



**U.S. Department of  
Transportation**

# **BUDGET ESTIMATES**

**FISCAL YEAR 2025**

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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 2025 Budget Estimates

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Not Applicable

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## Overview

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

The Department of Transportation's (DOT) Office of Inspector General (OIG) requests \$122.2 million to support an estimated 412 full-time equivalents (FTE) in fiscal year (FY) 2025. We estimate that we can support another 13 FTEs with funding from the Infrastructure Investment and Jobs Act of 2021 (IIJA) for an estimated total of 425 FTEs in FY 2025.

This request includes current services level adjustments for an annualization of a 2024 pay raise of 5.2 percent, a 2025 pay raise of 2.0 percent, General Services Administration (GSA) rent estimates, DOT Working Capital Fund (WCF) estimates, and a non-pay inflation rate of 2.0 percent.

Since the Inspector General Act of 1978 established Federal offices of inspectors general, we have been dedicated to providing independent, objective reviews of the efficiency and effectiveness of DOT's programs and operations.

In FY 2023, we issued 47 audit reports with 201 recommendations, and our investigations led to 60 convictions and 62 indictments. Our work resulted in substantial financial and program improvements in safety and other areas, as well as significant returns on taxpayer investments. From FY 2019 through FY 2023, we achieved an average return on investment (ROI)<sup>1</sup> of \$26 to \$1.

### **Inspector General Act Statement**

The Inspector General (IG) Act of 1978, as amended (5 U.S.C. § 406), requires certain information about budget submissions. In accordance with the act, we submit the following information:

- Our approved request to DOT and the Office of Management and Budget was for \$122.2 million in support of 412 FTEs, with an additional 13 FTEs estimated to be supported with IIJA funding for a total of 425 FTEs.
- The amount included in this request to fund external training courses is \$750,000.
- The amount included in this request to support the Council of Inspectors General on Integrity and Efficiency is \$489,000.

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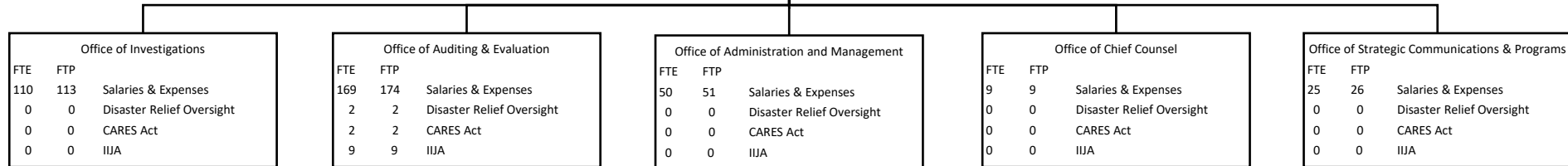
<sup>1</sup> ROI calculations compare our cost to do business to the revenue and other savings generated through court-ordered fines, restitutions, recoveries, forfeitures, recoveries of improper payments, recommended cost savings, and recommendations for funds put to better use.

**EXHIBIT I-A**  
**FY 2024 CR ORGANIZATIONAL CHART**  
**OFFICE OF INSPECTOR GENERAL**

| Inspector General |     |                           |
|-------------------|-----|---------------------------|
| FTE               | FTP |                           |
| 1                 | 1   | Salaries & Expenses       |
| 0                 | 0   | Disaster Relief Oversight |
| 0                 | 0   | CARES Act                 |
| 0                 | 0   | IIJA                      |

| Totals |     |                           |
|--------|-----|---------------------------|
| FTE    | FTP |                           |
| 369    | 379 | Salaries & Expenses       |
| 2      | 2   | Disaster Relief Oversight |
| 2      | 2   | CARES Act                 |
| 9      | 9   | IIJA                      |

| Deputy Inspector General |     |                           |
|--------------------------|-----|---------------------------|
| FTE                      | FTP |                           |
| 5                        | 5   | Salaries & Expenses       |
| 0                        | 0   | Disaster Relief Oversight |
| 0                        | 0   | CARES Act                 |
| 0                        | 0   | IIJA                      |



| Office of Investigations |     |                           |
|--------------------------|-----|---------------------------|
| FTE                      | FTP |                           |
| 110                      | 113 | Salaries & Expenses       |
| 0                        | 0   | Disaster Relief Oversight |
| 0                        | 0   | CARES Act                 |
| 0                        | 0   | IIJA                      |

| Office of Auditing & Evaluation |     |                           |
|---------------------------------|-----|---------------------------|
| FTE                             | FTP |                           |
| 169                             | 174 | Salaries & Expenses       |
| 2                               | 2   | Disaster Relief Oversight |
| 2                               | 2   | CARES Act                 |
| 9                               | 9   | IIJA                      |

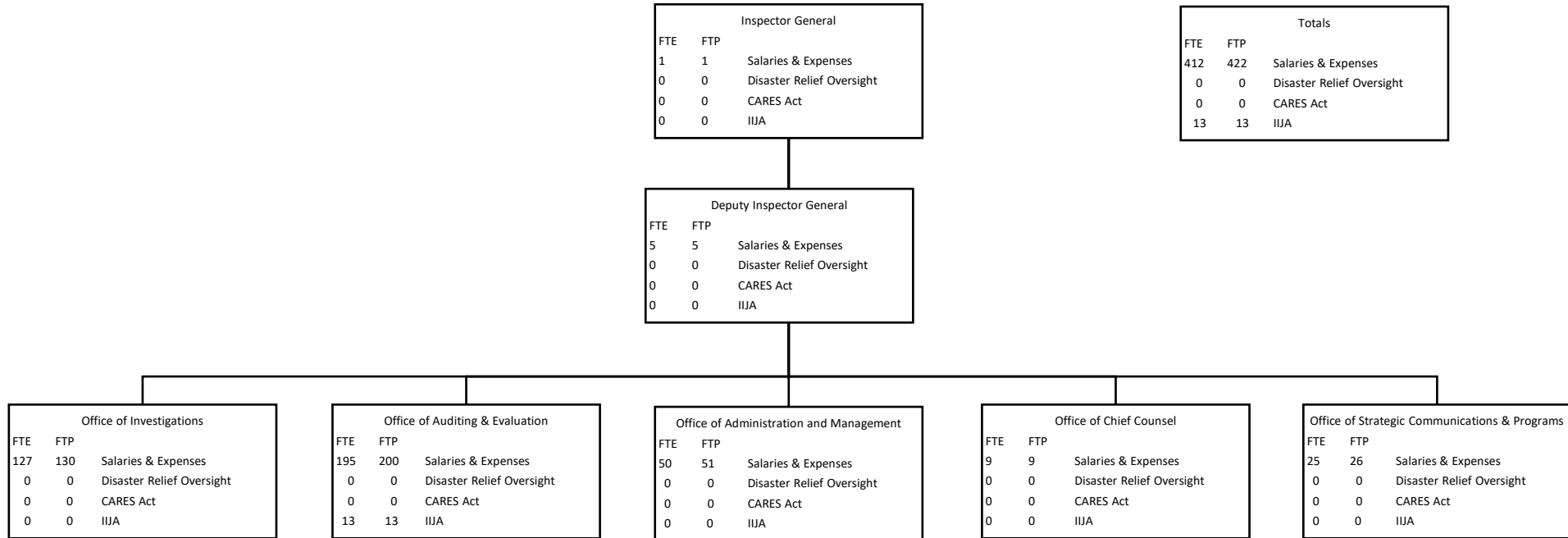
| Office of Administration and Management |     |                           |
|---|-----|---------------------------|
| FTE                                     | FTP |                           |
| 50                                      | 51  | Salaries & Expenses       |
| 0                                       | 0   | Disaster Relief Oversight |
| 0                                       | 0   | CARES Act                 |
| 0                                       | 0   | IIJA                      |

| Office of Chief Counsel |     |                           |
|-------------------------|-----|---------------------------|
| FTE                     | FTP |                           |
| 9                       | 9   | Salaries & Expenses       |
| 0                       | 0   | Disaster Relief Oversight |
| 0                       | 0   | CARES Act                 |
| 0                       | 0   | IIJA                      |

| Office of Strategic Communications & Programs |     |                           |
|---|-----|---------------------------|
| FTE   | FTP |                           |
| 25  | 26  | Salaries & Expenses       |
| 0   | 0   | Disaster Relief Oversight |
| 0   | 0   | CARES Act                 |
| 0   | 0   | IIJA                      |

