



U.S. Department of Transportation | Office of Inspector General

SEMIANNUAL REPORT TO CONGRESS

OCTOBER 1, 2022–MARCH 31, 2023


Table of Contents

Highlights	1
Investigations	2
Audits	11
Peer Reviews	16
Index	17
Acronym Glossary	18

Highlights

Investigative Accomplishments

investigations opened, by priority area

 transportation safety	15	 public interest	7
 grant and procurement fraud	17	 other	4
 employee integrity	1		

75/75
investigations/complaints closed/opened

20/17
convictions/indictments

\$9,212,979
financial impact of DOT OIG investigations












Audit Accomplishments

23
audit reports issued

113
recommendations

\$383,100,844
financial impact of DOT OIG audit reports

audit reports, by agency

 DOT-wide*	9	 FRA	0	 NTSB	2
 FAA	6	 FTA	1	 NHTSA	0
 FHWA	1	 GLS	1	 PHMSA	0
 FMCSA	0	 MARAD	0	 STB	2
		 Multimodal**	1		

*DOT-wide count includes Single Audit Quality Control Reviews and Single Audit Quarterly Summaries issued during the performance period.

**Multimodal refers to audits that involved two or more agencies.









Performance Highlights

We investigate allegations of fraud, waste, abuse, and other violations of law by DOT employees, contractors, grantees, and regulated entities. Some of the most significant issues for which we completed or concluded investigations during this reporting period include:

- Hazmat violations.** Two individuals were sentenced to 35 years of incarceration, 6 years of supervised release, and \$68,948 in forfeitures for their participation in a scheme to steal, fraudulently resell, and transport body parts and bodies.
- Moving fraud.** A household moving company owner was sentenced to 6 years of incarceration and 3 years of supervised release for a moving fraud racketeering conspiracy. Victims were defrauded, extorted, and had their household goods stolen.
- Bribery scheme.** A trucking contractor was sentenced to 2 years of incarceration, 1 year of supervised release, and over \$1.3 million in restitution for a decade-long bribery conspiracy involving manipulating the contract award process and falsifying mileage reports.
- Illegal tank repairs.** A trucking company owner was sentenced to 10 years of incarceration, 5 years of supervised release, and over \$1.2 million in restitution for conspiring to make illegal repairs on cargo tanks which resulted in a fatal explosion, as well as COVID-19 relief fraud and tax evasion.






Investigative Accomplishments

	hotline contacts received	2,504
	investigations/complaints closed/opened	75/75
	criminal/civil investigations referred for prosecution	86/23
	convictions/indictments	20/17
	years of incarceration, probation, home detention, supervised release	173.3
	financial impact of DOT OIG investigations	\$9,212,979

Statistical Data

Financial impact of DOT OIG investigations



total financial impact		\$9,212,979
	costs avoided	\$0
	forfeitures	\$1,403,222
	recoveries	\$2,218,000
	finances and special assessments	\$70,920
	restitution	\$5,520,837

Types of criminal monetary impositions

Forfeitures include the seizure of assets that represent the proceeds of, or were used to facilitate, Federal crimes.

Fines are criminal or civil monetary penalties.

Special assessments are part of the sentence for offenders of Federal crimes, applied on a per-count basis. The money is placed in the Crime Victims Fund to recompense victims of offenses against Federal law.

Restitution is a criminal or civil award to a victim for harm caused by the offender’s wrongful acts.

Recoveries include funds returned to the Government resulting from criminal and civil judgments, pleas, and settlements.

Investigative workload

 **75** investigations/ complaints opened this reporting period



 **367** ongoing investigations

 **75** investigations/ complaints closed this reporting period

Criminal prosecutions

DOT OIG investigates and refers a variety of matters for criminal prosecution, including cases involving transportation safety, procurement and grant fraud, consumer and workforce fraud, and employee integrity issues.

Number of investigations referred, accepted, and declined for criminal prosecution

	referred	86
	accepted*	56
	declined*	51



Individuals and businesses referred to the U.S. Department of Justice or State/local authorities for criminal prosecution

individuals referred to DOJ	63
businesses referred to DOJ	20
individuals referred to State or local authority	3
businesses referred to State or local authority	0

Civil prosecutions

DOT OIG investigates and refers civil matters for prosecution, including False Claims Act cases involving fraud on DOT programs.

