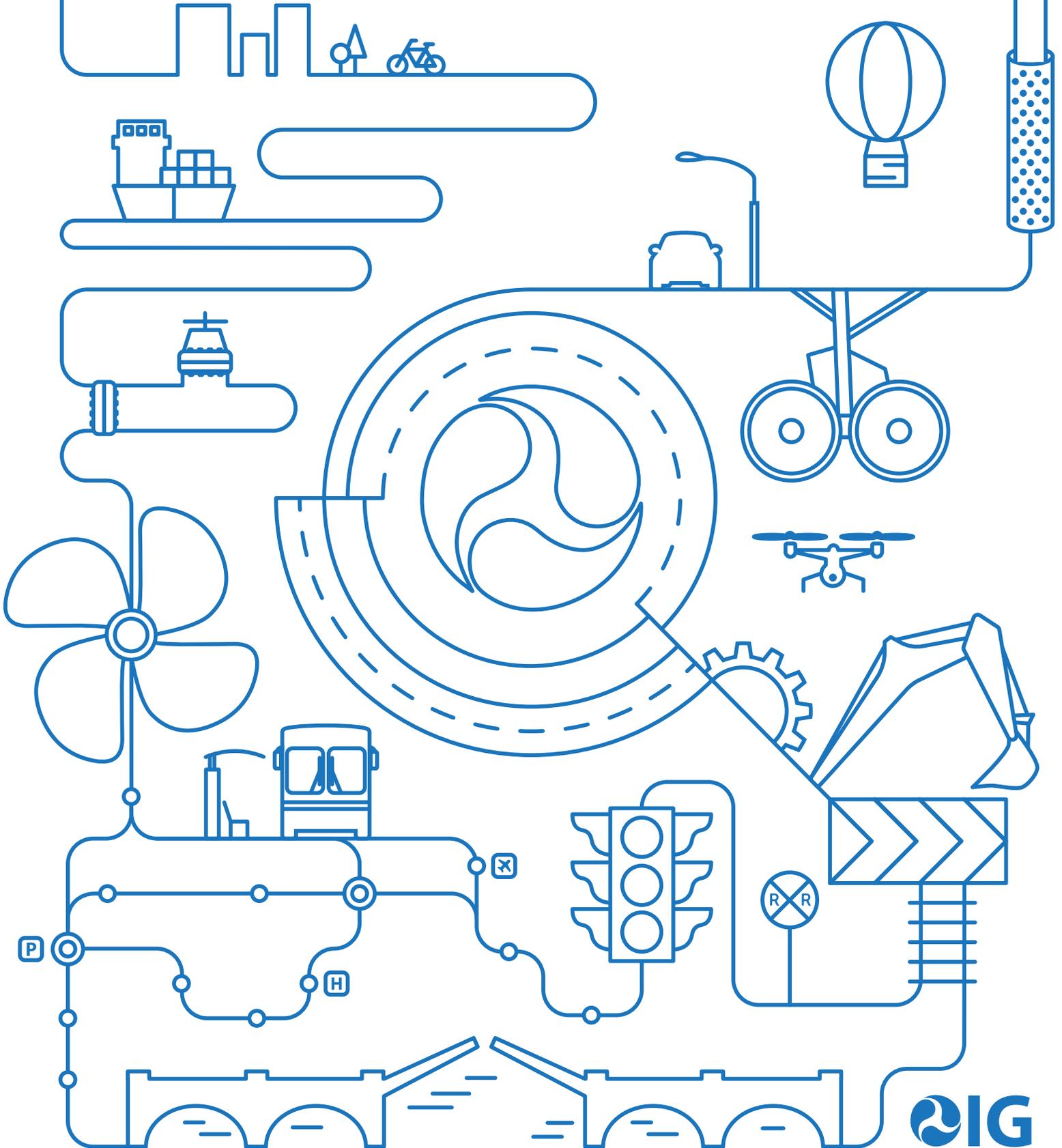


U.S. Department of Transportation

Office of Inspector General



CONTENTS

1

UNDERSTANDING THE OFFICE OF INSPECTOR GENERAL

3	Mission
4	Organization
5	OIG Executive Leadership
6	Key Communications

2

IMPACT OF OUR WORK

9	Highlights for FY 2020
10	Investigative Outcomes for FY 2020
12	Audit Outcomes for FY 2020

3

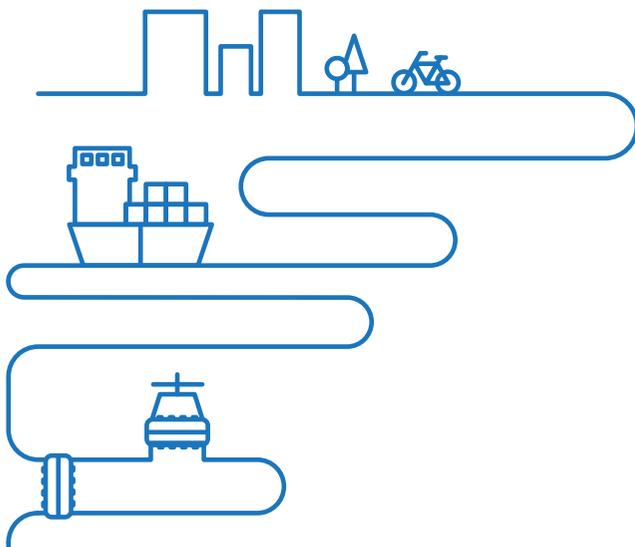
WHAT WE DO AND HOW WE OPERATE

15	Investigative Process
16	Investigative Priorities
17	Law Enforcement Authority
18	Audit Process
20	Public Release of OIG Work Products

4

OIG'S RELATIONSHIP WITH DOT

23	Role of Inspectors General
24	Interactions Between OIG and DOT



UNDERSTANDING THE OFFICE OF INSPECTOR GENERAL



1.1

MISSION

Mission

The Office of Inspector General (OIG) is committed to fulfilling its statutory responsibilities and supporting members of Congress, the Secretary, and the public in achieving a safe, efficient, and effective transportation system.

Who We Are

Since OIG was established in 1979, we have been dedicated to providing independent and objective reviews of the economy, efficiency, and effectiveness of Department of Transportation (DOT) programs and operations, and to detecting and preventing fraud, waste, abuse, and criminal violations of laws affecting DOT.

