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Highlights

Investigative Accomplishments

investigations opened, by priority area

| | | | | | |
|---|-----------------------------|----|---|-----------------|---|
|  | transportation safety | 25 |  | public interest | 4 |
|  | grant and procurement fraud | 18 |  | other | 4 |
|  | employee integrity | 6 | | | |

101/98

investigations & complaints closed/opened

40/31

convictions/indictments & criminal informations

\$209,106,574

financial impact of DOT OIG investigations

Audit Accomplishments

audit reports, by agency

24














audit reports issued

91

recommendations

\$343,423,697



financial impact of DOT OIG audit reports

| | | | | | | | | |
|---|-------|---|---|-------------|---|---|-------|---|
|  | FAA | 5 |  | FTA | 1 |  | NHTSA | 1 |
|  | FHWA | 2 |  | GLS | 0 |  | NTSB | 0 |
|  | FMCSA | 1 |  | MARAD | 1 |  | OST | 8 |
|  | FRA | 1 |  | Multimodal* | 2 |  | PHMSA | 1 |
| | | | | | |  | STB | 1 |

*Multimodal refers to audits that involved two or more agencies.

Return on Investment

In FY 2025, DOT OIG achieved a \$25 return on investment for every appropriated dollar with just a fraction of DOT's total workforce and budget.

| | | FY 2025 Enacted FTEs | FY 2025 Budgetary Resources |
|---|-----|----------------------------|-----------------------------------|
|  | OIG | 395 | \$116.5m |
|  | DOT | 55,820 | \$152.6b |

Note: Return on investment compares the cost for DOT OIG to do business to the court-ordered fines, restitutions, recoveries, forfeitures, recoveries of improper payments, recommended cost savings, and recommendations for funds put to better use resulting from DOT OIG audits and investigations.











Performance Highlights

We investigate allegations of fraud, waste, abuse, and other violations of law by DOT employees, contractors, grantees, and regulated entities. Some of the most significant issues for which we completed or concluded investigations during this reporting period include:

- Aviation safety.** An executive officer and helicopter company were sentenced to over 33 years of incarceration and a \$5 million fine for conspiracy to defraud FAA and NTSB, aircraft parts fraud, employing aircraft mechanics and pilots without certificates, registration violations, wire fraud, and money laundering.
- Motor carrier fraud.** A logistics company owner was sentenced to over 23 years of incarceration for wire fraud, money laundering, and conspiracy charges. The owner fraudulently earned over \$158 million through a freight trucking Ponzi scheme.
- Bribery.** The vice president of a contractor on a federally funded Amtrak project was sentenced to nearly 5 years of imprisonment, a \$50,000 fine, and a nearly \$400,000 forfeiture for conspiracy to commit Federal program bribery. The vice president conspired to pay an Amtrak employee approximately \$320,000 in bribes in exchange for internal Amtrak information.
- Aircraft endangerment.** An individual was sentenced to 3.5 years of incarceration for shooting at a police helicopter in flight.
- Embezzlement.** An individual was sentenced to 6 years of incarceration, 3 years of supervised release, and an \$18.9 million fine for defrauding a company that was operating a commuter rail system. Specifically, the individual approved false invoices for equipment and services that were never delivered.

Investigative Accomplishments






| | | |
|---|--|---------------|
|  | hotline contacts received | 1,976 |
|  | investigations & complaints* closed/opened | 101/98 |
|  | criminal/civil investigations referred for prosecution | 109/9 |
|  | convictions/indictments & criminal informations | 40/31 |
|  | years of incarceration, probation, home detention, supervised release | 204.5 |
|  | financial impact of DOT OIG investigations | \$209,106,574 |
|  | hours of community service | 1,118 |
|  | civil settlements & judgments | 11 |

*A complaint is the preliminary review of an allegation during which it is determined whether an investigation will be opened.

Statistical Data

Financial impact of DOT OIG investigations



| total financial impact | | \$209,106,574 |
|--|----------------------------------|---------------|
|  | costs avoided | \$0 |
|  | forfeitures | \$12,417,809 |
|  | recoveries | \$2,773,298 |
|  | finances and special assessments | \$12,119,600 |
|  | restitution | \$181,795,867 |

Types of monetary impositions

Forfeitures are tools to deprive criminals of the proceeds of their crimes and recover property that may be used to compensate victims and deter crime.

