

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

ORGANIZATION ASSESSMENT

FY 2017 October 1, 2016, through September 30, 2017



TABLE OF CONTENTS

A MESSAGE FROM THE INSPECTOR GENERAL.....	2
ABOUT THIS ASSESSMENT.....	3
MISSION, VISION, AND CORE VALUES.....	4
OIG ORGANIZATION CHART.....	5
STRATEGIC GOALS.....	6
AUDITING AND EVALUATION.....	11
INVESTIGATIONS.....	12
ADMINISTRATION AND MANAGEMENT.....	13
LEGAL, LEGISLATIVE, AND EXTERNAL AFFAIRS.....	14
QUALITY ASSURANCE REVIEWS.....	15
ADDITIONAL INFORMATION.....	16



A MESSAGE FROM THE INSPECTOR GENERAL



The Office of the Inspector General (OIG), Department of Transportation (DOT), is committed to providing relevant and timely information about transportation issues to Congress, the Department, and the American public. OIG accomplishes this by fulfilling its statutory responsibilities under the Inspector General Act while supporting DOT's mission and strategic goals, particularly its focus on safety. We work closely with Members of Congress, the Secretary, and senior Department officials to enhance the effectiveness and integrity of DOT programs through cost savings, recoveries, and efficiency gains.

In fiscal year 2017, we continued to show that we are trustworthy stewards of taxpayer dollars by returning \$27 for every dollar we expended. We issued 107 reports with a total of 337 recommendations, including financial recommendations totaling over \$1.4 billion. Our investigative work resulted in 79 indictments; 68 convictions; and over \$1 billion in fines, forfeitures, restitutions, and recoveries. These successes are due to the efforts of our talented and dedicated staff.

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. In the following organization assessment, I am pleased to share more details about these mechanisms, their associated outcomes, and our many noteworthy accomplishments in fiscal year 2017.

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 improvement 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 2017, 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 2017

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 2017

Organization Assessment

This fiscal year-end assessment reports our progress against the measures and benchmarks put 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

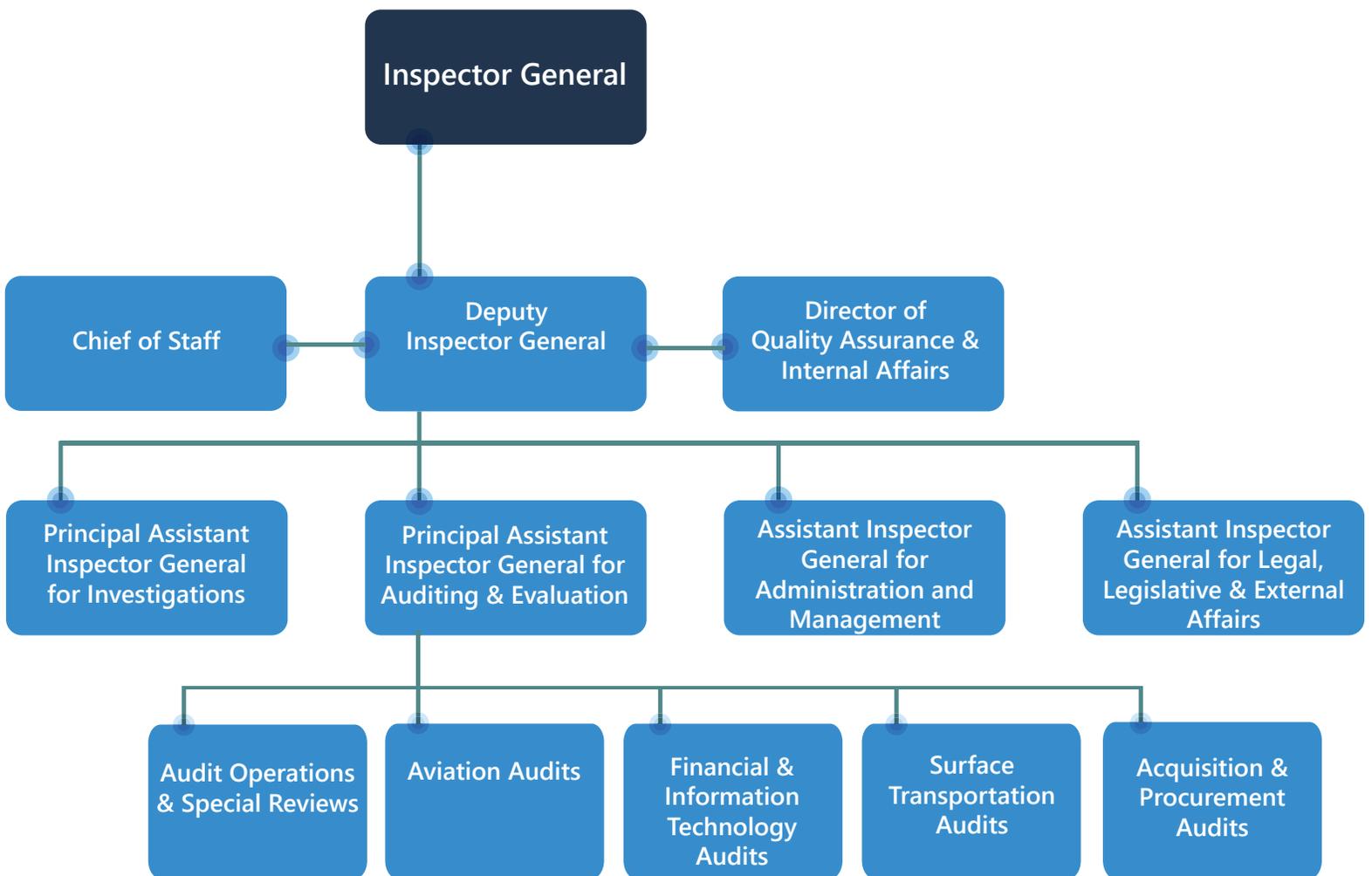
Safety is DOT's highest priority and central to OIG's identity. OIG is committed to conducting effective audits and investigations of DOT's programs and operations to reduce fatalities and injuries across all modes of transportation.