What We Do

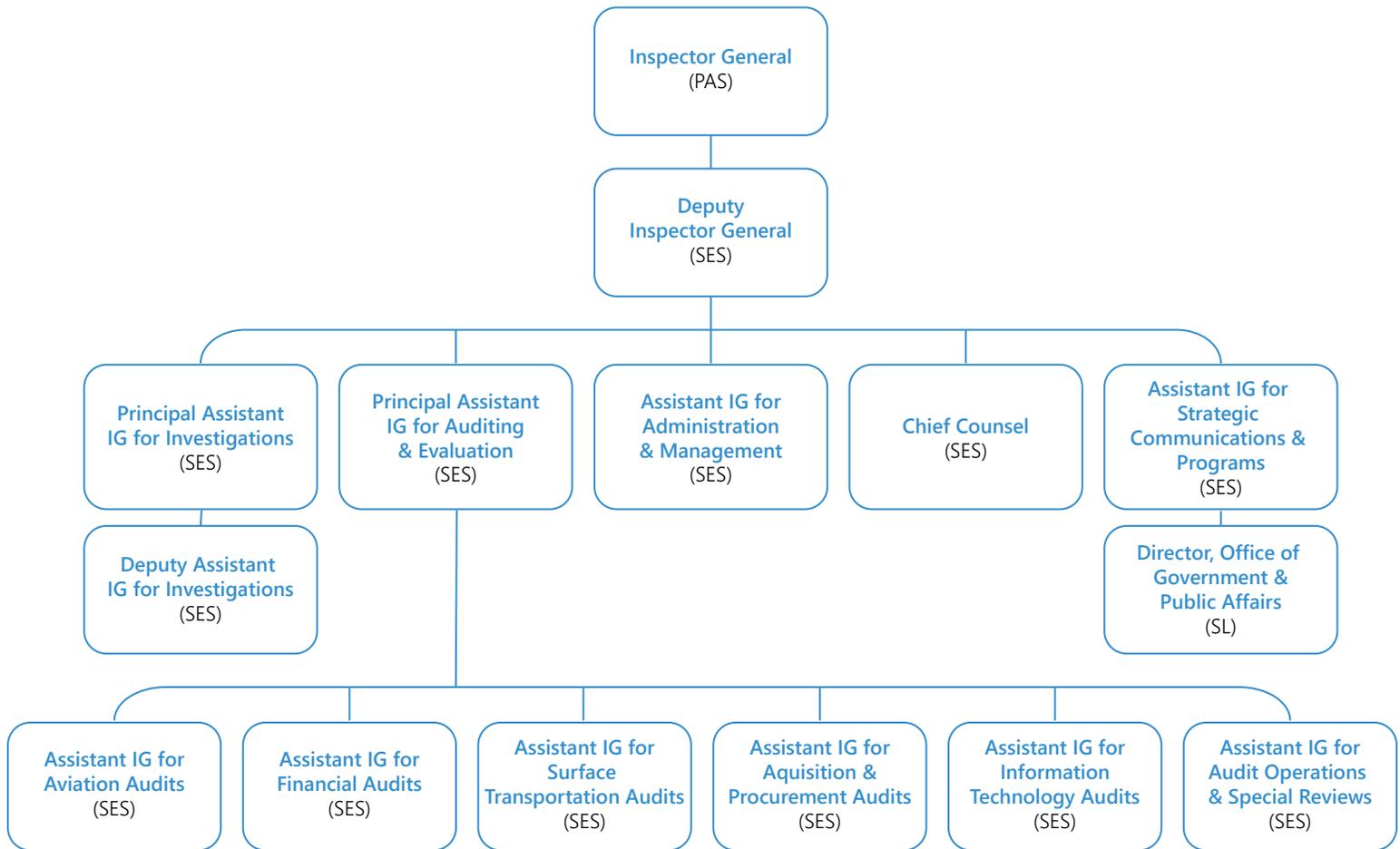
OIG operates as an independent organization within the Department under the authority of the Inspector General Act of 1978, as amended (the IG Act). Our audits and investigations provide independent reviews and recommendations to enhance the effectiveness of the Department's programs and prevent fraud, waste, and abuse of the Department's resources. By law, the Inspector General (IG) reports to the Secretary of Transportation and Congress.

OIG is the principal law enforcement office within DOT with authority to carry firearms, execute warrants, and make arrests. We often collaborate with other Federal, State, and local law enforcement entities, and must report possible criminal violations to the U.S. Attorney General. OIG's Office of Investigations also manages our Hotline Complaint

Center that is staffed 24 hours a day, 7 days a week. This office is also responsible for investigating whistleblower complaints, including those referred by the U.S. Office of Special Counsel.

OIG's Office of Auditing and Evaluation is comprised of auditors, analysts, information technology experts, economists, statisticians, engineers, accountants, and other subject matter experts. In addition to performance audits aimed at improving the safety, economy, efficiency, and effectiveness of transportation programs, our audit staff specialize in financial management, information technology, and acquisition and procurement audits. Our reports are made available to the public via our website at www.oig.dot.gov.

1.2 ORGANIZATION



1.3

OIG EXECUTIVE LEADERSHIP

Inspector General

Leads the Office of Inspector General, which is tasked with providing the Secretary and Congress with independent and objective reviews of the economy, efficiency, and effectiveness of the Department’s programs and operations in addition to detecting and preventing fraud, waste, abuse, and violations of law.

Deputy Inspector General

Assists and advises the Inspector General on management of the organization, including nationwide operations, policy decisions, and work products. Oversees OIG’s executive management team.

Principal Assistant Inspector General for Auditing and Evaluation

Leads OIG’s six audit offices: Aviation; Surface Transportation; Financial; Information Technology; Acquisition and Procurement; and Audit Operations and Special Reviews.

Principal Assistant Inspector General for Investigations

Manages OIG’s criminal and civil investigations, Hotline Complaint Center, Data Analytics and Computer Crimes unit, and DOT employee and contractor Whistleblower Protection Coordinator functions.

Assistant Inspector General for Administration and Management

Oversees all of OIG’s administrative and management services, including budget and financial management, human resources, information technology, procurement, and training and development.

Chief Counsel

Oversees all legal assistance to OIG operations and activities, including ethics training and counsel, employee financial disclosures, and FOIA.

Assistant Inspector General for Strategic Communications and Programs

Advises the Inspector General and Deputy Inspector General on the agency’s daily operations, policies and procedures, and special projects. Oversees the Office of the Chief Financial Officer; Office of Communications; Office of Government and Public Affairs; Organizational Development Office; Civility, Diversity, and Inclusion Office; and Executive Administrative Staff.

1.4

KEY COMMUNICATIONS

Semiannual Reports to Congress

By April 30 and October 31 of each year, OIG prepares a Semiannual Report to Congress summarizing OIG activities for the preceding 6-month periods ending March 31 and September 30. The report includes statistical information on the results of OIG work, and describes completed audits and certain investigations. The IG Act directs the Secretary to send the report, along with any comments or relevant explanation, to the appropriate committees of Congress within 30 days of receipt.

Budget and Performance

Per the IG Act, OIG submits an annual budget request and estimate to the Secretary specifying the aggregate amount of funds necessary to execute OIG's mission, including amounts necessary to meet all training requirements and to support the Council of the Inspectors General on Integrity and Efficiency. The President's budget to Congress must include a

separate statement of OIG's budget estimate and any OIG comments if the Inspector General concludes the President's budget would substantially inhibit OIG from performing its duties.

OIG's work reflects our commitment to fully inform Congress, the Department, and the public of pressing transportation concerns and to aggressively pursue individuals intent on putting the public and taxpayer dollars at risk.

OIG audit recommendations lead to substantial financial and program improvements, including those that enhance safety. In addition, OIG investigations enhance safety by thwarting criminal activities that put lives at risk, and protect taxpayer investments through fines, restitutions, and recoveries. Through OIG's work, we have consistently achieved a significant return on the taxpayer's investment (ROI).

