



U.S. Department of Transportation
Office of Inspector General

Semiannual Report to Congress

OCTOBER 1, 2025–MARCH 31, 2026

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Highlights

Investigative Accomplishments

Investigations Opened, by Priority Area

| | | | |
|-----------------------------|----|-----------------|---|
| transportation safety | 25 | public interest | 7 |
| grant and procurement fraud | 11 | other | 5 |
| employee integrity | 5 | | |

77 closed investigations & complaints

82 opened investigations & complaints














25 convictions

23 indictments & criminal informations

\$1,250,217,267
financial impact of DOT OIG investigations

Audit Accomplishments

Audit Reports, by Agency

| | | | | | |
|--|---|---|---|---|---|
|  FAA | 4 |  GLS | 3 |  OST | 6 |
|  FHWA | 1 |  MARAD | 1 |  PHMSA | 0 |
|  FMCSA | 0 |  Multimodal* | 1 |  STB | 2 |
|  FRA | 0 |  NHTSA | 0 | | |
|  FTA | 2 |  NTSB | 2 | | |

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

22
audit reports issued

119
recommendations

\$254,659,875
financial impact of DOT OIG audit reports

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:

Household Goods Fraud

Two moving companies were each sentenced to 5 years of probation and ordered to pay \$2.2 million in restitution for demanding drastically higher fees once they took possession of victims' property and refused to move or release property until victims paid the higher fees.

Contract Fraud

Five company executives were sentenced to a combined total of 60 months of incarceration and ordered to pay \$4.6 million in restitution and \$4.1 million in forfeiture for reporting false and fraudulent contract expenditures to inflate payments made by the State, whose funding came almost entirely from DOT.

Bribery

A trucking company owner was sentenced to 3 years of supervised release and ordered to pay \$650,000 and forfeit approximately \$3.9 million for paying bribes to a FedEx Ground manager. By submitting false information, the manager awarded new runs and helped co-conspirators grow their business larger than FedEx Ground allowed.

Transportation of Stolen Aircraft Parts

An individual was sentenced to 10 years of imprisonment and ordered to pay approximately \$1.9 million in restitution for interstate transportation of stolen avionics equipment and selling stolen equipment online to unsuspecting purchasers across the United States.

Investigative Accomplishments

| | | |
|---|---|------------------------|
|  | hotline contacts received | 1,335 |
|  | investigations & complaints* opened | 82 |
|  | investigations & complaints* closed | 77 |
|  | civil investigations referred for prosecution | 18 |
|  | criminal investigations referred for prosecution | 130 |
|  | indictments & criminal informations | 23 |
|  | convictions | 25 |
|  | years of incarceration, probation, home detention, supervised release | 135 |
|  | hours of community service | 320 |
|  | civil settlements & judgments | 13 |
|  | financial impact of DOT OIG investigations | \$1,250,217,267 |

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

Investigations

Financial Impact of DOT OIG Investigations



| Total Financial Impact | \$1,250,217,267 |
|----------------------------------|------------------------|
| forfeitures | \$9,498,394 |
| recoveries | \$0 |
| finances and special assessments | \$18,316,449 |
| restitution | \$1,222,402,423 |
| costs avoided | \$0 |

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



82
investigations &
complaints opened
this reporting period



379
ongoing
investigations &
complaints



77
investigations &
complaints closed this
reporting period

Investigations

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* | 130 |
| accepted** | 100 |
| declined** | 71 |

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

| | |
|--|----|
| individuals referred to DOJ | 90 |
| businesses referred to DOJ | 33 |
| individuals referred to State or local authority | 6 |
| businesses referred to State or local authority | 1 |

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* | 18 |
| accepted** | 12 |
| declined** | 3 |

*Referred for prosecution or routed to the appropriate agency.

