



**U.S. Department of  
Transportation**

# **BUDGET ESTIMATES**

## **FISCAL YEAR 2023**

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**OFFICE OF  
INSPECTOR GENERAL**

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**SUBMITTED FOR THE USE OF  
THE COMMITTEES ON APPROPRIATIONS**

Office of Inspector General  
Fiscal Year 2023 Budget Estimates

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Not Applicable

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# SECTION 1: OVERVIEW

## **ADMINISTRATOR’S OVERVIEW FOR THE OFFICE OF INSPECTOR GENERAL**

The Office of Inspector General (OIG) requests \$108.073 million to support an estimated 412 full-time equivalents (FTE) in fiscal year (FY) 2023. In addition, we estimate we will be able to support another 3 FTE using carryover funding from the Disaster Relief Appropriations Act of 2013 (DRAA), 5 FTE using carryover funding from the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act), and 5 FTE using funding from the Infrastructure Investment and Jobs Act of 2021 (IIJA) for an estimated total of 425 FTE in FY 2023.

This request includes current services level adjustments for an annualization of a 2022 pay raise of 2.7 percent, an annualization of 6 FTE for 12 new positions included in the FY 2022 President’s Budget request, a 2023 pay raise of 4.6 percent, one less compensable day in FY 2023, General Services Administration rent estimates, departmental Working Capital Fund estimates, a non-pay inflation rate of 2.0 percent, and other adjustments to the FY 2022 continuing resolution baseline estimates.

OIG will support DOT’s implementation of IIJA by reviewing the Department’s administration of program funds; assessing its efforts to mitigate the risks and oversight challenges associated with managing such a large, rapid infusion of supplemental funds; and by combating fraud, waste, and abuse. OIG is receiving funding from IIJA through a series of transfers from other DOT agency accounts.

Since Congress created Federal offices of inspector general in 1978, we have been dedicated to providing independent, objective reviews of the efficiency and effectiveness of DOT programs and operations. Our work leads to substantial departmental financial and program improvements in safety and other areas, as well as significant returns on taxpayer investments.

In FY 2021, we issued 38 audit reports with 209 recommendations, and our investigations resulted in 80 indictments and 69 convictions. Our work produced over \$342 million in financial recommendations and nearly \$2.6 billion in fines, restitutions, recoveries, and forfeitures. Between FY 2017 and FY 2021, we achieved an average return on investment (ROI)<sup>1</sup> of \$28 to \$1.

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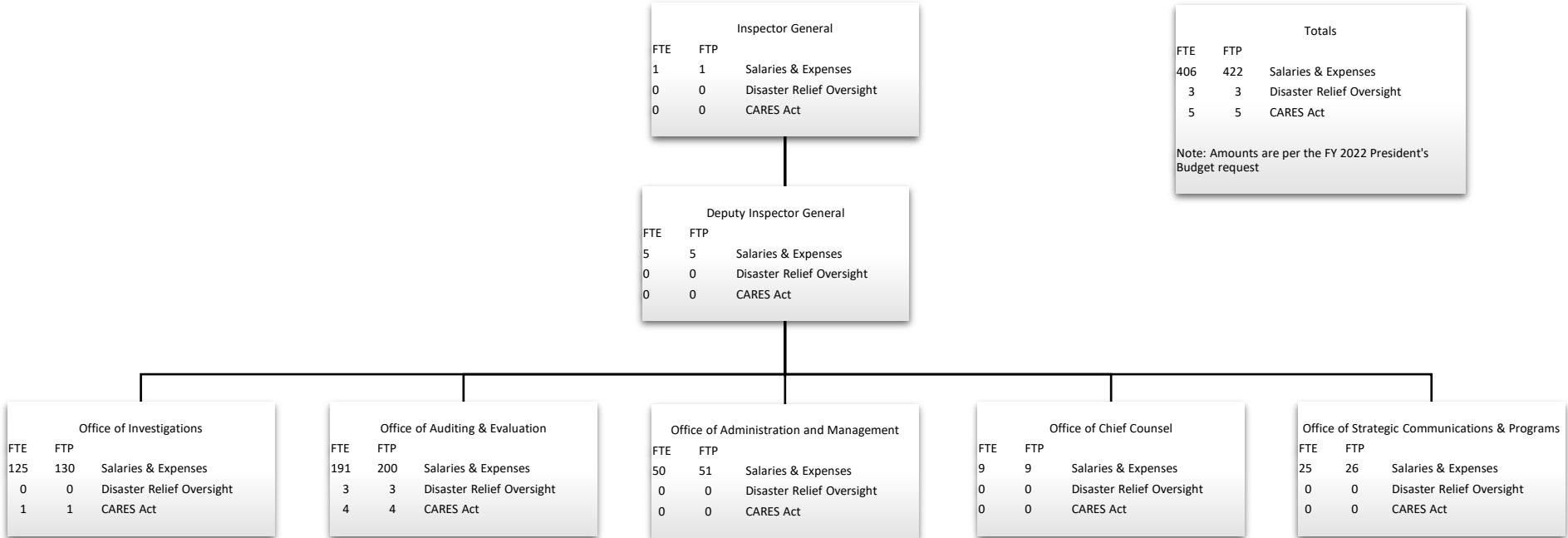
<sup>1</sup> ROI calculations compare the cost for OIG to do business to the revenue and other savings generated through court-ordered fines, restitutions, recoveries, forfeitures, recoveries of improper payments, recommended cost savings, and recommendations for funds put to better use.

## **Inspector General Reform Act Statement**

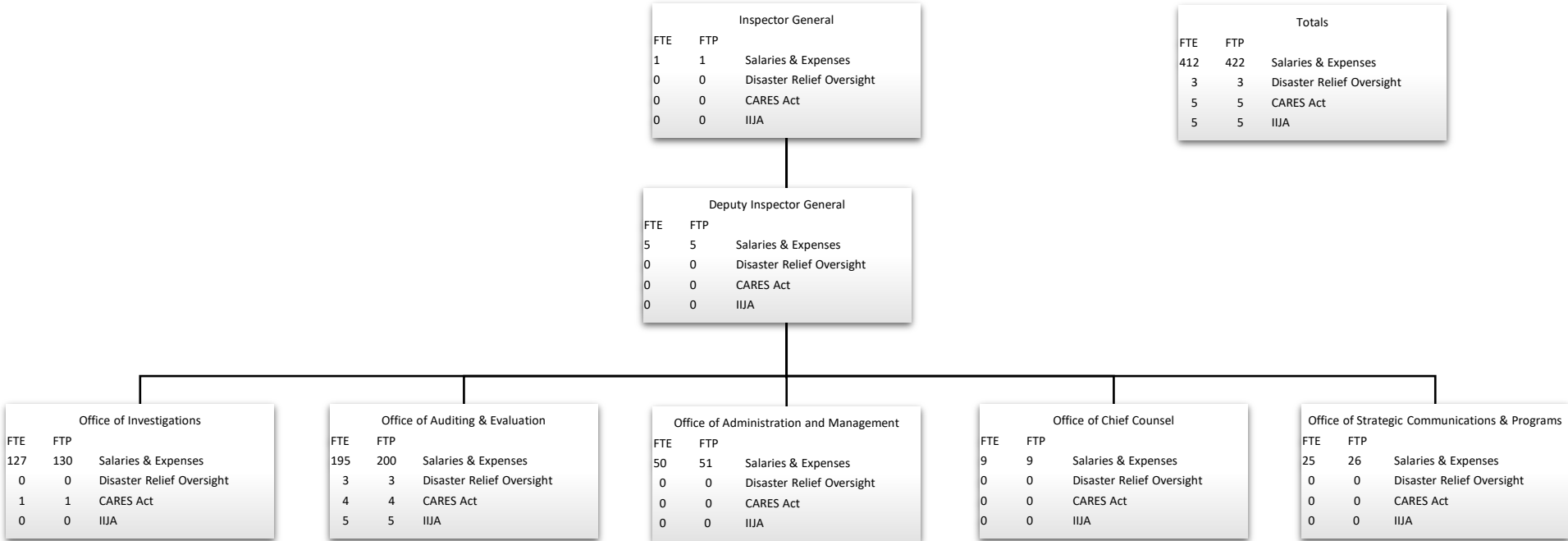
Section 6 of the Inspector General Act of 1978 was amended by the Inspector General Reform Act of 2008, Public Law Number 110-409, to require certain information about budget submissions. In accordance with section 6(g) of the act, we submit the following information:

- OIG requested and received \$107.12 million for FY 2023 from the Department; OIG requested \$107.12 million for FY 2023 from OMB and received \$108.073 million.
- OIG's FY 2023 budget request is for \$108.073 million in support of an estimated 412 FTE with an additional 13 FTE estimated to be supported using carryover supplemental funding for a total of 425 FTE.
- The amount included in this request to support external training courses is \$750,000.
- The amount included in this request to support the Council of Inspectors General on Integrity and Efficiency (CIGIE) is \$389,000.