**EXHIBIT I-B  
FY 2025 ORGANIZATIONAL CHART  
OFFICE OF INSPECTOR GENERAL**

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## Budget Summary Tables



**EXHIBIT II-1**  
**FY 2025 BUDGET AUTHORITY**  
**OFFICE OF INSPECTOR GENERAL**  
**(\$000)**

| <u>ACCOUNT NAME</u>                        | <u>M / D</u> | <u>FY 2023<br/>ACTUAL</u> | <u>FY 2024<br/>CR</u>    | <u>FY 2025<br/>PRES. BUD.</u> |
|--|--------------|---------------------------|--------------------------|-------------------------------|
| <b>SALARIES &amp; EXPENSES</b>             | <b>D</b>     | \$ 108,073                | \$ 108,073               | \$ 122,176                    |
| Rescissions                                |              | \$ -                      | \$ -                     | \$ -                          |
| Transfers                                  |              | \$ -                      | \$ -                     | \$ -                          |
| Offsets                                    |              | \$ -                      | \$ -                     | \$ -                          |
| <b>Gross New Budget Authority</b>          |              | <b>\$ 108,073</b>         | <b>\$ 108,073</b>        | <b>\$ 122,176</b>             |
| <b>Rescissions</b>                         |              | <b>\$ -</b>               | <b>\$ -</b>              | <b>\$ -</b>                   |
| <b>Transfers</b>                           |              | <b>\$ -</b>               | <b>\$ -</b>              | <b>\$ -</b>                   |
| <b>Offsets</b>                             |              | <b>\$ -</b>               | <b>\$ -</b>              | <b>\$ -</b>                   |
| <b>NET NEW BUDGET AUTHORITY REQUESTED:</b> |              | <b><u>\$ 108,073</u></b>  | <b><u>\$ 108,073</u></b> | <b><u>\$ 122,176</u></b>      |
| [Mandatory BA]                             |              |                           |                          |                               |
| [Discretionary BA]                         |              | \$ 108,073                | \$ 108,073               | \$ 122,176                    |
| <b><u>Supplemental Funding</u></b>         |              |                           |                          |                               |
| <b>COVID-19 Supplementals</b>              |              | <b>\$ -</b>               | <b>\$ -</b>              | <b>\$ -</b>                   |
| CARES Act                                  |              | \$ -                      | \$ -                     | \$ -                          |
| <b>IIJA Supplemental (Division J)</b>      |              | <b>\$ 4,324</b>           | <b>\$ 4,324</b>          | <b>\$ 4,314</b>               |
| Transfers From Other Accounts              |              | \$ 4,324                  | \$ 4,324                 | \$ 4,314                      |
| <b>Grand Total, All Appropriations</b>     |              | <b><u>\$ 112,397</u></b>  | <b><u>\$ 112,397</u></b> | <b><u>\$ 126,490</u></b>      |

**EXHIBIT II-2**  
**FY 2025 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT**  
**OFFICE OF INSPECTOR GENERAL**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

| <u>ACCOUNT NAME</u>                    | <u>M / D</u> | <u>FY 2023<br/>ACTUAL</u> | <u>FY 2024<br/>CR</u> | <u>FY 2025<br/>PRES. BUD.</u> |
|--|--------------|---------------------------|-----------------------|-------------------------------|
| <b>SALARIES &amp; EXPENSES</b>         | <b>D</b>     | \$ 108,073                | \$ 108,073            | \$ 122,176                    |
| Rescissions                            |              | \$ -                      | \$ -                  | \$ -                          |
| Transfers                              |              | \$ -                      | \$ -                  | \$ -                          |
| Offsets                                |              | \$ -                      | \$ -                  | \$ -                          |
| <b>TOTAL BASE APPROPRIATION</b>        |              | \$ -                      | \$ -                  | \$ -                          |
| <b>Gross New Budgetary Resources</b>   |              | \$ 108,073                | \$ 108,073            | \$ 122,176                    |
| <b>Rescissions</b>                     |              | \$ -                      | \$ -                  | \$ -                          |
| <b>Transfers</b>                       |              | \$ -                      | \$ -                  | \$ -                          |
| <b>Offsets</b>                         |              | \$ -                      | \$ -                  | \$ -                          |
| <b>TOTAL BUDGETARY RESOURCES:</b>      |              | <u>\$ 108,073</u>         | <u>\$ 108,073</u>     | <u>\$ 122,176</u>             |
| [Mandatory]                            |              |                           |                       |                               |
| [Discretionary]                        |              | \$ 108,073                | \$ 108,073            | \$ 122,176                    |
| [Obligation Limitation]                |              |                           |                       |                               |
| <b><u>Supplemental Funding</u></b>     |              |                           |                       |                               |
| <b>COVID-19 Supplementals</b>          |              | <u>\$ -</u>               | <u>\$ -</u>           | <u>\$ -</u>                   |
| CARES Act                              |              | \$ -                      | \$ -                  | \$ -                          |
| <b>IIJA Supplemental (Division J)</b>  |              | <u>\$ 4,324</u>           | <u>\$ 4,324</u>       | <u>\$ 4,314</u>               |
| Transfers From Other Accounts          |              | \$ 4,324                  | \$ 4,324              | \$ 4,314                      |
| <b>Grand Total, All Appropriations</b> |              | <u>\$ 112,397</u>         | <u>\$ 112,397</u>     | <u>\$ 126,490</u>             |

**EXHIBIT II-3**  
**FY 2025 BUDGET REQUEST BY DOT STRATEGIC AND ORGANIZATIONAL GOALS**  
**Appropriations, Obligation Limitation, and Exempt Obligations**  
**OFFICE OF INSPECTOR GENERAL**  
(\$000)

|                                       | Safety | Economic Strength and Global Competitiveness | Equity | Climate & Sustainability | Transformation | Organizational Excellence | Total      |
|---------------------------------------|--------|--|--------|--------------------------|----------------|---------------------------|------------|
| <b>ACCOUNT</b>                        |        |  |        |                          |                |                           |            |
| Salaries & Expenses                   | \$ -   | \$ -   | \$ -   | \$ -                     | \$ -           | \$ 122,176                | \$ 122,176 |
| <b>IIJA Supplemental (Division J)</b> | \$ -   | \$ -   | \$ -   | \$ -                     | \$ -           | \$ 4,314                  | \$ 4,314   |
| <b>TOTAL</b>                          | \$ -   | \$ -   | \$ -   | \$ -                     | \$ -           | \$ 126,490                | \$ 126,490 |

**Safety:** Make our transportation system safer for all people. Work toward a future where transportation-related serious injuries and fatalities are eliminated.

**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 good-paying jobs, resources, and markets.

**Equity:** Reduce inequities. 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 2025 OUTLAYS  
 OFFICE OF INSPECTOR GENERAL  
 (\$000)**

|   | <u>M / D</u> | <u>FY 2023<br/>ACTUAL</u> | <u>FY 2024<br/>CR</u> | <u>FY 2025<br/>PRES. BUD.</u> |
|---|--------------|---------------------------|-----------------------|-------------------------------|
| <b>SALARIES &amp; EXPENSES</b>                      | <b>D</b>     | \$ 105,080                | \$ 110,189            | \$ 121,766                    |
| <b>TOTAL:</b>                                       |              | <u>\$ 105,080</u>         | <u>\$ 110,189</u>     | <u>\$ 121,766</u>             |
| Mandatory   |              |                           |                       |                               |
| Discretionary                                       |              |                           |                       |                               |
| <b>Supplemental Funding</b>                         |              |                           |                       |                               |
| <b>COVID-19 Supplementals</b>                       |              |                           |                       |                               |
| CARES Act   |              | \$ 489                    | \$ 500                | 0                             |
| <b>IIJA Supplemental (Division J)</b>               |              |                           |                       |                               |
| Transfers From Other Accounts                       |              | 0                         | \$ 2,250              | \$ 3,250                      |
| <b>Emergency Disaster Relief Oversight</b>          |              |                           |                       |                               |
| Disaster Relief Appropriations Act                  |              | 0                         | \$ 500                | 0                             |
| <b>Grand Total, Outlays from all Appropriations</b> |              | <u>\$ 105,569</u>         | <u>\$ 113,439</u>     | <u>\$ 125,016</u>             |

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

| Salaries & Expenses                              | Baseline Changes |                  |   |  |                      |  |             |                           |  |                  | FY 2025<br>Baseline<br>Estimate | Program<br>Increases/<br>Decreases | FY 2025<br>President's<br>Budget |
|--|------------------|------------------|---|--|----------------------|--|-------------|---------------------------|--|------------------|---------------------------------|------------------------------------|----------------------------------|
|  | FY 2023 Actual   | FY 2024 CR       | Annualization<br>of Prior Pay<br>Raises | Annualization<br>of new FY 2024<br>FTE | FY 2025 Pay<br>Raise | Adjustment for<br>Compensable<br>Days (261 days) | GSA Rent    | WCF Increase/<br>Decrease | Inflation and<br>other<br>adjustments to<br>base |                  |                                 |                                    |                                  |
| <b>PERSONNEL RESOURCES (FTE)</b>                 | <b>378</b>       | <b>373</b>       |   |  |                      |  |             |                           | <b>39</b>  | <b>412</b>       |                                 | <b>412</b>                         |                                  |
| Direct FTE - Annual funding                      | 376              | 369              |   |  |                      |  |             |                           | 43   | 412              |                                 | 412                                |                                  |
| Direct FTE - CARES Act                           | 2                | 2                |   |  |                      |  |             |                           | (2)  | 0                |                                 | 0                                  |                                  |
| Direct FTE - Disaster Relief Approps. Act (DRAA) | 0                | 2                |   |  |                      |  |             |                           | (2)  | 0                |                                 | 0                                  |                                  |
| <b>FINANCIAL RESOURCES</b>                       |                  |                  |   |  |                      |  |             |                           |  |                  |                                 |                                    |                                  |
| <b>ADMINISTRATIVE EXPENSES</b>                   |                  |                  |   |  |                      |  |             |                           |  |                  |                                 |                                    |                                  |
| Salaries and Benefits                            | \$81,823         | \$81,537         | \$1,040                                 |  | \$1,350              |  |             |                           | \$10,310   | \$94,237         |                                 | \$94,237                           |                                  |
| Travel   | \$2,425          | \$2,000          |   |  |                      |  |             |                           | \$265  | \$2,265          |                                 | \$2,265                            |                                  |
| Transportation                                   | \$5              | \$5              |   |  |                      |  |             |                           |  | \$5              |                                 | \$5                                |                                  |
| GSA Rent   | \$5,156          | \$1,825          |   |  |                      | \$80   |             |                           |  | \$1,905          |                                 | \$1,905                            |                                  |
| Communications, & Utilities                      | \$970            | \$435            |   |  |                      |  |             |                           |  | \$435            |                                 | \$435                              |                                  |
| Printing   | \$0              | \$0              |   |  |                      |  |             |                           |  | \$0              |                                 | \$0                                |                                  |
| Other Services:                                  | \$9,543          | \$10,708         |   |  |                      |  |             |                           | \$2,330  | \$13,038         |                                 | \$13,038                           |                                  |
| -WCF   | \$6,307          | \$10,508         |   |  |                      |  |             | (\$2,297)                 |  | \$8,211          |                                 | \$8,211                            |                                  |
| Supplies   | \$275            | \$275            |   |  |                      |  |             |                           |  | \$275            |                                 | \$275                              |                                  |
| Equipment  | \$1,539          | \$750            |   |  |                      |  |             |                           | \$575  | \$1,325          |                                 | \$1,325                            |                                  |
| Land & Structures                                | \$0              | \$0              |   |  |                      |  |             |                           | \$450  | \$450            |                                 | \$450                              |                                  |
| Insurance Claims and Indemnities                 | \$10             | \$10             |   |  |                      |  |             |                           |  | \$10             |                                 | \$10                               |                                  |
| Unvouchered                                      | \$20             | \$20             |   |  |                      |  |             |                           |  | \$20             |                                 | \$20                               |                                  |
| <b>Admin Subtotal</b>                            | <b>\$108,073</b> | <b>\$108,073</b> | <b>\$1,040</b>                          | <b>\$0</b>                             | <b>\$1,350</b>       | <b>\$0</b>                                       | <b>\$80</b> | <b>(\$2,297)</b>          | <b>\$13,930</b>                                  | <b>\$122,176</b> | <b>\$0</b>                      | <b>\$122,176</b>                   |                                  |
| <b>BASE PROGRAMS TOTAL</b>                       | <b>\$108,073</b> | <b>\$108,073</b> | <b>\$1,040</b>                          | <b>\$0</b>                             | <b>\$1,350</b>       | <b>\$0</b>                                       | <b>\$80</b> | <b>(\$2,297)</b>          | <b>\$13,930</b>                                  | <b>\$122,176</b> | <b>\$0</b>                      | <b>\$122,176</b>                   |                                  |