Recommendation Dashboard

OIG maintains an audit Recommendation Dashboard on our public website. Our objective is to regularly publish current information regarding the status of OIG recommendations at www.oig.dot.gov/recommendation-dashboard. The Recommendation Dashboard displays a list of audit recommendations for each audit, the status of individual recommendations (open or closed), and the dollar value of any financial recommendations.

This initiative enhances the transparency and accountability of OIG information by making it more timely and accessible to the public. Making progress toward closing open audit recommendations is an important part of fulfilling both DOT and OIG's missions, and making that process more publicly transparent through the Recommendations Dashboard enhances those efforts.

**Audit Recommendation
DASHBOARD** 

DOT's Top Management Challenges

OIG neither issues regulations nor sets departmental policy. OIG's role is to provide facts for the policy-makers in the Department and Congress. One of OIG's key deliverables is our statutorily required annual report on DOT's top management challenges (TMC), which provides a forward-looking assessment for the coming fiscal year to aid DOT's operating administrations in focusing attention on the most serious management and performance issues facing the Department.

OIG issued its FY2021 TMC on October 21, 2020. For fiscal year 2021, OIG identified eight major challenges facing DOT.

We considered several criteria in identifying DOT's top management challenges for fiscal year 2021, including their impact on safety, documented vulnerabilities, large dollar implications, and the ability of the Department to effect change.

In addition, we recognize that the Department faces the extraordinary task of meeting these challenges while also responding to the Coronavirus Disease 2019 (COVID-19) global pandemic, including implementing the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Accordingly, we included CARES Act and COVID-19 considerations in all eight of our top management challenges.

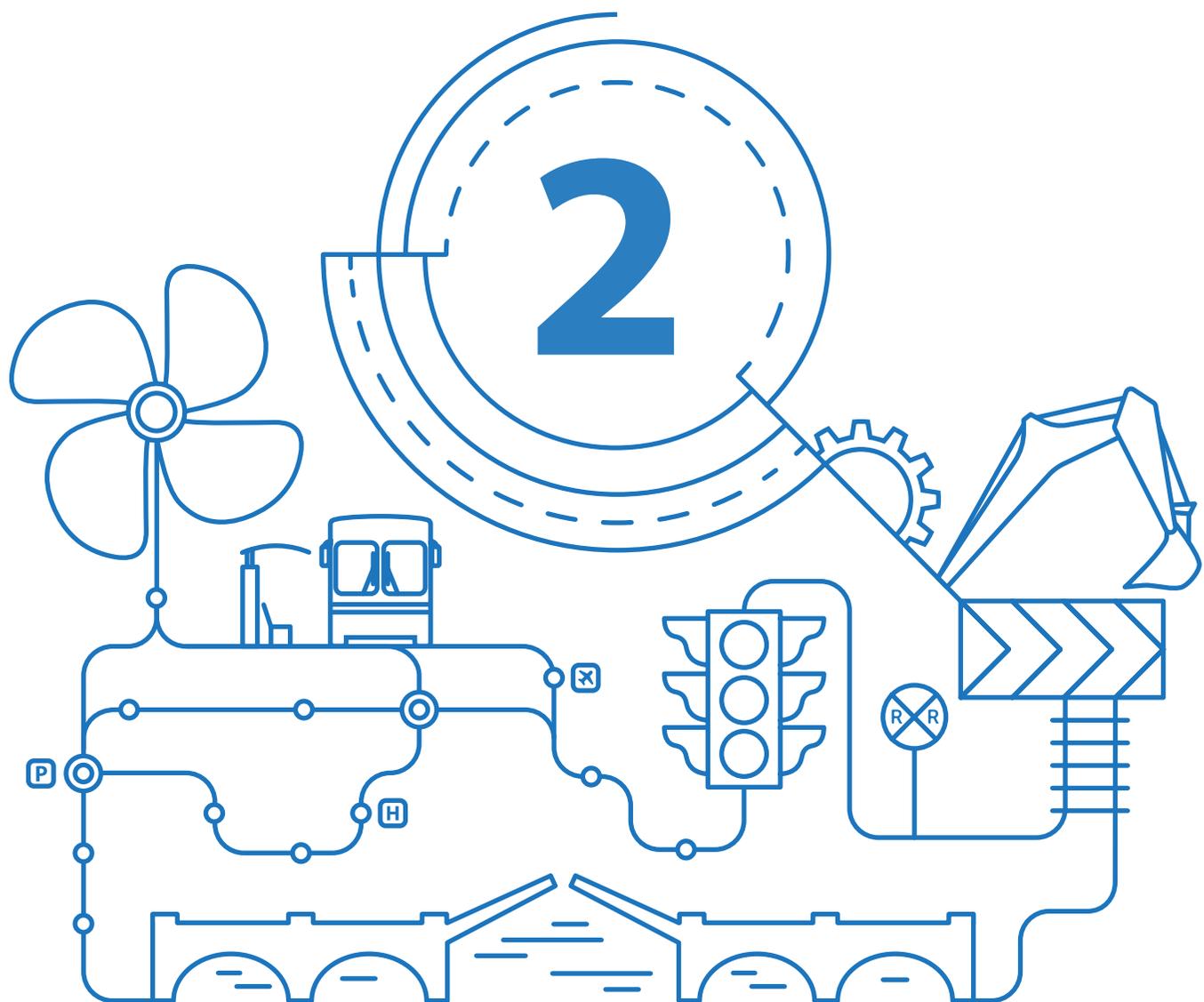
For fiscal year 2021, we identified the following challenges:

- **Aviation safety:** Improving FAA's oversight of aircraft certification processes; enhancing aviation safety oversight while working in a collaborative environment.
- **Surface transportation safety:** Ensuring compliance with safety regulations and programs; continuing progress in safety monitoring and enforcement.
- **Air traffic control and airspace modernization:** Modernizing new systems while introducing new capabilities; implementing new performance-based navigation flight

procedures and delivering benefits to airspace users.

- **Surface transportation infrastructure:** Enhancing oversight of surface transportation projects; employing effective asset and performance management.
- **Contract and grant fund stewardship:** Awarding pandemic relief and other DOT contracts and grants efficiently, effectively, and for intended purposes; enhancing contract and grant management and oversight to achieve desired results and compliance with requirements.
- **Information security:** Addressing longstanding cybersecurity weaknesses; developing Departmentwide policy to validate the proper adoption and security of cloud services.
- **Financial management:** Strengthening procedures to monitor and report grantee spending; preventing an increase in improper payments.
- **Innovation and the future of transportation:** Adapting oversight approaches for emerging vehicle automation technologies; ensuring the safe integration of Unmanned Aircraft Systems in the National Airspace System.