Recoveries include funds returned to the Government resulting from criminal and civil judgments, pleas, and settlements.

Fines are criminal or civil monetary penalties.

Special assessments are part of the sentence for offenders of certain Federal crimes, applied on a per-count basis. The money is placed in the Crime Victims Fund to recompense victims of offenses against Federal law.

Restitution is a criminal or civil award to a victim for harm caused by the offender’s wrongful acts.

Investigative workload



98
investigations & complaints opened this reporting period



384
ongoing investigations & complaints





101
investigations & complaints closed this reporting period

Criminal prosecutions

DOT OIG investigates and refers a variety of matters for criminal prosecution, including cases involving transportation safety, procurement and grant fraud, consumer and workforce fraud, and employee integrity issues.

Numbers of investigations referred, accepted, and declined for criminal prosecution

| | | |
|---|------------|-----|
|  | referred** | 109 |
|  | accepted* | 87 |
|  | declined* | 74 |

Individuals and businesses referred to the U.S. Department of Justice or State/local authorities for criminal prosecution

| | |
|--|----|
| individuals referred to DOJ | 87 |
| businesses referred to DOJ | 15 |
| individuals referred to State or local authority | 5 |
| businesses referred to State or local authority | 2 |




*Number of investigations accepted and declined may include those initiated in a prior reporting period.

**Referred for prosecution or routed to the appropriate agency.

Civil prosecutions

DOT OIG investigates and refers civil matters for prosecution, including False Claims Act cases involving fraud on DOT programs.





Numbers of investigations referred, accepted, and declined for civil prosecution

| | | |
|---|------------|----|
|  | referred** | 9 |
|  | accepted* | 6 |
|  | declined* | 13 |

Human trafficking

In accordance with the Trafficking Victims Prevention and Protection Reauthorization Act of 2022 (Pub. L. No. 117-348), DOT OIG is required to report on its human trafficking investigations.

Numbers of investigations referred, accepted, and declined for criminal prosecution

| | | |
|---|----------------------|---|
|  | allegations received | 2 |
|  | referred** | 2 |
|  | accepted* | 0 |
|  | declined* | 0 |

Summary of referrals for criminal and civil prosecution



grant and procurement

24

product substitution/
substandard work
or materials

2

anti-trust,
bid rigging/collusion

4

false statements

9

DBE fraud

2

NDAA whistleblower

1

embezzlement

3

SBIR grant fraud

1

false claims

1

overbilling

1



aviation

13

certificate fraud,
non-commercial
airman

1

falsification of FAA
orders or other
documents

1

unauthorized
operation of
an aircraft

1

certificate fraud, flight
instructor/school

3

certificate fraud,
mechanic

3

SUPs, parts
maintenance

2

SUPs, sale

2



motor carrier

36

CDL fraud of school/
3rd party tester,
corruption of DMV
employee

14

fraudulent
registration filings,
reincarnated carriers

3

falsification/alteration
of inspection records

1

attempted bribery

3

driver qualification

2

log books

9

other

4



public interest

8

aiming a laser
pointer at an aircraft

3

household goods/
moving companies

3

unmanned aircraft
systems

1

certificate fraud,
medical by airman

1

Summary of referrals for criminal and civil prosecution (cont.)

employee integrity 16



| | | | | | |
|---------------------------------------|---|-------------------------------|---|---------------------------------------|---|
| bribery/gratuities (employee conduct) | 2 | ethics violation (misconduct) | 2 | violation of law, rule, or regulation | 2 |
| travel voucher fraud | 7 | abuse of authority | 1 | other | 2 |

transportation safety 4



| | | | | | |
|-----------------------------|---|-----------------------------|---|------------------------|---|
| NHTSA, TREAD Act violations | 1 | NHTSA, grey market vehicles | 1 | falsification of FMVSS | 2 |
|-----------------------------|---|-----------------------------|---|------------------------|---|

hazmat 7



| | | | | | |
|--|---|--------------------|---|-----------------------------|---|
| carriage by motor vehicle/public highway | 2 | carriage by vessel | 2 | illegal shipment of airbags | 1 |
| illegal transportation of stolen hazmat | 1 | carriage by air | 1 | | |

workforce protection 6



| | | | | | |
|---|---|-------------------------------------|---|----------------------|---|
| broker, freight forwarder, carrier registration | 2 | economic fraud committed by carrier | 1 | undocumented workers | 3 |
|---|---|-------------------------------------|---|----------------------|---|

other 4



| | | | |
|--------------------------------------|---|--|---|
| conflict of interest, ADA violations | 2 | impersonation of a government official | 2 |
|--------------------------------------|---|--|---|