**EXHIBIT I-A  
FY 2022 ORGANIZATIONAL CHART  
OFFICE OF THE INSPECTOR GENERAL**



**EXHIBIT I-B**  
**FY 2023 ORGANIZATIONAL CHART**  
**OFFICE OF THE INSPECTOR GENERAL**



# SECTION 2: BUDGET SUMMARY TABLES



**EXHIBIT II-1  
FY 2023 BUDGET AUTHORITY  
OFFICE OF INSPECTOR GENERAL  
(\$000)**

ACCOUNT NAME	M / D	FY 2021 ENACTED	FY 2022 CR	FY 2022 ENACTED	FY 2023 PRES. BUDGET
<b>Salaries &amp; Expenses</b>	<b>D</b>	\$ 98,150	\$ 98,150	\$ 103,150	\$ 108,073
Rescissions		\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -
<b>Gross New Budget Authority</b>		<b>\$ 98,150</b>	<b>\$ 98,150</b>	<b>\$ 103,150</b>	<b>\$ 108,073</b>
<b>Rescissions</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Offsets</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET NEW BUDGET AUTHORITY REQUESTED:</b>		<b>\$ 98,150</b>	<b>\$ 98,150</b>	<b>\$ 103,150</b>	<b>\$ 108,073</b>
Mandatory BA					
Discretionary BA		\$ 98,150	\$ 98,150	\$ 103,150	\$ 108,073
<b>Supplemental Funding</b>					
COVID-19 Supplementals		\$ -	\$ -	\$ -	\$ -
CARES Act		\$ -	\$ -	\$ -	\$ -
IIJA Supplemental (Division J)		\$ -	\$ 4,224	\$ 4,224	\$ 4,224
Transfers From Other Accounts	<b>D</b>	\$ -	\$ 4,224	\$ 4,224	\$ 4,224
Emergency Disaster Relief Oversight		\$ -	\$ -	\$ -	\$ -
Disaster Relief Appropriations Act		\$ -	\$ -	\$ -	\$ -
<b>Grand Total, All Appropriations</b>		<b>\$ 98,150</b>	<b>\$ 102,374</b>	<b>\$ 107,374</b>	<b>\$ 112,297</b>

**EXHIBIT II-2**  
**FY 2023 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT**  
**OFFICE OF INSPECTOR GENERAL**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

ACCOUNT NAME	M / D	FY 2021 ENACTED	FY 2022 CR	FY 2022 ENACTED	FY 2023 PRES. BUDGET
<b>SALARIES &amp; EXPENSES</b>	<b>D</b>	\$ 98,150	\$ 98,150	\$ 103,150	\$ 108,073
Rescissions		\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -
<b>TOTAL BASE APPROPRIATION</b>		\$ 98,150	\$ 98,150	\$ 103,150	\$ 108,073
<b>Gross New Budgetary Resources</b>		\$ 98,150	\$ 98,150	\$ 103,150	\$ 108,073
<b>Rescissions</b>		\$ -	\$ -	\$ -	\$ -
<b>Transfers</b>		\$ -	\$ -	\$ -	\$ -
<b>Offsets</b>		\$ -	\$ -	\$ -	\$ -
<b>TOTAL BUDGETARY RESOURCES:</b>		<u>\$ 98,150</u>	<u>\$ 98,150</u>	<u>\$ 103,150</u>	<u>\$ 108,073</u>
Mandatory		\$ -	\$ -	\$ -	\$ -
Discretionary		\$ 98,150	\$ 98,150	\$ 103,150	\$ 108,073
Obligation Limitation		\$ -	\$ -	0	\$ -
<b>Supplemental Funding</b>					
COVID-19 Supplementals		\$ -	\$ -	\$ -	\$ -
CARES Act		\$ -	\$ -	\$ -	\$ -
IIJA Supplemental (Division J)	<b>D</b>	\$ -	\$ 4,224	\$ 4,224	\$ 4,224
Transfers From Other Accounts		\$ -	\$ 4,224	\$ 4,224	\$ 4,224
Emergency Disaster Relief Oversight		\$ -	\$ -	\$ -	\$ -
Disaster Relief Appropriations Act		\$ -	\$ -	0	\$ -
<b>Grand Total, All Appropriations</b>		<u>\$ 98,150</u>	<u>\$ 102,374</u>	<u>\$ 107,374</u>	<u>\$ 112,297</u>

**EXHIBIT II-3**  
**FY 2023 BUDGET REQUEST BY DOT STRATEGIC AND ORGANIZATIONAL GOALS**  
**Appropriations, Obligation Limitation, and Exempt Obligations**  
**OFFICE OF INSPECTOR GENERAL**  
**(\$000)**

	Safety	Economic Strength	Equity	Climate & Sustainability	Transformation	Organizational Excellence	Total
<b>ACCOUNT</b>							
<b>Salaries &amp; Expenses</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,073	\$ 108,073
<b>IIJA Supplemental (Division J)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,224	\$ 4,224
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,297	\$ 112,297

**Safety:** Make our transportation system safer for all people. Advance a future without transportation-related serious injuries and fatalities.

**Economic Strength and Global Competitiveness:** Grow an inclusive and sustainable economy. Invest in our transportation system to provide American workers and businesses reliable and efficient access to resources, markets, and good-paying jobs.

**Equity:** Reduce inequities across our transportation systems and the communities they affect. Support and engage people and communities to promote safe, affordable, accessible, and multimodal access to opportunities and services while reducing transportation-related disparities, adverse community impacts, and health effects.

**Climate & Sustainability:** Tackle the climate crisis by ensuring that transportation plays a central role in the solution. Substantially reduce greenhouse gas emissions and transportation-related pollution and build more resilient and sustainable transportation systems to benefit and protect communities.

**Transformation:** Design for the future. Invest in purpose-driven research and innovation to meet the challenge of the present and modernize a transportation system of the future that serves everyone today and in the decades to come.

**Organizational Excellence:** Strengthen our world class organization. Advance the Department's mission by establishing policies, processes, and an inclusive and innovative culture to effectively serve communities and responsibly steward the public's resources.

Note: This funding split is provided for reporting purposes only. OIG provides accountability across DOT's mission and activities. However, consistent with OIG's independence, OIG cannot commit in advance to allocating its resources in support of specific DOT goals.

**EXHIBIT II-4  
FY 2023 OUTLAYS  
OFFICE OF INSPECTOR GENERAL  
(\$000)**

	<b>M / D</b>	<b>FY 2021 ENACTED</b>	<b>FY 2022 CR</b>	<b>FY 2023 PRES. BUDGET</b>
Salaries & Expenses	<b>D</b>	\$ 97,795	\$ 98,150	\$ 107,081
<b>TOTAL:</b>		<b>\$ 97,795</b>	<b>\$ 98,150</b>	<b>\$ 107,081</b>
Mandatory				
Discretionary		\$ 97,795	\$ 98,150	\$ 107,081
<b>Supplemental Funding</b>				
<b>COVID-19 Supplementals</b>				
CARES Act	<b>D</b>	\$ 1,250	\$ 1,250	\$ 1,250
<b>IIJA Supplemental (Division J)</b>				
Transfers From Other Accounts	<b>D</b>	\$ -	\$ -	\$ 1,000
Emergency Disaster Relief Oversight				
Disaster Relief Appropriations Act	<b>D</b>	\$ 750	\$ 750	\$ 750
<b>Grand Total, Outlays from all Appropriations</b>		<b>\$ 99,795</b>	<b>\$ 100,150</b>	<b>\$ 110,081</b>

**EXHIBIT II-5**  
**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE**  
**OFFICE OF INSPECTOR GENERAL**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

Salaries & Expenses	FY 2021 Enacted	FY 2022 CR	Baseline Changes							FY 2023 Baseline Estimate	Program Increases/ Decreases	FY 2023 Request
			Annualization of Prior Pay Raises	Annualization of new FY 2022 FTE	FY 2023 Pay Raises	Adjustment for Compensable Days (260 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base			
<b>PERSONNEL RESOURCES (FTE)</b>												
Direct FTE	408	393		6					21	420	0	420
<b>FINANCIAL RESOURCES</b>												
<b>ADMINISTRATIVE EXPENSES</b>												
Salaries and Benefits	\$74,408	\$74,754	\$500	\$1,000	\$2,721	(\$315)			\$3,163	\$81,823		\$81,823
Travel	\$2,425	\$1,490							\$935	\$2,425		\$2,425
Transportation	\$5	\$5								\$5		\$5
GSA Rent	\$5,935	\$5,161					(\$5)			\$5,156		\$5,156
Communications, & Utilities	\$1,025	\$1,025							(\$55)	\$970		\$970
Printing	\$0	\$0								\$0		\$0
Other Services:	\$7,674	\$8,680							\$863	\$9,543		\$9,543
-WCF	\$5,623	\$5,915						\$392		\$6,307		\$6,307
Supplies	\$275	\$215							\$60	\$275		\$275
Equipment	\$750	\$875							\$664	\$1,539		\$1,539
Insurance Claims and Indemnities	\$10	\$10								\$10		\$10
	\$20	\$20								\$20		\$20
<b>Admin Subtotal</b>	<b>\$98,150</b>	<b>\$98,150</b>	<b>\$500</b>	<b>\$1,000</b>	<b>\$2,721</b>	<b>(\$315)</b>	<b>(\$5)</b>	<b>\$392</b>	<b>\$5,630</b>	<b>\$108,073</b>	<b>\$0</b>	<b>\$108,073</b>
<b>PROGRAMS</b>												
Program Activity #1										\$0		\$0
<b>Programs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>BASE PROGRAMS TOTAL</b>	<b>\$98,150</b>	<b>\$98,150</b>	<b>\$500</b>	<b>\$1,000</b>	<b>\$2,721</b>	<b>(\$315)</b>	<b>(\$5)</b>	<b>\$392</b>	<b>\$5,630</b>	<b>\$108,073</b>	<b>\$0</b>	<b>\$108,073</b>

Note: Personnel Resources amounts include FTE supported by DRAA and CARES Act carryover funding.