IMPACT OF OUR WORK



2.1

HIGHLIGHTS FOR FISCAL YEAR 2020

Investigative Accomplishments



224/155

investigations closed/opened



47/73

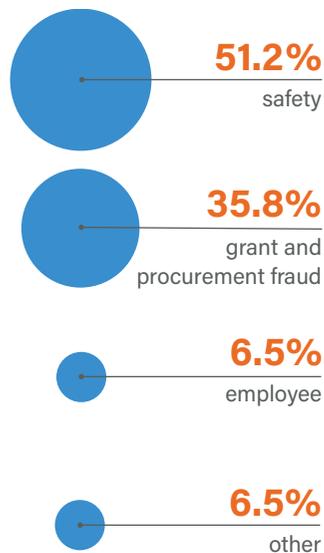
convictions/indictments



\$145.3m

financial impact of DOT OIG investigations

Investigations, by Priority Area



Return on Investment



In FY 2020, DOT OIG returned \$80 for every dollar we were appropriated—bringing our 5-year average ROI to \$33 to \$1.

Audit Accomplishments



51

audit reports issued



215

recommendations



\$7.39b

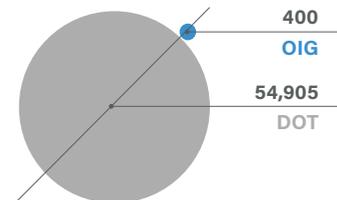
financial impact of DOT OIG audit reports

Audit Reports Issued

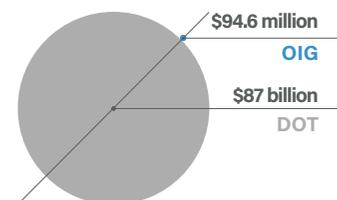


Total Audits: **51**

Enacted FTEs



Budgetary resources



2.2

INVESTIGATIVE OUTCOMES FOR FY 2020

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 we investigated this fiscal year include:

Fraudulent scrap metal purchases.

A New Jersey scrap metal company was ordered to pay more than \$24.4 million in restitution for buying scrap metal from customers (including a DOT grantee) at fraudulent prices. FTA instituted a 3-year debarment against the company.

Unmanned Aircraft System (UAS) contraband.

A Georgia man was sentenced to 48 months' imprisonment and other penalties for using an unregistered UAS to attempt to deliver contraband to a State prison. According to the Department of Justice (DOJ), this was the Nation's first Federal prosecution involving the unlawful operation of a UAS.

Violation of the Pipeline Safety Act.

Columbia Gas of Massachusetts was sentenced to a criminal fine of \$53,030,116 and a 3-year term of probation for violating the Natural Gas Pipeline Safety Act. During the

probation period, Columbia Gas must employ an in-house compliance monitor to oversee its compliance with the National Transportation Safety Board's recommendations and applicable laws and regulations.

Moving company fraud. Moving company operators were sentenced to nearly 7 years' incarceration, 9 years' supervised release, \$223,096.15 in restitution, a forfeiture of \$200,000, and other penalties. The operators had offered "low ball" estimates for moving household goods and then raised prices after the goods were loaded.

Misuse of Federal funds. An airport and airline official was sentenced to 2 years' incarceration, 30 months' home confinement, over \$3 million in restitution, and other penalties for misappropriation of State and Federal funds from the Small Community Air Service Development Program.

Unlawful operation of a drone. A Pennsylvania man was sentenced to 5 years' incarceration and other penalties for operating an unregistered drone and possessing explosive devices and firearms while subject to a domestic violence protective order.

Investigative Accomplishments



3,151

hotline contacts received



224/155

investigations
closed/opened



47/73

convictions/indictments



251.6

total years of incarceration,
probation, and supervised
release

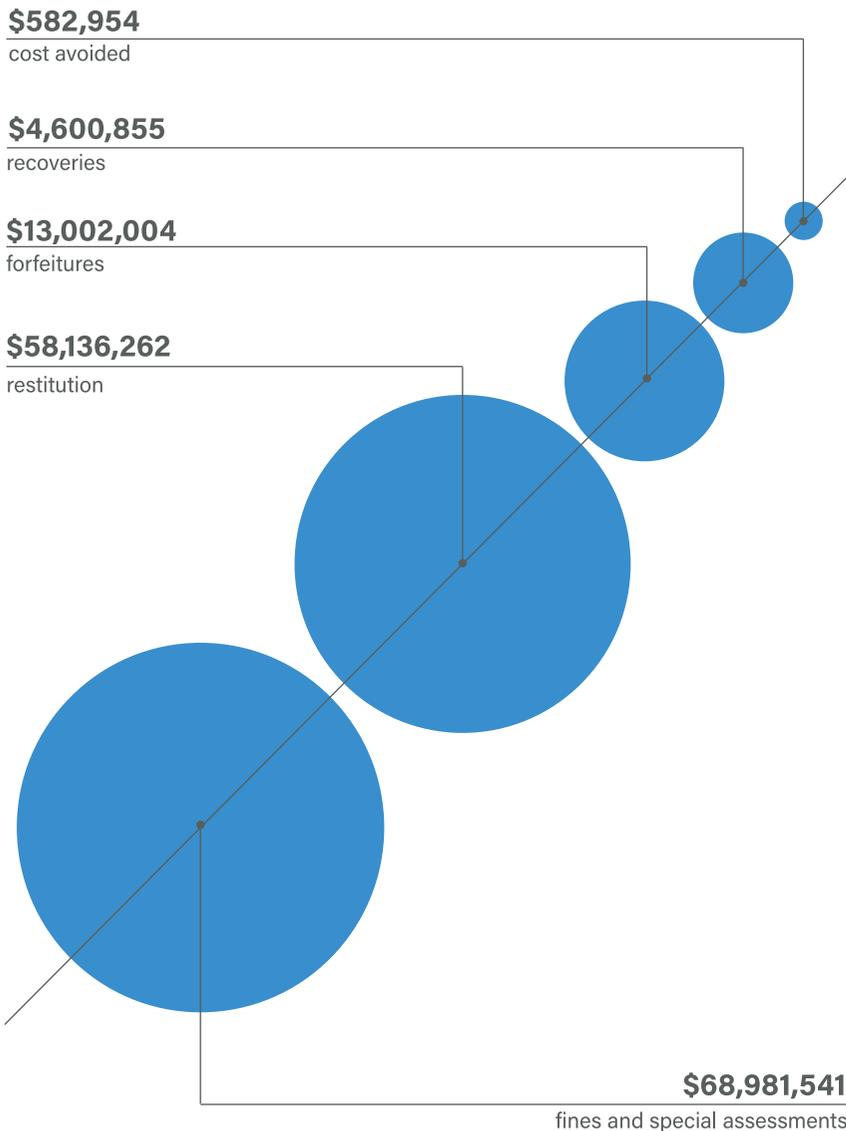


\$145.3m

financial impact of
DOT OIG investigations

Financial Impact of DOT OIG Investigations


\$145,303,616
 total financial impact



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 used to fund the Crime Victims Fund used 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.

2.3

AUDIT OUTCOMES FOR FY 2020

We conduct independent and objective audits and reviews of DOT programs and activities to ensure they operate economically, efficiently, and effectively. Some of the significant issues reviewed this fiscal year include:

FAA's competitive award practices. FAA's competitive award practices for its major program contracts expose the Agency to cost and performance risks. We determined that FAA put up to \$4.9 billion in Federal funds at risk.

