

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

# ORGANIZATION ASSESSMENT

FY 2018 October 1, 2017, through September 30, 2018



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## A MESSAGE FROM THE INSPECTOR GENERAL



The Office of the Inspector General (OIG), Department of Transportation (DOT), works diligently to inform Congress, the Department, and the American public on issues related to transportation safety, oversight, and management. We are committed to fulfilling our statutory responsibilities under the Inspector General Act while supporting DOT's mission and strategic goals, particularly its top priority, safety. We work closely with Members of Congress, the Secretary, and senior Department officials to enhance the effectiveness and integrity of DOT programs and root out fraud, waste, and abuse.

In fiscal year (FY) 2018, we continued to show that we are trustworthy stewards of taxpayer dollars by returning \$1.20 for every dollar we were appropriated, with a 5-year average return-on-investment of \$27 to \$1. We issued 106 reports with a total of 315 recommendations, including financial recommendations totaling nearly \$90 million. Our investigative work resulted in 161 indictments; 89 convictions; over 107 years of incarceration for convicted criminals; and over \$20 million in fines, forfeitures, restitutions, and recoveries.

We consistently evaluate and, as appropriate, update our planning and assessment mechanisms to ensure we are achieving mission outcomes and remain prepared to address new Federal initiatives and emerging issues. The following pages provide further details about these mechanisms, their associated outcomes, and the many significant achievements in FY 2018 of our dedicated and talented staff.

Calvin L. Scovel III



# About This Assessment

## STATUTORY RESPONSIBILITIES

The Inspector General Act of 1978, as amended, requires Offices of Inspector General to

- conduct independent and objective audits and investigations;
- promote economy, efficiency, and effectiveness;
- prevent and detect waste, fraud, and abuse;
- review pending legislation and regulations; and
- keep Congress and the Secretary fully and currently informed.

The OIG Organization Assessment is one of three key components in our strategic planning and improvements process. We conduct this assessment at the end of the Federal fiscal year to ensure our work and results remain closely aligned with our Strategic Plan and the Department's mission as outlined by our statutory responsibilities.

### OIG's Strategic Plan 2017–2021

Our 5-year strategic plan, updated at the beginning of FY 2016, describes the goals, strategies, and performance measures for achieving our mission and maintaining the core values of OIG's work—safety, accountability, and integrity. The plan's five strategic goals provide a roadmap for our audits, investigations, stakeholder communication, and organization improvement efforts.

### OIG's FY 2018 Strategic Implementation Plan

This plan, compiled in the first quarter of the fiscal year, quantifies our performance measures into specific, measurable benchmarks to evaluate our progress each year. The quantities in this plan are the result of a thorough analysis of our results data over the last several years. These benchmarks are also the basis of the results-driven performance measures in our senior executives' individual performance plans to ensure a cohesive vision of our success and path to strategic goals.

### OIG's FY 2018 Organization Assessment

This fiscal year-end assessment reports our progress against the measures and benchmarks laid forth in our other strategic planning documents. We share these results with our staff as well as our external stakeholders in order to promote accountability and transparency. We will use this year's results to identify areas for improvement in the coming fiscal year.



## Mission

OIG conducts audits and investigations on behalf of the American public to improve the performance and integrity of DOT's programs to ensure a safe, efficient, and effective national transportation system.

## Vision

The United States will achieve a safer, more efficient, and more effective national transportation system because OIG enhances the performance and integrity of DOT's programs. OIG also will serve as a model Federal agency by maintaining a workplace culture that values its people as it continuously improves its performance.