**EXHIBIT II-5 - IIJA**  
**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE - IIJA**  
**OFFICE OF INSPECTOR GENERAL**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

Salaries & Expenses, IIJA Supplemental	Baseline Changes											
	FY 2021 Enacted	FY 2022 CR	Annualization of Prior Pay Raises	Annualization of new FY 2022 FTE	FY 2023 Pay Raises	Adjustment for Compensable Days (260 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2023 Baseline Estimate	Program Increases/ Decreases	FY 2023 Request
<b>PERSONNEL RESOURCES (FTE)</b>												
Direct FTE	0	0							5	5	0	5
<b>FINANCIAL RESOURCES</b>												
<b>ADMINISTRATIVE EXPENSES</b>												
Salaries and Benefits	\$0	\$4,224								\$4,224		\$4,224
Travel										\$0		\$0
Transportation										\$0		\$0
GSA Rent										\$0		\$0
Communications, & Utilities										\$0		\$0
Printing										\$0		\$0
Other Services:										\$0		\$0
-WCF										\$0		\$0
Supplies										\$0		\$0
Equipment										\$0		\$0
Insurance Claims and Indemnities										\$0		\$0
										\$0		\$0
<b>Admin Subtotal</b>	<b>\$0</b>	<b>\$4,224</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,224</b>	<b>\$0</b>	<b>\$4,224</b>
<b>PROGRAMS</b>												
Program Activity #1										\$0		\$0
<b>Programs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>BASE PROGRAMS TOTAL</b>	<b>\$0</b>	<b>\$4,224</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,224</b>	<b>\$0</b>	<b>\$4,224</b>

**EXHIBIT II-6  
WORKING CAPITAL FUND  
OFFICE OF INSPECTOR GENERAL  
(\$000)**

	<b>FY 2021 ENACTED</b>	<b>FY 2022 CR</b>	<b>FY 2023 PRES. BUD.</b>
<b>DIRECT:</b>			
Salaries & Expenses	\$ 5,623	\$ 5,915	\$ 6,307
<b>SUBTOTAL</b>	<b>\$ 5,623</b>	<b>\$ 5,915</b>	<b>\$ 6,307</b>
<b>REIMBURSABLE:</b>			
Salaries & Expenses	\$ -	\$ -	\$ -
<b>SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL, Base programs</b>	<b>\$ 5,623</b>	<b>\$ 5,915</b>	<b>\$ 6,307</b>
<b>SUPPLEMENTAL FUNDING</b>			
COVID-19 Supplementals Subtotal	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
IIJA Supplemental (Division J) Subtotal	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
<b>Total, All Sources</b>	<b>\$ 5,623</b>	<b>\$ 5,915</b>	<b>\$ 6,307</b>

**EXHIBIT II-7**  
**OFFICE OF INSPECTOR GENERAL**  
**PERSONNEL RESOURCE -- SUMMARY**  
**FULL-TIME EQUIVALENTS**

	<u>FY 2021 ACTUAL</u>	<u>FY 2022 CR</u>	<u>FY 2023 PRES. BUD.</u>
<b><u>DIRECT FUNDED BY APPROPRIATION</u></b>			
Salaries & Expenses	385	385	412
<b>SUBTOTAL, DIRECT FUNDED</b>	<u>385</u>	<u>385</u>	<u>412</u>
<b><u>REIMBURSEMENTS / ALLOCATIONS / OTHER</u></b>			
Reimbursements and 'Other'			
Salaries & Expenses	0	0	0
Allocations from other Organizations			
Salaries & Expenses	0	0	0
<b>SUBTOTAL, REIMBURSE./ALLOC./OTH.</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>BASE TOTAL FTEs</b>	<u><b>385</b></u>	<u><b>385</b></u>	<u><b>412</b></u>
<b><u>SUPPLEMENTAL FUNDED FTE's</u></b>			
COVID-19 Supplemental funding			
CARES Act	2	5	5
IIJA Supplemental Funding			
Infrastructure Investment and Jobs Act	0	0	5
Emergency Disaster Relief Oversight			
Disaster Relief Appropriations Act	2	3	3
<b>SUBTOTAL, Supplemental Funded</b>	<u>4</u>	<u>8</u>	<u>13</u>
<b>TOTAL FTEs</b>	<u><b>389</b></u>	<u><b>393</b></u>	<u><b>425</b></u>

INFO:  
Allocations to Other Agencies



**EXHIBIT II-8  
OFFICE OF INSPECTOR GENERAL  
RESOURCE SUMMARY – STAFFING  
FULL-TIME PERMANENT POSITIONS**

	<u>FY 2021 ACTUAL</u>	<u>FY 2022 CR</u>	<u>FY 2023 PRES. BUD.</u>
<b><u>DIRECT FUNDED BY APPROPRIATION</u></b>			
Salaries & Expense	410	395	422
<b>SUBTOTAL, DIRECT FUNDED</b>	<b>410</b>	<b>395</b>	<b>422</b>
<b><u>REIMBURSEMENTS/ALLOCATIONS/ OTHER</u></b>			
Reimbursements and 'Other'			
Salaries & Expenses	0	0	0
Allocations from other Organizations			
Salaries & Expenses	0	0	0
<b>SUBTOTAL, REIMBURSE./ALLOC./OTH.</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>BASE TOTAL POSITIONS</b>	<b>410</b>	<b>395</b>	<b>422</b>
<b><u>SUPPLEMENTAL FUNDED FTP's</u></b>			
COVID-19 Supplemental funding			
CARES Act	2	5	5
IIJA Supplemental Funding			
Infrastructure Investment and Jobs Act	0	0	5
Emergency Disaster Relief Oversight			
Disaster Relief Appropriations Act	2	3	3
<b>SUBTOTAL, Supplemental Funded</b>	<b>4</b>	<b>8</b>	<b>13</b>
<b>TOTAL POSITIONS</b>	<b>414</b>	<b>403</b>	<b>435</b>

INFO:

Allocations to Other Agencies

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# SECTION 3: BUDGET REQUEST BY APPROPRIATION ACCOUNT

**DEPARTMENT OF TRANSPORTATION  
OFFICE OF INSPECTOR GENERAL**

*Appropriations Language*

For necessary expenses of the Office of the Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, [~~\$103,150,000~~ \$108,073,000: *Provided*, That the Inspector General shall have all necessary authority, in carrying out the duties specified in the Inspector General Act, as amended (5 U.S.C. App.), to investigate allegations of fraud, including false statements to the government (18 U.S.C. 1001), by any person or entity that is subject to regulation by the Department of Transportation.

**EXHIBIT III-1**  
**OFFICE OF INSPECTOR GENERAL**  
**Summary by Program Activity**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

	<b>FY 2021</b>		<b>FY 2022 CR</b>		<b>FY 2023</b>
	<b>ENACTED</b>				<b>PRES. BUD.</b>
Salaries & Expenses	\$ 98,150		\$ 98,150		\$ 108,073
<b>TOTAL, Base appropriations</b>	<b>\$ 98,150</b>		<b>\$ 98,150</b>		<b>\$ 108,073</b>
FTEs					
Direct Funded	400		385		412
Reimbursable, allocated, other					
<b>Supplemental Funding</b>					
<b>COVID-19 Supplementals</b>					
CARES Act	\$ -		\$ -		\$ -
<b>IIJA Supplemental (Division J)</b>					
Infrastructure and Investment Job Act	\$ -		\$ 4,224		\$ 4,224
<b>Emergency Disaster Relief Oversight</b>					
Disaster Relief Appropriations Act	\$ -		\$ -		\$ -
<b>TOTAL, Supplemental Funding</b>	<b>\$ -</b>		<b>\$ 4,224</b>		<b>\$ 4,224</b>
Supplemental Funding FTEs					
COVID-19 Supplemental funding					
CARES Act	5		5		5
IIJA Supplemental Funding					
Infrastructure Investment and Jobs Act	0		0		5
Emergency Disaster Relief Oversight					
Disaster Relief Appropriations Act	3		3		3
<b>SUBTOTAL, Supplemental FTEs</b>	<b>8</b>		<b>8</b>		<b>13</b>
<b>Account</b>	<b>\$ 98,150</b>		<b>\$ 102,374</b>		<b>\$ 112,297</b>

**Program and Performance Statement**

The Department of Transportation (DOT) Inspector General conducts independent audits, investigations and evaluations to promote economy, efficiency and effectiveness in the management and administration of DOT programs and operations, including contracts, grants, and financial management; and to prevent and detect fraud, waste, abuse and mismanagement in such activities. This appropriation provides funds to enable the Office of the Inspector General to perform these oversight responsibilities in accordance with the Inspector General Act of 1978, as amended (5 U.S.C. App.).

**EXHIBIT III-1a**

**OFFICE OF INSPECTOR GENERAL  
SUMMARY ANALYSIS OF CHANGE FROM FY 2022 TO FY 2023  
Appropriations, Obligations, Limitations, and Exempt Obligations  
(\$000)**

	<u><b>\$000</b></u>	<u><b>FTE</b></u>
<b>FY 2022 CR</b>	<u>\$98,150</u>	<u>385</u>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of FY 2022 FTE	1,000	6
Annualization of Prior Pay Raise(s)	500	
FY 2023 Pay Raise (4.6%)	2,721	
Adjustment for Compensable Days	(315)	
GSA Rent	(5)	
Working Capital Fund	392	
CIGIE adjustment	49	
Non-Pay Inflation (2.0%)	275	
Other adjustments to base, Salaries & Benefits	3,163	21
Other adjustments to base, non-Salaries & Benefits etc.	2,143	
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b>9,923</b>	<b>27</b>
<b>PROGRAM REDUCTIONS</b>	<b>0</b>	<b>0</b>
<b>SUBTOTAL, PROGRAM REDUCTIONS</b>	<b>0</b>	<b>0</b>
<b>PROGRAM INCREASES</b>		
<b>SUBTOTAL, PROGRAM INCREASES</b>	<b>0</b>	<b>0</b>
<b>FY 2023 REQUEST</b>	<b>108,073</b>	<b>412</b>
<b>Supplemental Appropriations</b>	<b>4,224</b>	<b>13</b>
<b>TOTAL</b>	<b>112,297</b>	<b>425</b>

**DETAILED JUSTIFICATION FOR  
THE OFFICE OF INSPECTOR GENERAL**

**Table. Office of Inspector General Budget Request (\$000)**

Program Activity	FY 2021 Enacted	FY 2022 CR	FY 2022 Enacted	FY 2023 Pres. Budget
Salaries and Expenses	\$98,150	\$98,150	\$103,150	\$108,073
<b>TOTAL</b>	<b>\$98,150</b>	<b>\$98,150</b>	<b>\$103,150</b>	<b>\$108,073</b>
FTE	400	385	406	412
Supplemental-funded FTE	8	8	8	13
<b>Total FTE</b>	<b>408</b>	<b>393</b>	<b>414</b>	<b>425</b>

The Office of Inspector General (OIG) requests \$108.073 million to support an estimated 412 full-time equivalents (FTE) in FY 2023. In addition, we estimate we will be able to support another 3 FTE using carryover funding from the Disaster Relief Appropriations Act of 2013 (DRAA), 5 FTE using carryover funding from the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act), and 5 FTE using funding from the Infrastructure Investment and Jobs Act of 2021 (IIJA) for an estimated total of 425 FTE in fiscal year (FY) 2023.

This request includes current services level adjustments for an annualization of a 2022 pay raise of 2.7 percent, an annualization of 6 FTE for 12 new positions included in the FY 2022 President’s Budget request, a 2023 pay raise of 4.6 percent, one less compensable day in FY 2023, General Services Administration (GSA) rent estimates, departmental Working Capital Fund estimates, a non-pay inflation rate of 2.0 percent, and other adjustments to the FY 2022 continuing resolution baseline estimates.