Investigative reports

DOT OIG distributed **58** investigative reports, including reports of investigation, stakeholder memos, and management implication reports.

Indictments and informations from prior referrals

A total of **22** indictments or criminal informations resulted from previous referrals for prosecution.

Whistleblower retaliation

DOT OIG closed **0** investigations in which a DOT official was found to have engaged in whistleblower retaliation.

Metrics used to develop investigative statistical data

DOT OIG maintains an Investigative Case Management System to track the life of an investigation. It captures hundreds of data points, including dates, significant investigative steps, referrals, and outcomes (criminal, civil, and administrative). It is also the repository for reports of investigation, stakeholder communications, and management implication reports. Each statistic and outcome reported is validated against the appropriate legal documents.

Judicial actions and outcomes

| | |
|---|-------|
| indictments and criminal informations | 31 |
| convictions | 40 |
| years of incarceration and home detention | 105 |
| years of supervised release | 71.5 |
| years of probation | 28 |
| hours of community service | 1,118 |

Types of judicial actions

An **indictment** is a formal, written accusation of a crime made by a grand jury and presented to court for prosecution.

A **conviction** is the result of a criminal court proceeding that ends in a judgment that the defendant is guilty as charged.

Supervised release is a period of court supervision that often follows an offender's service of a Federal prison sentence. The primary purpose of supervised release is not to punish, but instead to facilitate the defendant's reentry into the community.

Probation is a period of supervision over an offender, ordered by a court instead of a sentence of imprisonment.

Community service is a sentencing option ordering offenders to perform a number of service hours for the benefit of the public.

Administrative actions and outcomes resulting from DOT OIG investigations

suspension and debarment actions*

| | |
|-----------------------|----|
| individual suspension | 14 |
| individual debarment | 5 |
| business suspension | 2 |
| business debarment | 3 |
| suspension referral | 51 |
| debarment referral | 9 |

* Numbers of suspensions and debarments may include referrals made in a prior reporting period.

** Specifically, when another agency with which DOT OIG is working jointly initiates the suspension/debarment referral.

other actions

| | |
|---|--------|
| enforcement action taken | 1 |
| Federal funds reduced | 2 |
| certificate/license/permit revoked/terminated | 15,186 |
| suspension/debarment referral** | 6 |
| non-DOT employee action taken | 1 |

personnel actions

| | |
|--|---|
| proposed removal | 1 |
| removal | 1 |
| employee suspension | 2 |
| employee resigned/ retired during investigation | 2 |
| counseling | 4 |
| reprimand | 4 |

Types of administrative actions

Suspension and debarment excludes an individual or entity from doing business with the Federal government.

Personnel actions include significant changes in employee duties, responsibilities, or working conditions.

Compliance agreements are voluntary agreements aimed at preventing future wrongdoing by putting safeguards in place to correct past misconduct and identify and correct any future misconduct.

Federal funds reduced refers to money a State or locality repaid to a DOT agency following the improper award of a contract or unallowable expenses.

Investigations involving senior Government employees that were closed but not disclosed to the public

There were 2 administrative investigations involving allegations of violations of 5 C.F.R. Part 2635.101 and 5 U.S. Code § 2302 in which misconduct was unsubstantiated.

There were 3 criminal investigations involving allegations of violations of 5 C.F.R. Part 2635.501, 18 U.S. Code § 208, and FAA policy in which misconduct was unsubstantiated.

Investigations involving senior Government employees where misconduct was substantiated

There was 1 investigation that substantiated violations of FAA Orders by an FAA senior Government employee. These violations and subsequent false statements related to contacts with foreign nationals. The matter was referred and declined for prosecution on January 17, 2025. The investigation was closed on August 14, 2025, after the employee retired.