## Core Values

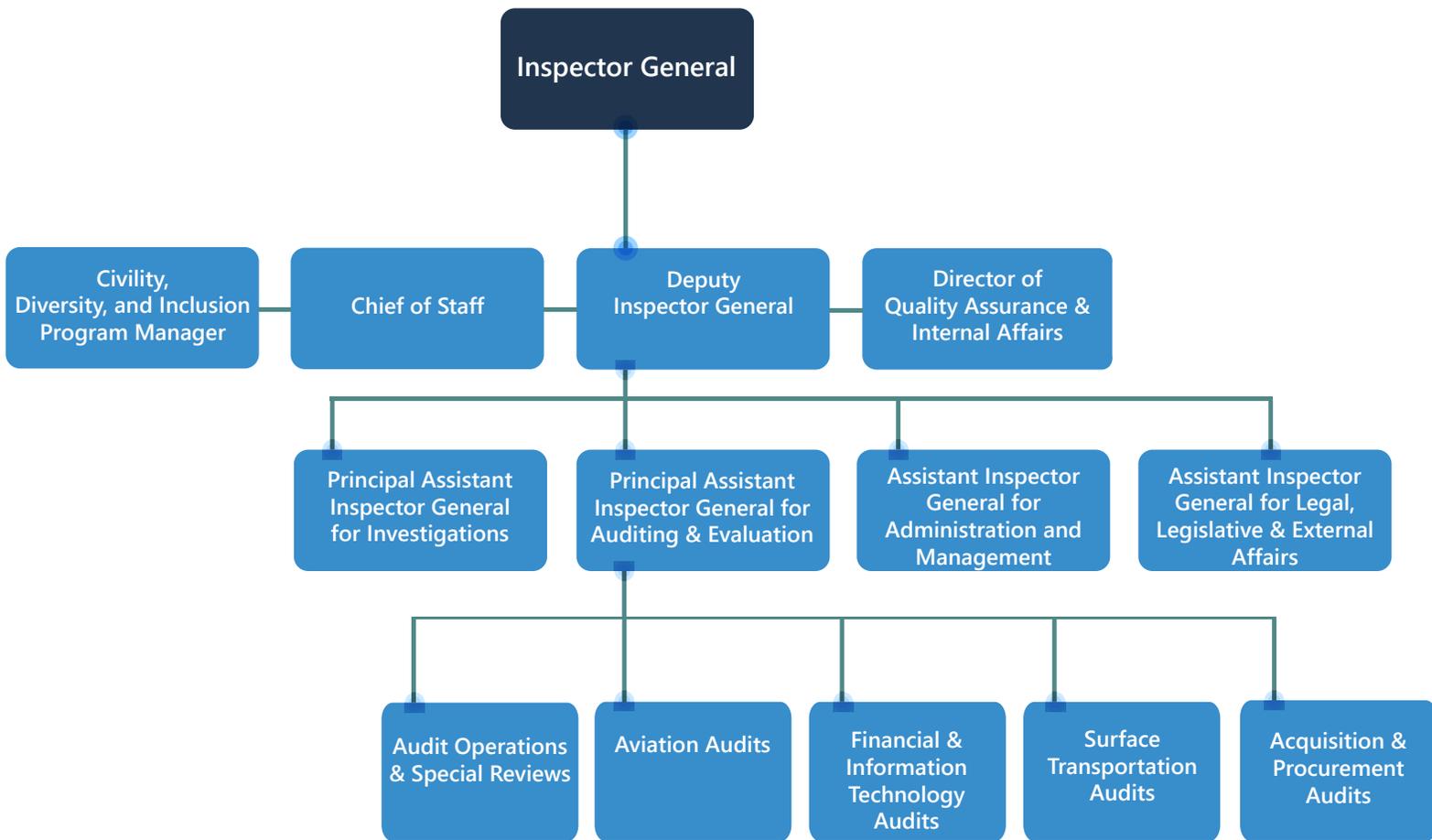
**Safety** is DOT's highest priority and central to OIG's identity. OIG is committed to conducting effective audits and investigations of DOT's programs and operations to reduce fatalities and injuries across all modes of transportation.

**Accountability** is at the heart of OIG's work. Through independent and fair audits and investigations, OIG seeks to ensure that all DOT agencies are accountable for their results and for the resources the public invests in them.

**Integrity** is OIG's foundation. OIG maintains the highest standards of integrity in its work for the American people, Congress, the Secretary, and senior Department officials, and strives to set the example for objectivity, independence, accuracy, and transparency.



# OIG ORGANIZATION CHART





# STRATEGIC GOAL

## 1

Increase the effectiveness of DOT safety programs and deter activity that threatens the safety of the national transportation system.

### Strategies

1. Make recommendations through audits, evaluations, and other reviews to improve the efficiency and effectiveness of DOT safety programs.
2. Investigate transportation-safety-related crimes where death or serious bodily injury has occurred or is likely to occur.

### Performance Measures

### FY 2018 Results

#### Development of annual risk-based audit and investigative plans

*Develop annual risk-based audit plan in which at least 20% of total proposed audits (excluding single audit-related projects) will address transportation safety.*

*Develop annual risk-based investigative plan that focuses on transportation safety-related crimes.*

The Office of Auditing and Evaluation developed its annual risk-based audit plan in March 2018 and focused 36% of its proposed audits on transportation safety.

The Office of Investigations developed its risk-based investigative plan for FY 2018 in November 2017. The plan focuses on safety, grant/procurement fraud, and employee integrity.

Percentage of audits initiated that focus on safety-related programs.

*At least 15% of audits initiated (excluding single audit-related projects) address transportation safety.*

30% of our audits initiated addressed transportation safety.

Percentage of safety-related recommendations agreed to by the Department.

*At least 70% of transportation safety-related recommendations are agreed to by the Department.*

100% of our safety-related recommendations were agreed to by the Department.

Percentage of safety-related criminal investigations opened.

*At least 30% of all investigations opened address transportation safety-related issues.*

45.7% of all OIG investigations opened addressed transportation safety.

Percentage of safety-related cases accepted for civil or criminal action.

*At least 50% of transportation safety-related cases are accepted for civil or criminal action.*

76.9% of OIG's transportation safety cases were accepted for civil or criminal action.



# STRATEGIC GOAL

## 2

Improve DOT's mechanisms for overseeing transportation investments and deterring fraud, waste, and abuse.