OIG will support DOT’s implementation of IIJA by reviewing the Department’s administration of program funds; assessing its efforts to mitigate the risks and oversight challenges associated with managing such a large, rapid infusion of supplemental funds; and by combating fraud, waste, and abuse. OIG is receiving funding from IIJA through a series of transfers from other DOT agency accounts.

**What is the program and what does this funding level support?**

Our office employs a highly trained, specialized workforce to conduct audits, investigations, and other administrative and enforcement activities. Since Congress established Federal offices of inspector general in 1978, we have been dedicated to fulfilling our unique role as DOT’s only in-house source for objective examinations of departmental programs.

The Inspector General (IG) Act of 1978, as amended, requires offices of inspector general to:

- conduct independent audits and investigations;
- promote economy, efficiency, and effectiveness;

- prevent and detect fraud, waste, and abuse;
- refer criminal violations to the Attorney General for prosecution;
- review pending legislation and regulations; and
- keep the Secretary and Congress fully and currently informed.

OIG is committed to fulfilling its statutory responsibilities under the IG Act while supporting DOT's mission and the Secretary's strategic goals and key priorities, especially those concerning transportation safety and investments in infrastructure. Our work helps the Department and its Operating Administrations (OA) meet the performance targets identified in their strategic goals. Our 5-year strategic plan aligns with the Department's mission and describes the goals, strategies, related risks, and performance measures we have identified to help us achieve our mission.

To maximize our available audit resources and provide the greatest possible benefits to the Department and the public, we have a comprehensive 24-month tactical audit plan that we update annually. As part of this plan, we maintain a catalogue of potential audit areas that we develop from reviews of DOT budget data, business plans, performance reports, modal websites, and publications. We have identified, and plan to initiate, 130 audits in critical areas across the OAs.

To maximize our investigative resources, ensure effective resource allocation, and deliver meaningful results to the Department and the public, we review our investigative priorities on an annual basis. Such reviews give us the flexibility to address emerging regional and national trends and tackle issues of high interest to the Department, Congress, and the American public. Generally, we prioritize cases involving public safety, procurement and grant fraud, and employee integrity. Our goal is to conduct a minimum of 90 percent of our casework in these priority areas.

Each year, we issue a report on DOT's top management challenges that presents our assessment of the Department's management and operations and identifies issues that require the most immediate attention to minimize financial and safety risks. For FY 2022, we identified the following top management challenge areas:

- **Aviation safety.** Key challenges: maintaining confidence in the aircraft certification process and advancing the Federal Aviation Administration's (FAA) air carrier oversight to keep pace with safety management system requirements.
- **Surface transportation safety.** Key challenges: increasing compliance with surface safety transportation regulations and programs by improving monitoring and enforcement.
- **Air traffic control and airspace modernization.** Key challenges: delivering Next Generation Air Transportation System (NextGen) benefits to airspace users and deploying controller automation tools to improve efficiency.



- **Surface transportation infrastructure.** Key challenges: employing effective oversight of Federal funding for response, recovery, and rebuilding projects and enhancing risk-based oversight to improve project delivery and update and maintain surface transportation infrastructure.
- **Contract and grant fund stewardship.** Key challenges: managing domestic preference and supply chain risk and dedicating qualified and sufficient oversight resources for contract and grant funds.
- **Information security.** Key challenges: addressing DOT’s recurring cybersecurity weaknesses and protecting DOT’s IT infrastructure and sensitive information.
- **Financial management.** Key challenges: avoiding increases in improper payments and improving policies and procedures to monitor and report grantee spending.
- **Innovation and the future of transportation.** Key challenges: safely integrating new technologies into transportation systems and implementing executive orders and other Federal priorities to tackle the impact of climate change, advance equity, and promote resilience in infrastructure and supply chains.
- **Evolving operations and workforce management.** Key challenges: integrating lessons learned to facilitate workplace reentry and communicating fully and consistently with employees on workplace procedures, status, flexibility, and expectations.

We will continue to leverage the institutional knowledge of our staff—our most valuable resource for achieving our mission—and execute the work identified in our tactical plans and investigative priorities. These plans and priorities provide the general framework we use to focus our resources across the Department and its OAs, covering the following array of topics.

### Departmentwide

- Assess DOT’s oversight of financial and procurement-related issues, such as requirements for reporting contractors’ past performance information, research facility contracts and agreements, contract administration, and management of contracts for IT products and services.
- Review departmental cybersecurity, financial statements, and improper payments.
- Review departmental and OA oversight of the funding provided by the three COVID-19 relief related acts (CARES Act, Coronavirus Response and Relief Supplemental Appropriations Act, and American Rescue Plan Act of 2021) and IJJA.
- Conduct outreach activities to enhance fraud prevention awareness and generate investigative referrals from departmental, State, and local stakeholders in relation to procurement and grant fraud.
- Investigate fraud, waste, and abuse of departmental COVID-19 relief and IJJA funding.

## **Federal Aviation Administration**

- Assess FAA's acquisition and NextGen modernization programs, ranging from risk reduction to improvement of the execution of billion-dollar efforts. These audits will help determine overall program costs, schedule, and performance of individual NextGen programs, such as the Data Communications system, voice communication systems, and the Terminal Sequencing and Spacing system.
- Assess aviation safety, including FAA's oversight of pilot medical screening and domestic repair stations, airlines' safety practices, and integration of unmanned aircraft systems (UAS) into commercial airspace.
- Investigate the sale of unapproved aircraft parts, falsified commercial airman certificates, crimes involving UAS (smuggling contraband into prisons, destruction of law enforcement UAS, etc.), and illegal air shipments of hazardous materials.

## **Federal Highway Administration (FHWA)**

- Evaluate FHWA's oversight of the billions of dollars it provides to States and localities to build, maintain, and repair the Nation's roads and bridges. Audits will include assessments of FHWA's oversight of performance monitoring for Federal-aid projects, pavement projects, and tunnel programs; the States' quality assurance and control standards for materials; and implementation of new priorities with a focus on how success will be defined, monitored, and measured for new infrastructure programs.
- Investigate deceptive practices in FHWA-funded projects, such as product substitution, overbilling, bid rigging, substandard work, cost mischarging, and fraud related to Disadvantaged Business Enterprises (DBE).

## **Federal Motor Carrier Safety Administration (FMCSA)**

- Assess FMCSA's use of carrier data for safety intervention, oversight of Motor Carrier Safety Assistance Program grants and performance, and oversight of its drug and alcohol clearinghouse practices and related data quality.
- Assess FMCSA's implementation of eInvoicing in its safety grant programs.
- Investigate violations of FMCSA regulations governing interstate transportation of household goods to protect consumers and workers from fraudulent and deceptive practices.
- Investigate motor carrier safety violations, such as unsafe transport of hazardous materials, commercial driver's license fraud by schools and third-party testers, and carriers that reincarnate with different identities to circumvent safety regulations and penalties.

### **National Highway Traffic Safety Administration (NHTSA)**

- Assess NHTSA's procedures for collecting, analyzing, and managing information to identify safety-related vehicle defects and oversight, as well as enforcement of manufacturers' compliance with Federal motor vehicle safety standards.
- Evaluate NHTSA's preparedness to regulate, oversee, and promote advancements in vehicle technology.
- Investigate possible fraud in NHTSA grant programs, particularly Strategic Traffic Enforcement Program grants awarded to law enforcement agencies, and allegations of false statements to NHTSA by automobile manufacturers and suppliers to the automotive industry.

### **Federal Railroad Administration (FRA)**

- Evaluate FRA's Focused Inspection Plan and the oversight of its automated track inspection program.
- Investigate illegal shipments of hazardous materials, violations of rail safety regulations, and fraud on FRA-funded projects.

### **Federal Transit Administration (FTA)**

- Assess FTA's oversight of selected rail projects, initiatives to maintain public transportation projects in a state of good repair, and oversight of Buy America requirements.
- Evaluate FTA's oversight of DRAA funds, including DRAA relief awards, and risk mitigation in DRAA contract awards.
- Assess FTA's policies and procedures for evaluating the accuracy and timeliness of real property inventories.
- Investigate FTA-funded projects, focusing on issues such as product substitution, overbilling, substandard work, cost mischarging, and fraud involving DBEs.

### **Maritime Administration (MARAD)**

- Evaluate MARAD's controls over the use of its emergency relief program funds.
- Investigate fraud, waste, and abuse of MARAD funded projects, as well as employee integrity matters, including responses to allegations of sexual assault and allegations of harassment and retaliation against U.S. Merchant Marine Academy (USMMA) personnel.

## **Pipeline and Hazardous Materials Safety Administration (PHMSA)**

- Assess PHMSA’s management of the integrated pipeline inspection program.
- Evaluate PHMSA’s implementation of the National Packaging Strategic Plan goals for high-risk hazardous materials packaging.
- Investigate fraud that may impact PHMSA’s programs, including pipeline safety, cylinder retesting, illegal shipments of hazardous materials, and falsification of DOT-required hazardous materials’ packing and marking.

The following are examples of OIG’s recently issued audit reports and results of criminal investigations that demonstrate the impact of our work in relation to the Department’s strategic objectives and major programs and our ability to provide timely and relevant oversight of emerging issues.

### **Federal Aviation Administration**

*FAA Lacks Effective Oversight Controls To Determine Whether American Airlines Appropriately Identifies, Assesses, and Mitigates Aircraft Maintenance Risks* (issued October 20, 2021)

American Airlines, one of the world’s largest commercial air carriers, has not experienced a fatal accident in nearly 2 decades. Despite this safety record, reports of potentially unsafe maintenance practices have raised concerns about FAA’s oversight of the carrier’s maintenance programs. At the request of the then Ranking Members of the House Committee on Transportation and Infrastructure and its Aviation Subcommittee, we initiated this review, the third in a series of recent audits examining FAA’s oversight of aircraft maintenance programs.<sup>2</sup> Specifically, we examined whether FAA ensures that American Airlines implemented effective corrective actions to address the root causes of maintenance problems and FAA’s oversight of American Airlines’ safety management systems (SMS).