Number of investigations referred, accepted, and declined for civil prosecution

	referred	23
	accepted*	13
	declined*	6

*Number of accepted and declined referrals may include investigations initiated in a prior reporting period.

Summary of referrals for criminal and civil prosecution



grant and procurement 38

false claims	16	DBE pass through fraud	3	kickbacks	3
DBE eligibility fraud (financial/ownership/control)	4	false statements	2	embezzlement	2
Buy America requirements	1	overbilling	1	DBE fraud	1
other	5				



aviation 9

accident related	2	SUPs—parts sale	2	interference or tampering with an aircraft	1
SUPs—parts maintenance	2	falsification of FAA orders or other documents	1	certificate fraud, non-commercial airman	1



motor carrier 18

equipment inspection, repair, maintenance	5	log books	1	fraudulent registration filings	2
CDL	2	CDL public corruption of a DMV employee	3	other	5



public interest 17

aiming a laser pointer at an aircraft	2	household goods/moving companies	11	unmanned aircraft systems	2
certificate fraud, medical by doctor	1	unruly passengers (interference with flight crew)	1		

Summary of referrals for criminal and civil prosecution (cont.)



employee integrity **4**

violation of law, rule, or regulation	<u>1</u>	misuse of government property or funds	<u>1</u>	abuse of authority	<u>1</u>
other	<u>1</u>				



transportation safety **11**

falsification of FMVSS	<u>9</u>	NHTSA—grey market vehicles	<u>1</u>	NHTSA—TREAD Act violations	<u>1</u>
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hazmat **5**

carriage by motor vehicle/ public highway	<u>3</u>	carriage by vessel	<u>1</u>	pipelines	<u>1</u>
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workforce protection **2**

economic fraud committed by carrier	<u>1</u>	broker, freight forwarder, carrier registration	<u>1</u>
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other **5**

forgery/alteration of documents	<u>3</u>	threat against DOT employee	<u>2</u>
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Investigative reports

DOT OIG distributed **36** investigative reports, including reports of investigation, stakeholder memos, and management implication reports.

Indictments and informations from prior referrals

A total of **12** indictments or criminal informations resulted from previous referrals for prosecution.

Whistleblower retaliation

DOT OIG did not close any investigations in which a DOT official was found to have engaged in whistleblower retaliation.

Metrics used to develop investigative statistical data

DOT OIG maintains an Investigative Case Management System to track the life of an investigation. It captures hundreds of data points, including dates, significant investigative steps, referrals, and outcomes (criminal, civil, and administrative). It is also the repository for reports of investigation, stakeholder communications, and management implication reports. Each statistic and outcome reported is validated against the appropriate legal documents.



Judicial actions and outcomes

convictions	20
indictments	17
years of incarceration & home detention	79.3
years of supervised release	44
years of probation	50
hours of community service	1,000

Types of judicial actions

A **conviction** is the verdict that results when a court of law finds a defendant guilty of a crime.

An **indictment** is an official written statement charging a person with a crime.

Supervised release is a period of supervision following an offender's release from prison. It is imposed in addition to a sentence of imprisonment.

Probation is a period of supervision over an offender, ordered by a court instead of a sentence of imprisonment.

Community service is a sentencing option ordering offenders to perform a number of hours of unpaid work for the benefit of the public.

Administrative actions and outcomes resulting from DOT OIG investigations

suspension and debarment actions*

individual suspension	3
individual debarment	4
business suspension	1
business debarment	2
suspension referral	9
debarment referral	4

personnel action

proposed removal	2
removal	4

other actions

compliance agreement	4
enforcement action taken	0
Federal funds reduced	0
certificate/license/permit terminated	3
employee reprimand	1
employee resigned/ retired during investigation	4
employee suspension	3
proposed employee suspension	1
cert/license/permit suspended	2
employee reassignment/transfer	2

* Number of suspensions and debarments may include referrals made in a prior reporting period.

Types of administrative actions

Suspension and debarment excludes an individual or entity from financial and nonfinancial assistance and benefits under Federal programs and activities.

Personnel actions include significant changes in employee duties, responsibilities, or working conditions.

Compliance agreements are voluntary agreements aimed at preventing future wrongdoing by putting


safeguards in place to correct past misconduct and identify and correct any future misconduct.

Federal funds reduced refers to money a State or locality repaid to a DOT agency following the improper award of a contract.

Investigations involving senior Government employees that were closed but not disclosed to the public

There was one administrative investigation involving gross mismanagement and Privacy Act violations where misconduct was unsubstantiated.