### Strategies

1. Investigate fraud, waste, and abuse of Federal Programs and funding by DOT employees, grantees, and contractors.
2. Make recommendations through audits, evaluations, and other reviews to improve the efficiency and effectiveness of DOT's acquisitions and programs for overseeing grantees and contractors.

### Performance Measures

### FY 2018 Results

Development of annual risk-based audit and investigative plans.

**Develop annual risk-based audit plan in which at least 20% of total proposed audits (excluding single audit-related projects) will address transportation investments.**

**Develop annual risk-based investigative plan that focuses on fraud, waste, and abuse of Federal programs.**

The Office of Auditing and Evaluation's annual risk-based audit plan focused 28% of its proposed audits on transportation investments.

At least half of the Office of Investigations' annual risk-based plan aims to address fraud, waste, and abuse in Federal programs.

Percentage of audits initiated that focus on the Department's oversight of transportation investments.

**At least 15% of audits initiated (excluding single audit-related actions) address transportation investments.**

17% of audits initiated addressed transportation investments.

Percentage of transportation investment-related recommendations agreed to by the Department.

**At least 70% of recommendations related to transportation investments are agreed to by the Department.**

The Department agreed to 85% of our transportation investment-related audit recommendations.

Percentage of procurement and grant fraud criminal investigations opened.

**At least 30% of all investigations opened address transportation grant and procurement issues.**

39% of OIG's opened cases addressed grant or procurement fraud.

Percentage of procurement and grant fraud cases accepted for civil or criminal action.

**At least 50% of transportation grant and procurement related cases are accepted for civil or criminal action.**

63% of OIG's grant and procurement related cases were accepted for civil or criminal action.



# STRATEGIC GOAL

## 3

Strengthen DOT's business operations through improved financial management and the development of a secure and modern information technology infrastructure.

### Strategies

1. Make recommendations through audits, evaluations, and other reviews to improve the efficiency and effectiveness of DOT financial and information technology policies, procedures, and management practices, and assess the Department's compliance with Federal statutes and vulnerability to information security threats.

### Performance Measures

Development of an annual risk-based audit plan.

***Develop annual risk-based audit plan in which at least 20% of total proposed audits (excluding single audit-related projects) address financial management or information technology.***

Percentage of audits initiated that deal with financial management and information technology.

***At least 15% of audits initiated (excluding single audit-related actions) address financial management or information technology.***

Percentage of financial- and information technology-related recommendations agreed to by the Department.

***At least 70% of recommendations related to financial management and information technology are agreed to by the Department.***

### FY 2018 Results

The Office of Auditing and Evaluation's annual risk-based audit plan focused 36% of its proposed audits on financial management or information technology.

53% of audits initiated addressed financial management or information technology.

The Department agreed to 90% of our recommendations related to financial management or information technology.

# STRATEGIC GOAL

## 4

Communicate the results of OIG's work to the public, Congress, and the Department.

### Strategies

1. Regularly and timely post the results of our audit and investigative work on our public website.
2. Regularly and timely communicate the results of our audit and investigative work to Congress and the Department.



### Performance Measures

Publish audit reports within 3 days of public release and investigative reports on a weekly basis on our website.

***Post at least 80% of audit reports to OIG's website within 3 days of issuance and delivery to DOT and Congress.***

***Post at least 80% of investigative summaries to OIG's website on a weekly basis.***

### FY 2018 Results

OIG posted 99% of its audit reports to its website within 3 days of issuing and delivering them to DOT and Congress.

OIG posted 100% of OIG investigative case summaries to the website on a weekly basis.

Issue Semiannual Reports and Budget Requests to Congress within the required timeframe.

***Issue Semiannual Reports within mandated timeframes.***

***Submit annual budget submissions within agreed-upon deadlines.***

OIG issued all required semiannual reports to Congress within statutorily mandated timeframes.

OIG submitted each annual budget submission within all agreed-upon deadlines.

Provide weekly updates to the Department on upcoming audits and recently completed audit and investigative results.

***Provide at least 85% of updates to the Department on a weekly basis, as required.***

OIG provided 100% of updates on upcoming audits, recently completed audits, and investigative results to the Secretary of Transportation on a weekly basis.

# STRATEGIC GOAL

# 5

Promote organizational  
and workforce excellence.

## Strategies

1. Develop, maintain, update, and implement a Human Capital Plan that encompasses recruiting, developing, mentoring, and motivating a diverse workforce.
2. Provide employees with the tools, training, and time they need to do their jobs.
3. Maintain an environment of open communication, respect for innovative ideas, and understanding of the value of each individual's contribution, where people are able to express disagreements or make complaints without fear of retaliation or reprisal.



## Performance Measures

## FY 2018 Results

Federal Employee Viewpoint Survey  
Employee Engagement Index.

**Score at least 72% on the  
Employee Engagement Index.**

OIG scored 82% positive on the 2018 Federal Employee Viewpoint Survey Employee Engagement Index.

Federal Employee Viewpoint Survey  
New IQ Index.

**Score at least 66% on the New  
IQ Index**

OIG reached a score of 75% on the 2018 Federal Employee Viewpoint Survey New IQ Index.