FAA lacks effective oversight controls to ensure American Airlines’ corrective actions for maintenance noncompliance addressed root causes. According to FAA guidance, FAA inspectors should collaborate with the air carrier to correctly identify and fix the root cause(s) of deviations or noncompliance. However, in 171 of 185 (92 percent) of cases we sampled, FAA inspectors accepted root cause analyses by the air carrier that did not identify the true root cause of the problem. Furthermore, FAA closed compliance actions before the air carrier implemented its corrective actions. FAA’s oversight controls are also not effective for evaluating if American Airlines’ SMS sufficiently assesses and mitigates risk. FAA requires American Airlines to use its SMS to determine the level of risk associated with maintenance noncompliance. However, we found that FAA inspectors did not routinely or consistently evaluate whether the carrier adequately and

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<sup>2</sup> See *Capstone Memorandum: Observations and Common Themes in OIG’s Recent Work on FAA’s Oversight of Air Carrier Maintenance Programs* (CC2022002), January 5, 2022. OIG reports and correspondence are available on our website: <https://www.oig.dot.gov/>.

effectively assessed and rated risks. This is in part because FAA did not provide its inspectors with comprehensive training and tools for overseeing and evaluating the carrier's SMS.

We made seven recommendations to improve FAA's oversight of American Airlines maintenance programs.

*FAA's Approach for Establishing and Modifying Air Traffic Controller Staffing Levels Needs Improvement To Properly Identify Staffing Needs at Contract Towers* (issued August 18, 2021)

The FAA Contract Tower (FCT) Program consists of 257 contract towers in 46 States operated by 3 contractors and the Air National Guard. Contract towers manage about 28 percent of the Nation's air traffic control operations. The FCT Program is governed by seven contracts, based on geographical regions, which establish controller staffing for contract towers. These contracts normally cover a 5-year period and require contractors to submit controller staffing plans for each tower during the contract solicitation process. Our audit objective was to assess FAA's approach for establishing and modifying air traffic controller staffing levels at contract towers.

FAA does not establish controller staffing levels at contract towers; instead, the Agency reviews and approves staffing levels the contractors submit during the contract solicitation process. While FAA requires a program-wide staffing minimum of four controllers per tower, this minimum is not based on any Agency analysis or a study of controller staffing levels at contract towers. Also, FAA does not adequately monitor whether contractors adhere to the staffing minimum requirement. This is because FAA has not formally documented its process for establishing and reviewing contract tower staffing minimums. In addition, FAA does not proactively review staffing data to identify when staffing changes are needed; instead, it relies on contractors to request and justify such changes. Further, FAA did not provide evidence that it had conducted any reviews of contractor performance relative to the labor hours stated in the approved staffing plans. As a result, the Agency may have missed key indicators of the potential need for staffing modifications.

We made four recommendations to improve FAA's approach for staffing contract towers and monitoring performance levels.

*FAA Is Taking Steps To Properly Categorize High-Impact Information Systems but Security Risks Remain Until High Security Controls Are Implemented* (issued August 2, 2021)

As FAA's operational arm, the Air Traffic Organization (ATO) is responsible for providing safe and efficient air navigation services in U.S. controlled airspace. ATO provides air navigation services in over 17 percent of the world's airspace, including large portions of international airspace over the Atlantic and Pacific Oceans and the Gulf of Mexico. Until recently, ATO had never applied the high-impact security categorization rating to any of its information systems. While many of these systems provide safety-critical services and would have an adverse high impact on FAA's mission in the event of system failure and on the safety and efficiency of the National Airspace System (NAS), FAA categorized all of them as low or moderate. Given the importance of ATO's information systems to air traffic control security and traveler safety, we initiated this

audit. Our audit objectives were to assess (1) FAA's information system categorization process and (2) the security controls that FAA has selected for the systems it recently re-categorized as high impact.

FAA is beginning to properly categorize its high-impact systems, but gaps remain in its security categorization process. In 2017, FAA officials realized they had been categorizing their systems incorrectly, and by December 2020, the Agency had re-categorized 45 ATO systems from low or moderate impact to high impact. However, because FAA used an outdated NAS Requirement Document to identify its high-impact systems, the Agency may not be identifying all the systems in the NAS that provide safety-critical and efficiency-critical services that it needs to re-categorize. In addition, FAA lacks formalized policies and procedures for selecting and implementing high-security controls for its high-impact systems and continues to develop mitigations for security risks. For example, FAA has not completed a gap analysis for its 45 high-impact systems, which will be used to identify high-security controls that have not been implemented and assess any tailoring of these controls based on the system operating environment and potential impact on operations. The gap analysis is also required by National Institute of Standards and Technology and is essential for determining whether the organization's security and privacy risks have been effectively managed. Finally, FAA has not yet mitigated the risk that the NAS could be vulnerable to threats as the Agency works to implement high-security controls because it has not fully implemented enterprise security initiatives designed to protect NAS assets.

We made six recommendations to enhance FAA's categorization process and mitigate security risks until the Agency selects and implements high-security controls for its re-categorized high-impact systems.

September 14, 2021: *Former Inmate Sentenced for Using UAS To Smuggle Contraband into Fort Dix*

A former inmate at Fort Dix Federal prison was sentenced to 37 months of incarceration, 36 months of supervised release, and a \$200 special assessment by the U.S. District Court for New Jersey. The individual was also sentenced to an additional 6 months of incarceration and 24 months of supervised release for violating the terms of an earlier supervised release. On April 20, 2021, the former inmate was charged with conspiracy to defraud the U.S. Bureau of Prisons and possession of heroin and fentanyl with the intent to distribute. Between approximately October 2018 and June 2019, after being released from prison, the former inmate arranged for drones to fly over Fort Dix and drop packages of contraband into the prison where the contraband was sold to inmates for profit.

June 29, 2021: *Georgia Brothers Convicted and Sentenced for Illegal Activities Involving an Unmanned Aircraft System*

Two brothers were each sentenced in the U.S. District Court for the Southern District of Georgia to 12 months of incarceration, 12 months of supervised release, a \$1,000 fine, and a \$100 special assessment. On March 24, 2021, the brothers pleaded guilty to owning and/or operating an unregistered UAS and attempting to serve as an airman without obtaining an airman's certificate. The investigation revealed that on August 26, 2019, the

brothers intended to use a UAS to deliver contraband, including 14 cellular telephones, to an inmate at Telfair State Prison in Georgia.

March 9, 2021: *Airline Passenger Sentenced for Interfering With Flight Attendant*

An individual was sentenced in the U.S. District Court for the District of New Jersey to 30 months of incarceration, 3 years of supervised release, a \$100 special assessment, and \$1,000 in restitution. On January 9, 2020, the individual, a passenger on a United Airlines flight, interfered with a flight attendant's ability to perform duties by physically striking and intimidating the attendant. On October 5, 2020, the individual pleaded guilty to one count of interfering with flight crewmembers and attendants.

January 21, 2021: *FAA Employee Charged and Arrested for Involvement With Capitol Breach*

A criminal complaint issued by the U.S. District Court for the District of Columbia charged an FAA employee with unlawfully accessing restricted buildings and grounds. The employee was arrested on January 22, 2021. The investigation revealed that on January 6, 2021, after a crowd entered the U.S. Capitol by force, the individual was recorded and photographed in the rotunda. The employee also admitted to being in the U.S. Capitol following the breach.

November 19, 2020: *A Resident of the State of Washington Sentenced for Involvement in Scheme To Defraud FAA*

A resident of the State of Washington was sentenced in the U.S. District Court for the Western District of Washington to 52 months of incarceration, 36 months of supervised release, an \$800 special assessment, and \$11,170 in restitution. On April 30, 2020, the individual pleaded guilty to mail fraud, false statements, and aggravated identity theft. The investigation revealed that from approximately February 2019 until June 2019, the individual provided falsified FAA bills of sale for two aircraft that listed the individual as the aircraft's purchaser and the legal owners listed as the sellers. The individual also allegedly forged the legal owners' signatures on the bills of sale and submitted fraudulent aircraft registration applications attesting that the individual owned the aircraft. The individual then attempted to sell the aircraft using an aircraft broker and online site for aircraft sales.

## **Federal Highway Administration**

December 9, 2021: *Forfeiture of \$4.9 Million in Fraudulent Surety Bond Conspiracy Against FHWA Bridge Replacement Contractors*

Three conspirators were each sentenced in the U.S. District Court for the Southern District of Florida to a forfeiture of \$1,242,417. On November 18, 2021, another conspirator was sentenced to forfeit the same amount. Between November and December 2021, the four conspirators were also sentenced to a total of 196 months of incarceration and over \$2.6 million in joint and several restitution. They had been indicted a year earlier for using various businesses to obtain payments from construction

companies in exchange for fraudulent surety bonds secured by valueless gold certificates. The scheme included the sale of a fraudulent surety bond, purportedly worth nearly \$23 million, to contractors working on a bridge replacement project funded by FHWA. The victims paid over \$919,000 for the fraudulent surety bond.

*June 7, 2021: North Carolina Company Sentenced To Pay \$1.5 Million in Restitution and \$7 Million in Fines*

A North Carolina engineering firm was sentenced in the U.S. District Court for the Eastern District of North Carolina to \$1,533,988 in restitution, a \$7 million fine, and an \$800 court assessment. On May 11, 2021, the firm pleaded guilty to bid rigging and conspiracy to commit fraud. The investigation revealed that the firm conspired for nearly a decade to rig bids for aluminum structure projects that facilitated drainage underneath or around paved roads, bridges, and overpasses. DOT and the North Carolina Department of Transportation funded these projects.

*January 19, 2021: New York Subcontractor Sentenced for Criminal Charges Stemming From an Overbilling Scheme*

A New York company pleaded guilty in the U.S. District Court for the District of Massachusetts to conspiracy to commit wire fraud. The company was sentenced pursuant to settlement agreement that required the company and its affiliated entities to pay \$3.13 million in criminal and civil fines and restitution and be permanently excluded from participation in federally funded contracts.