*Note: CARES Act and DRAA FTEs (above) are supported with carryover supplemental funding and FTE levels are decreasing in FYs 24 & 25 while IIJA supportable FTEs (Exhibit II-5 IIJA) are increasing by the same amounts.*

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

| Salaries & Expenses, IIJA        | Baseline Changes |                |   |  |                       |  |            |                           |  | FY 2025<br>Baseline<br>Estimate | Program<br>Increases/<br>Decreases | FY 2025<br>President's<br>Budget |
|----------------------------------|------------------|----------------|---|--|-----------------------|--|------------|---------------------------|--|---------------------------------|------------------------------------|----------------------------------|
|                                  | FY 2023 Actual   | FY 2024 CR     | Annualization<br>of Prior Pay<br>Raises | Annualization<br>of new FY 2024<br>FTE | FY 2025 Pay<br>Raises | Adjustment for<br>Compensable<br>Days (261 days) | GSA Rent   | WCF Increase/<br>Decrease | Inflation and<br>other<br>adjustments to<br>base |                                 |                                    |                                  |
| <b>PERSONNEL RESOURCES (FTE)</b> |                  |                |   |  |                       |  |            |                           |  |                                 |                                    |                                  |
| Direct FTE - IIJA                | 0                | 9              |   |  |                       |  |            |                           | 4  | 13                              |                                    | 13                               |
| <b>FINANCIAL RESOURCES</b>       |                  |                |   |  |                       |  |            |                           |  |                                 |                                    |                                  |
| <b>ADMINISTRATIVE EXPENSES</b>   |                  |                |   |  |                       |  |            |                           |  |                                 |                                    |                                  |
| Salaries and Benefits            | \$4,324          | \$4,324        |   |  |                       |  |            |                           | (\$10)   | \$4,314                         | \$0                                | \$4,314                          |
| 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                              |
| Unvouchered                      |                  |                |   |  |                       |  |            |                           |  | \$0                             |                                    | \$0                              |
| <b>Admin Subtotal</b>            | <b>\$4,324</b>   | <b>\$4,324</b> | <b>\$0</b>                              | <b>\$0</b>                             | <b>\$0</b>            | <b>\$0</b>                                       | <b>\$0</b> | <b>\$0</b>                | <b>(\$10)</b>                                    | <b>\$4,314</b>                  | <b>\$0</b>                         | <b>\$4,314</b>                   |
| <b>BASE PROGRAMS TOTAL</b>       | <b>\$4,324</b>   | <b>\$4,324</b> | <b>\$0</b>                              | <b>\$0</b>                             | <b>\$0</b>            | <b>\$0</b>                                       | <b>\$0</b> | <b>\$0</b>                | <b>(\$10)</b>                                    | <b>\$4,314</b>                  | <b>\$0</b>                         | <b>\$4,314</b>                   |

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*Note: IIJA supportable FTEs (above) are increasing in FYs 24 & 25 while CARES Act and DRAA supportable FTEs (Exhibit II-5) are decreasing by the same amounts.*

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

|   | <b>FY 2023<br/>ACTUAL</b> | <b>FY 2024<br/>CR</b> | <b>FY 2025<br/>REQUEST</b> |
|---|---------------------------|-----------------------|----------------------------|
| <b>DIRECT:</b>  |                           |                       |                            |
| Salaries & Expenses   | \$ 6,307                  | \$ 10,508             | \$ 8,211                   |
| <b>SUBTOTAL</b>   | <b>\$ 6,307</b>           | <b>\$ 10,508</b>      | <b>\$ 8,211</b>            |
| <b>REIMBURSABLE:</b>  |                           |                       |                            |
| Salaries & Expenses   | \$ -                      | \$ -                  | \$ -                       |
| <b>SUBTOTAL</b>   | <b>\$ -</b>               | <b>\$ -</b>           | <b>\$ -</b>                |
| <b>TOTAL, Base programs</b>   | <b>\$ 6,307</b>           | <b>\$ 10,508</b>      | <b>\$ 8,211</b>            |
| <b><u>SUPPLEMENTAL FUNDING</u></b>  |                           |                       |                            |
| <b>COVID-19 Supplementals Subtotal</b><br>CARES Act                             | \$ -                      | \$ -                  | \$ -                       |
| <b>IIJA Supplemental (Division J) Subtotal</b><br>Transfers From Other Accounts | \$ -                      | \$ -                  | \$ -                       |
| <b>Total, All Sources</b>   | <b>\$ 6,307</b>           | <b>\$ 10,508</b>      | <b>\$ 8,211</b>            |

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

|  | <b>FY 2023<br/>ACTUAL</b> | <b>FY 2024<br/>CR</b> | <b>FY 2025<br/>PRES. BUD.</b> |
|--|---------------------------|-----------------------|-------------------------------|
| <b><u>DIRECT FUNDED BY APPROPRIATION</u></b>       |                           |                       |                               |
| Salaries & Expenses                                | 376                       | 369                   | 412                           |
| <b>SUBTOTAL, DIRECT FUNDED</b>                     | <b>376</b>                | <b>369</b>            | <b>412</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 FTEs</b>                             | <b>376</b>                | <b>369</b>            | <b>412</b>                    |
| <b><u>SUPPLEMENTAL FUNDED FTE's</u></b>            |                           |                       |                               |
| <b>COVID-19 Supplemental funding</b>               |                           |                       |                               |
| CARES Act  | 2                         | 2                     | 0                             |
| <b>IIJA Supplemental Funding</b>                   |                           |                       |                               |
| Transfers From Other Accounts                      | 0                         | 9                     | 13                            |
| <b>Emergency Disaster Relief Oversight</b>         |                           |                       |                               |
| Disaster Relief Appropriations Act                 | 0                         | 2                     | 0                             |
| <b>SUBTOTAL, Supplemental Funded</b>               | <b>2</b>                  | <b>13</b>             | <b>13</b>                     |
| <b>TOTAL FTEs</b>                                  | <b>378</b>                | <b>382</b>            | <b>425</b>                    |
| INFO:  |                           |                       |                               |
| Allocations to Other Agencies                      |                           |                       |                               |



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

|  | <b>FY 2023<br/>ACTUAL</b> | <b>FY 2024<br/>CR</b> | <b>FY 2025<br/>PRES. BUD.</b> |
|--|---------------------------|-----------------------|-------------------------------|
| <b><u>DIRECT FUNDED BY APPROPRIATION</u></b>         |                           |                       |                               |
| Salaries & Expenses                                  | 370                       | 379                   | 422                           |
| <b>SUBTOTAL, DIRECT FUNDED</b>                       | <b>370</b>                | <b>379</b>            | <b>422</b>                    |
| <b><u>REIMBURSEMENTS/ ALLOCATIONS/<br/>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>370</b>                | <b>379</b>            | <b>422</b>                    |
| <b><u>SUPPLEMENTAL FUNDED FTP's</u></b>              |                           |                       |                               |
| <b>COVID-19 Supplemental funding</b>                 |                           |                       |                               |
| CARES Act  | 2                         | 2                     | 0                             |
| <b>IIJA Supplemental Funding</b>                     |                           |                       |                               |
| Transfers From Other Accounts                        | 0                         | 9                     | 13                            |
| <b>Emergency Disaster Relief Oversight</b>           |                           |                       |                               |
| Disaster Relief Appropriations Act                   | 0                         | 2                     | 0                             |
| <b>SUBTOTAL, Supplemental Funded</b>                 | <b>2</b>                  | <b>13</b>             | <b>13</b>                     |
| <b>TOTAL POSITIONS</b>                               | <b>372</b>                | <b>392</b>            | <b>435</b>                    |