Types of allegations

Unsubstantiated allegations include no criminal, civil, or administrative actions taken as a result of the investigation.

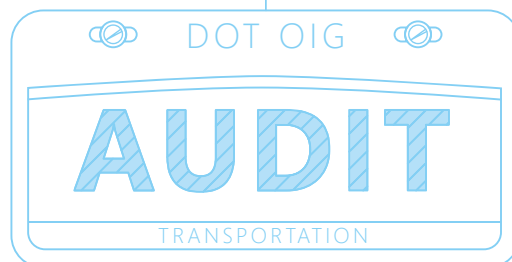
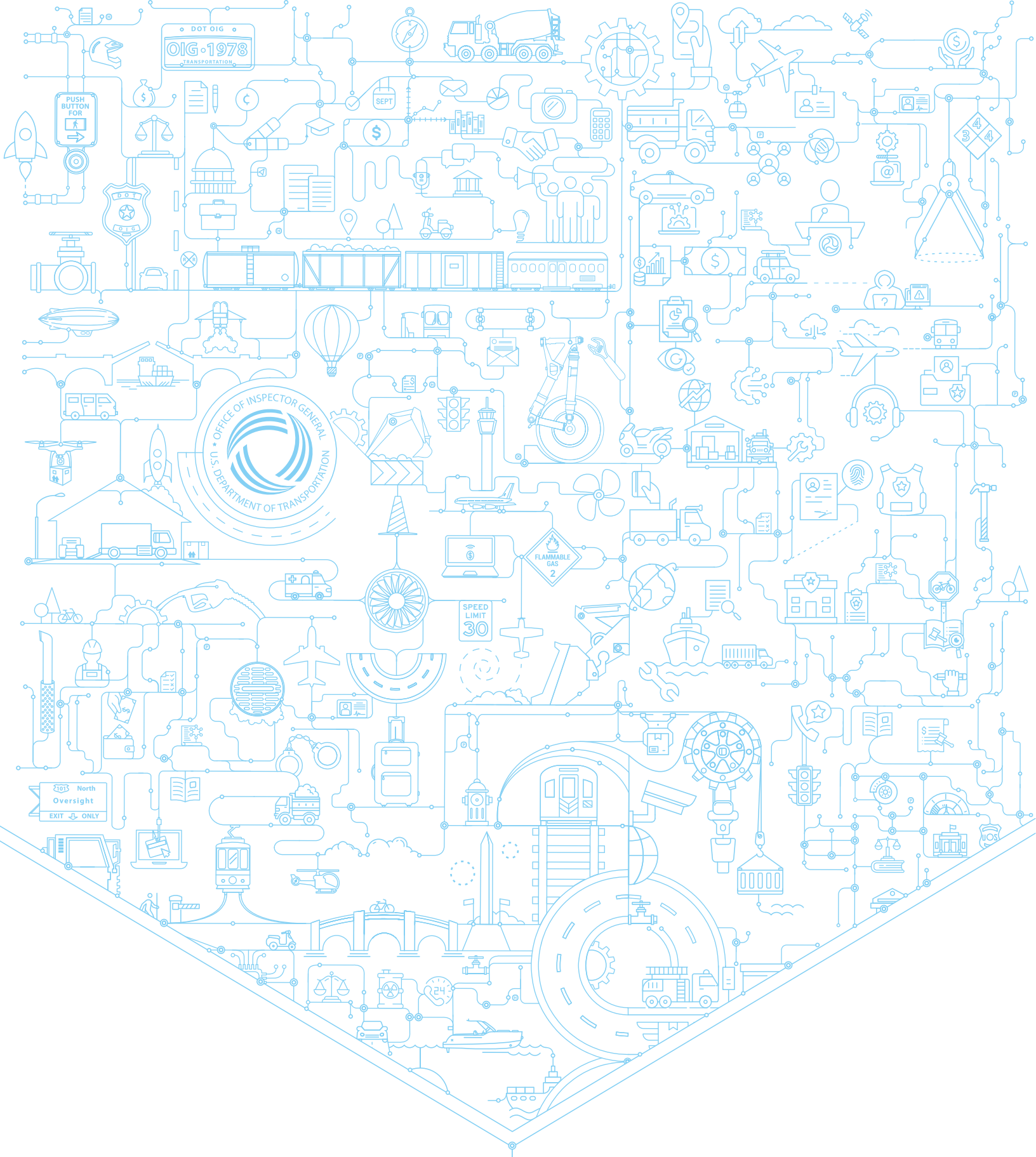
Substantiated allegations are allegations that were investigated and determined to have occurred.