According to the information, from at least January 2007 through August 2018, the company conspired with its affiliated entities to bill false and unnecessary hours to Government construction projects. The company—with offices in Washington, D.C., Massachusetts, New Jersey, New York, and Pennsylvania—provided subcontracted estimating and scheduling services for these projects, funded by DOT, the Commonwealth of Massachusetts, and the State of New York. The affiliated entities created false timekeeping records that overstated the number of hours their employees actually worked and billed projects for fees based on these records. Employees openly discussed the improper billing as “juicing” and “tagging” hours in order to “maximize” bills for Government projects.

*January 19, 2021: FHWA Debars Florida Construction Company and Its Lead Engineer for 9 Years*

In response to a referral from OIG, FHWA debarred a construction company and its lead engineer from participating in Federal contracting for 9 years. Because the debarments are retroactive to July 14, 2020, the company and lead engineer will receive credit for the suspension period preceding the decision, and the debarments will end on July 14, 2029. The company was responsible for the design of the Florida International University pedestrian bridge that collapsed on March 15, 2018, crushing 8 vehicles on the roadway below and resulting in 6 fatalities and 10 persons injured. DOT had awarded a total of \$11,397,120 to the project and had disbursed \$8,108,538 at the time



of the collapse. The National Transportation Safety Board determined that the collapse probably occurred because of errors in the company's load and capacity calculations. The company had also observed structural cracking in the bridge prior to the collapse but failed to identify its significance.

## **Federal Motor Carrier Safety Administration**

*FMCSA's IT Infrastructure Is at Risk of Compromise* (issued October 20, 2021)

FMCSA regulates and oversees the safety of commercial motor vehicles in partnership with other agencies and the motor carrier industry. The Agency uses 13 web-based applications to aid vehicle registration, inspections, and other activities. Many of FMCSA's information systems contain sensitive data, including personally identifiable information (PII). Due to the importance of FMCSA's programs to the transportation system and the sensitivity of some Agency information, we conducted this audit of FMCSA's IT infrastructure. Our objective was to determine whether FMCSA's IT infrastructure contains security weaknesses that could compromise the Agency's systems and data.

We found vulnerabilities in several Agency web servers that allowed us to gain unauthorized access to FMCSA's network. FMCSA did not detect our access or placement of malware on the network in part because it did not use required automated detection tools and malicious code protections. We also gained access to 13.6 million unencrypted PII records. Had malicious hackers obtained this PII, it could have caused the individuals associated with this PII substantial harm, inconvenience, and financial disruption, up to and including identity theft, and cost FMCSA up to \$570 million in credit monitoring fees. Furthermore, the Agency does not always remediate vulnerabilities as quickly as DOT policy requires. These weaknesses put FMCSA's network and data at risk for unauthorized access and compromise.

We made 13 recommendations to strengthen FMCSA's protection of its IT infrastructure.

*FMCSA Has Gaps and Challenges in Its Oversight of CDL Disqualification Regulations* (issued July 14, 2021)

FMCSA's primary mission is to reduce crashes, injuries, and fatalities involving large trucks and buses. To that end, FMCSA regulates commercial driver's license (CDL) holders involved in interstate commerce and the transportation of hazardous materials. In the past 5 years, fatalities in crashes involving large trucks or buses increased by 12.4 percent, from 4,505 in 2014 to 5,064 in 2019. Federal regulations describe the minimum standards States must meet to comply with the Federal CDL program and permit FMCSA to review each State CDL program to determine compliance. Accordingly, the objective for this self-initiated audit was to assess FMCSA's oversight of States' actions to disqualify commercial drivers when warranted.

States did not timely transmit electronic conviction notifications 17 percent of the time. Specifically, we estimate that States did not timely transmit 18 percent of notifications

on 2,182 major offenses and 17 percent of notifications on 23,628 serious traffic violations in our universe. We also estimate that 11 percent of 2,182 major offenses were not timely posted to driver records and 2 percent of 23,628 serious traffic violations in our universe were not posted to driver records at all. While States took action to disqualify CDLs when appropriate, FMCSA's evaluation of paper conviction notifications is limited by States' processes for recording and tracking convictions sent by mail. Furthermore, FMCSA's Annual Program Review process lacks adequate quality control measures for verifying that State CDL programs meet Federal requirements. Finally, State noncompliance with Federal CDL disqualification requirements and other State actions pose challenges for FMCSA's oversight. For example, some States offered administrative appeals to out-of-State drivers, overturned disqualifications, and backdated CDL disqualification periods. As a result, some drivers served shorter disqualification time periods than Federal law requires.

We made seven recommendations to strengthen FMCSA's oversight of States' actions to comply with Federal CDL disqualification requirements.

*February 1, 2022: \$632,000 Recovered From Rhode Island Trucking Company and Owner Who Falsified FMCSA Registrations and Other Documents*

FMCSA suspended and proposed debarring a now defunct Rhode Island trucking company and its owner. In May 2021, the U.S. District Court for the District of Rhode Island issued an amended sentencing judgment for the trucking company owner. The court ordered the owner to pay \$424,598 in restitution to victims and \$207,270 to the Internal Revenue Service related to a charge of tax evasion. In March 2021, the owner was sentenced to 30 months of incarceration, 3 years of supervised release, and a \$1,000 special assessment.

The investigation revealed that the owner was involved in a scheme that involved creating checks from unsuspecting third-party vendors, depositing the checks into company-owned bank accounts, and using false documents during an application process to secure bank loans for commercial vehicles. The owner also falsified FMCSA registration documents by using someone's identification without that individual's knowledge to obscure an affiliation with another company that was under a Federal out-of-service order. The owner also generated false documents to show compliance with FMCSA rules and regulations.

*June 3, 2021: Utah Individual Sentenced for Wire Fraud, Money Laundering, and Loan Fraud Related to the CARES Act*

A Utah individual was sentenced in the U.S. District Court for the District of Utah to 3 years of incarceration, 3 years of supervised release, \$1,419,385 in restitution, a \$300 special assessment, and a forfeiture of \$1,480,004 plus real property, coins, and vehicles. In October 2019, the individual was indicted on charges of wire fraud and money laundering. Beginning around January 2012, on multiple occasions, the individual bribed a company's line-haul manager in exchange for favors, preferential treatment, and assistance in defrauding the company. In July 2020, the individual was indicted on

charges of conspiracy, removal of property to prevent seizure, loan application fraud, wire fraud, and money laundering. Around April and May 2020, the individual and another individual made false statements on an application for a \$210,000 loan under the Paycheck Protection Program. The individual failed to disclose two items on the application: an indictment and an entry into a felony drug possession pretrial diversion agreement. On March 31, 2021, the individual pleaded guilty to wire fraud, money laundering, and loan application fraud.

*May 25, 2021: South Carolina Individual Convicted and Sentenced to 9 Years in Federal Prison for Series of Fraud Schemes*

A South Carolina individual was convicted and sentenced in the U.S. District Court for the District of South Carolina to 9 years of incarceration and 3 years of supervised release. In August 2019, the individual pleaded guilty to one count of destruction, alteration, or falsification of records in Federal investigations and one count of mail fraud.

The investigation revealed that beginning in 2015 and continuing into 2018, the individual submitted requests to DOT to receive authority to operate commercial vehicles. The requests contained false information and did not disclose the individual's relationships with other FMCSA-licensed entities.

**National Highway Traffic Safety Administration**

*Weaknesses in NHTSA's Training and Guidance Limit Its Ability To Set and Enforce Federal Motor Vehicle Safety Standards* (issued November 9, 2021)

As part of its mission to prevent and reduce vehicle crashes, NHTSA's Office of Vehicle Safety Compliance (OVSC) sets Federal Motor Vehicle Safety Standards (FMVSS) to improve traffic safety. FMVSS provide performance and regulatory requirements for manufacturers of motor vehicles and vehicle safety components, such as seatbelts. Given the importance to the traveling public that all vehicles and components meet Federal safety standards, we initiated this audit to assess NHTSA's efforts to set and enforce FMVSS.

While NHTSA has established policies and procedures for evaluating FMVSS and safety-related motor vehicle standards, the Agency is limited in its ability to update, set, and enforce these standards in a timely manner. First, NHTSA has faced significant delays in processing rulemaking petitions to modify or set new FMVSS, which may put the Agency in noncompliance with Federal regulations. For example, the Agency did not respond within the required 120-day timeline to 87.5 percent of FMVSS petitions submitted between March 2016 and December 2020. Second, NHTSA lacks formal training and clear guidance for enforcing compliance with FMVSS. For example, NHTSA's OVSC lacks documented standard procedures and training for reviewing contractors' compliance test reports and has not implemented guidance for conducting compliance investigations. Third, NHTSA is not meeting requirements for ensuring imported vehicles meet FMVSS. NHTSA's OVSC requires registered importers to

submit conformity packages detailing safety modifications they make to comply with FMVSS. However, NHTSA lacks a standard process for reviewing these packages, increasing the risk of unsafe vehicles operating on U.S. roads.

We made six recommendations to strengthen NHTSA's oversight of FMVSS to comply with Federal requirements.

## **Federal Railroad Administration**

### *Fully Implementing a Grants Management Framework Will Enhance FRA's Amtrak Funding Oversight* (issued June 30, 2021)

FRA provides the National Railroad Passenger Corporation (Amtrak) with funds appropriated by Congress—approximately \$2 billion for fiscal year 2020 and over \$3.7 billion in supplemental appropriations for the response to the Coronavirus Disease 2019 pandemic. Congress has also authorized FRA to use a portion of the annual Amtrak appropriations for its grant administration and oversight. Given FRA's role in overseeing this large Federal investment, we initiated this audit to assess FRA's program to oversee Amtrak's use of Federal funding.

FRA has not fully adopted a grants management framework for its Amtrak oversight program. It lacks measurable goals and metrics, complete policies and procedures to assess Amtrak's adherence to requirements, and a centralized grants management system. In 2017, FRA began to develop a strategic vision and focus areas for its Amtrak agreements but has not formalized measurable goals or metrics to assess progress in meeting them. Furthermore, FRA's policies and procedures are incomplete on documenting, tracking, and taking action on Amtrak noncompliance that FRA identifies during monitoring. Finally, FRA does not fully use its centralized grant information system to document and analyze findings from its monitoring reviews of Amtrak. According to FRA officials, the program's strategic framework and policies and procedures are incomplete because FRA focused first on improving the information Amtrak provides; these improvements enhanced FRA's ability to understand Amtrak's use of Federal funding. Officials also indicated that Amtrak's unique legal status limits FRA's ability to prompt Amtrak to remedy problems the Agency identifies. In addition, Amtrak's reporting requirements present challenges for FRA to adapt its grants management information system to help oversee Amtrak's Federal funding. These weaknesses may hinder FRA's ability to assess its program's effectiveness, improve the program, and maximize returns on the investment in Amtrak.