Investigations involving senior Government employees where misconduct was substantiated

 There were no investigations involving senior Government employees where misconduct was substantiated.

Types of allegations







Unsubstantiated allegations include no criminal, civil, or administrative actions taken as a result of the investigation.

Substantiated allegations are allegations that were investigated and determined to have occurred.

Hotline Complaint Center

DOT OIG maintains a Hotline Complaint Center for receiving allegations of fraud, waste, abuse, or mismanagement in DOT programs or operations. Allegations may be reported 24 hours a day, 7 days a week by DOT employees, contractors, or the general public.






total hotline contacts received		2,504
	fax +1 (202) 366-7749	2
	walk ins 1200 New Jersey Ave SE, West Bldg, 7th floor, Washington, DC 20590	0
	letters 1200 New Jersey Ave SE, West Bldg, 7th floor, Washington, DC 20590	42
	phone calls +1 (800) 424-9071	884
	web contacts www.oig.dot.gov/hotline	559
	emails hotline@oig.dot.gov	1,017

Performance Highlights

We conduct independent and objective audits and reviews of DOT programs and activities to ensure they operate economically, efficiently, and effectively. Some of the most significant issues for which we completed reviews during this reporting period include:

- **COVID-19 relief funding.** FTA's 2021 Internal Control Plan identified 16 risks and mitigation strategies related to its COVID-19 relief funds, 12 of which FTA still considered to be risks. We determined that FTA's controls did not fully address 4 of these risks.
- **TIFIA program oversight.** The Build America Bureau has not established adequate internal controls to effectively oversee and manage its Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance program, which allowed eight individuals to retain improper access to TIFIA's shared drive. We also found loan portfolio discrepancies on the Bureau's website and overpaid and underpaid borrower fees.
- **Contract award and administration.** Insufficient oversight and guidance, staffing issues, inadequate training, and other priorities impacted DOT's ability to timely meet Federal Contractor Performance Assessment Reporting System (CPARS) reporting deadlines and to make informed award decisions in the future. OA officials frequently did not timely register contracts or complete contractor performance assessments within recommended timeframes.
- **Tunnel safety.** FHWA has established a comprehensive tunnel safety program and internal database to monitor critical tunnel safety risks, but the Agency lacks clear guidance and scope on how to identify, classify, and inventory structures as tunnels.

Audit Accomplishments

	audit reports issued	23
	recommendations	113
	financial impact of DOT OIG audits	\$383,100,844

To access our full library of audits, recommendations, investigations, testimonies, and other reports, visit <https://www.oig.dot.gov/>.

Mission, Vision, & Core Values

Mission: OIG enhances DOT investigations and...

Vision: OIG is a high-performing, efficient national...

Core Values: Independence, Accountability, Innovation, Community

CONTRACT AND GRANT FUND STEWARDSHIP

Establishing Sound Pricing for Contract and Grant Awards

External Impacts: COVID-19 and I&A

FAA's Office of Inspector General Needs To Enhance Administrative In...

Top Four OIG With Contract and Grant Obligations Responsibility

Statistical Data

Completed audits by type

reports 23

performance audits	9	financial audits	9
audits under Single Audit Act	4	attestation engagements	0
other	1		

recommendations 113

performance audits	62	financial audits	47
audits under Single Audit Act	4	attestation engagements	0

financial impact \$383,100,844

performance audits	\$374,016,040
audits under the Single Audit Act	\$9,084,804
financial audits	\$0
attestation engagements	\$0

Types of audits

Performance audits provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria.

Financial audits are assessments that determine whether the reported financial conditions, results, and use of resources are presented fairly in accordance with recognized criteria.

Audits under the Single Audit Act are examinations of an entity that expends \$750,000 or more of Federal assistance (i.e., Federal funds, grants, or awards) received for its operations.

Attestation engagements are reviews that evaluate the assertions of another party for compliance with agreed-upon standards and procedures.