Safety oversight of Southwest Airlines. We found several concerns regarding FAA's safety oversight of Southwest Airlines, such as aircraft flying with unresolved safety concerns or in an unknown airworthiness state. These concerns put 17 million passengers at risk. Also, FAA inspectors do not evaluate air carrier risk assessments or safety culture because they lack the guidance to do so.

Oversight of Hurricane Sandy grantees. FTA's limited oversight of grantees' compliance with insurance requirements puts Federal funds and Hurricane Sandy insurance proceeds at risk. We found over \$982.8 million in insurance proceeds could be put to better use.

DOT's purchase card program.

Due to internal control weaknesses, purchase cardholders are not consistently following existing controls to prevent improper purchases, putting the purchase card program at increased risk of misuse and abuse.

Aircraft certification. We provided a timeline of the activities that led to FAA's certification of the Boeing 737 MAX 8 aircraft, as well as the events that followed the fatal crashes of Lion Air in 2018 and Ethiopian Air in 2019.

Air traffic control. FAA is identifying risks to STARS, which provides critical services to air traffic controllers and pilots. However, the Agency is not mitigating those vulnerabilities in a timely manner.

Railroad conductor certification. FRA does not have sufficient oversight controls to consistently assess whether railroads are complying with its rule to ensure that only people who meet minimum safety standards are certified as conductors.

Financial oversight. MARAD's policies and procedures do not cover regulatory requirements for reviewing and approving loan guarantee applications.

Audit Accomplishments



51

audit reports issued



215

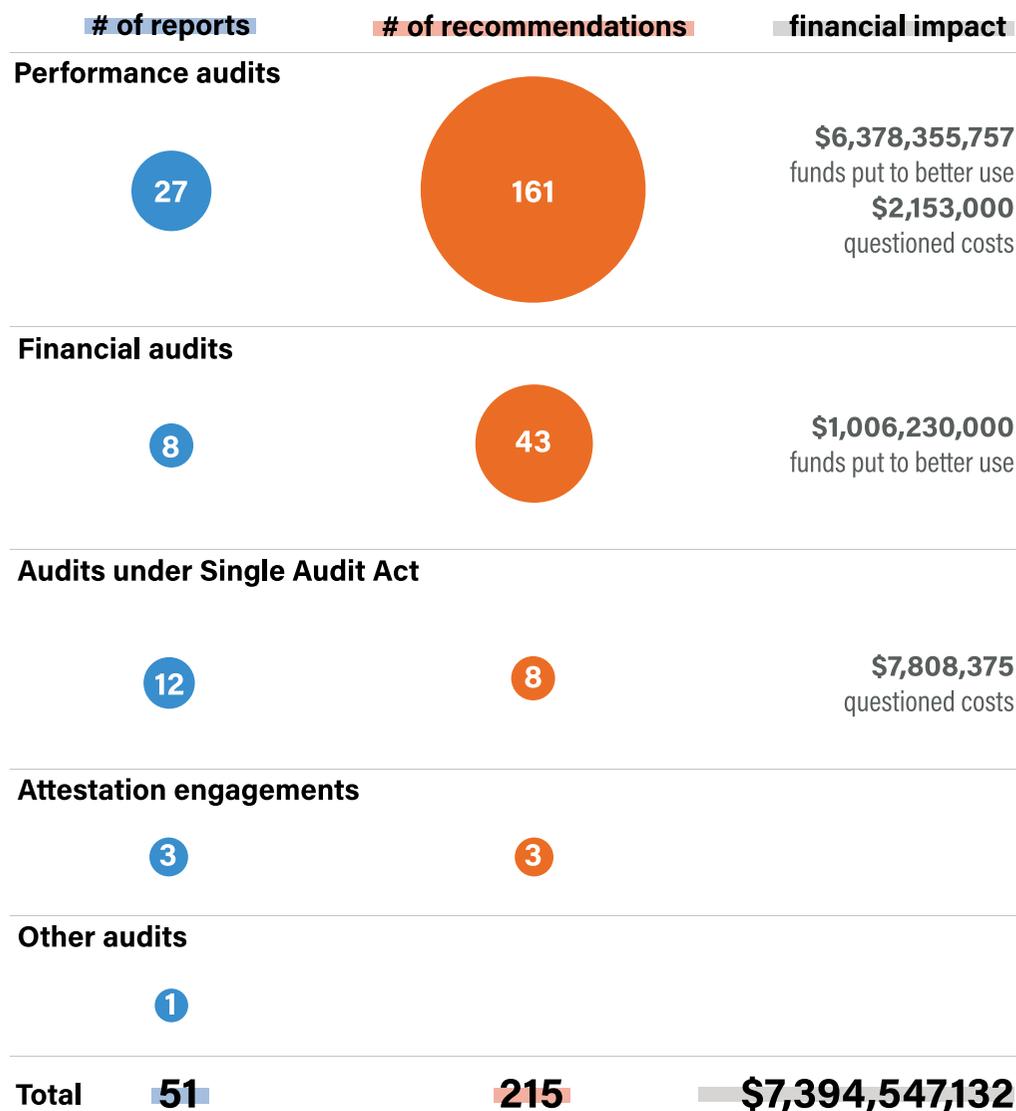
recommendations



\$7.39b

total financial impact
of DOT OIG audits

Completed Audits by Type



Types of Audits

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

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

Audits under Single Audit Act are examinations of an entity that expends \$750,000 or more of Federal assistance.