INFO:  
Allocations to Other Agencies

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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, [\$121,001,000] \$122,176,000: *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.] 401 *et seq.*), 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: *Provided further*, That none of the funds appropriated or otherwise made available to the Office of Inspector General by this Act or prior Acts may be used to implement the requirements of section 5274 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (Public Law 117-263). *Note.--A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.*

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

|  | <b>FY 2023<br/>ACTUAL</b> | <b>FY 2024<br/>CR</b> | <b>FY 2025<br/>PRES. BUD.</b> |
|--|---------------------------|-----------------------|-------------------------------|
| Salaries & Expenses                        | \$ 108,073                | \$ 108,073            | \$ 122,176                    |
| <b>TOTAL, Base appropriations</b>          | <b>\$ 108,073</b>         | <b>\$ 108,073</b>     | <b>\$ 122,176</b>             |
| FTEs                                       |                           |                       |                               |
| Direct Funded                              | 376                       | 369                   | 412                           |
| Reimbursable, allocated, other             |                           |                       |                               |
| <b>Supplemental Funding</b>                |                           |                       |                               |
| <b>COVID-19 Supplementals</b>              |                           |                       |                               |
| Cares Act                                  | \$ -                      | \$ -                  | \$ -                          |
| <b>IIJA Supplemental (Division J)</b>      |                           |                       |                               |
| Transfers From Other Accounts              | \$ 4,324                  | \$ 4,324              | \$ 4,314                      |
| <b>Emergency Disaster Relief Oversight</b> |                           |                       |                               |
| Disaster Relief Appropriations Act         | \$ -                      | \$ -                  | \$ -                          |
| <b>TOTAL, Base appropriations</b>          | <b>\$ 4,324</b>           | <b>\$ 4,324</b>       | <b>\$ 4,314</b>               |
| FTEs                                       |                           |                       |                               |
| <b>COVID-19 Supplemental Funding</b>       |                           |                       |                               |
| CARES Act                                  | 2                         | 2                     | 0                             |
| <b>IIJA Supplemental (Division J)</b>      |                           |                       |                               |
| Transfers From Other Accounts              | 0                         | 9                     | 13                            |
| <b>Emergency Disaster Relief Oversight</b> |                           |                       |                               |
| Disaster Relief Appropriations Act         | 0                         | 2                     | 0                             |
| <b>SUBTOTAL, Supplemental FTEs</b>         | <b>2</b>                  | <b>13</b>             | <b>13</b>                     |
| <b>Account</b>                             | <b>\$ 112,397</b>         | <b>\$ 112,397</b>     | <b>\$ 126,490</b>             |

**Program and Performance Statement**

The Department of Transportation (DOT) Office of Inspector General (OIG) 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 Inspector General to perform these oversight responsibilities in accordance with the Inspector General Act of 1978, as amended (5 U.S.C. Ch. 4). DOT OIG requests language to prohibit the use of any OIG resources to implement the requirements of section 5274 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (P.L. 117-263).

**EXHIBIT III-1a**

**OFFICE OF INSPECTOR GENERAL  
SUMMARY ANALYSIS OF CHANGE FROM FY 2024 TO FY 2025  
Appropriations, Obligations, Limitations, and Exempt Obligations  
(\$000)**

|   | <u><b>\$000</b></u> | <u><b>FTE</b></u> |
|---|---------------------|-------------------|
| <b>FY 2024 CR</b>                       | <u>\$108,073</u>    | <u>369</u>        |
| <b>ADJUSTMENTS TO BASE:</b>             |                     |                   |
| Annualization of FY 2024 FTE            | 0                   |                   |
| Annualization of Prior Pay Raise(s)     | 1,040               |                   |
| FY 2025 Pay Raise (2.0%)                | 1,350               |                   |
| GSA Rent                                | 80                  |                   |
| Working Capital Fund                    | (2,297)             |                   |
| Inflation and other adjustments to base | 13,930              | 43                |
| <b>SUBTOTAL, ADJUSTMENTS TO BASE</b>    | <b>14,103</b>       | <b>43</b>         |
| <b>PROGRAM REDUCTIONS</b>               | 0                   |                   |
| <b>SUBTOTAL, PROGRAM REDUCTIONS</b>     | <b>0</b>            | <b>0</b>          |
| <b>PROGRAM INCREASES</b>                | 0                   |                   |
| <b>SUBTOTAL, PROGRAM INCREASES</b>      | <b>0</b>            | <b>0</b>          |
| <b>FY 2025 REQUEST</b>                  | <b>122,176</b>      | <b>412</b>        |
|   |                     |                   |
| <b>Supplemental Appropriations</b>      | <b>4,314</b>        | <b>13</b>         |
|   |                     |                   |
| <b>TOTAL</b>                            | <b>126,490</b>      | <b>425</b>        |

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

**FY 2025 Office of Inspector General Budget Request  
(\$000)**

| Program Activity         | FY 2023<br>Actual | FY 2024<br>Cont. Res. | FY 2025<br>Pres. Budget |
|--------------------------|-------------------|-----------------------|-------------------------|
| Salaries and Expenses    | \$108,073         | \$108,073             | \$122,176               |
| <b>TOTAL</b>             | <b>\$108,073</b>  | <b>\$108,073</b>      | <b>\$122,176</b>        |
| FTEs                     | 376               | 369                   | 412                     |
| Supplemental-funded FTEs | 2                 | 13                    | 13                      |
| <b>Total FTEs</b>        | <b>378</b>        | <b>382</b>            | <b>425</b>              |

We request \$122.2 million to support an estimated 412 FTEs in FY 2025. We estimate that we can support another 13 FTEs with funding from IJJA for an estimated total of 425 FTEs in FY 2025.

This request includes current services level adjustments for an annualization of a 2024 pay raise of 5.2 percent, a 2025 pay raise of 2.0 percent, GSA rent estimates, DOT WCF estimates, and a non-pay inflation rate of 2.0 percent.

**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 inspectors 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 IG Act of 1978, as amended, requires offices of inspectors 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.

We are committed to fulfilling our statutory responsibilities under the IG Act while supporting DOT's mission and the Secretary's strategic goals and priorities, especially those concerning transportation safety and investments in infrastructure. Our work helps the Department and its Operating Administrations (OAs) 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 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 possible audit areas that we develop from reviews of DOT budget data, business plans, performance reports, OA websites, and publications. We plan to initiate 108 audits in critical areas across the Department.

To maximize our investigative resources, ensure effective resource allocation, and deliver meaningful results to the Department and the public, we review our investigative priorities annually. These reviews give us the flexibility to address emerging regional and national trends, and tackle issues of high interest to the Department, Congress, and the public. In general, we prioritize cases involving public safety, procurement and grant fraud, employee integrity, and cases in the public interest.

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 2024, we identified the following top management challenge areas.

- **Aviation safety.** Key challenges: enhance the Federal Aviation Administration's (FAA) oversight of aircraft certification and production, and diagnose root causes to prevent and mitigate runway incursions.
- **Surface transportation safety.** Key challenges: identify root causes and implement safety programs to reduce fatalities and verify and enforce railroad, transit, pipeline, and hazardous materials safety compliance.
- **Air traffic control and airspace modernization.** Key challenges: understand and address the causes of flight delays and cancellations and recover from and assess the impact of delayed and diminished Next Generation Air Transportation System (NextGen) programs on Agency costs and benefits for airspace users.
- **Surface transportation infrastructure.** Key challenges: steward surface transportation investments in a changing environment, support effective funding oversight as IJJA progresses, and advance a range of surface transportation priorities and goals.
- **Contract and grant fund stewardship.** Key challenges: award contract and grant funds to achieve the best outcomes and verify efficient and appropriate use of contract and grant funds.



- **Financial management.** Key challenges: reduce the occurrence of improper payments, improve compliance with Federal requirements for monitoring and reporting on grantee spending, and improve the quality of financial data.
- **Information security.** Key challenges: overcome obstacles to mitigate longstanding weaknesses in DOT’s cybersecurity program, and execute Federal priorities to move towards a Zero Trust Architecture.
- **Fraud prevention and detection.** Key challenges: identify and assess fraud risks, and manage fraud risks through oversight, outreach, and data analysis.
- **Transportation transformation.** Key challenges: advance safety and other DOT missions through the innovation principles, safely advance emerging and innovative vehicle technologies, and integrate new technologies into the National Airspace System (NAS).
- **Organizational excellence.** Key challenges: establish the workforce capabilities needed to meet the Department’s mission, manage an evolving workplace environment, and cultivate data-driven approaches to support policymakers and manage the mission.

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 audit plans and investigative priorities. These plans and priorities provide the general framework we use to focus our resources across the Department and its OAs on the following topics.

### **Departmentwide**

- Assess DOT’s oversight of financial and procurement-related issues, such as services provided to WCF customers.
- Review departmental cybersecurity, financial statements, and improper payments.
- Review departmental and OA oversight of funding from IIJA and the three COVID-19 related relief acts—Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021, and American Rescue Plan (ARP) Act of 2021.
- Conduct outreach activities to enhance fraud prevention awareness and generate investigative referrals from departmental, State, and local stakeholders regarding procurement and grant fraud.
- Investigate fraud, waste, and abuse of departmental IIJA and COVID-19 relief funding.

### **Federal Aviation Administration**

- Assess FAA’s acquisition and NextGen modernization programs, including the extent to which the costs and benefits of NextGen programs depend on airline decisions, including those regarding equipage and numbers of flights.
- Assess air traffic controller staffing, including controller distribution and FAA’s progress in monitoring staffing levels at contract towers.

- Assess aviation safety, including FAA’s oversight of commercial space, Organization Designation Authorization, the medical certificate process, drones/unmanned aircraft systems, and air travel safety in Alaska.
- Evaluate FAA’s process for issuing enforcement actions and penalties regarding laser strikes, illegal or improperly operated drones, and unruly passengers.
- Investigate the sale of unapproved aircraft parts, falsified commercial airman certificates, crimes involving drones such as smuggling contraband into prisons and destruction of law enforcement drones, and illegal air shipments of hazardous materials.