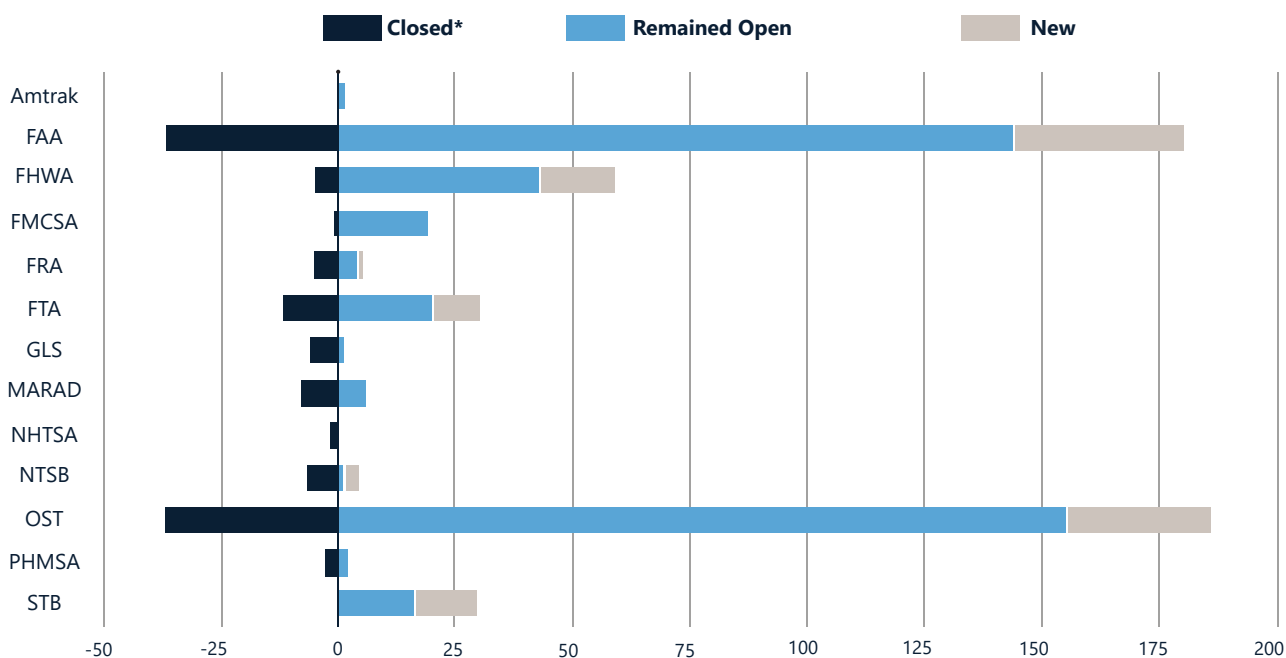
Note: Dollars shown are amounts reported to management. Actual amounts may change during final resolution. See pages 14 and 15 for definitions.

Open audit recommendations

As of March 31, DOT OIG had **522 open recommendations**, which were included in **166** audit reports issued since **November 14, 2011**. Of these, **62** recommendations (from **45** reports) carry an **estimated monetary or cost savings totaling over \$564,015,984**, including funds that could be put to better use and questioned costs.

Please visit our Recommendation Dashboard at www.oig.dot.gov/recommendation-dashboard for accurate and timely data on the status of DOT OIG’s audit recommendations, links to audit summaries associated with each recommendation, interactive charts and recommendation data visualizations, and reports on recommendations required by the Inspector General Act.

Status of audit recommendations, first half of FY 2023



*Some closed recommendations were opened prior to the reporting period.

Open and closed audit recommendations

A recommendation is **opened** on the date the audit report is issued. Once opened, a recommendation is “unresolved” until the auditee and DOT OIG agree on the step(s) necessary to address the recommendation. Then the recommendation is considered “resolved” and remains open until the auditee completes the corrective action and provides DOT OIG with sufficient supporting evidence of the actions taken.

A recommendation is **closed** after the auditee has agreed with the recommendation, takes appropriate corrective action, and provides DOT OIG with sufficient supporting evidence to demonstrate that the action was taken.

Reports with no agency comment within 60 days

We work closely with the Department to ensure timely responses to our draft audit reports. All agency responses were received within 60 calendar days.

Management decisions on previously issued audits.

DOT made management decisions regarding five recommendations from two audit reports issued during a previous reporting period.

Attempts to interfere with DOT OIG independence

We did not encounter any instances where DOT attempted to interfere with DOT OIG independence.

Audits closed but not disclosed to the public

It is our practice to post all closed nonsensitive audits and evaluations on our public website. Consequently, we have no previously undisclosed audits and evaluations to report.

Compliance with Federal Financial Management Improvement Act

DOT is in compliance with the Federal Financial Management Improvement Act.

Information or assistance refused by DOT

DOT did not unreasonably refuse information or assistance.