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 2017 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 2017 and focused 24% of its proposed audits on transportation safety.

The Office of Investigations developed its risk-based investigative plan for FY 2017 in November 2016. The plan focuses investigations primarily on safety and grant/procurement fraud, which aligns with departmental priorities.

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

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

23% of OIG's ongoing 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.

The Department agreed to 97% of OIG's safety-related audit recommendations.

Percentage of safety-related criminal investigations opened.

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

45.8% of all OIG investigations opened addressed transportation safety.

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

At least 45% of transportation safety-related cases are accepted for civil or criminal action.

78.3% 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 in 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 2017 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 in Federal programs.

The Office of Auditing and Evaluation's annual risk-based audit plan focused 26% 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 of Federal programs.

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

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

15% of OIG's 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 97% of OIG's 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.

36.6% 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 45% of transportation grant and procurement related cases are accepted for civil or criminal action.

71.4% 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 ongoing audits initiated that deal with financial management and information technology.

At least 15% of ongoing 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 2017 Results

The Office of Auditing and Evaluation's annual risk-based audit plan focused 50% of its proposed audits on financial management or information technology.

62% of OIG's audits initiated addressed financial management or information technology.

The Department agreed to 98% of OIG's recommendations related to financial management and 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 summaries 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 2017 Results

OIG posted 95% of its audit reports to its website within 3 days of issuance and delivery 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 2017 Results

Federal Employee Viewpoint Survey
Employee Engagement Index.

**Score at least 71% on the
Employee Engagement Index.**

OIG scored 83% positive on the 2017 Federal Employee Viewpoint Survey Employee Engagement Index.

Federal Employee Viewpoint Survey
New IQ Index.

**Score at least 65% on the New
IQ Index**

OIG scored 75% positive on the 2017 Federal Employee Viewpoint Survey New IQ Index.

Federal Employee Viewpoint Survey
Global Satisfaction Index.

**Score at least 68% on the
Global Satisfaction Survey.**

OIG scored 82% positive on the 2017 Federal Employee Viewpoint Survey Global Satisfaction Index.

Federal Employee Viewpoint Survey
Human Capital Index.

**Score at least 66% on the
Human Capital Index.**

OIG scored 81% positive on the 2017 Federal Employee Viewpoint Survey Human Capital Index.

Auditing and Evaluation



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 DOT requests; and cover other key issues noted by our audit staff. Our most recent audit plan update, completed in March 2017, identified over 70 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



107

audit reports issued



337

recommendations



\$1.4 billion+

total financial recommendations

\$1,454,368,907

funds that could be put to better use

\$4,642,637

questioned costs

\$19,000

unsupported costs



4

testimonies before Congress

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 likelihood, 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



4,000

hotline complaints



68/79

convictions/indictments



\$1 billion

fines, forfeitures, restitutions, and recoveries

TRANSPORTATION SAFETY

We investigate activities that could compromise the integrity of U.S. transportation systems to expose crimes that have resulted in or could result in death or bodily injury. Our transportation safety investigations focused primarily on three areas: aviation, hazardous materials, and motor carriers.