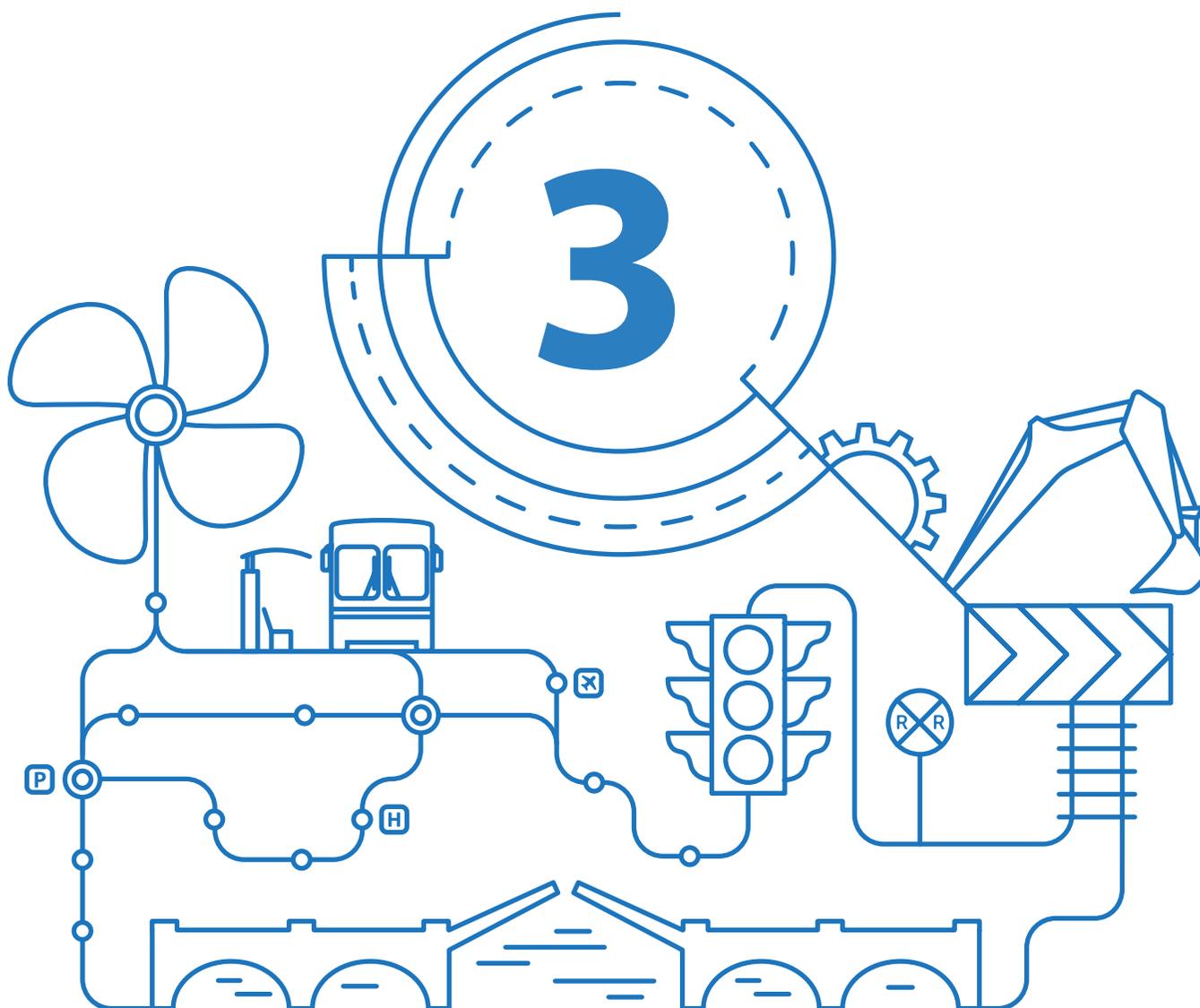
Financial Benefits

Questioned costs are found when we identify a grant recipient's improper use of funds (such as an overpayment to a contractor) and the funds should be recovered.

Unsupported costs are found when the use of funds may have been proper but the recipient did not properly document the use.

Funds put to better use are found when we identify an ineffective DOT program or operation, policy, process, contract, or grant, and improvements could help make more efficient use of related funds.

WHAT WE DO AND HOW WE OPERATE



3.1

INVESTIGATIVE PROCESS



Allegations Received

Allegations of fraud, waste, abuse, and other irregularities concerning DOT programs and operations are received from various sources, including:

- Hotline complaints via website, phone, email, and fax.
- Referrals from Government entities, including other law enforcement agencies, Congress, the U.S. Office of Special Counsel, the Government Accountability Office, and DOT officials.
- Internal OIG audit referrals, investigative analyses, and other compelling sources.
- *Qui Tam* lawsuits referred for investigation by the Department of Justice.

Preliminary Review

Allegations are preliminarily reviewed to determine if OIG investigative attention is warranted.

- Is the matter within DOT's jurisdiction?
- Is the allegation credible (for example, reasonably detailed)?
- Would the allegation constitute a violation?
- What is the best way to address it? Through OIG criminal, civil, or administrative investigation; or referral to an Operating Administration (OA) or other Government agency?

Investigative Activity

Investigations are conducted through a variety of activities, including record reviews and document analysis; witness and subject interviews; IG and grand jury subpoenas; search warrants; special techniques, such as consensual monitoring and undercover operations; and coordination with other law enforcement agencies, such as the FBI, as appropriate.

Investigative Outputs

Upon completing an investigation, reports and other documents may be written for use by senior decision makers and other stakeholders, including prosecuting attorneys and DOT management.

- Results of OIG's administrative investigations, such as employee and program integrity cases, are transmitted to OA officials, along with recommended actions.
- OIG's criminal cases are prosecuted through U.S. Attorney Offices nationwide, as well as U.S. Department of Justice prosecutorial elements in Washington, DC. Criminal cases can also be prosecuted by State and other local jurisdictions.
- OIG monitors the results of those investigations conducted by OAs based on our referrals.
- Matters may be referred to OAs for suspension or debarment decisions.

3.2

INVESTIGATIVE PRIORITIES

Transportation Safety Investigations

The goal of these investigative operations is to enhance DOT's transportation safety goals by investigating crimes where death or serious bodily injury has or is likely to occur. These types of investigations typically involve parties that egregiously violate DOT's safety regulations and statutes. Our investigations—and resulting prosecutions—are separate but complementary to the regulatory enforcement programs of DOT's Operating Administrations. The availability of criminal sanctions sends a message to violators who consider regulatory/civil penalties as a cost of doing business. Within this priority are three sub-areas:

- Aviation safety investigations typically involve counterfeit or substandard aircraft parts, falsified aircraft and aircraft parts maintenance records, and false certifications involving pilot and mechanic licensing and maintenance records.

- Motor carrier safety investigations include falsified drivers' hours-of-service logs, fraudulently obtained commercial drivers' licenses, falsified truck or bus maintenance records, and fraudulent testing of commercial drivers for drug and alcohol abuse.
- Hazardous materials investigations concern the illegal and undeclared shipment of hazmat in all modes of transportation.

Procurement and Grant Fraud Investigations

The goal of these investigations is to protect the loss of Federal transportation dollars by investigating fraud by grantees, grant recipients, and DOT contractors. In addition, these investigations help ensure a level economic playing field for American workers and disadvantaged business enterprises in the distribution of Federal transportation funds. The types of frauds typically seen in DOT procurements and grants include allegations of bribery and corruption, bid rigging, false claims,

labor and materials over-charging, disadvantaged business enterprise fraud, and product substitution. OIG's Office of Investigations also has a proactive fraud awareness and education outreach program.

Consumer and Workforce Fraud Investigations

The goal of these investigations is to protect American consumers and workers from fraud in connection with Federal Motor Carrier Safety Administration economic regulatory programs, such as household goods movement and motor carrier broker fraud schemes.

Employee Integrity Investigations

The goal of these investigations is to promote program integrity by investigating serious DOT employee misconduct. These investigations address violations involving DOT employees, such as time and attendance fraud, misuse of Government property or funds, conflicts of interest, ethics violations, and other prohibited actions.

3.3

LAW ENFORCEMENT AUTHORITY

OIG special agents have permanent statutory Federal law enforcement authority to conduct criminal investigations—including the authority to make arrests, obtain and execute warrants, and carry firearms. DOT OIG exercises its law enforcement authority in accordance with U.S. Department of Justice (DOJ) requirements and guidelines, including the following.

Training

All OIG special agents are subject to rigorous law enforcement training at the Federal Law Enforcement Training Center. This training is the same as that completed by most other Federal law enforcement agencies.