Federal Employee Viewpoint Survey  
Global Satisfaction Index.

**Score at least 71% on the  
Global Satisfaction Index.**

OIG scored 82% positive on the 2018 Federal Employee Viewpoint Survey Global Satisfaction Index.

Federal Employee Viewpoint Survey  
Human Capital Index.

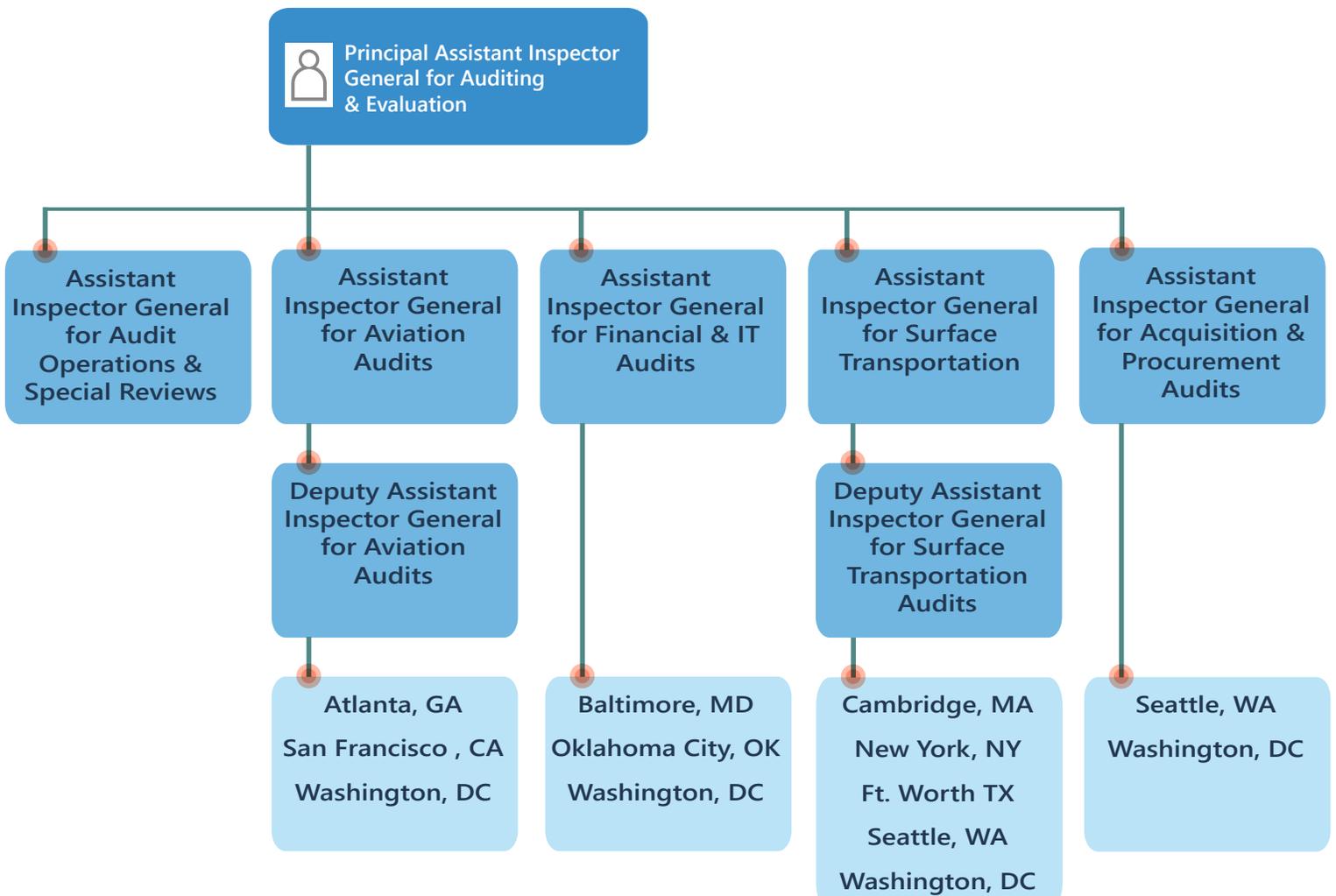
**Score at least 69% on the  
Human Capital Index.**

OPM has not yet released information on 2018 Human Capital Index scores. This result will be updated once that information is provided to OIG.



# ORGANIZATION CHART

## OFFICE OF AUDITING AND EVALUATION - JA





## MISSION FOCUS

OIG develops and maintains a 24-month audit plan, updated annually, to maximize resources and provide the greatest potential benefits to DOT and the public. As part of this plan, we ensure that audits address key DOT goals, risks, and challenges; meet mandates and congressional and Secretary requests; and cover other key issues noted by our audit staff. Our most recent audit plan update, completed in March 2018, identified over 106 audits in critical areas across DOT's Operating Administrations.