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

Investigations

Summary of Referrals for Criminal and Civil Prosecution

Grant and Procurement 57



| | | | | | |
|---------------------------------------|---|-----------------------------|----|------------------|----|
| anti-trust, bid-rigging/ collusion | 6 | public corruption/extortion | 3 | false statements | 16 |
| false claims | 6 | overbilling | 19 | kickbacks | 3 |
| SBIR grant fraud | 1 | embezzlement | 1 | other | 2 |

Aviation 18



| | | | | | |
|---|---|---|---|---|---|
| SUPs, manufacturing and sale | 2 | certificate fraud, mechanic | 2 | certificate fraud, commercial airman | 3 |
| certificate fraud, repair station | 1 | interference or tampering with an aircraft | 2 | accident-related | 2 |
| falsification of FAA orders or other documents | 1 | unauthorized operation of an aircraft | 5 | | |

Motor Carrier 15



| | | | | | |
|--|---|--|---|---|---|
| CDL fraud of school/ 3rd party tester | 2 | drug and alcohol program violations | 1 | fraudulent registration filings, reincarnated carriers | 2 |
| log books | 3 | CDL | 3 | other | 4 |

Public Interest 19



| | | | | | |
|---|---|--|---|---|---|
| certificate fraud, medical by doctor | 2 | certificate fraud, medical by airman | 1 | certificate fraud, medical by driver | 1 |
| household goods/ moving companies | 9 | aiming a laser pointer at an aircraft | 1 | unmanned aircraft systems | 5 |

Investigations

Summary of Referrals for Criminal and Civil Prosecution (cont.)

Employee Integrity 9



| | | | | | |
|--|---|--|---|-------|---|
| abuse of authority | 1 | travel voucher fraud | 1 | other | 1 |
| violation of law, rule, or regulation | 1 | conflict of interest (public corruption, current employee) | 5 | | |

Transportation Safety 3



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

HAZMAT 10



| | | | | | |
|--|---|--|---|--------------------------------|---|
| carriage by motor vehicle/ public highway | 1 | illegal transportation of stolen hazmat | 2 | illegal shipment of airbags | 1 |
| carriage by rail | 1 | carriage by vessel | 2 | pipelines | 3 |

Workforce Protection 12



| | | | | | |
|-------------------------------|---|--|---|--|---|
| fraud committed by carrier | 9 | fraud committed by forwarder/broker | 1 | broker, freight forwarder, carrier registration | 1 |
| undocumented workers | 1 | | | | |

Other 4



| | | | | | |
|------------------------------------|---|--------------------|---|---------------------|---|
| forgery/alteration of documents | 2 | computer intrusion | 1 | deceptive practices | 1 |
|------------------------------------|---|--------------------|---|---------------------|---|

Investigations

Investigative Reports

DOT OIG distributed **56** investigative reports, including reports of investigation, stakeholder memos, and management implication reports.

Indictments and Informations From Prior Referrals

A total of **12** indictments or criminal informations resulted from previous referrals for prosecution.

Whistleblower Retaliation

DOT OIG closed **1** investigation 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 | 23 |
| convictions | 25 |
| years of incarceration and home detention | 55.6 |
| years of supervised release | 45 |
| years of probation | 34.5 |
| hours of community service | 320 |

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.

Investigations

Administrative Actions and Outcomes Resulting From DOT OIG Investigations

Suspension and Debarment Actions*

| | |
|-----------------------|---|
| individual suspension | 3 |
| individual debarment | 5 |
| business suspension | 3 |
| business debarment | 4 |
| suspension referral | 5 |
| debarment referral | 8 |

Personnel Actions

| | |
|--|---|
| proposed removal | 1 |
| removal | 3 |
| employee resigned/ retired during investigation | 3 |

Other Actions

| | |
|--|---|
| compliance agreement | 1 |
| enforcement action taken | 4 |
| certificate/license/permit revoked/terminated | 8 |
| certificate/license/permit suspended | 1 |
| suspension/debarment referral** | 4 |
| corrective action taken | 2 |
| non-DOT employee action taken | 1 |

*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.