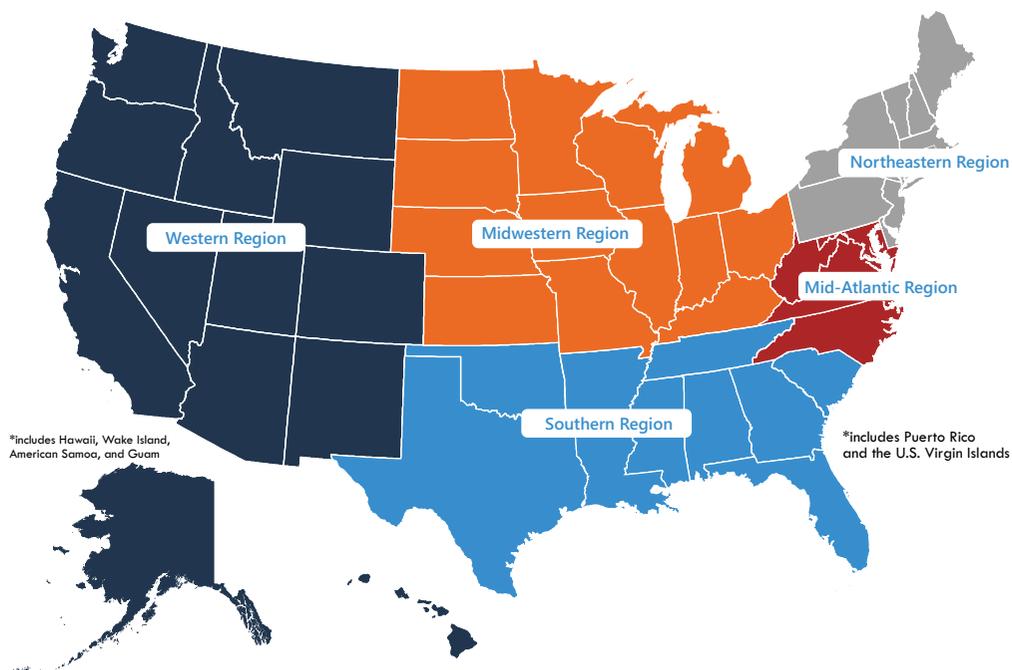
Use of Force Policy

OIG’s policy on use of force mirrors the Federal Bureau of Investigation’s

and DOJ’s policies on use of deadly force. Our policy addresses all types of use of force situations that may arise during our investigations. All DOT OIG special agents are trained quarterly on use of force.

External Peer Reviews

OIG’s investigative function is subject to external peer reviews conducted by other Federal OIGs at least once every 3 years to ensure adequate internal safeguards and management procedures.



3.4

AUDIT PROCESS

The Office of Auditing and Evaluation includes auditors, analysts, information technology experts, economists, statisticians, engineers, and other specialists at DOT's Washington, DC, headquarters and field offices around the country.

Reasons for Initiating Audits

- Laws, such as annual appropriation acts, authorization acts, the Federal Information Security and Management Act, and the Chief Financial Officers Act.
- Requests from Congress, senior Department officials, and other Government officials.
- Referrals from OIG's Office of Investigations.
- Self-initiation.

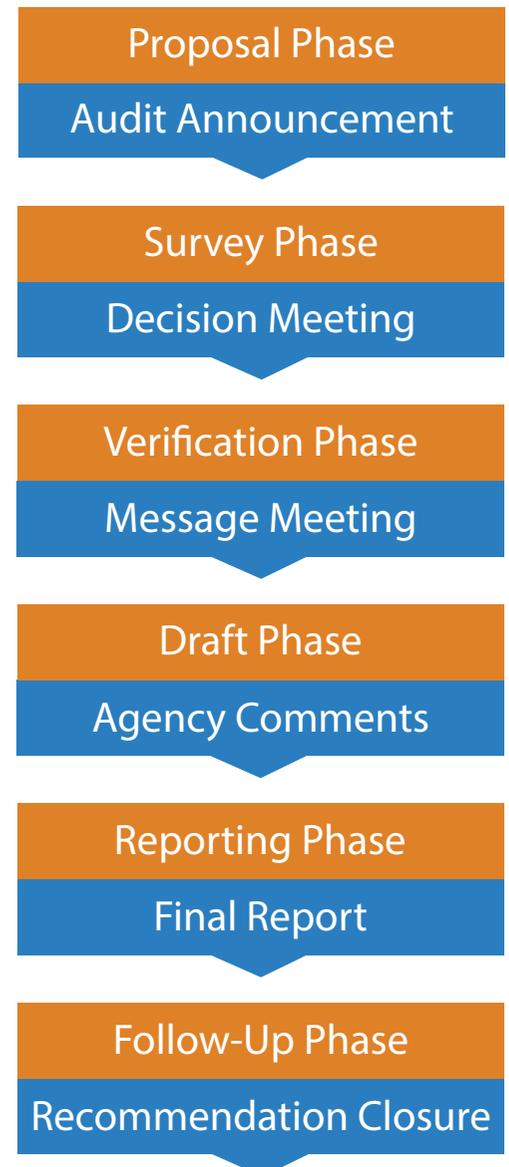
Types of Audits

- Performance audits reviewing the efficiency and effectiveness of DOT programs and operations.
- Financial audits include financial statement audits and attestation engagements.

Audit Phases

- Proposal: The audit team researches the audit topic, develops an audit plan, and proposes audit objectives.
- Survey: The audit team refines the objectives, scope, and methodology and milestones.
- Verification: The audit team gathers and analyzes evidence and develops findings and recommendations.
- Report Development: A draft report on our findings and recommendations is written and reviewed by internal stakeholders and sent to the audited agency for review and comment.
- Report Issuance: The final report is issued and transmitted to the audited agency, the Office of the Secretary (OST), the Office of Management and Budget (OMB), and congressional committees and staff.
- Follow-up: OIG continues to monitor DOT's actions taken to address the recommendations made in our final report.

Communication During the Audit



Process

- We maintain an open line of communication with the Department and requestors throughout the audit process.
- At the start of an audit, OIG formally notifies the Operating Administration (OA) through an announcement letter, which lists the elements within DOT to be audited, the audit objectives, the expected start date, and the OIG Audit Team Program Director and Project Manager. Announcement letters are publicly available on OIG's website.
- At the conclusion of field work, the audit team conducts an exit conference with the OA to discuss the audit results.
- The draft report is typically given to the OA for formal written comments. Agency comments are included as an Appendix to the final report. All final reports must have some indication that the audited agency had opportunity to comment either in writing or orally before the report is issued.

- Final reports are posted on OIG's website for the public, typically 2 business days (but no more than 3 calendar days) after issuance, unless otherwise prohibited from public release due to protected sensitive information.

Audit Standards

Audits comply with the Government Accountability Office's (GAO) generally accepted Government auditing standards (GAGAS), commonly referred to as the "Yellow Book." Government auditors ensure integrity and objectivity by using these standards and guidance, which govern:

- Independence
- Professional judgment
- Competence
- Quality control and assurance
- Planning
- Supervision
- Obtaining sufficient, appropriate evidence

- Audit documentation
- Reporting
- Standards established by the American Institute of CPAs (for financial and attestation audits)

External Peer Reviews

OIG's audit function is subject to external peer reviews conducted by other Federal OIGs at least once every 3 years to ensure adequate internal safeguards and management procedures.