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

- Evaluate FHWA’s oversight of the billions of dollars it directs to States and localities to build, maintain, and repair roads and bridges. Audits will include oversight of bridge funding, Advanced Transportation Technology and Innovation grants, and new grant recipients.
- Assess FHWA’s oversight of grant recipient compliance with Federal Buy America requirements.
- Assess FHWA’s oversight of IIJA funds for the National Electric Vehicle Charging Infrastructure Program.
- 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 oversight of its drug and alcohol clearinghouse and its data quality, and commercial drivers’ compliance with hazardous materials endorsement requirements.
- Assess FMCSA’s implementation of eInvoicing in its safety grant programs.
- Analyze causes of commercial motor vehicle crashes.
- 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.

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

- Evaluate FRA’s oversight of the Transportation Technology Center and roadway worker protections.
- Assess FRA’s implementation of the IIJA-funded Federal-State Partnership for Intercity Passenger Rail Grant 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 use of state of good repair data for capital investment decisions, processes to track and report IIJA discretionary grant funding, and Honolulu Authority for Rapid Transportation Rail Project contracts.
- Assess the impact of the Hurricane Sandy resiliency funding, FTA's oversight of grants for buses and bus facilities, and triennial and State management review processes.
- Determine the effects on safety of substitutions between cars and transit and the implications for transportation project cost-benefit analyses.
- Investigate FTA-funded projects, focusing on issues such as product substitution, overbilling, substandard work, cost mischarging, and fraud involving DBEs.

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

- Evaluate the U.S. Merchant Marine Academy's (USMMA) actions to address the National Academy of Public Administration's (NAPA) prioritization and implementation plan for the recommendations in NAPA's 2021 report.
- Assess MARAD's controls for award and oversight of its IIJA-funded Port Infrastructure Development Program grants and its oversight of recipients' compliance with Federal Buy America requirements.
- Determine whether security weaknesses exist in USMMA's local area network information technology infrastructure that could lead to the compromise of USMMA systems and data.
- Investigate fraud, waste, and abuse of MARAD-funded projects, as well as employee integrity matters at USMMA.

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

- Assess whether NHTSA's reports on National Drug Control Program-related funds comply with Office of National Drug Control Policy Circular requirements.
- Evaluate NHTSA's efforts to improve pedestrian safety.
- Investigate possible fraud in NHTSA grant programs and allegations of false statements to NHTSA by automobile manufacturers and suppliers to the automotive industry.

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

- Evaluate PHMSA's oversight of grant fund payments for hazardous materials emergency preparedness, pipeline safety, and natural gas distribution infrastructure safety and modernization.
- Investigate fraud that may impact PHMSA's programs, including pipeline safety, cylinder retesting, shipments of hazardous materials, and DOT-required hazardous materials' packaging 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.

## **Departmentwide**

### *DOT Should Enhance Its Fraud Risk Assessment Processes for IJJA-Funded Surface Transportation Programs* (issued June 20, 2023)

IJJA authorized about \$660 billion in funding for new and existing DOT programs for FYs 2022 through 2026—more than twice the amount in the previous 5-year authorization law. IJJA also changed existing surface transportation programs and created new programs. Federal programs face an increased risk of fraud when they experience unusually rapid growth or when new or changing laws significantly affect them. Because many IJJA-funded surface transportation programs experienced such growth and change, we initiated this audit to evaluate DOT’s fraud risk assessment processes.

DOT has an opportunity to expand its fraud risk assessment process for IJJA-funded surface transportation programs to better incorporate the Government Accountability Office’s (GAO) leading practices. Following the passage of the Fraud Reduction and Data Analytics Act of 2015, DOT developed a Fraud Risk Management Plan (Plan). Although DOT anticipated fully implementing the Plan by October 2020, the Department has not yet completed two of its three planned phases. As DOT continues to implement its Plan, we have found that the Department could enhance its fraud risk assessment processes to more fully incorporate leading practices identified in GAO’s framework. Specifically, DOT could better incorporate leading practices related to planning and tailoring fraud risk assessments for all programs. DOT’s process could also better incorporate leading practices to identify and assess fraud risks and develop fraud risk profiles for its programs. By not more fully incorporating these leading practices, DOT may not be optimally positioned to comprehensively identify, properly assess, and appropriately prioritize resources to address the full spectrum of fraud risks across all of its programs, including its diverse surface transportation programs.

We made two recommendations to improve the effectiveness of DOT’s fraud risk assessment processes.

### *Fragmented Processes Weaken DOT’s Accountability for Contractor Employee PIV Cards* (issued May 24, 2023)

The personal identity verification (PIV) card is the Department’s foundation for identifying every individual seeking access to DOT’s secure facilities and information systems. Once contractor employees no longer need that access, DOT officials must promptly collect and deactivate their PIV cards. In FYs 2020 and 2021, just over 1,000 DOT service contracts—which may have granted contractor staff access to secure DOT facilities and information systems—came to an end. Given that most of these contracts ended during the COVID-19 pandemic when DOT employees were in a state of maximum telework, a risk exists that prompt and appropriate PIV card collection and deactivation may not have occurred. We initiated this audit to assess DOT’s oversight of contractor employee PIV cards issued in connection with performance of agency contracts.

DOT's timely collection and deactivation of contractor employee PIV cards is compromised by fragmented processes and a lack of clear accountability. Counter to Federal and departmental procurement regulations and policies, DOT contracting officials do not always include required PIV card-related security clauses in contracts that grant contractor employees routine physical access to a federally controlled facility or information system. Without these required clauses in its contracts, DOT neglected to establish an important and legally enforceable accountability mechanism to help protect its secure facilities and systems. Furthermore, DOT does not always promptly collect and deactivate contractor employee PIV cards because it has not established clear accountability over this process. As a result, DOT is exposed to heightened security risks that could compromise staff safety and mission achievement.

We made six recommendations to improve DOT's collection and deactivation of contractor employee PIV cards.

*DOT Faces Challenges in Meeting Federal CPARS Reporting Guidance* (issued March 15, 2023)

The Contractor Performance Assessment Reporting System (CPARS) is the official Governmentwide system for information on the past performance of Federal contractors. The assessments reported in CPARS can help provide a balanced view of contractor performance and give source selection officials valuable information to consider when making award decisions. This information is particularly important when officials need to make award decisions quickly, such as when responding during natural disasters or to the COVID-19 global pandemic, and implementing new legislative requirements with short suspense dates. However, various reports issued by GAO have highlighted the lack of contractor performance information as an ongoing issue in the Federal Government. In addition, a 2017 Department of Defense (DoD) OIG audit found significant shortfalls in DoD's contractor performance reporting. Given these issues, we initiated this audit to assess DOT's compliance with requirements for reporting contractors' past performance information.

DOT faces challenges in meeting reporting guidance for CPARS's registration and assessment deadlines. Specifically, OA officials with CPARS responsibilities frequently did not register contracts within 30 days of awards or complete contractor performance assessments within 120 days after periods of performance ended, as recommended. Overall, DOT's ability to meet CPARS timeframes is impacted by insufficient departmental oversight and guidance, other priorities and staffing issues, disagreements over contractor assessments, and inadequate training. Until the Department addresses these issues, DOT cannot ensure that it is in compliance with CPARS guidance for reporting contractors' past performance information. Also, source selection officials—looking to initiate new procurement actions—may question the value of CPARS assessments or may not have the assessments they need to make timely award decisions.

We made 10 recommendations to improve DOT's compliance with requirements for reporting contractors' past performance information.

## **Federal Aviation Administration**

### *FAA Faces Controller Staffing Challenges as Air Traffic Operations Return to Pre-Pandemic Levels at Critical Facilities* (issued June 21, 2023)

Ensuring adequate staffing and training for air traffic controllers—an essential part of maintaining the safety and efficiency of the NAS—has been a challenge for FAA, especially at the Nation’s most critical facilities. In addition, the COVID-19 pandemic has impacted the Agency’s ability to maintain the required number of controllers at these facilities. Given the importance of minimizing the risks to the continuity of air traffic operations, as well as the potential impact of COVID-19 on staffing and training, we initiated this audit. Our objectives were to (1) assess FAA’s efforts to ensure that critical air traffic control facilities have an adequate number of controllers and (2) identify the impact of the COVID-19 pandemic on FAA’s controller training program.

FAA has made limited efforts to ensure adequate controller staffing at critical air traffic control facilities. The Agency also has yet to implement a standardized scheduling tool to optimize controller scheduling practices at these facilities, and FAA officials disagree on how to account for trainees when determining staffing numbers. As a result, FAA continues to face staffing challenges and lacks a plan to address them, thus creating a risk to the continuity of air traffic operations. For example, we determined that 20 of 26 (77 percent) critical facilities are staffed below the Agency’s 85-percent threshold, with New York Terminal Radar Approach Control and Miami Tower at 54 percent and 66 percent, respectively. Additionally, COVID-19 led to pauses in training over a period of nearly 2 years—significantly increasing controller certification times. FAA will not know the full impact of the training suspensions on certification times for several years because training outcomes vary widely and it can take over 3 years to train a controller. Due to these uncertain training outcomes, FAA cannot ensure it will successfully train enough controllers in the short term.

We made two recommendations to improve FAA’s ability to ensure adequate staffing at its critical facilities.