DOT OIG Hotline

DOT OIG maintains a hotline to receive allegations of fraud, waste, abuse, or mismanagement in DOT programs and operations. Allegations may be reported 24 hours a day, 7 days a week by DOT employees, contractors, or the general public.



| total hotline contacts received | | 1,976 |
|---|--|-------|
|  fax +1 (202) 366-7749 | | 0 |
|  letters 1200 New Jersey Ave SE, West Bldg, 7th floor, Washington, DC 20590 | | 52 |
|  phone calls +1 (800) 424-9071 | | 473 |
|  web contacts www.oig.dot.gov/hotline | | 763 |
|  emails hotline@oig.dot.gov | | 688 |






Performance Highlights

We conduct independent and objective audits and reviews of DOT programs and activities to ensure they operate economically, efficiently, and effectively. Some of the most significant issues for which we completed reviews during this reporting period include:

- **Roadway worker protection.** FRA is performing fewer RWP-related inspections and is not effectively using data to inform oversight. The Agency does not document comprehensive monitoring reviews of railroads' compliance with on-track safety program requirements. FRA also assessed \$1.3 million in penalties for 472 violations but published incorrect closed case data.
- **Aviation maintenance oversight.** FAA's oversight of SkyWest's maintenance does not fully comply with guidance, and the Agency has not resolved issues with remote return to service maintenance practices for over 4 years. Inspectors do not always identify recurring noncompliances, and data access delays, staff turnover, and ineffective communication have slowed resolution.
- **Working capital fund transparency.** OST's WCF service descriptions are unclear. Bills include errors and lack details and support for charges, resulting in \$1.2 million in questioned costs. OST also does not accurately account for WCF-funded DOT employees, contributing to approximately \$443,000 dollars in questioned costs based on issues with salaries, benefits, and bonuses.
- **Information security practices.** DOT's information security program is rated at the "Defined" maturity level—below the minimum rating of level four. Consequently, an independent public accounting firm found that DOT's information security program is not effective.

Audit Accomplishments

| | | |
|---|------------------------------------|---------------|
|  | audit reports issued | 24 |
|  | recommendations | 91 |
|  | financial impact of DOT OIG audits | \$343,423,697 |

To access our full library of audits, recommendations, investigations, testimonies, and other reports, visit <https://www.oig.dot.gov/>.



Statistical Data

Completed audits by type

| | |
|---------|----|
| reports | 24 |
|---------|----|

| | | | |
|-------------------------------|----|-------------------------|---|
| performance audits | 18 | financial audits | 0 |
| audits under Single Audit Act | 5 | attestation engagements | 1 |

| | |
|-----------------|----|
| recommendations | 91 |
|-----------------|----|

| | | | |
|-------------------------------|----|-------------------------|---|
| performance audits | 86 | financial audits | 0 |
| audits under Single Audit Act | 5 | attestation engagements | 0 |

| | |
|------------------|---------------|
| financial impact | \$343,423,697 |
|------------------|---------------|

| | |
|-----------------------------------|---------------|
| performance audits | \$340,712,699 |
| audits under the Single Audit Act | \$2,710,998 |
| financial audits | \$0 |
| attestation engagements | \$0 |

Note: Dollars shown are amounts reported to management. Actual amounts may change during final resolution.

Types of audits

Performance audits provide objective analyses, findings, and conclusions to assist management and those charged with governance and oversight to, among other things, improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Financial audits are assessments that determine whether the reported financial conditions, results, and use of resources are presented fairly in accordance with recognized criteria.

Audits under the Single Audit Act are examinations of an entity that expends \$1 million or more in Federal assistance (i.e., Federal funds, grants, or awards) received for its operations. We review single audit reports and report quarterly on significant findings related to programs directly funded by DOT. We also perform quality control reviews on a sample of the single audits.