GRANT AND PROCUREMENT FRAUD

DOT's grants totaled more than \$63.5 billion for transportation investments. Our investigations focused on highway and transit-related deficiencies and fraud schemes involving embezzlement, kickbacks, bribery, substandard materials, and inflated or falsified billings. We also investigated fraud in DOT's Disadvantaged Business Enterprise Program.

EMPLOYEE INTEGRITY

While DOT has primary responsibility for employee conduct issues, we may investigate cases of serious employee misconduct, such as time and attendance fraud, misuse or theft of Government property, or conflicts of interest. Twelve percent of our opened cases focused on employee integrity. Key focus areas were conflict of interest, bribery, and workers' compensation fraud.

Administration and Management

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, 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 2017 budget was \$90.2 million in support of 410 full-time equivalent employees.



ADMINISTRATION AND MANAGEMENT HIGHLIGHTS

 **\$90.2 million**

OIG's fiscal year 2017 budget

STRATEGIC FACILITIES PLAN

This plan is designed to enable OIG to manage its 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 completed one office move/renovation and made substantial progress toward the completion of two more.

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 one entity-level focus area, Control Environment, and four business process focus areas: Fleet Card; Procure to Pay; Property, Plant, and Equipment; and Travel Card.

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.

Legal, Legislative, and External Affairs

MISSION FOCUS

The Office of the Assistant Inspector General for 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.

RECOMMENDATION DASHBOARD

Our audit report findings and conclusions explain the basis for the specific corrective actions we recommend. We launched an online Recommendation Dashboard to provide Congress, DOT, and the public with timelier data on the status of our audit recommendations.



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 review and updates the schedule annually. QAR reports include an opinion on internal controls and make recommendations where improvements are needed.



QUALITY ASSURANCE RESULTS



4

internal reviews

OFFICE OF INVESTIGATIONS

QAR reviews focused on office compliance with professional standards and compliance with internal controls for confidential funds and safeguarding assets.

OFFICE OF AUDITS

QAR reviews focused on office compliance with professional standards, including those for audit documentation and data reliability assessment procedures.

ADDITIONAL INFORMATION

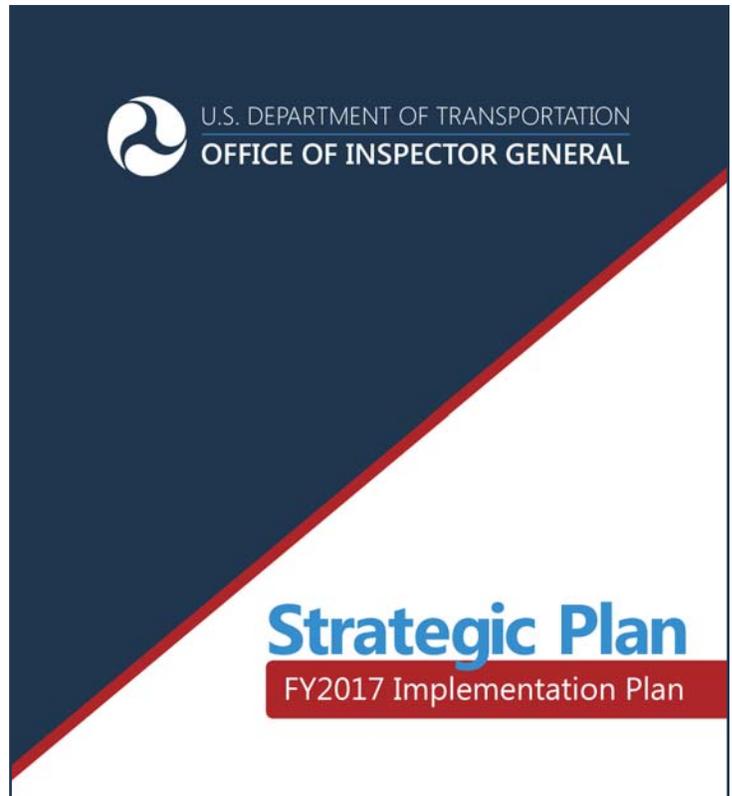
U.S. DOT Fraud & Safety Hotline

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

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



OFFICE OF INSPECTOR GENERAL
U.S. Department of Transportation
1200 New Jersey Ave SE
Washington, DC 20590



Click the above image to review the 2017 OIG Strategic Plan



Click the above image to browse the DOT OIG website