As required by law, OIG also issues an annual report every November on DOT's top management challenges—a forward-looking assessment of DOT's most significant challenges to meeting its mission for the coming fiscal year. In identifying these challenges, we consider their safety impact, documented vulnerabilities, large dollar implications, and the ability of the Department to effect change.

## AUDIT HIGHLIGHTS



**106**

audit reports issued



**315**

recommendations



**\$90 million**

total financial recommendations



**\$57 million**

funds that could be put to better use



**\$33 million**

questioned costs



**3**

testimonies before Congress

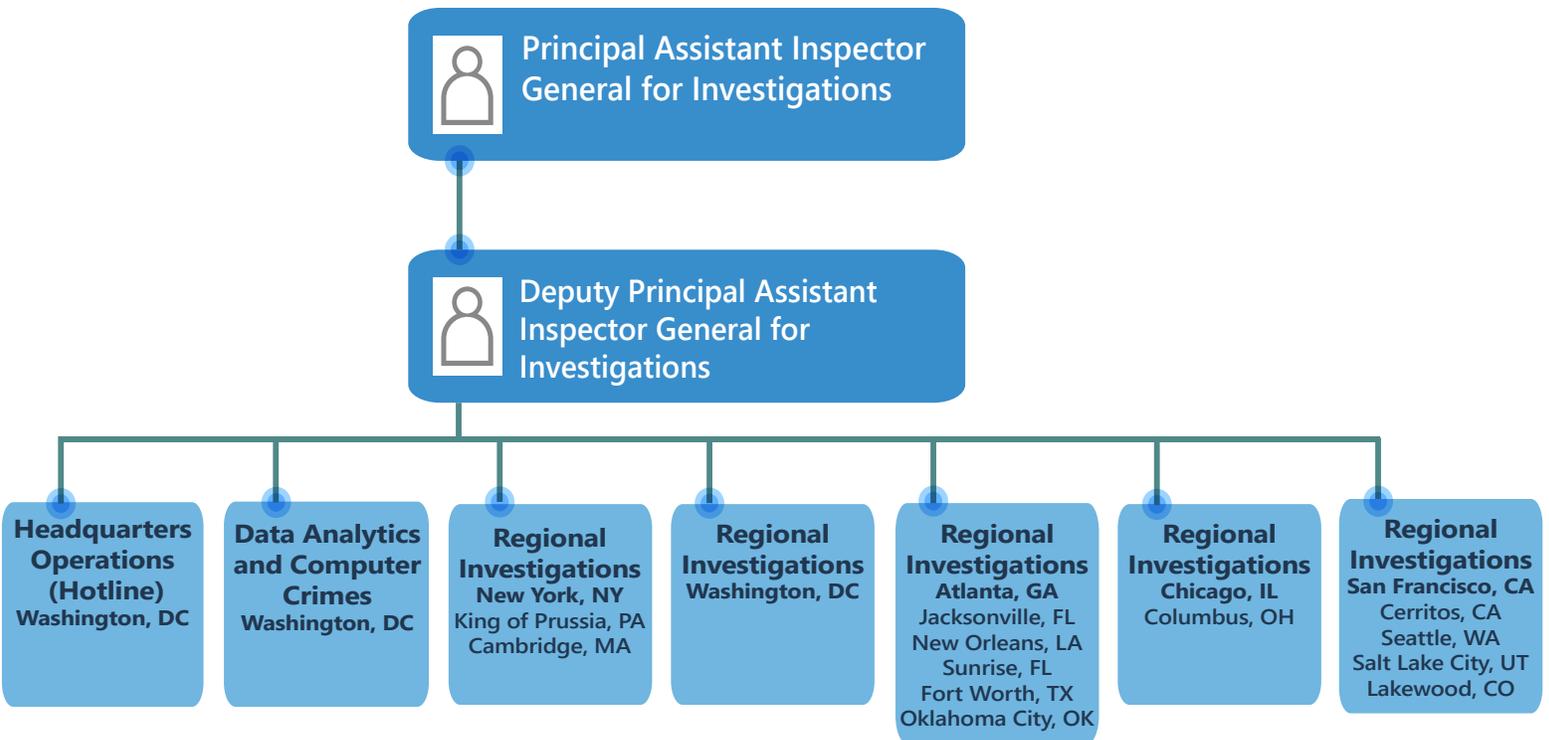
## RESPONDING TO CRITICAL SAFETY INCIDENTS

In addition to targeting key safety areas in our strategic planning process, our Office of Audit also responds to emerging safety issues as needed. For example, in March 2018, a pedestrian bridge under construction at Florida International University collapsed onto the highway below, killing six people and injuring eight. At the request of the Secretary and Congress, we undertook a review of DOT's grant oversight related to the bridge project.



# ORGANIZATION CHART

## OFFICE OF INVESTIGATIONS - JI



# Office of Investigations

## MISSION FOCUS

OIG's Office of Investigations focuses on criminal cases that have the greatest direct impact on DOT programs and operations, particularly where regulatory enforcement action is ineffective. To determine if an investigation is warranted, we weigh the seriousness of the conduct, impact on public safety, availability of investigative resources, prosecutorial appeal, and any likely deterrent effects. Based on available resources, we generally focus our investigative efforts on three overarching areas: transportation safety, grant and procurement fraud, and employee integrity.