### *FAA Has Deployed a Prototype System for Monitoring Commercial Space Operations but Faces Integration Challenges* (issued June 21, 2023)

FAA is responsible for safely managing the NAS—management that requires coordinating commercial and military aviation with increasing numbers of commercial space transportation launches and reentries. Citing this increasing frequency and the need to integrate commercial space operations into the NAS, the Ranking Members of the House Committee on Transportation and Infrastructure and its Subcommittee on Aviation requested that we examine the FAA’s Space Data Integrator (SDI) program and actions taken by FAA and the aerospace industry related to commercial space integration. Our audit objectives were to assess (1) FAA’s progress in implementing the SDI program and (2) actions taken and planned by FAA and the aerospace and aviation industries to integrate commercial space operations into the NAS.

FAA deployed an SDI prototype in 2021, but its effectiveness in providing launch and reentry data to stakeholders is limited because it only receives data from one operator, tracked only one launch at a time until recently, and is only installed at FAA's Command Center. Additionally, FAA has not finalized plans and requirements for a successor program intended to leverage the SDI prototype. The Agency expects to make a final investment decision on this new program no earlier than September 2027, and intends to gradually implement the program through fiscal year 2032. FAA has connected with stakeholders to provide input on commercial space integration issues and implemented some stakeholders' recommendations. However, FAA has postponed taking action on other identified shortfalls and recommendations pending final decisions on implementing a successor program for SDI, which is now delayed. Finally, while FAA has implemented procedures aimed at reducing the amount of time commercial space operations impact NAS airspace, the Agency faces operational and policy challenges to efficiently integrate these operations.

We made four recommendations to improve FAA's ability to provide and capture information regarding its efforts to integrate commercial space operations.

*Regulatory Gaps and Lack of Consensus Hindered FAA's Progress in Certifying Advanced Air Mobility Aircraft, and Challenges Remain* (issued June 21, 2023)

Advanced Air Mobility (AAM) is a Government and industry initiative to develop an air transportation system between and within rural and urban locations. This new technology, including highly automated hybrid and electric vertical takeoff and landing aircraft, promises many benefits. However, FAA regulations are still primarily intended for traditional small aircraft, creating challenges for FAA. Given these challenges, the Ranking Members of the House Committee on Transportation and Infrastructure and its Subcommittee on Aviation requested this audit. Our objective was to determine FAA's progress in establishing the basis for certification of AAM aircraft, including ensuring the safety of novel features and providing guidance to applicants.

Regulatory, management, and communication issues hindered FAA's progress in certifying AAM aircraft, and challenges remain. Given their unique features, AAM aircraft do not fully fit into FAA's existing airworthiness standards. For over 4 years, FAA made limited progress in determining which certification path to use. Over 2 decades ago, FAA defined an aircraft category called powered-lift that is applicable to some AAM aircraft but never established corresponding airworthiness standards and operational regulations. This lack of standards and regulations has led to significant internal debates and a lack of consensus on how to proceed, affecting rulemaking efforts in ways that have hindered the Agency's progress. Furthermore, FAA changed its certification path, catching industry by surprise. The Agency will likely continue to face challenges as it progresses through the certification process for AAM aircraft, including reviewing novel features and establishing new operational regulations. Finally, FAA has not sufficiently established policies and procedures for its Center for Emerging Concepts and Innovation, or communicated about the Center's role in AAM certification. Continued ineffective coordination and communication, as well as the lack of timely decision making and established policies, could further hinder progress.

We made four recommendations to enhance FAA's regulatory efforts and communication regarding the AAM aircraft certification process.

*FAA Has Completed 737 MAX Return to Service Efforts, but Opportunities Exist To Improve the Agency's Risk Assessments and Certification Processes* (issued April 26, 2023)

FAA has historically maintained an excellent safety record. However, two fatal accidents in 2018 and 2019 involving the Boeing 737 MAX 8 raised concerns about FAA's oversight and certification of civilian aircraft manufactured and operated in the United States. At the request of the former Secretary of Transportation, Elaine L. Chao, and several members of Congress, our office has undertaken a series of reviews related to FAA's certification of the MAX and its safety oversight. This report is the third in that series. It focuses on FAA's risk assessments following the accidents, as well as the recertification and return to service efforts for the MAX. Our audit objective was to evaluate FAA's processes and procedures for grounding aircraft and implementing corrective actions, including for the MAX 8. Specifically, we evaluated FAA's risk assessment processes following the accidents, and the Agency's process for returning the airplane to service.

FAA's steps following the accidents were in line with its overall post-event risk assessment processes. However, we identified some areas that may impact the Agency's response in the future. First, FAA's processes, by design, allow for significant flexibility in order to factor in the judgment of engineers. Second, FAA has not updated the underlying order and related guidance for its post-event risk assessment processes in over a decade. Third, the Agency lacks quantifiable data on human factors, such as pilot reactions to non-normal situations. Finally, FAA's engineers are not all following or receiving the same guidance or training. As a result, FAA may not be able to ensure it consistently follows the most effective risk assessment processes following a safety event.

FAA completed the recertification of the 737 MAX on November 18, 2020. During the recertification process, the Agency retained regulatory compliance findings for the design changes instead of delegating them to Boeing's Organization Designation Authorization program. Numerous complex issues from multiple safety reviews prompted FAA to require Boeing to submit a document demonstrating the effects of Boeing's proposed changes on the speed trim system and how those changes affected the safe operation of the MAX 8. While FAA is incorporating many of the lessons learned from the MAX 8 recertification efforts for future projects, the Agency is still in the process of codifying improvements and procedures.

We made seven recommendations to improve FAA's processes for risk assessment and determination of corrective actions.

*Aircraft Mechanic Convicted and Sentenced for Falsifying Inspection Record*

On June 6, 2023, the U.S. District Court for the Southern District of Texas convicted and sentenced a mechanic for knowingly and willfully falsifying an aircraft's annual inspection records. The mechanic had pleaded guilty to making a false statement and admitted to fraudulently claiming to be an Inspection Authorization holder, and had also falsely certified an annual inspection on an aircraft. The aircraft subsequently experienced an in-flight power loss leading to a crash. The mechanic was sentenced to 3 years of probation, \$60,000 in restitution, and a \$100 special assessment.



### *Utah Resident Sentenced for Wire Fraud and Flying Without an Airman Certificate*

On May 22, 2023, the U.S. District Court for the District of Utah sentenced an individual for wire fraud and acting as an airman without an airman certificate. The individual was sentenced to 12 months of time served, 3 years of supervised release, \$29,534 in restitution, and a \$200 special assessment.

The investigation revealed the individual impersonated a certified flight instructor and did not disclose previous medical conditions to FAA that would have prevented the person from obtaining a FAA medical certificate. Additionally, on multiple occasions, the individual operated an aircraft with a passenger without a valid fixed-wing pilot certificate.

### *Texas Individual Sentenced for Attempting To Provide Contraband to a Prisoner*

On April 6, 2023, the U.S. District Court for the Northern District of Texas sentenced an individual to 41 months of incarceration, 24 months of supervised release, and a \$100 special assessment. In October 2022, the person pleaded guilty to charges presented in an information of attempting to provide contraband to a prisoner. The information alleged the person flew a drone carrying methamphetamine, cell phones, MP3 players, tetrahydrocannabinol, and tobacco into the Federal Medical Center Fort Worth, a correctional facility. The individual was previously charged with serving as an airman without an airman's certificate, attempting to smuggle contraband into a prison, and possession with intent to distribute a controlled substance.

## **Federal Highway Administration**

*FHWA Has Made Progress Implementing a Tunnel Safety Program, but Work Remains To Complete a Reliable Inventory, Fully Assess Compliance, and Effectively Monitor Critical Risks* (issued January 17, 2023)

Tunnels are important parts of the Nation's highway infrastructure. According to FHWA—the Agency responsible for overseeing tunnels—an average of 15 million vehicles a day travel through more than 500 tunnels on public roads across the country. The majority of these tunnels have exceeded their designed service lives, and timely and reliable inspections help detect safety problems and prevent failures. The Moving Ahead for Progress in the 21st Century Act of 2012 required FHWA to implement a tunnel safety program. Given the importance of FHWA's role in tunnel safety, we conducted this audit to assess the Agency's progress in implementing its tunnel safety program. Specifically, we focused on FHWA's (1) maintenance of a national tunnel inventory, (2) compliance review process, and (3) monitoring of critical risks to tunnel safety.

FHWA has made progress implementing a comprehensive tunnel safety program by establishing a national tunnel inventory, inspection standards, training for tunnel inspectors, and annual compliance reviews. However, FHWA's national tunnel inventory is incomplete because the Agency has not provided clear guidance to its Divisions and State Departments of Transportation on how to classify some structures as tunnels and verify that they have inventoried all tunnels. Inaccurate and unreliable data also persist in the inventory due to data processing procedures that do not flag errors or require corrections. In addition, some

internal controls for FHWA's tunnel safety compliance review process are ineffective, resulting in compliance determinations that do not reflect the severity of deficiencies or adhere to the Agency's review criteria. Lastly, FHWA has created an internal database to monitor critical tunnel safety risks, but the database lacks a clear scope and detailed guidance to help ensure that Division staff input complete and accurate data.

We made 12 recommendations to help FHWA improve the implementation of its tunnel safety program.

#### *Ohio Construction Company Owners Sentenced for Pavement-Striping Fraud Scheme*

On April 6, 2023, the U.S. District Court for the Northern District of Ohio sentenced two individuals for conspiracy to commit major fraud against the United States, highway project fraud, and wire fraud. One individual was sentenced to 16 months of incarceration, 12 months of supervised release, and a \$90,000 fine. The other was sentenced to 8 months of incarceration, 12 months of supervised release, and a \$70,000 fine. Additionally, they were ordered to jointly pay \$579,014 in restitution. They pleaded guilty to the scheme in October 2022.