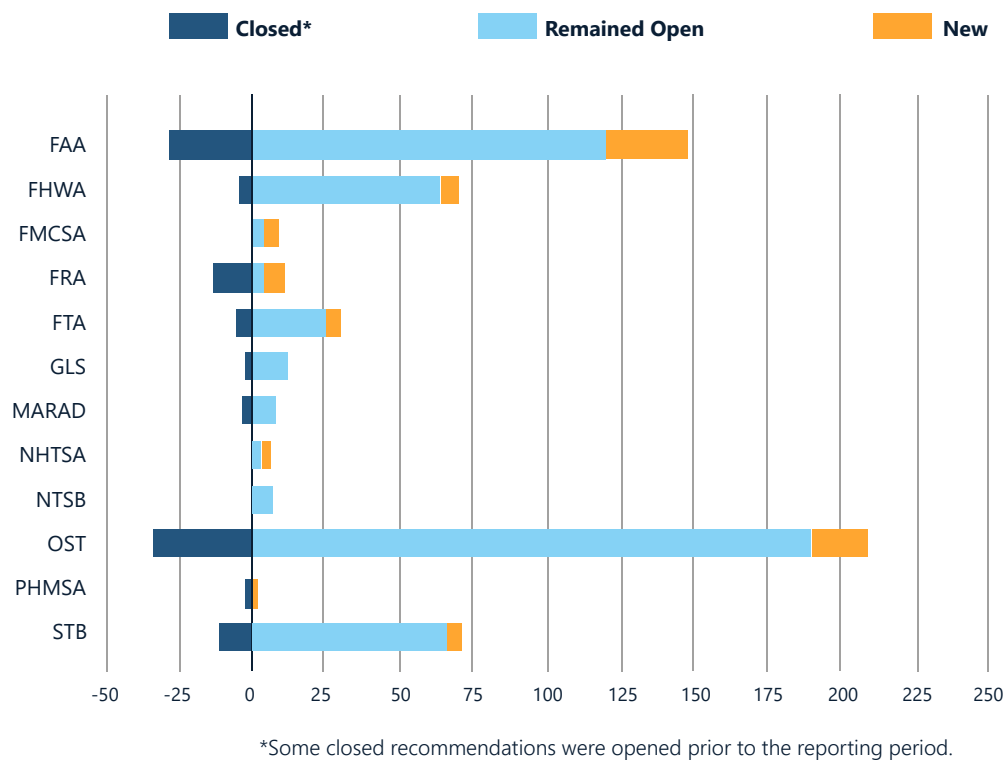
Attestation engagements are examinations, reviews, or agreed-upon procedure engagements of a subject matter or assertion for which another party is responsible.

Open audit recommendations

As of September 30, DOT OIG had **562 open recommendations**, which were included in **171** audit reports issued since **June 5, 2014**. Of these, **61** recommendations (from **48** reports) carry an **estimated monetary or cost savings totaling over \$1.3 billion**, including funds that could be put to better use and questioned costs.

Please visit our Recommendation Dashboard at www.oig.dot.gov/recommendation-dashboard for accurate and timely data on the status of DOT OIG’s audit recommendations, links to audit summaries associated with each recommendation, interactive charts and recommendation data visualizations, and reports on recommendations required by the Inspector General Act.

Status of audit recommendations, second half of FY 2025



Open and closed audit recommendations

A recommendation is **opened** on the date the audit report is issued. Once opened, a recommendation is “unresolved” until the auditee and DOT OIG agree on the step(s) necessary to address the recommendation. Then the recommendation is considered “resolved” and remains open until the auditee completes the corrective action and provides DOT OIG with sufficient supporting evidence of the actions taken.

A recommendation is **closed** after the auditee has agreed with the recommendation, takes appropriate corrective action, and provides DOT OIG with sufficient supporting evidence to demonstrate that the action was taken.

Peer Reviews

DOT OIG's auditing and investigations functions are subject to peer reviews in accordance with generally accepted Government auditing standards, CIGIE guidelines, and the Attorney General Guidelines for Federal OIGs with statutory law enforcement authority. These peer reviews provide formal, objective assessments of DOT OIG's adherence to prescribed standards, regulations, and legislation.