Types of administrative actions

Suspension and **debarment** exclude an individual or entity from doing business with the 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 allowable expenses.

Investigations

Investigations Involving Senior Government Employees that Were Closed but Not Disclosed to the Public

There was 1 administrative investigation involving allegations of violations of 5 C.F.R. Part 2635.501 in which misconduct was unsubstantiated.

There was 1 criminal investigation involving allegations of violations of 18 U.S. Code § 208 and 18 U.S. Code § 1516 in which misconduct was unsubstantiated.

There were 2 administrative investigations in which misconduct was substantiated. See next section for details.

Investigations Involving Senior Government Employees Where Misconduct was Substantiated

One administrative investigation involved violations of 5 C.F.R. Part 2635.501 and 5 C.F.R. Part 2302 (b)(8) by a senior government employee with substantiated claims of whistleblower retaliation. The employee was removed based, in part, on the findings of the investigation.

One administrative investigation involved violations of 5 C.F.R. § 2635.501 by a senior government employee with substantiated claims of improperly obtained information relating to an OIG complaint. The matter was referred to the respective Operating Administration for review and determination.

Neither matter was referred for prosecution.

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 **1,335**

web forms

www.oig.dot.gov/hotline 905

emails

hotline@oig.dot.gov 219

phone calls

+1 (800) 424-9071 181

letters

1200 New Jersey Ave SE, West Bldg, 7th floor, Washington, DC 20590 29

walk-ins

1

Audit

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:

Contract Tower Staffing

FAA restructured the FAA Contract Tower Program to improve contract tower staffing monitoring, but weaknesses remain in its processes for validating staffing data. FAA also faces challenges in maintaining adequate tower staffing despite altered training requirements to expand the controller hiring pool.

Infrastructure Funding Oversight

FTA's oversight of Hurricane Sandy funds relies on recipient self-reporting and was not sufficient to encourage expedited spending or reduce the risks of ineligible costs. We found \$95.4 million in questioned costs incurred after the grants' periods of performance ended. FTA grants with unexpended funds also remain open after project completion.

IJIA-Funded PIDP Grant Oversight

MARAD did not apply comprehensive risk management tools to identify and manage PIDP grant risks, and gaps in the Agency's policies and procedures diminished their utility for grant oversight. MARAD did not updated its human capital plan to address workforce challenges, nor did it provide timely staff training on program oversight.

DOT's In-Person Work Requirements

DOT complied with current Federal return to in-person work requirements and guidance and implemented procedures to oversee compliance with worksite requirements. The Department began using broader monitoring processes to review timekeeping and other worksite data accuracy.

Audit Accomplishments



audit reports issued

22



recommendations

119



financial impact of DOT OIG audits

\$254,659,875

To access our full library of audits, recommendations, investigations, testimonies, and other reports, visit:

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

Mission, Vision, & Core Values

Mission
OIG enhances DOT's programs and operations by conducting objective investigations and audits on behalf of the American public.

Vision
OIG is a high-performing organization that strives to achieve a safer and more efficient national transportation system through inclusive work.

Core Values
Independent: Establishes trust and independence.
Accountability: Is at the heart of accountability for them. OIG also transparency.
Innovation: Seizes OIG's opportunities to We also seek
Community: Is critical to OIG inclusion and and psychological outstanding co.

CONTRACT AND GRANT FUND STEWARDSHIP

U.S. Department of Transportation

Strat

FAA
FAA's Office of Investigations Needs to Enhance its Administrative Investigations

DOT Top Management Challenges FY2022

DOT's Top Management Challenges FY2022

Audit

Statistical Data

Completed Audits by Type

Reports **22**

| | |
|-------------------------------|----|
| performance audits | 9 |
| audits under Single Audit Act | 3 |
| financial audits | 10 |
| attestation engagements | 0 |

Recommendations **119**

| | |
|-------------------------------|----|
| performance audits | 34 |
| audits under Single Audit Act | 6 |
| financial audits | 79 |
| attestation engagements | 0 |

Financial Impact* **\$254,659,875**

| | |
|-------------------------------|---------------|
| performance audits | \$244,981,149 |
| audits under Single Audit Act | \$9,678,726 |
| financial audits | 0 |
| attestation engagements | 0 |

*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.