The individuals were owners and operators of Oglesby Construction, Inc., a pavement marking contractor based in Norwalk, Ohio, that performed paint-striping services for Ohio, Kentucky, and West Virginia. The individuals contracted with State authorities to perform paint-striping of roads using a certain amount of paint and glass beads, but then under-applied those materials and falsely informed the States that they had complied with contract requirements. They misled States by manipulating daily reports and by attaching physical manipulation devices to application trucks, including applicators and scales.

#### *Sherwin-Williams Company To Pay \$1 Million To Resolve Alleged False Claims Act Violations Arising From Pennsylvania Bridge Painting Project*

On March 1, 2023, the U.S. Attorney's Office for the Eastern District of Pennsylvania entered into a civil settlement agreement with The Sherwin-Williams Company. Sherwin-Williams agreed to pay \$1 million to resolve allegations that it violated the False Claims Act when it participated in a scheme to defraud the Federal DBE Program in connection with a federally funded bridge painting contract. The settlement agreement also requires Sherwin-Williams to implement and maintain a compliance program to monitor internal controls to ensure compliance with all applicable Federal laws and regulations regarding the DBE program until 2025.

In 2011, the Pennsylvania Department of Transportation awarded Hercules-Vimas Joint Venture, LLC a federally funded \$42.7 million contract to paint the George C. Platt Memorial Bridge in Philadelphia. The contract required a percentage of the work to be performed by a DBE. To meet this requirement, Hercules-Vimas subcontracted with Vertech International, Inc., a minority-owned company certified as a DBE in Pennsylvania, to supply materials. The Government contends that instead, Hercules-Vimas worked directly with Sherwin-Williams, a non-DBE, to deliver paint and materials to the project

site, and that Vertech created false invoices to conceal the fraud in exchange for a nominal fee.

According to the Government, Sherwin-Williams was knowingly complicit with the fraud scheme and is therefore liable as a third-party supplier. The Government contends that Sherwin-Williams maintained, stored, and delivered the ordered supplies directly to Hercules-Vimas's job site. Sherwin-Williams then submitted invoices for payment to Vertech with knowledge that Vertech would create invoices on Vertech letterhead, add a mark-up to represent its profit, and submit those invoices to Hercules-Vimas for payment. In 2016, Vertech's owner pleaded guilty to criminal charges associated with this fraud scheme. In 2020, the Government reached a civil settlement with Hercules-Vimas for \$310,000 for alleged False Claims Act violations. The settled civil claims were allegations only. There has been no determination of civil liability.

### **Federal Motor Carrier Safety Administration**

#### *FMCSA Generally Met Requirements for Cross-Border Carriers' Long-Haul Operations, but Compliance Reviews Were Not Timely* (issued August 2, 2023)

Moving international cargo across the United States-Mexico border, including via long-haul trucks, is essential to our economy. Pursuant to the United States-Mexico-Canada Agreement (USMCA) Implementation Act, in August 2021, FMCSA submitted a report to Congress on all existing grants of operating authority to, and pending applications for operating authority from, all Mexico-domiciled and Mexican-owned or -controlled motor property carriers with authority to operate beyond the United States-Mexico border commercial zones. The USMCA Statement of Administrative Action directed our office to review the Department's actions to determine whether each motor carrier with any operating authority covered by FMCSA's reporting requirement complies with applicable Federal motor carrier safety laws and regulations. Our objectives were to determine whether FMCSA (1) met requirements in authorizing Mexico-domiciled and Mexican-owned or -controlled motor carriers to conduct long-haul trucking operations beyond border commercial zones and (2) monitored those carriers to ensure they are operating safely.

FMCSA generally followed Federal regulations and its standard operating procedures and processes when provisionally authorizing and monitoring cross-border carriers' long-haul operations in the United States. The Agency also has an adequate tracking system to determine when carriers are due for a review to ensure they are complying with these regulations. However, FMCSA did not always conduct timely compliance reviews of carriers operating under provisional authority, which hinders FMCSA's ability to fully assess and mitigate carrier safety risks, resulting in increased risk that unsafe carriers may be operating on the Nation's roadways.

We made three recommendations to improve FMCSA's adherence to requirements in authorizing and monitoring Mexico-domiciled and Mexican-owned or -controlled motor carriers.

### *Florida Individual Sentenced for Role in Household Goods Moving Fraud*

On August 15, 2023, the U.S. District Court for the Southern District of Florida sentenced an individual to 8 years of incarceration, 3 years of supervised release, a \$334,499 forfeiture, and a \$300 special assessment. The individual was also ordered to pay \$2,877,497 in restitution jointly and severally with a co-defendant. In May 2023, the individual pleaded guilty to wire fraud, interstate transportation of stolen property, and failure to give up possession of household goods. The scheme involved inflating the costs of victims' moves, taking possession of goods, and abandoning the property throughout the country at undisclosed self-storage facilities, often resulting in victims' total loss of the property.

### *Former FMCSA Border Investigator Convicted and Sentenced for Extortion*

On June 12, 2023, the U.S. District Court for the Southern District of Texas sentenced a former FMCSA border investigator to 10 months of incarceration, 36 months of supervised release, a \$5,000 fine, and a \$100 special assessment.

The individual pleaded guilty to extortion, admitting to soliciting a bribe from a trucking company and accepting a bribe payment during a meeting with an undercover law enforcement agent. In exchange for the bribe, the individual agreed to provide a favorable safety audit report that would allow the carrier to avoid fines and retain its authority to operate.

### *Utah Trucking Company Owners Sentenced for Bribery Scheme*

On March 15, 2023, the U.S. District Court for the District of Utah convicted two owners of several trucking companies in Utah of wire fraud and money laundering and sentenced each to 4 years of probation, a \$200 special assessment, and \$308,049 in restitution. Additionally, one of the owners was ordered to forfeit \$549,034, and the other to forfeit \$554,967. The owners and a co-conspirator were indicted in October 2019.

In approximately April 2012, the trucking company owners began bribing the co-conspirator, a line-haul manager for Federal Express Ground (FXG). They asked for and received favors, preferential treatment, and assistance in defrauding FXG. The co-conspirators also used the line-haul manager's position to manipulate FXG's process for awarding new truck routes to contract service providers, falsify mileage reports so that FXG overpaid the defendants' companies, and receive payments for "ghost routes" that they never completed. As a result of the scheme, the defendants' companies received approximately \$21,373,873 from FXG and paid the line-haul manager approximately \$165,000 in bribes.

## **Federal Railroad Administration**

### *FRA Suspends Two Construction Management Firms and Their Owners*

On April 6, 2023, FRA suspended two individuals and their construction management firms, Vega Solutions, Inc. and Janust Solutions, Inc., from participating in all federally funded procurement and non-procurement programs and activities. The individuals and Vega Solutions had been charged in the U.S. District Court for the Eastern District of Pennsylvania with conspiracy to commit wire fraud, mail fraud, honest services fraud, Federal program bribery, and False Claims Act offenses. The charges were connected to the Amtrak 30th Street Station Facade Repair and Restoration Project in Philadelphia,

Pennsylvania, valued at over \$87 million and funded mostly through FRA grants. Amtrak awarded approximately \$4.2 million in construction management contracts to Vega Solutions to monitor the work performed for the project.

According to court documents, from December 2016 until November 2019, the two individuals—one of whom was the owner and president of Vega Solutions—conspired with others to develop schemes to defraud Amtrak. The two individuals and another person also developed and implemented multiple fraudulent billing schemes through which Vega Solutions overcharged Amtrak.

## **Federal Transit Administration**

*FTA Can Enhance Its Controls To Mitigate COVID-19 Relief Funding Risks* (issued October 12, 2022)

Since March 2020, Congress has provided \$69.5 billion in supplemental funding to FTA to help transit systems mitigate the impacts of the COVID-19 pandemic. As of August 1, 2022, FTA had obligated over \$63 billion and expended over \$46 billion. In addition to increased funding, the CARES Act, CRRSA Act, and ARP Act permit changes in how recipients use FTA funds. Accordingly, our audit objective was to assess the design of FTA’s controls to address risks FTA has identified for COVID-19 relief funding.

FTA’s 2021 Internal Control Plan identified 16 risks and mitigation strategies related to the Agency’s COVID-19 relief funds, 12 of which FTA currently considers to be risks. We determined that FTA’s controls fully address 8 of these 12 risks because they are relevant and sufficient in scope and specificity to mitigate the risk, and partially address 4 risks. For the four risks that Agency officials stated no longer applied, we found that FTA’s controls partially address two risks and do not address the other two. We included our assessment of these areas should FTA management determine at a future time that the risks are applicable. Adding controls for those risk areas that are not fully addressed will help the Agency mitigate the impact of the risks for its COVID-19 relief funding.

We made two recommendations to improve controls for addressing COVID-19 funding risks.

*FTA Suspends Massachusetts-Based Electrical Company, Its Owner and General Manager, and Former Assistant Chief Engineer of Keolis Commuter Services*

On June 13, 2023, FTA suspended LJ Electric, Inc., the company’s President and General Manager, and a former Assistant Chief Engineer at Keolis Commuter Services from participating in all federally funded procurement and non-procurement programs.

On June 12, in the U.S. District Court for the District of Massachusetts, LJ Electric’s General Manager pleaded guilty to conspiracy to commit wire fraud for involvement in a scheme to defraud Keolis—the company that operates and maintains the Massachusetts Bay Transportation Authority (MBTA) commuter rail system. On April 4, the U.S. Attorney’s Office filed an information charging the General Manager with conspiracy to commit wire fraud. On the same day, the former Assistant Chief Engineer at Keolis was indicted for conspiracy, wire fraud, tax evasion, filing a false tax return, and structuring financial transactions.