Peer reviews of DOT OIG

The Treasury Inspector General for Tax Administration (TIGTA) conducted a CIGIE peer review of our Office of Auditing and Evaluation in effect for the year ended September 30, 2024. TIGTA concluded that the audit organization's system of quality control was suitably designed and complied with to provide DOT OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and legal and regulatory requirements in all material respects. Accordingly, TIGTA provided a "pass" rating and did not make any recommendations. The report was released on March 28, 2025.

The Environmental Protection Agency (EPA) OIG conducted a CIGIE peer review of our Office of Investigations in fiscal year 2024. EPA OIG concluded that the system of internal safeguards and management procedures used for our investigative operations complied with the quality standards established by CIGIE and other applicable guidelines and statutes and did not make any recommendations. The report was released on September 13, 2024.

These reports are available on our website at <https://www.oig.dot.gov/about-oig/peer-review>.

Outstanding peer review recommendations addressed to DOT OIG

DOT OIG does not have any outstanding peer review recommendations that have not been implemented.

Peer reviews conducted by DOT OIG

DOT OIG did not conduct a CIGIE peer review during this reporting period.

Index

Reporting Requirements

Index of reporting requirements under the Inspector General Act of 1978, as amended

| Section | Requirement | Page |
|---------------|---|-------|
| 5(a)(1) | Significant problems, abuses, and deficiencies | 3, 12 |
| 5(a)(3) | Significant investigations closed | 3 |
| 5(a)(4) | Number of convictions | 8 |
| 5(a)(5); 5(h) | Audits issued during the reporting period | 12 |
| 5(a)(6) | Management decisions made on previously issued audits | 15 |
| 5(a)(7) | Compliance with Federal Financial Management Improvement Act | 15 |
| 5(a)(8) | Peer reviews conducted of DOT OIG | 16 |
| 5(a)(9) | Peer review recommendations | 16 |
| 5(a)(10) | Peer reviews conducted by DOT OIG | 16 |
| 5(a)(11) | Statistical table of investigative reports and referrals | 5–9 |
| 5(a)(12) | Investigative reporting metrics | 8 |
| 5(a)(13) | Substantiated misconduct of senior Government employees | 10 |
| 5(a)(14) | Instances of whistleblower retaliation | 8 |
| 5(a)(15) | Interference with DOT OIG independence | 15 |
| 5(a)(16) | Closed but undisclosed audits and investigations of senior Government employees | 10 |

Acronym Glossary

| Acronym | Definition |
|---------|---|
| ADA | Americans with Disabilities Act |
| CDL | commercial driver's license |
| C.F.R. | Code of Federal Regulations |
| CIGIE | Council of Inspectors General on Integrity and Efficiency |
| DBE | disadvantaged business enterprise |
| DOJ | U.S. Department of Justice |
| DOT | U.S. or State Department of Transportation |
| DMV | Department of Motor Vehicles |
| EPA | Environmental Protection Agency |
| FAA | Federal Aviation Administration |
| FHWA | Federal Highway Administration |
| FMCSA | Federal Motor Carrier Safety Administration |
| FMVSS | Federal Motor Vehicle Safety Standards |
| FRA | Federal Railroad Administration |
| FTA | Federal Transit Administration |
| FTE | full-time equivalent |
| FY | fiscal year |
| GLS | Great Lakes Saint Lawrence Seaway Development Corporation |
| Hazmat | hazardous material |
| MARAD | Maritime Administration |
| NDAA | National Defense Authorization Act |
| NHTSA | National Highway Traffic Safety Administration |
| NTSB | National Transportation Safety Board |
| OIG | Office of Inspector General |

| Acronym | Definition |
|-------------|--|
| OST | Office of the Secretary of Transportation |
| PHMSA | Pipeline and Hazardous Materials Safety Administration |
| Pub. L. No. | Public Law Number |
| RWP | roadway worker protection |
| SBIR | Small Business Innovation Research |
| STB | Surface Transportation Board |
| SUPs | suspected unapproved parts |
| TIGTA | Treasury Inspector General for Tax Administration |
| TREAD Act | Transportation Recall Enhancement, Accountability, and Documentation Act |
| WCF | Working Capital Fund |