## INVESTIGATIONS HIGHLIGHTS



**4,168**

hotline complaints



**89/161**

convictions/indictments



**\$20 million**

finances, forfeitures, restitutions, and recoveries

## ELIMINATING HOUSEHOLD GOODS FRAUD

In fiscal year 2018, our Office of Investigations demonstrated its commitment to protecting the American public by investigating a nationwide household goods moving scheme that impacted more than 900 victims. In July 2018, as a result of a joint OIG and FBI investigation, a Federal grand jury indicted 12 individuals with conspiring in a racketeering enterprise. OIG hotline staff have taken over 450 calls from potential victims related to this one investigation, and our investigative offices are working to return the household goods that were held by the fraudulent moving companies to the rightful owners.

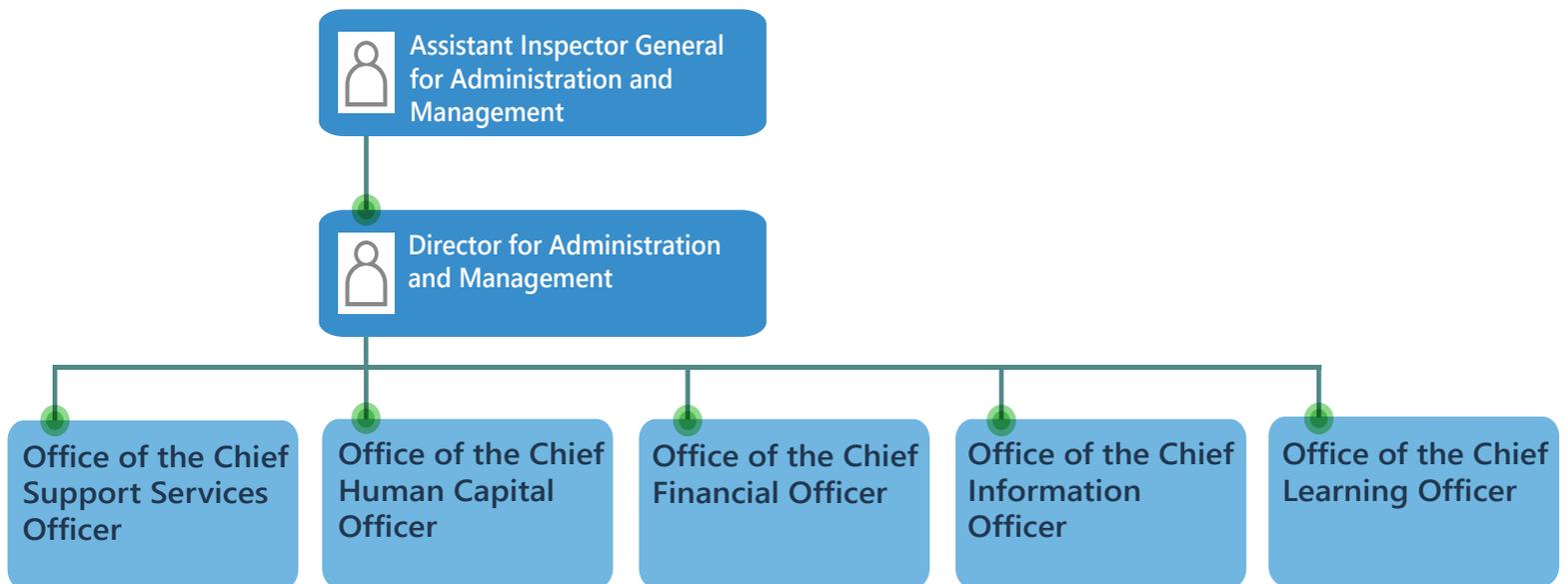
## DETECTING CRIMINALS THROUGH SUCCESSFUL SENTENCING

In fiscal year 2018, our investigations resulted in 107.7 years of incarceration at sentencing. Transportation safety investigations accounted for 61% and grant fraud accounted for 23% of the total years of incarceration. This significant amount is dramatically higher than previous years; for example, in FY 2017 our investigations resulted in 31.4 years of incarceration.



# ORGANIZATION CHART

## ADMINISTRATION AND MANAGEMENT - JM





## MISSION FOCUS

The Office of Administration and Management provides a full range of administrative services, including human resources, training, information technology, budget and financial management, facilities management, and acquisitions and procurements. Our mission is to provide the right people, technology, property, services, and processes to support the needs of OIG.

OIG's fiscal year 2018 budget was \$92.2 million in support of 410 full-time equivalent employees.