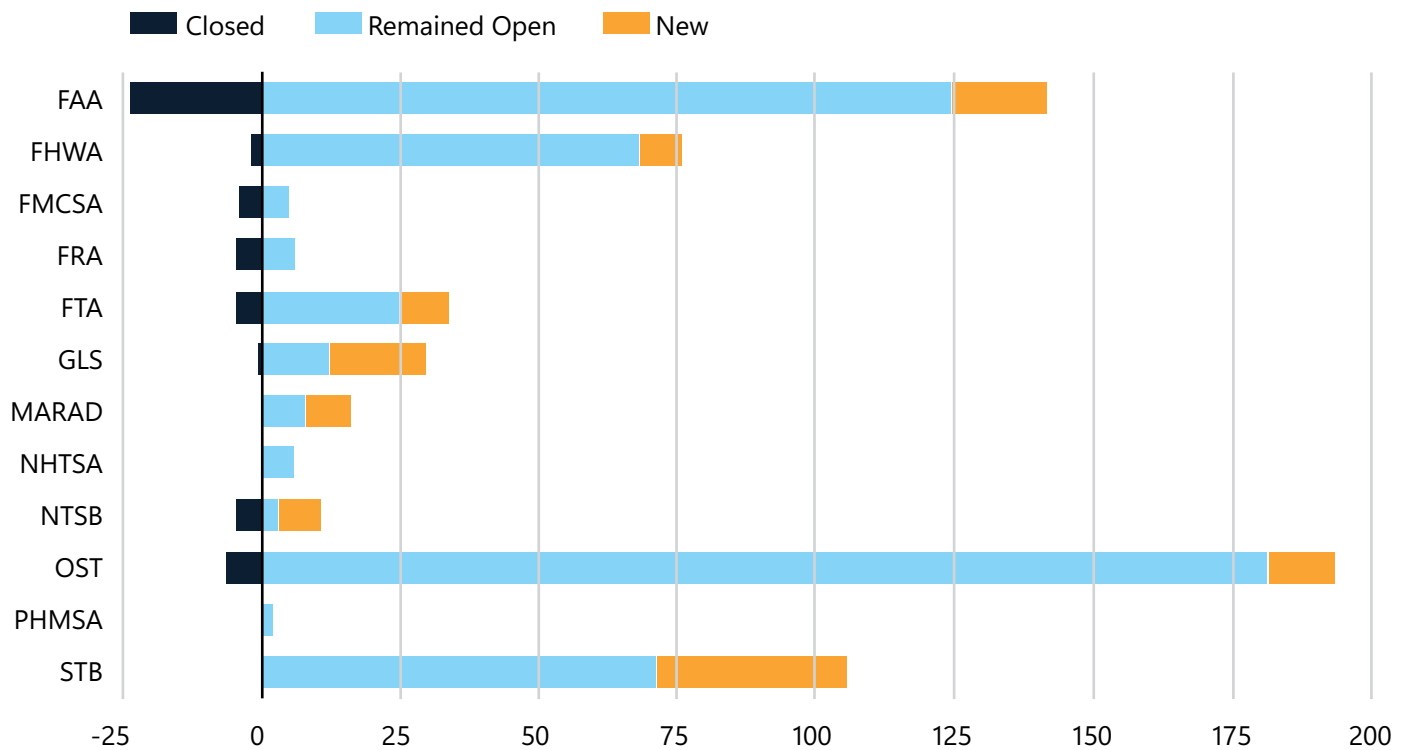
Audit

Open Audit Recommendations

As of March 31, DOT OIG had **628 open recommendations**, which were included in 182 audit reports issued since June 5, 2014. Of these, 70 recommendations (from 34 reports) carry an **estimated monetary or cost savings totaling over \$1.5 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, First Half of FY 2026



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.

