



## **DOT OIG ECONOMIC RECOVERY OVERSIGHT PLAN**

The American Recovery and Reinvestment Act (ARRA) of 2009 designated \$20 million to DOT OIG through Fiscal Year 2013 to conduct audits and investigations of DOT projects and activities funded by ARRA. In anticipation of ARRA's passage, we initiated a three-phase approach to conducting related audit and investigative work, expanded our investigative outreach efforts, and maximized new funding and program flexibilities. The actions we have taken and plan to take will help position our Office to meet the increased workload under ARRA and protect the Federal investment over the long term.

### **Using a Three-Phase Approach to Emphasize High-Risk Areas and Promptly Report Results**

#### Phase 1 (January 2009 – March 2009)

- Conducted a comprehensive review of prior reports and testimonies to identify major challenges facing DOT with the implementation of ARRA.
- Identified a number of ongoing audits and investigation activities that directly relate to the challenges facing DOT under ARRA. We plan to issue the key results of these audits on a “fast track” in the form of “ARRA Advisories.”
- Issued March 31 report, “ARRA 2009: Oversight Challenges Facing the Department of Transportation,” which included 3 major challenges and 10 focus areas.

#### Phase 2 (April 2009 – August 2009)

- Conduct a systematic scan or structured survey of the DOT agencies that received funding in ARRA, based on the 10 focus areas identified in our March report.
- Examine vulnerabilities in program management and planning that could impede DOT's ability to provide effective oversight to ARRA-funded projects and meet new statutory and OMB requirements.

- Plan to issue the results of Phase 2 during summer 2009 through a series of ARRA Advisories to the Department. All ARRA Advisories and reports will be posted to our website.

### Phase 3 (September 2009 – September 2013+)

- Target for audit and investigation, specific DOT programs and projects which emerged as high risk areas as a result of the scans completed in Phase 2.
- Develop a long-term plan that lays out our ARRA audits and investigative initiatives.

### **Mitigating the Risks of Fraud**

- Conduct fraud awareness and prevention activities to alert DOT staff and grantees, including contractors, at all levels of government on how to recognize, prevent, and report suspected fraud.
- Facilitate fraud, waste, and abuse workshops for officials responsible for oversight within DOT's Operating Administrations and state and local agencies receiving ARRA funds.
- Distribute materials such as Hotline posters and "red flag" fraud indicator cards to support the oversight efforts of Federal, state, and local agencies.
- Investigate allegations of fraud and whistleblower reprisal.
- Present cases to the Department of Justice for prosecution.
- Work with DOT and states to help ensure appropriate suspension and debarment actions are taken.

### **Working Aggressively to Hire Staff with Requisite Skills**

- Plan to hire up to 37 new FTE (auditors, analysts and investigators at various grade levels) in Fiscal Years 2009 and 2010.
- Utilize rehired annuitants, term appointments and contractors to supplement our work, as necessary. (Note: We applied for and received from the Office of Personnel Management, authority to waive dual-compensation restrictions on rehired annuitants.).
- Assess workforce needs, periodically, to ensure we have staff with requisite skills to conduct ARRA work.