## ADMINISTRATION AND MANAGEMENT HIGHLIGHTS

 **\$92.2 million**

OIG's fiscal year 2018 budget

### REDUCING OIG'S FOOTPRINT

OIG's facilities management plan is designed to enable us to manage our facilities and space more efficiently and meet requirements set forth by the Office of Management and Budget to improve the Federal Government's management of its real property and reduce its physical footprint. This fiscal year, we developed a standardized approach to modular office furniture for all field offices. In addition, we worked on four renovation/move projects in various stages of planning and design and significantly reduced our footprint in one field office.

### FINANCIAL AND MANAGEMENT TESTS

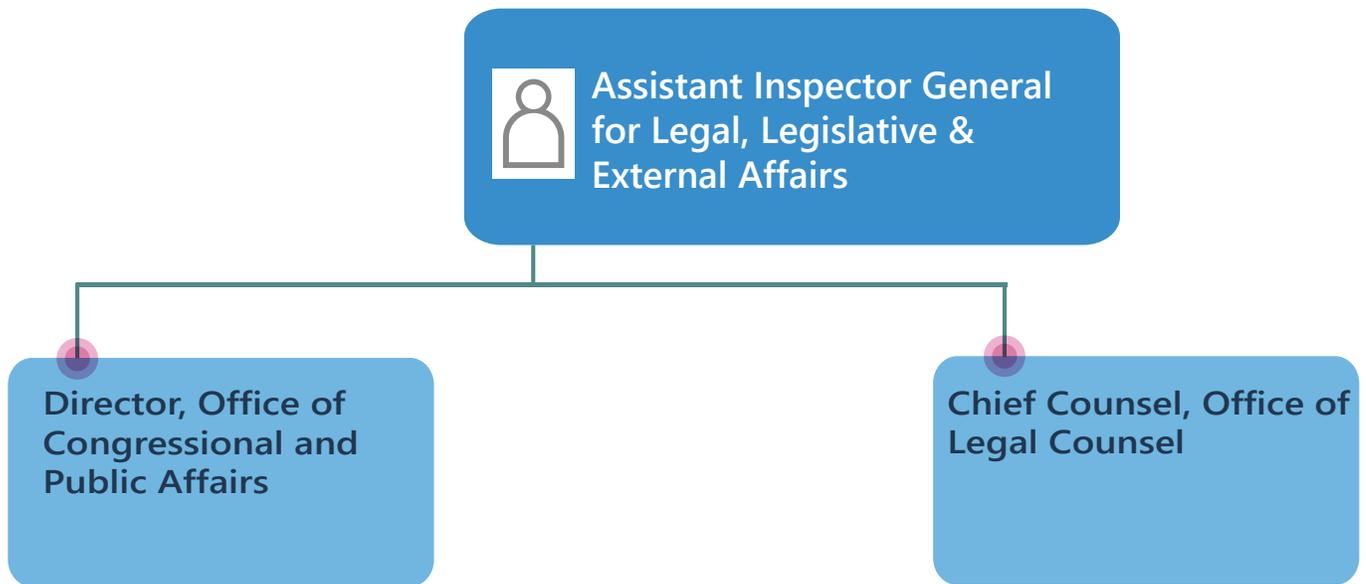
No significant control deficiencies or material weaknesses were reported for OIG following independent tests of OIG's management control and financial management systems. Tests included the independent testing of two entity-level focus areas—Risk Assessment and Control Activities—and four business process focus areas: Budget, Cash Management, Financial Reporting, and Human Resources/Time and Attendance.

In general, these tests are designed to provide reasonable assurance that OIG complies with applicable laws and requirements regarding obligations and costs; funds, property, and other assets; accounting practices; audit findings; and financial systems.



# ORGANIZATION CHART

## OFFICE OF LEGAL, LEGISLATIVE, & EXTERNAL AFFAIRS - J-3





## MISSION FOCUS

The Office of Legal, Legislative, and External Affairs provides key mission support services. The office handles all OIG Freedom of Information Act (FOIA) requests from the public; manages OIG's ethics program; provides legal advice and assistance to senior OIG officials, auditors, and investigators; and serves as the primary point of contact for congressional, intergovernmental, and media requests and inquiries.

## LEGAL, LEGISLATIVE, AND EXTERNAL AFFAIRS HIGHLIGHTS

### REPORTING TO STAKEHOLDERS

We provided budget submissions and semiannual, monthly, and weekly reports of OIG results within required timeframes to Congress, the Administration, DOT components, and other stakeholders as required.

### INFORMATION TOOLKIT

In FY 2018, we developed a comprehensive information toolkit to familiarize senior Department officials, congressional offices, the media, and the general public with OIG's mission, budget, statutory authority, organizational structure, audit and investigative operations, and reporting process. This toolkit is available on OIG's public website at: [www.oig.dot.gov/information-toolkit](http://www.oig.dot.gov/information-toolkit).



# Office of Quality Assurance Reviews

## MISSION FOCUS

OIG maintains a Quality Assurance Review (QAR) Program to ensure that all work performed—audits; investigations; legal, legislative, and external affairs; and administrative—adheres to established OIG policies and procedures and meets established standards of performance. The quality of all our work significantly affects our credibility and effectiveness in performing oversight.