Audit

Reports With No Agency Comment Within 60 Days

We work closely with the Department to ensure timely responses to our draft audit reports. All agency responses were received within 60 calendar days.

Management Decisions on Previously Issued Audits

DOT made no management decisions regarding recommendations from audit reports issued during a previous reporting period.

Attempts To Interfere With DOT OIG Independence

We did not encounter any instances in which DOT attempted to interfere with DOT OIG independence.

Audits Closed but Not Disclosed to the Public

It is our practice to post all closed nonsensitive audits and evaluations on our public website. Consequently, we have no previously undisclosed audits and evaluations to report.

Compliance with Federal Financial Management Improvement Act

DOT is in compliance with the Federal Financial Management Improvement Act.

Information or Assistance Refused by DOT

DOT did not unreasonably refuse information or assistance.

Peer Reviews

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.

Peer reviews 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.

Peer Review Requirements

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.

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 | 2, 10 |
| 5(a)(3) | Significant investigations closed | 2 |
| 5(a)(4) | Number of convictions | 7 |
| 5(a)(5); 5(h) | Audits issued during the reporting period | 10 |
| 5(a)(6) | Management decisions made on previously issued audits | 13 |
| 5(a)(7) | Compliance with Federal Financial Management Improvement Act | 13 |
| 5(a)(8) | Peer reviews conducted of DOT OIG | 14 |
| 5(a)(9) | Peer review recommendations | 14 |
| 5(a)(10) | Peer reviews conducted by DOT OIG | 14 |
| 5(a)(11) | Statistical table of investigative reports and referrals | 4–8 |
| 5(a)(12) | Investigative reporting metrics | 7 |
| 5(a)(13) | Substantiated misconduct of senior Government employees | 9 |
| 5(a)(14) | Instances of whistleblower retaliation | 7 |
| 5(a)(15) | Interference with DOT OIG independence | 13 |
| 5(a)(16) | Closed but undisclosed audits and investigations of senior Government employees | 9, 13 |

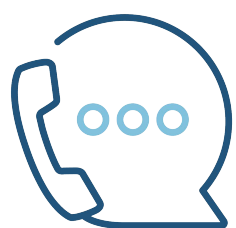
Acronym Glossary

| Acronym | Definition |
|---------|---|
| CDL | commercial driver's license |
| C.F.R. | Code of Federal Regulations |
| CIGIE | Council of Inspectors General on Integrity and Efficiency |
| DOJ | U.S. Department of Justice |
| DOT | U.S. or State Department of Transportation |
| EPA | Environmental Protection Agency |
| FAA | Federal Aviation Administration |
| FCT | FAA Contract Tower Program |
| FHWA | Federal Highway Administration |
| FMCSA | Federal Motor Carrier Safety Administration |
| FMVSS | Federal Motor Vehicle Safety Standards |
| FRA | Federal Railroad Administration |
| FTA | Federal Transit Administration |
| FY | fiscal year |
| GLS | Great Lakes Saint Lawrence Seaway Development Corporation |
| Hazmat | hazardous material |
| IIJA | Infrastructure Investment and Jobs Act |
| MARAD | Maritime Administration |
| NHTSA | National Highway Traffic Safety Administration |
| NTSB | National Transportation Safety Board |
| OIG | Office of Inspector General |
| OST | Office of the Secretary of Transportation |
| PHMSA | Pipeline and Hazardous Materials Safety Administration |

| Acronym | Definition |
|-----------|--|
| PIDP | Port Infrastructure Development Program |
| 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 |

U.S. Department of Transportation
Office of Inspector General

Fraud, Waste, & Abuse



Hotline

www.oig.dot.gov/hotline

(800) 424-9071



oig.dot.gov