3.5

PUBLIC RELEASE OF OIG WORK PRODUCTS

Process for Distributing Reports and Work Products

- Once a draft audit report is issued, it is provided to the audited agency for review and comment. The audited agency generally has 30 calendar days to respond to OIG’s draft audit report. The agency may request an extension of an additional 15 calendar days for review, which OIG may grant at its discretion. Congressionally mandated deadlines may prevent OIG from being able to grant an extension.
- Approximately 3 weeks before issuing a final report, OIG provides notice and summarizes the audit objectives in OIG’s weekly report to the Secretary.
- Once agency comments have been received and any changes are made to the report, the final report is distributed to (1) the DOT addressee and senior OST/OA officials; (2) congressional staff on committees of jurisdiction; and (3) OMB transportation policy staff.
- Generally, on the 2nd business day (but no more than 3 calendar days) after issuing and distributing a final report to the Department, OIG makes the report publicly available on our website per the IG Act—except when the Department has determined the report cannot be released to protect sensitive information.
- Note, however, that if a report is made public by those outside OIG during these interim “hold” periods, our policy is to make the report available to the public on our website at that time.
- OIG does not solicit media attention for its reports, nor do we release “embargoed” copies or summaries of reports to the media in advance of their public release. We rely on our website and social media tools to notify media and the public when an item has been made public.
- Summaries of investigations are typically made publicly available on OIG’s website when a subject is indicted, a plea or conviction is made, or when the defendant is sentenced.

Public Release Schedule

Work Product	Public Release Date	DOT Comment
OIG Semiannual Report	By May 31 and November 30	x
DOT Top Management Challenges Report	By November 15	x
Final Audit Reports	Generally on the 2nd business day after issuance and delivery to DOT and Congress but no more than 3 calendar days	x
Management Advisories	Generally on the 2nd business day after issuance and delivery to DOT and Congress but no more than 3 calendar days	
Controlled Correspondence	Generally on the 2nd business day after issuance and delivery to the recipient	
Audit Announcements	Upon issuance and delivery to DOT	
Investigative Summaries	When information regarding an investigation is deemed to be public by the prosecuting official	
Reports of Investigation	Subject to FOIA review process	
Testimony Statements	Upon commencement of a congressional hearing	

Types of OIG work products

Management advisories

are issued periodically to alert DOT officials of significant issues that emerge during an audit and warrant immediate attention.

Controlled correspondence

includes official congressional, DOT, and interagency correspondence and may include non-audit reviews containing no audit recommendations.

Investigative summaries

describe publicly released criminal and civil actions such as indictments, convictions, sentencing, and civil settlements, as well as significant administrative actions such as suspensions and debarments.

OIG'S RELATIONSHIP WITH DOT



4.1

ROLE OF INSPECTORS GENERAL

In accordance with the Inspector General Act of 1978, as amended (the IG Act), some Federal Inspectors General (IG) are appointed by the President subject to Senate confirmation—as is the case for the DOT IG—while the remainder are appointed by the agency head, governing board or commission.

According to the IG Act, the role of an IG is to prevent and detect waste, fraud, and abuse and to promote economy, efficiency, and effectiveness in each agency's programs and operations.

IGs are nonpartisan and are selected without regard to political affiliation. Unlike other political appointees, IGs typically remain in office when Presidential Administrations change. IGs have a dual reporting requirement—to their agency heads and to Congress. IGs are required by the IG Act to keep both fully and currently informed about problems and deficiencies in their agencies' programs and operations, as well as the necessity for and progress

of corrective action. In addition, the IG is required to expeditiously report to the Attorney General for prosecutorial consideration whenever the IG has reasonable grounds to believe there has been a violation of Federal criminal law.

Although IGs are located within agencies, they maintain independence from their respective agencies while conducting their work. For example, agency heads may not prevent the IGs from initiating, carrying out, or completing any audit or investigation, except in limited circumstances. IGs must maintain their independence, in both reality and in appearance, to provide credible oversight. In addition, IGs must have direct and prompt access to agency heads.

OIG Access Authority

Under the IG Act, IGs have broad statutory authority, including access to all agency records, information, and employees. IGs also have the authority to subpoena relevant documents and information from non-Federal organizations and individuals. Access is a bedrock principle upon which OIGs are able to build independent and objective reviews. The IG Act requires the IG to include in its Semiannual Report to Congress a detailed description of any incidents where the Department has "resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action." Additionally, recurring annual appropriations laws prohibit DOT funds from being used to deny the Inspector General "timely access to any records, documents, or other materials available to the department or agency." The Inspector General must report to the House and Senate Appropriations Committees within 5 calendar days any failures to comply with this requirement.

4.2

INTERACTIONS BETWEEN OIG AND DOT

The Inspector General

The IG historically has been invited to participate in the Secretary's executive management team meetings generally attended by Operating Administrators and other senior officials (e.g., Undersecretary for Policy, General Counsel, Chief of Staff, and Assistant Secretaries).

To fulfill the obligation to keep the Secretary fully and currently informed, the IG regularly meets with the Secretary or the Deputy Secretary to provide a snapshot of impending OIG efforts such as the release of final audit reports.

OIG also provides a weekly report to the Secretary which highlights the following: significant schedule information for the IG and the Deputy IG including congressional testimonies, speeches, or other public appearances; upcoming audit reports and other significant activities; and updates on recent matters such as summaries of investigations, including indictments, convictions, and sentencings.

Office of Auditing and Evaluations

OIG's Office of Auditing and Evaluation conducts audits and other reviews of DOT's transportation programs and activities to ensure they operate economically, efficiently, and effectively. In accordance with the IG Act, and to maintain our independence and objectivity, OIG does not issue regulations, engage in making policy decisions for the Department, or assist in operating DOT programs. OIG conducts audit work based on a variety of factors, including congressional interest (as mandated by law or directed by congressional request), Secretarial or Operating Administrator request, or self-initiation based on our own ongoing research and assessments of DOT's major challenges. To prevent duplication of effort to the extent possible on audits, OIG coordinates regularly with the Government Accountability Office.

DOT sets out its internal operations in various Orders and Policies, including interactions pertaining to OIG audits. During audit work, audit team managers communicate directly with DOT and Operating

Administration officials, including executives, program officials, and audit liaisons. This communication can occur both formally (e.g., in the form of comments to draft OIG audit reports) and informally (e.g., ongoing conversations among staff).

Office of Investigations

This office is comprised of criminal and general investigators who are responsible for conducting criminal, civil, and administrative investigations affecting DOT, its Operating Administrations, programs, grants, and procurements. The investigations office is responsible for transportation safety, procurement and grant fraud, DOT employee integrity, and consumer and workforce fraud investigations.

DOT and the Operating Administrations have an obligation to report all potential criminal matters to OIG. DOT sets out its internal operations in various Orders and Policies, including interactions pertaining to OIG investigations. Unlike with audit reports, OIG does not regularly update DOT or the Operating Administrations about ongoing investigations.

U.S. DOT IG Fraud & Safety Hotline

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

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

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



www.oig.dot.gov