The indictment alleged that from approximately July 2014 through November 2021, the former Assistant Chief Engineer defrauded Keolis. Specifically, the individual approved and caused Keolis to pay false invoices for electrical equipment and services that were never delivered to repay the LJ Electric's General Manager for purchases made through LJ Electric for the Keolis Assistant Chief Engineer. As part of the multimillion-dollar scheme, the Keolis Assistant Chief Engineer asked LJ Electric's General Manager to purchase vehicles, construction equipment and supplies, and other items for friends and family of them both. The former Keolis Assistant Chief Engineer then directed LJ Electric's General Manager to recover the cost of the items by submitting false and fraudulent invoices to Keolis and the MBTA.

### **National Highway Traffic Safety Administration**

*NHTSA Has Not Fully Established and Applied Its Risk-Based Process for Safety Defect Analysis* (issued May 31, 2023)

The impacts of a motor vehicle safety defect can be significant. The National Traffic and Motor Vehicle Safety Act of 1966 authorizes NHTSA to investigate motor vehicle safety issues and requires manufacturers to notify the Agency of all safety-related defects involving unreasonable risk of accident, death, or injury. NHTSA's Office of Defects Investigation (ODI) gathers and analyzes relevant information, investigates possible defects, identifies unsafe motor vehicles and items of motor vehicle equipment, and manages the recall process. Given the impact NHTSA's efforts to adequately address safety defects have on the traveling public, we initiated this audit to assess ODI's current processes for investigating and identifying safety defects. Specifically, we analyzed ODI's risk-based oversight procedures for prioritizing its work, determining which issues are appropriate for investigation, and evaluating risks of harm posed by possible safety defects.

NHTSA's ODI has made progress promoting a safer transportation system for the traveling public by restructuring its office, modernizing its data repository and analysis systems, and enhancing its risk-based investigative processes to assess safety-related defects. However, ODI did not meet its timeliness goals for the five types of investigations we examined, and the Agency did not upload investigation documentation to its public website in a timely manner. ODI does not have an integrated information system to facilitate the safety defect investigation and recall processes. Furthermore, ODI does not consistently document information used for investigating and identifying possible defects and unsafe motor vehicles or motor vehicle equipment in the Agency's internal and external files. In addition, ODI does not consistently follow its procedures for issue escalation and lacks guidance for other pre-investigative efforts.

We made 12 recommendations to help NHTSA improve its risk-based processes for investigating and identifying potential motor vehicle and equipment safety defects.

### *Retired County Sheriff's Deputy Sentenced in Overtime Fraud Scheme*

On May 25, 2023, the Nineteenth Judicial Circuit Court of Lake County, Illinois, convicted and sentenced an individual to 18 months of conditional discharge, 100 hours of community service, \$8,332 in restitution, a \$1,000 fine, and a \$1,000 contribution to the Illinois Crime Stoppers Association. Additionally, the individual's Illinois Law Enforcement Certification

was voluntarily relinquished. The individual also pleaded guilty to an amended count of theft of under \$500 in exchange for dismissing the felonies. In November 2020, an audit revealed that the individual falsified the number of hours worked on a traffic detail program funded by NHTSA. The individual submitted false timesheets, resulting in approximately \$8,000 in payments for overtime hours not worked. The falsified information was turned over to the Lake County State's Attorney's Office upon discovery.

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

### *PHMSA Established an Effective Integrated Inspection Program but Needs To Strengthen Guidelines To Mitigate Risks (issued May 31, 2023)*

As part of its oversight responsibilities, PHMSA's Office of Pipeline Safety (OPS) conducts pipeline inspections, including integrated inspections that combine elements of various safety inspections. We conducted this audit because integrated inspections make up the majority of OPS' inspections and can identify possible impacts on pipeline safety. Our audit objective was to assess PHMSA's implementation of integrated inspections, specifically to assess the Agency's policies and procedures, risk-based approach, and conduct of integrated inspections.

PHMSA has established procedures and information systems to plan and conduct integrated inspections and document results. The integrated inspections we reviewed followed these procedures, were prioritized by risk, and resolved unsatisfactory conditions. In developing PHMSA's annual inspection plans, PHMSA's Risk Ranking Index Model (RRIM) uses risk factors to code high, medium, and low scores for when pipeline systems should be inspected. OPS also verifies that, to the extent possible, no system goes without inspection for more than 7 years and unsatisfactory conditions found in inspections are addressed. Nevertheless, PHMSA's guidelines for integrated inspections have control weaknesses. Specifically, while the manual covers most of the integrated inspection process, some sections are out of date and others do not reflect actual practices. Furthermore, 7 of 18 inspections we analyzed had missing or draft system profiles even though these profiles are integral to the inspection planning process. Finally, the risk factors that RRIM uses to calculate pipeline system risk scores inadequately considered several statutorily required factors for PHMSA's decisions on how frequently to inspect pipeline systems.

We made three recommendations to help PHMSA improve its integrated inspection program.

### *Two Individuals Charged With Conspiracy and Risking Catastrophe on Interstate Pipeline Project*

On May 4, 2023, State criminal complaints were filed in New Castle, Pennsylvania, charging two individuals with multiple counts in connection to their work on the Mark West Liberty Pipeline, an interstate natural gas liquids pipeline. One individual was charged with tampering with public records, tampering with records or identification, risking a catastrophe, criminal conspiracy, and unsworn falsification to authorities. The other individual was charged with forgery, theft by deception, receipt of stolen property, tampering with public records, tampering with records or identification, risking a catastrophe, and criminal conspiracy.

The criminal complaints allege that one individual, while employed as a quality assurance manager at EnTech Energy Services, hired the other individual, owner of Steel City Gamma, as an industrial radiographer to x-ray welds on sections of the Mark West Liberty Pipeline and evaluate the welds' integrity. The complaints also allege that the owner of Steel City Gamma was neither trained nor certified to evaluate pipeline integrity, and provided forged and false certifications to EnTech. The firm hired to re-examine the welds determined that the Steel City Gamma owner had signed off on seven bad welds that threatened the integrity of the project and endangered the public. The former EnTech quality assurance manager later allegedly directed the Steel City Gamma owner to cut out the bad welds and repair them without reporting the repairs. *Indictments, informations, and criminal complaints are only accusations by the Government. All defendants are presumed innocent unless and until proven guilty.*

### *Colorado Individuals Sentenced in Scheme To Steal and Fraudulently Resell Body Parts and Bodies in Violation of Regulations on Transportation of Hazardous Materials*

On January 3, 2023, the U.S. District Court for the District of Colorado sentenced two individuals for their participation in a scheme to steal and fraudulently resell body parts and bodies. One individual was sentenced to 20 years of incarceration, 3 years of supervised release, and a \$100 special assessment. The other individual was sentenced to 15 years of incarceration, 3 years of supervised release, a \$68,948 forfeiture, and a \$100 special assessment. The two individuals pleaded guilty to charges in connection with the scheme in July 2022.

According to court documents, from 2010 through 2018, the two individuals participated in a scheme to steal hundreds of human bodies and body parts and sell the remains for scientific, medical, or educational purposes. The investigation also revealed that the individuals shipped bodies and body parts of persons that had died from or tested positive for infectious diseases after certifying to buyers that the remains were disease free. The shipments were made by mail or on commercial flights in violation of DOT regulations on the transportation of hazardous materials.

### **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 provides value for the American taxpayer by promoting economy, efficiency, and effectiveness in the administration of DOT's programs; preventing and detecting 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.

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 2023, we issued 47 audit reports with 201 recommendations, and our investigations led to 60 convictions and 62 indictments. From FY 2019 through FY 2023, we achieved an average ROI of \$26 to \$1.



**FY 2025 IT BUDGET REQUEST  
 INFORMATION TECHNOLOGY  
 DEPARTMENT OF TRANSPORTATION  
 OFFICE OF INSPECTOR GENERAL  
 BUDGET AUTHORITY  
 (\$000)**

| Budget Account                   | FY 2023<br>Actual | FY 2024<br>CR   | FY 2025<br>Pres.<br>Budget |
|----------------------------------|-------------------|-----------------|----------------------------|
| <b>Salaries &amp; Expenses</b>   |                   |                 |                            |
| Commodity IT Shared Services WCF | \$2,557           | \$3,710         | \$3,280                    |
| Modal IT Spend                   | \$9,822           | \$10,733        | \$13,602                   |
| <b>Total</b>                     | <b>\$12,379</b>   | <b>\$14,443</b> | <b>\$16,882</b>            |

OIG is requesting **\$16.9 million** in FY 2025 for IT that supports 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 through the Working Capital Fund***

OCIO will continue to provide all modes with Commodity IT Shared Services in FY 2025 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 **\$3.3 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, assumes 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 2025. This list is a subset of IT systems that support OIG and are reported in the Corporate Investment Management System.

**General Support, Maintenance of Network ADP, Hardware, and Software.** OIG requests **\$9.4 million** for development, modernization, and enhancement (DME) and operation and maintenance (O&M) of mission critical resources for 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 requests **\$1.1 million** 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 requests **\$3.1 million** for DME and O&M of mission critical resources which enhance OIG's investigative activities by providing specialized and enhanced investigative techniques utilizing data analytics; and developing and adapting mathematical, statistical, econometric, and other analytical solutions for OIG operations.



**FY 2016 – FY 2025 FUNDING HISTORY  
OFFICE OF INSPECTOR GENERAL  
SALARIES AND EXPENSES**

| Request    |               | Appropriation |               |
|------------|---------------|---------------|---------------|
| 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 | 2022.....     | \$103,150,000 |
| 2023.....  | \$108,073,000 | 2023.....     | \$108,073,000 |
| 2024.....  | \$121,001,000 |               |               |
| 2025.....  | \$122,176,000 |               |               |