform Guidance requirements. DOT does not ensure the OAs verify that recipients complete single audits and submit timely packages. FAA, FHWA, and FTA's processes for these activities are not sufficient. This lack of oversight could inhibit DOT's ability to reduce improper payments. DOT also does not ensure OAs issue timely management decisions and track findings. Untimely management decisions inhibit OAs' abilities to evaluate findings and recover funds. The OAs follow up on findings that we identify in our quarterly reports rather than all findings. Because it has not designated a single audit accountable official, DOT does not ensure OAs perform required followup. The Uniform Guidance requires agencies ensure that recipients correct all findings. Our reports do not cover all single audit findings. DOT's lack of oversight could increase the risk of improper payments.

We made seven recommendations to help improve single audit process oversight.

What benefits will be provided to the American public through this request, and why is this program necessary?

OIG's mission is to enhance DOT's programs and operations by conducting objective investigations and audits on behalf of the American public. Our work provides value for the American taxpayer by promoting economy, efficiency, and effectiveness in the administration of DOT's programs; preventing and detecting fraud, waste, and abuse in DOT's programs; and keeping the Secretary and Congress fully and currently informed.

OIG is the only source of internal, independent, and objective recommendations on departmental programs for DOT's senior executives and managers. Working closely with Congress, the Secretary, and senior DOT officials, we focus on issues that impact public safety, strive to enhance the effectiveness and integrity of DOT's programs, and seek out the best use of taxpayer dollars through savings, recoveries, and efficiency.

Our audit recommendations lead to substantial financial, programmatic, and safety improvements. Our investigations enhance safety by thwarting criminal activities that put lives at risk and protect taxpayer investments through court-ordered fines, restitutions, recoveries, and forfeitures.

In FY 2022, we issued 42 audit reports with 222 recommendations, and our investigations resulted in 73 convictions and 54 indictments. Our work produced over \$1.5 billion in financial recommendations and over \$58 million in fines, restitutions, recoveries, and forfeitures. From FY 2018 through FY 2022, we achieved an average ROI of \$26 to \$1.

SECTION 5: INFORMATION TECHNOLOGY

**INFORMATION TECHNOLOGY
DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL
BUDGET AUTHORITY
(\$000)**

Budget Account	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Pres. Budget
Salaries & Expenses			
Commodity IT Shared Services through the Working Capital Fund	\$1,968	\$2,557	\$3,710
Modal IT Spend	\$9,207	\$9,822	\$11,813
Total	\$11,175	\$12,379	\$15,523

OIG is requesting **\$15.52 million** in FY 2024 for IT that supports the full spectrum of OIG programs as well as the Department’s initiative to transform and consolidate the management of certain IT solutions centrally by the OCIO.

Commodity IT Shared Services through the Working Capital Fund

OCIO will continue to provide all modes Commodity IT Shared Services in FY 2024 to achieve economies of scale and increase consistency of cybersecurity protections across the Department. Commodity IT Shared Services include IT functions and activities dedicated to basic support services, including network operations, end-user computing, telecommunications services, and server operations.

OIG requests **\$3.71 million** from the Salaries & Expenses account for Commodity IT Shared Services. OIG’s share is based on actual commodity IT consumption in prior years as well as planned future consumption. OCIO, in collaboration with OIG, assumed a one-to-one cost estimate to transition all commodity IT to OCIO. OIG will only be charged for services rendered.

Modal IT

The following major mission-critical IT systems will be maintained by OIG in FY 2024. This list is only a subset of all IT systems that support OIG and are reported in the Corporate Investment Management System.

General Support, Maintenance of Network ADP, Hardware, and Software. OIG requests \$7.76 million for development, modernization, and enhancement (DME) and operation and maintenance (O&M) of OIG’s primary IT infrastructure platform. These resources are fundamental and provide a secure, flexible, and robust structure to support OIG’s workforce including mission critical audit, data analytics, and investigative staff.

Audit Information Security Lab. OIG requests \$1.09 million for DME and O&M of mission critical resources for computer security audit activities including penetration testing and vulnerability assessments of departmental and modal IT systems.

Data Analytics and Computer Crimes Unit. OIG requests \$2.96 million for DME and O&M of mission critical resources which enhance OIG's investigative activities by providing specialized and enhanced investigative techniques utilizing data analytics; and developing and adapting mathematical, statistical, econometric, and other analytical solutions for OIG operations.

SECTION 6: 10-YEAR FUNDING TABLE

**FY 2015 – FY 2024 FUNDING HISTORY
OFFICE OF INSPECTOR GENERAL
SALARIES AND EXPENSES**

Request		Appropriation	
2015.....	\$ 86,223,000	2015.....	\$ 86,223,000
2016.....	\$ 87,472,000	2016.....	\$ 87,472,000
2017	\$ 90,152,000	2017.....	\$ 90,152,000
2018	\$ 90,152,000	2018.....	\$ 92,152,000
2019	\$ 91,500,000	2019.....	\$ 92,600,000
2020	\$ 92,152,000	2020.....	\$ 94,600,000
2021.....	\$ 98,150,000	2021.....	\$ 98,150,000
2022.....	\$103,150,000	2023.....	\$103,150,000
2023.....	\$108,073,000	2023.....	\$108,073,000
2024.....	\$121,001,000		