We made four recommendations to help improve FRA's oversight of Amtrak's use of Federal funding.

### *December 16, 2021: New York Individual Sentenced in Amtrak Ticketing Fraud Scheme*

An individual was convicted and sentenced in the U.S. District Court for the Eastern District of New York to 2 years of incarceration, 1 year of supervised release, \$287,850 in restitution, and a \$100 special assessment. On August 30, 2021, the individual pleaded guilty to aggravated identify theft. Two individuals were previously convicted and

sentenced to time served and a total of 6 years of supervised release, \$229,994 in restitution, 650 hours of community service, and \$200 in court assessments. Both individuals pleaded guilty to conspiracy to commit wire fraud.

In March 2019, these individuals and others were indicted on charges of wire fraud and conspiracy to commit wire fraud. According to the indictment, from about April 2016 through July 2018, they and others engaged in a scheme to defraud Amtrak and the general public by using unauthorized or stolen credit card account numbers to make train reservations on Amtrak's ticketing system. They then canceled or exchanged the reservations and were issued transferable eVouchers, which they sold online at a discounted rate.

*February 8, 2021: Former Executive of Delaware Manufacturing Company Settles False Claims Act Violation Case Involving Amtrak Bribery Scheme*

A former executive was sentenced in the U.S. District Court for the Eastern District of Pennsylvania to 20 months of incarceration, 12 months of supervised release, and a special assessment of \$100. On February 5, 2019, the individual pleaded guilty to Federal program bribery and aiding and abetting a scheme to provide an Amtrak official with cash and vacations—including approximately \$20,000 and trips to Rehoboth Beach, DE, in exchange for lucrative Federal contracts. The investigation revealed that from 2015 through 2017, the former executive and another executive bribed a former lead contract administrator at Amtrak to receive contracts in excess of \$7.6 million—funded in part by FRA.

On November 17, 2020, a civil complaint was filed in the same court against the company for violating the False Claims Act. On the same date, the company was granted a joint motion for consent judgment that resolved the matter without litigation. The judgment approved a civil settlement agreement and required the company to pay \$393,250 to the United States. The company agreed to the consent judgment but denied the contentions of the United States and admitted no wrongdoing.

On January 18, 2019, another executive was sentenced to 12 months and 1 day of incarceration, 36 months of supervised release, forfeiture of \$20,042, and a \$100 special assessment fee. The executive had pleaded guilty in April 2018 to one count of Federal program bribery for their role in the bribery and kickback scheme involving federally funded Amtrak contracts.

## **Federal Transit Administration**

*FTA Does Not Effectively Assess Security Controls or Remediate Cybersecurity Weaknesses To Ensure the Proper Safeguards Are in Place To Protect Its Financial Management Systems*  
(issued October 20, 2021)

The CARES Act set up appropriations to support executive agency operations during the COVID-19 pandemic. FTA has received nearly \$70 billion in CARES Act and other COVID-19 relief appropriations and uses several financial management systems to approve, process, and disperse this funding for the transit industry's COVID-19 response

and recovery. Given the size of this investment, we initiated this audit. Our audit objective was to assess the effectiveness of FTA's financial management systems' security controls designed to protect the confidentiality, integrity, and availability of the systems and their information.

FTA's financial management systems have security control deficiencies that could affect the Agency's ability to approve, process, and disburse COVID-19 funds. FTA security officials mislabeled and incorrectly documented control types for over 180 security controls in the Agency's fiscal year 2020 system security plans. Moreover, FTA does not adequately monitor security controls provided by or inherited from DOT's common control provider. FTA also has not remediated security control weaknesses identified since 2016. Finally, FTA lacks sufficient contingency planning and incident response capabilities, such as an alternate set of personnel to restore its financial management systems if primary personnel are unavailable. Due to these security control weaknesses, FTA's security officials cannot be sure if the financial management systems have the proper safeguards and countermeasures to protect the systems and effectively manage information security risk.

We made 13 recommendations to help the Agency address its security control weaknesses and improve its systems' cybersecurity posture.

*FTA Made Progress in Providing Hurricane Sandy Funds but Weaknesses in Tracking and Reporting Reduce Transparency Into Their Use* (issued July 21, 2021)

After Hurricane Sandy caused widespread damage to transportation infrastructure in October 2012, DRAA designated \$10.9 billion for FTA's new Public Transportation Emergency Relief Program. We assessed (1) FTA's progress in allocating, obligating, and disbursing its Hurricane Sandy funding and (2) any weaknesses in these processes that we identified. Through December 31, 2020, FTA allocated and obligated approximately \$10 billion, most of its Hurricane Sandy appropriation, but only disbursed about \$4.3 billion. The pace was influenced by a number of factors, including but not limited to project construction planning and execution and the complexity of competitive resilience projects. As a result, over 8 years after the storm, more than half of the funds remain unspent. We also found that FTA inconsistently tracks and reports Hurricane Sandy funding data or does not fully comply with Federal guidance. The Agency has allocation data in a variety of sources, but because FTA does not have procedures to accurately communicate allocated amounts over time, the data from these sources do not align. As a result, FTA cannot use these data to determine whether obligation amounts for specific recipients and purposes stayed within the allocated amounts in its official documentation. Finally, FTA has not complied with an OMB directive to make DRAA obligation data readily identifiable on the USAspending.gov website. Overall, the weaknesses we identified reduced the transparency into FTA's use of Hurricane Sandy funds for internal users, decision makers, and the public.

We made two recommendations to improve FTA's tracking and reporting on its use of Hurricane Sandy funds.

October 20, 2021: *Texas Contractor and Owner Agree to Civil Settlement for Alleged DBE Fraud.*

The U.S. Attorney's Office for the Western District of Texas entered into a civil settlement agreement with a company and its owner, who agreed to pay \$188,879 to resolve civil False Claims Act allegations. According to the settlement agreement, a *qui tam* complaint filed against the company and owner alleged they falsely certified that they met the personal net worth requirements of DOT's DBE program to obtain federally assisted public transit projects. The United States alleged that beginning no later than 2017, the company did not qualify for DBE status because the owner's personal net worth exceeded \$1.32 million. The owner made several false certifications concerning that net worth so that the company could continue participating in the DBE program and obtain federally assisted DBE contracts awarded by the Capital Metropolitan Transportation Authority and the city of Austin, Texas.

The settlement agreement represented neither an admission of liability by the company and its owner nor a concession by the United States regarding its claims.

## **Maritime Administration**

*MARAD's Ability To Achieve Cost-Effective USMMA Contracts Is Compromised by Several Management Control Weaknesses* (issued October 27, 2021)

USMMA is a Federal service academy operated by MARAD. Its mission is to graduate exemplary leaders committed to serve the Nation's security, marine transportation, and economic needs. In support of its mission, USMMA procures contracts for operational products and services that, for fiscal years 2015 through 2019, totaled an estimated \$99.2 million. Prior reviews found weaknesses in MARAD's acquisition controls and processes, such as noncompliance with Federal and departmental procurement requirements. Accordingly, we initiated this audit with the following objective: to assess contract award and administration policies, procedures, and practices for MARAD's USMMA acquisitions.

MARAD's ability to achieve cost-effective USMMA contracts is compromised by several management control weaknesses. Specifically, its USMMA contract documentation is incomplete, which hinders the Agency's decision making for new investments to support Academy missions. MARAD also could not demonstrate compliance with key procurement requirements, including those to help ensure fair and reasonable pricing, for 19 sample USMMA contracts totaling \$45 million. Additionally, MARAD has gaps in its management of contracting officers and contracting officer representatives assigned to USMMA contracts, increasing the risk that unauthorized or improperly qualified individuals may execute, award, or manage these contracts. For example, a contracting officer without the appropriate warrant authority awarded a \$1.9 million USMMA contract, and a contracting officer's representative assigned to USMMA contracts totaling \$18.2 million lacked proper certifications. Finally, frequent changes to Academy plans have impeded efficient execution of Capital Improvement Program (CIP) contracts—USMMA's highest dollar contracts—as MARAD does not

have a process to adequately assess how such changes impact the overall CIP portfolio. As a result, USMMA's CIP project contracts have experienced inefficiencies, including increased costs and schedule delays. We estimate that MARAD's lack of adequate controls to verify compliance with requirements has put \$57.5 million in Federal funds at risk.

We made 10 recommendations to improve MARAD's policies, procedures, and practices for USMMA acquisitions.

*MARAD Has Made Progress in Addressing NAPA Recommendations Related to Mission Focus, Program Alignment, and Ability To Meet Objectives* (issued July 7, 2021)

In response to a request from MARAD, the National Academy of Public Administration (NAPA) reviewed MARAD's core functions, including its role within DOT and its contributions to the Nation. NAPA's 2017 report included 27 recommendations to address weaknesses it identified in MARAD's ability to articulate and meet its mission. The National Defense Authorization Act for Fiscal Year 2020 directed our office to audit MARAD's actions to address 16 of NAPA's 27 recommendations related to the Agency's program alignment, training mission, and other issues. The objective of this audit was to assess MARAD's actions to address the 16 recommendations from NAPA's 2017 report specified by Congress.

MARAD took action on 15 of the 16 recommendations we reviewed. It completed 5 of 10 recommendations related to overarching issues impacting its effectiveness and 2 of 6 recommendations that focused on its ability to provide adequate qualified merchant mariners to meet commercial and national security needs. Nine recommendations had not been completed at the time of our audit. MARAD partially completed eight and decided not to take action on the ninth—determining that the costs outweighed the benefits. Five recommendations were partially completed because they were dependent on coordination with MARAD's stakeholders. The other three were partially completed for a variety of reasons, including MARAD's need to finalize policies and procedures. MARAD has indicated that it plans to take action on all of the partially completed recommendations. However, the Agency lacks updated milestones for completion or an ongoing process for tracking implementation that will place it in a better position to fulfill its mission and meet the Nation's commercial and security needs.