The Office of Quality Assurance Reviews and Internal Affairs maintains a rolling 3-year schedule of offices and functions to be reviewed and updates the schedule annually. QAR reports include an opinion on internal controls and make recommendations where improvements are needed.

This office also serves as the point-of-contact for external reviews of our audit and investigative work, including our adherence to Generally Accepted Government Auditing Standards (GAGAS), the Council of the Inspectors General on Integrity and Efficiency (CIGIE) guidelines, and the Attorney General Guidelines for Federal OIGs with statutory law enforcement authority. These external reviews occur every 3 years and are conducted by our peers in the Federal oversight and accountability community.



## QUALITY ASSURANCE RESULTS



6/1

Internal reviews/External reviews

### OFFICE OF INVESTIGATIONS

QAR reports focused on office compliance with professional standards, including investigative and evidence procedures. We reported on four investigative offices in FY 2018. When appropriate, opportunities for improvement were brought to the relevant Special Agent-in-Charge's attention.

The Office of Investigations also underwent a peer review this FY, which 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.

### OFFICE OF AUDITING AND EVALUATION

QAR reports focused on compliance with professional standards, including those for audit documentation and supervisory review procedures. We reviewed two audit reports in FY 2018. When appropriate, opportunities for improvement were brought to the relevant Assistant Inspector General's attention.

# ADDITIONAL INFORMATION

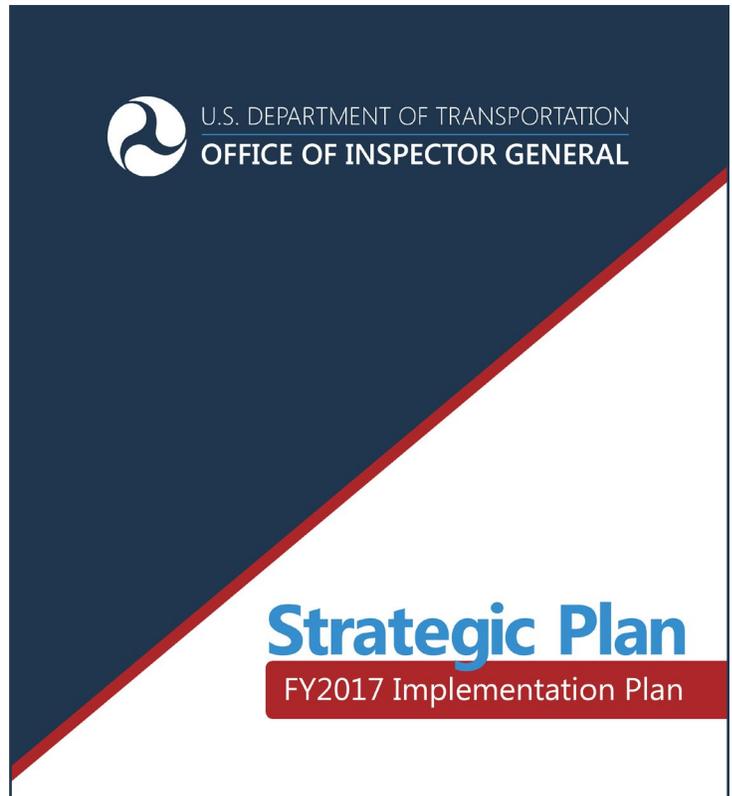
## U.S. DOT IG Fraud & Safety Hotline

hotline@oig.dot.gov | (800) 424-9071

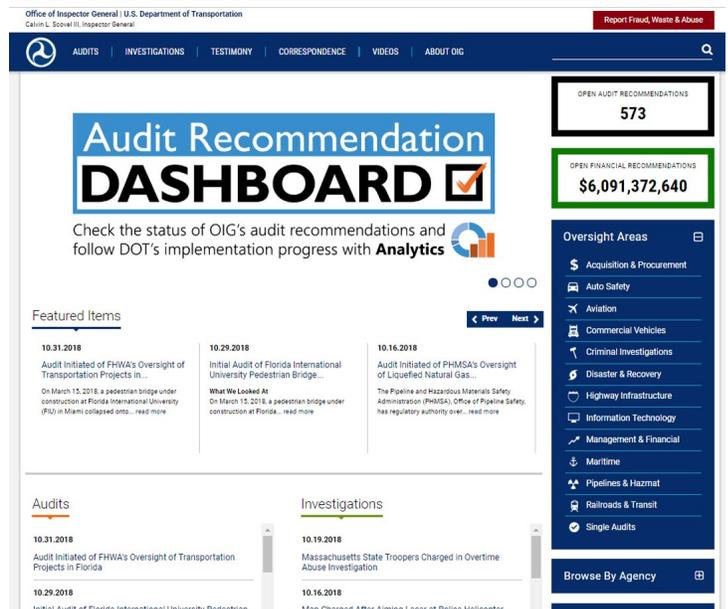
<http://www.oig.dot.gov/hotline>



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Click the above image to review the 2017 OIG Strategic Plan



Click the above image to browse the DOT OIG website