



U.S. Department of Transportation | Office of Inspector General

SEMIANNUAL REPORT TO CONGRESS

APRIL 1, 2023–SEPTEMBER 30, 2023



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Highlights

Investigative Accomplishments

investigations opened, by priority area

 transportation safety	18	 public interest	4
 grant and procurement fraud	9	 other	3
 employee integrity	4		

56/78

investigations/complaints closed/opened

38/43

convictions/indictments

\$26,962,136

financial impact of DOT OIG investigations

Audit Accomplishments

24

audit reports issued














88

recommendations

\$17,778,142

financial impact of DOT OIG audit reports



audit reports, by agency

 DOT-wide*	2	 FRA	0	 NTSB	0
 FAA	8	 FTA	2	 NHTSA	1
 FHWA	0	 GLS	0	 PHMSA	1
 FMCSA	1	 MARAD	0	 STB	1
		 OST	8		

*DOT-wide count includes Single Audit Quality Control Reviews and Single Audit Quarterly Summaries issued during the performance period.

Return on Investment

In FY 2023, DOT OIG achieved a \$4 return on investment for every appropriated dollar with just a fraction of DOT's total workforce and budget.

		FY 2023 Enacted FTEs	FY 2023 Budgetary Resources
	OIG	397	\$108.1m
	DOT	55,295	\$145.1b

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.









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:

- **Moving fraud.** An individual was sentenced to 8 years of incarceration, 3 years of supervised release, and over \$3.2M in forfeiture and restitution for inflating moving costs and abandoning victims' property throughout the country.
- **Certificate fraud.** A company was sentenced to 5 years of probation and \$5M in restitution and fines for falsifying FAA registration and aircraft bill of sale documents. Four aircraft were also seized resulting in the recovery of \$545,100.
- **Employee misconduct.** A former DOT employee was sentenced to 2 years of incarceration and 2 years of supervised release for illegally selling and misrepresenting transfers of Iranian currency.
- **Network intrusion.** An individual was sentenced to 20 months of imprisonment and 3 years of supervised release for illegally accessing an FAA database and fraudulently obtaining and using an aircraft mechanic certificate.






Investigative Accomplishments

	hotline contacts received	2,151
	investigations/complaints closed/opened	56/78
	criminal/civil investigations referred for prosecution	71/15
	convictions/indictments	38/43
	years of incarceration, probation, home detention, supervised release	76.4
	financial impact of DOT OIG investigations	\$26,962,136

Statistical Data

Financial impact of DOT OIG investigations



total financial impact		\$26,962,136
	costs avoided	\$1,667,142
	forfeitures	\$6,869,165
	recoveries	\$3,014,898
	finances and special assessments	\$4,568,498
	restitution	\$10,842,433

Types of criminal monetary impositions

Forfeitures include the seizure of assets that represent the proceeds of, or were used to facilitate, Federal crimes.

Fines are criminal or civil monetary penalties.

Special assessments are part of the sentence for offenders of Federal crimes, applied on a per-count basis. The money is 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.

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

Investigative workload

 **78**
investigations/
complaints opened
this reporting period



 **389**
ongoing
investigations

 **56**
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.

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

	referred	71
	accepted*	55
	declined*	56

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



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

individuals referred to DOJ	49
businesses referred to DOJ	18
individuals referred to State or local authority	4
businesses referred to State or local authority	0

Civil prosecutions

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

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





	referred	15
	accepted*	7
	declined*	7

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

Human trafficking

In accordance with the Trafficking Victims Prevention and Protection Reauthorization Act (Public Law 117-348), DOT OIG is required to report on its human trafficking investigations.

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

	allegations received	0
	referred	0
	accepted*	0
	declined*	0

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

Summary of referrals for criminal and civil prosecution



grant and procurement 26

anti-trust, bid rigging/collusion	7	public corruption/extortion	1	false claims	7
DBE fraud	2	false statements	3	embezzlement	1
other	2	overbilling	3		



aviation 17

commercial pilot, under the influence	1	certificate fraud, aircraft	1	certificate fraud, mechanic	1
accident-related	1	SUPs, maintenance	1	SUPs, sale	5
flight standards, lax enforcement	1	falsification of FAA orders or other documents	2	interference/tampering with aircraft	3
misuse of voluntary disclosure reporting program	1				



motor carrier 7

fraudulent registration filings, reincarnated carriers	5	other	2
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public interest 6

unmanned aircraft systems	4	household goods/moving companies	2
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Summary of referrals for criminal and civil prosecution (cont.)



employee integrity

7

bribery/gratuities (employee conduct)	1	ethics violation (misconduct)	1	theft	3
travel card misuse	1	disclosure of confidential information	1		



transportation safety

7

falsification of FMVSS	6	falsification of FRA required records	1
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hazmat

7

pipelines	1	carriage by vessel	1	PHMSA cylinders & packaging	1
illegal transportation of stolen hazmat (motor fuel)	1	carriage by motor vehicle/ public highway	3		



other

9

forgery/alteration of documents	1	theft of DOT funds or property	1	miscellaneous*	7
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*Includes threats to public officials, undocumented workers on a DOT federally funded project, and possession of child sexual abuse materials.