We made two recommendations to facilitate MARAD's further progress in addressing the NAPA recommendations.

## **Pipeline and Hazardous Materials Safety Administration**

October 13, 2021: *Chicago Area Business Executive Convicted and Sentenced in Scheme to Sell Contaminated Body Parts*

An individual was convicted and sentenced to 30 days of incarceration, 1 year of supervised release, and a \$100 special assessment by the U.S. District Court for the Eastern District of Michigan. The executive of an Illinois-based company pleaded guilty to misprision of a felony and, on September 21, 2021, was convicted and sentenced to



24 months of incarceration, 36 months of supervised release, and a \$100 special assessment. Between 2008 and 2014, the individual and others engaged in a scheme to defraud medical professionals. Specifically, they sold donated human remains for medical training and research and falsely represented that the remains had been tested and were free of infectious diseases. However, some of the remains had tested positive for diseases such as hepatitis, and others could not be properly tested at all. The executive knew that the scheme would deceive customers, enabling the company to profit from human remains that otherwise would have no value.

*October 6, 2021: Two Individuals Who Caused Diesel Fuel Pipeline Spill Ordered To Pay \$1.1 Million in Restitution*

Two individuals were each sentenced to 1 year of probation, a \$25 special assessment, and \$1,138,772 in restitution by the U.S. District Court for the District of Minnesota. On March 9, the individuals pleaded guilty to negligent discharge of a pollutant. On or about April 24, 2019, the two individuals targeted, shot at, and punctured part of an oil pipeline carrying diesel fuel. An estimated 3,900 gallons of fuel spilled into Judicial Ditch 24, a federally regulated body of water under the Clean Water Act, and the nearby Yellow Medicine River, causing approximately \$1.1 million in damage and clean-up costs.

*January 29, 2021: Wisconsin Company Executives Ordered To Pay \$3.9 Million in Restitution*

The U.S. District Court for the Western District of Wisconsin ordered company executives to make restitution in the amount of \$3,927,456 to Federal, State, and private victims. The Wisconsin-based corporation recycles electronic equipment, appliances, and other assets. On November 19, 2020, one of the executives was convicted and sentenced to 18 months of incarceration, 36 months of supervised release, and a \$200 criminal penalty for conspiracy and violation of the Resource Conservation and Recovery Act. Specifically, the individual conspired to store and transport hazardous waste without the required permits and manifests. On January 26, 2021, the court sentenced another company executive to 5 months of incarceration and 36 months of supervised release for the same conspiracy charges.

**Great Lakes St. Lawrence Seaway Development Corporation**

*Independent Auditor's Report on the Great Lakes St. Lawrence Seaway Development Corporation's Financial Statements for Fiscal Years 2021 and 2020 (issued November 10, 2021)*

In accordance with the Government Corporation Control Act of 1945, we audited the financial statements of the Great Lakes St. Lawrence Seaway Development Corporation (GLS), a U.S. Government corporation, as of and for the fiscal years ended September 30, 2021, and September 30, 2020.

In our opinion, GLS's financial statements present fairly, in all material respects, GLS's financial position as of September 30, 2021, and September 30, 2020, and its operations and changes in cumulative results of operations, cash flows, budgetary resources and actual expenses, and changes in equity of the U.S. Government for the years then ended,

in accordance with U.S. generally accepted accounting principles. We found no material weaknesses in internal control over financial reporting based on the limited procedures we performed. We also found no reportable noncompliance for fiscal year 2021, with provisions of the applicable laws, regulations, and contracts we tested. We made no recommendations.

## **Office of the Secretary**

*DOT Appropriately Relied on Unsubsidized Carriers in Accordance With Its Policy but Conducted Limited Oversight of the Essential Air Service Communities They Serve* (issued May 19, 2021)

The Airline Deregulation Act of 1978 gave airlines the freedom to determine which markets to serve and what fares to charge. However, it also raised concerns that communities with relatively low traffic levels might lose service entirely if carriers shifted their operations to larger, potentially more lucrative markets. Through the Essential Air Service (EAS) Program, DOT determines the requirements for each eligible community and subsidizes air carriers when necessary. In 2018, Congress directed our office to determine whether DOT was providing sufficient oversight of the unsubsidized air carriers providing basic essential air service. Accordingly, our objectives were to evaluate whether DOT (1) appropriately relied on unsubsidized air carriers for small communities and (2) conducted oversight of the services provided by those air carriers.

DOT appropriately relied on unsubsidized air carriers in accordance with its policy. Specifically, if an air carrier proposed to provide air service without a subsidy and the Department determined the carrier could reliably do so, DOT relied on the carrier's service as proposed. Federal law does not require DOT to consider community views when it relies on unsubsidized carriers, and the Department did not prescribe specific content for their proposals. We also found that DOT conducted limited oversight of the EAS communities served by unsubsidized carriers. Federal law requires eligible communities to be provided with basic essential air service and air carriers to file a 90-day notice of their intent to end, suspend, or reduce such service. While unsubsidized carriers typically met the minimum departure criteria for their communities, officials in seven of the nine communities we reviewed were unaware that they could petition the Department when issues arose. DOT also did not conduct required periodic reviews of the designated levels of service in unsubsidized communities, which limited its awareness of their essential air service needs.

We made two recommendations to improve DOT's oversight of EAS communities served by unsubsidized carriers.

**What benefits will be provided to the American public through this request, and why is this program necessary?**

OIG's mission is to enhance DOT's programs and operations by conducting objective investigations and audits on behalf of the American public. Our work adds value for the American taxpayer by promoting economy, efficiency, and effectiveness in the administration of DOT's programs; seeking to prevent and detect fraud, waste, and abuse in DOT's programs; and keeping the Secretary and Congress fully and currently informed.

OIG is the only source of internal, independent, and objective recommendations on departmental programs for DOT's senior executives and managers. Working closely with Congress, the Secretary, and senior DOT officials, we focus on issues that impact public safety, strive to enhance the effectiveness and integrity of DOT's programs and seek out the best use of taxpayer dollars through savings, recoveries, and efficiency gains.

Our audit recommendations lead to substantial financial, programmatic, and safety improvements. Our investigations enhance safety by thwarting criminal activities that put lives at risk and protect taxpayer investments through court-ordered fines, restitutions, recoveries, and forfeitures.

In FY 2021, we issued 38 audit reports with 209 recommendations, and our investigations resulted in 80 indictments and 69 convictions. Our work produced over \$342 million in financial recommendations and nearly \$2.6 billion in fines, restitutions, recoveries, and forfeitures. Between FY 2017 and FY 2021, we achieved an average return on investment of \$28 to \$1.

# SECTION 5: INFORMATION TECHNOLOGY

**FY 2023 INFORMATION TECHNOLOGY BUDGET REQUEST AND NARRATIVE  
OFFICE OF INSPECTOR GENERAL  
(\$000)**

Budget Account	FY 2021 Enacted	FY 2022 CR	FY 2023 Pres. Budget
<b>Salaries &amp; Expenses</b>			
Commodity IT Shared Services through the Working Capital Fund	\$2,180	\$1,968	\$2,557
Modal IT Spend	\$7,828	\$9,207	\$9,822
<b>Total</b>	<b>\$10,008</b>	<b>\$11,175</b>	<b>\$12,379</b>

The Office of Inspector General (OIG) is requesting **\$12.38 million** in FY 2023 for information technologies (IT) that support the full spectrum of OIG programs as well as the Department’s initiative to transform and consolidate the management of certain IT solutions centrally by the Office of the Chief Information Officer (OCIO).

***Commodity IT Shared Services (SS) through the Working Capital Fund***

OCIO will continue to provide Commodity IT Shared Services in FY 2023 to achieve economies of scale and increase consistency of cybersecurity protections across the Department. Commodity IT Shared Services include IT functions and activities dedicated to basic support services, including network operations, end-user computing, telecommunications services, and server operations.

OIG requests **\$2.56 million** from the Salaries & Expenses account for Commodity IT Shared Services. OIG’s share is based on actual commodity IT consumption in prior years as well as planned future consumption. OCIO, in collaboration with OIG, assumed a one-to-one cost estimate to transition all commodity IT to OCIO. OIG will only be charged for services rendered.

***Modal IT***

The following major mission-critical IT systems will be maintained by OIG in FY 2023. This list is only a subset of all IT systems that support OIG and are reported in the Corporate Investment Management System (CIMS). All systems will be funded from the OIG Salaries & Expenses appropriation.

**General Support, Maintenance of Network ADP, Hardware, and Software.** OIG estimates \$6.15 million is required for development, modernization, and enhancement (DME) and operation and maintenance (O&M) of OIG’s primary IT infrastructure platform. These resources are fundamental and provide a secure, flexible and robust structure to support OIG’s workforce including mission critical audit, data analytics, and investigative staff.

**Audit Information Security Lab.** OIG estimates \$1.07 million is required for DME and O&M of mission critical resources for computer security audit activities including penetration testing and vulnerability assessments of departmental and modal IT systems.

**Data Analytics and Computer Crimes Unit.** OIG estimates \$2.60 million is required for DME and O&M of mission critical resources which enhance OIG's investigative activities by providing liaison, coordination, and research and development services to all OIG program areas.

# SECTION 6: 10 – YEAR FUNDING TABLE

**FY 2014 – FY 2023 FUNDING HISTORY  
OFFICE OF INSPECTOR GENERAL  
SALARIES AND EXPENSES**

Request		Appropriation
2014.....	\$ 85,605,000	2014.....\$85,605,000
2015 .....	\$ 86,223,000	2015.....\$86,223,000
2016 .....	\$ 87,472,000	2016.....\$87,472,000
2017 .....	\$ 90,152,000	2017.....\$90,152,000
2018 .....	\$ 90,152,000	2018.....\$92,152,000
2019.....	\$ 91,500,000	2019.....\$92,600,000
2020.....	\$ 92,152,000	2020.....\$94,600,000
2021.....	\$ 98,150,000	2021.....\$98,150,000
2022.....	\$103,150,000	
2023.....	\$108,073,000	