Peer Reviews

DOT OIG's auditing and investigations functions are subject to peer reviews in accordance with generally accepted Government auditing standards, CIGIE guidelines, and the Attorney General Guidelines for Federal OIGs with statutory law enforcement authority. These peer reviews provide formal, objective assessments of DOT OIG's adherence to prescribed standards, regulations, and legislation.

Peer reviews conducted of DOT OIG

The Small Business Association (SBA) OIG conducted a CIGIE peer review of our Office of Investigations in fiscal year 2018. SBA OIG concluded that the system of internal controls and management procedures used for our investigative operations complied with the quality standards established by CIGIE and other applicable guidelines and statutes and did not make any recommendations. The report was released on August 29, 2018.

The Social Security Administration (SSA) OIG conducted a CIGIE peer review of our Office of Auditing and Evaluation in fiscal year 2022. SSA OIG concluded that the audit organization's system of quality control was suitably designed and complied with to provide DOT OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects. Accordingly, SSA OIG provided a "pass" rating and did not make any recommendations. The report was released on March 15, 2022.

Both reports are available on our website at

<https://www.oig.dot.gov/about-oig/peer-review>.

Outstanding peer review recommendations addressed to DOT OIG

DOT OIG does not have any outstanding peer review recommendations that have not been implemented.

Peer reviews conducted by DOT OIG

During this reporting period, DOT OIG conducted a CIGIE peer review of the investigative organization at National Aeronautics and Space Administration (NASA) OIG. We reported that NASA OIG's system of internal safeguards and management procedures for its investigative functions are in compliance with the quality standards established by CIGIE and applicable guidelines and statutes. Additionally, these safeguards and procedures provide reasonable assurance that NASA OIG conforms to quality standards when planning, executing, and reporting its investigations and when using its law enforcement powers. The report was released on February 3, 2023.

Index

Reporting Requirements

Index of reporting requirements under the Inspector General Act of 1978, as amended

Section	Requirement	Page
5(a)(1)	Significant problems, abuses, and deficiencies	3, 12
5(a)(3)	Significant investigations closed	3
5(a)(4)	Number of convictions	8
5(a)(5); 5(h)	Audits issued during the reporting period	12
5(a)(6)	Management decisions made on previously issued audits	15
5(a)(7)	Compliance with Federal Financial Management Improvement Act	15
5(a)(8)	Peer reviews conducted of DOT OIG	16
5(a)(9)	Peer review recommendations	16
5(a)(10)	Peer reviews conducted by DOT OIG	16
5(a)(11)	Statistical table of investigative reports and referrals	5–8
5(a)(12)	Investigative reporting metrics	8
5(a)(13)	Substantiated misconduct of senior Government employees	10
5(a)(14)	Instances of whistleblower retaliation	8
5(a)(15)	Interference with DOT OIG independence	18
5(a)(16)	Closed but undisclosed audits and investigations of senior Government employees	10, 15

Acronym Glossary

Acronym	Definition
CDL	commercial driver's license
CIGIE	Council of Inspectors General on Integrity and Efficiency
COVID-19	Coronavirus Disease 2019
CPARS	Contractor Performance Assessment Reporting System
DBE	Disadvantaged Business Enterprise
DMV	Department of Motor Vehicles
DOJ	U.S. Department of Justice
DOT	U.S. or State Department of Transportation
FAA	Federal Aviation Administration
FHWA	Federal Highway Administration
FMCSA	Federal Motor Carrier Safety Administration
FMVSS	Federal Motor Vehicle Safety Standards
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
FY	fiscal year
GLS	Great Lakes Saint Lawrence Seaway Development Corporation
Hazmat	hazardous material
IIJA	Infrastructure Investment and Jobs Act
MARAD	Maritime Administration
NASA	National Aeronautics and Space Administration
NHTSA	National Highway Traffic Safety Administration
NTSB	National Transportation Safety Board
OA	Operating Administration

Acronym	Definition
OIG	Office of Inspector General
OMB	Office of Management and Budget
OST	Office of the Secretary of Transportation
PHMSA	Pipeline and Hazardous Materials Safety Administration
SBA	Small Business Administration
SSA	Social Security Administration
STB	Surface Transportation Board
SUPs	Suspected Unapproved Parts
TIFIA	Transportation Infrastructure Finance and Innovation Act
TREAD Act	Transportation Recall, Enhancement, Accountability and Documentation Act