Investigative reports

DOT OIG distributed **28** investigative reports, including reports of investigations, stakeholder memos, and management implication reports.

Indictments and informations from prior referrals

A total of **28** indictments or criminal informations resulted from previous referrals for prosecution.

Whistleblower retaliation

DOT OIG did not close any 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

convictions	38
indictments	43
years of incarceration & home detention	29.4
years of supervised release	27
years of probation	20
hours of community service	200

Types of judicial actions

A **conviction** is the verdict that results when a court of law finds a defendant guilty of a crime.

An **indictment** is an official written statement charging a person with a crime.

Supervised release is a period of supervision following an offender's release from prison. It is imposed in addition to a sentence of imprisonment.

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 hours of unpaid work for the benefit of the public.

Administrative actions and outcomes resulting from DOT OIG investigations

suspension and debarment actions*

individual suspension	9
individual debarment	1
business suspension	5
business debarment	1
suspension referral	10
debarment referral	11

personnel action

proposed removal	1
removal	1

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

**Specifically, when other agencies with which DOT OIG is working jointly initiate the suspension/debarment referral.

other actions

compliance agreement	4
enforcement action taken	4
Federal funds reduced	1
certificate/license/permit terminated	3
certificate/license/permit application denied	1
certificate/license/permit suspended	13
employee resigned/ retired during investigation	2
corrective action taken	2
decertification MBE/DBE	3
employee restitution	1
license holder placed on probation/ monitor status	1
suspension/debarment referral**	2

Types of administrative actions

Suspension and debarment excludes an individual or entity from financial and nonfinancial assistance and benefits under Federal programs and activities.

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 another circumstance.

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

There were no investigations involving senior Government employees that were closed but not disclosed to the public.

Investigations involving senior Government employees where misconduct was substantiated

There were no investigations involving senior Government employees where misconduct was substantiated.

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.

Hotline Complaint Center

DOT OIG maintains a Hotline Complaint Center for receiving allegations of fraud, waste, abuse, or mismanagement in DOT programs or 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		2,151
 fax +1 (202) 366-7749		1
 walk ins 1200 New Jersey Ave SE, West Bldg, 7th floor, Washington, DC 20590		0
 letters 1200 New Jersey Ave SE, West Bldg, 7th floor, Washington, DC 20590		27
 phone calls +1 (800) 424-9071		346
 web contacts www.oig.dot.gov/hotline		550
 emails hotline@oig.dot.gov		1,227






Audits

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:

- **FAA risk assessment processes.** Following the Boeing 737 MAX accidents, FAA took actions in alignment with its post-event risk assessment processes. However, we identified areas for improvement that may impact the Agency's future accident responses.
- **NHTSA investigative procedures.** Although it has made progress in enhancing its risk-based investigative processes, NHTSA's Office of Defects Investigation did not meet its timeliness goals for five investigation types we examined and did not timely upload its documentation to the public website.
- **IJA fraud risk assessments.** The Department can make improvements to its fraud risk assessment processes—including incorporating leading practices from GAO—to better identify, assess, and address fraud risks in its programs.
- **Pilot mental health.** FAA has a comprehensive evaluation process to assess pilots with mental health challenges, but the Agency's ability to mitigate pilot mental health-related safety risks is limited by pilots' reluctance to disclose mental health conditions.

Audit Accomplishments

	audit reports issued	24
	recommendations	88
	financial impact of DOT OIG audits	\$17,778,142

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 investigations and...

Vision: OIG is a top priority of DOT, valued for its performance within its investigative jurisdiction.

Core Values: Independence, Accountability, Innovation, Community.

CONTRACT AND GRANT FUND STEWARDSHIP

Establishing Sound Pricing for Contract and Grant Awards

External Impacts: COVID-19 and H1N1

FAA's Office of Inspector General Needs To Enhance Administrative In...

U.S. Department of Transportation **Strategic**

Key Data: 80% of DOT's... 85% of DOT's... 80% of DOT's...

Statistical Data

Completed audits by type

reports 24

performance audits	17	financial audits	0
audits under Single Audit Act	6	attestation engagements	1
other	0		

recommendations 88

performance audits	84	financial audits	0
audits under Single Audit Act	4	attestation engagements	0

financial impact \$17,778,142

performance audits	\$0
audits under Single Audit Act	\$17,778,142
financial audits	\$0
attestation engagements	\$0

Note: Dollars shown are amounts reported to management. Actual amounts may change during final resolution. See pages 14 and 15 for definitions.

Types of audits

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

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 \$750,000 or more of 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.

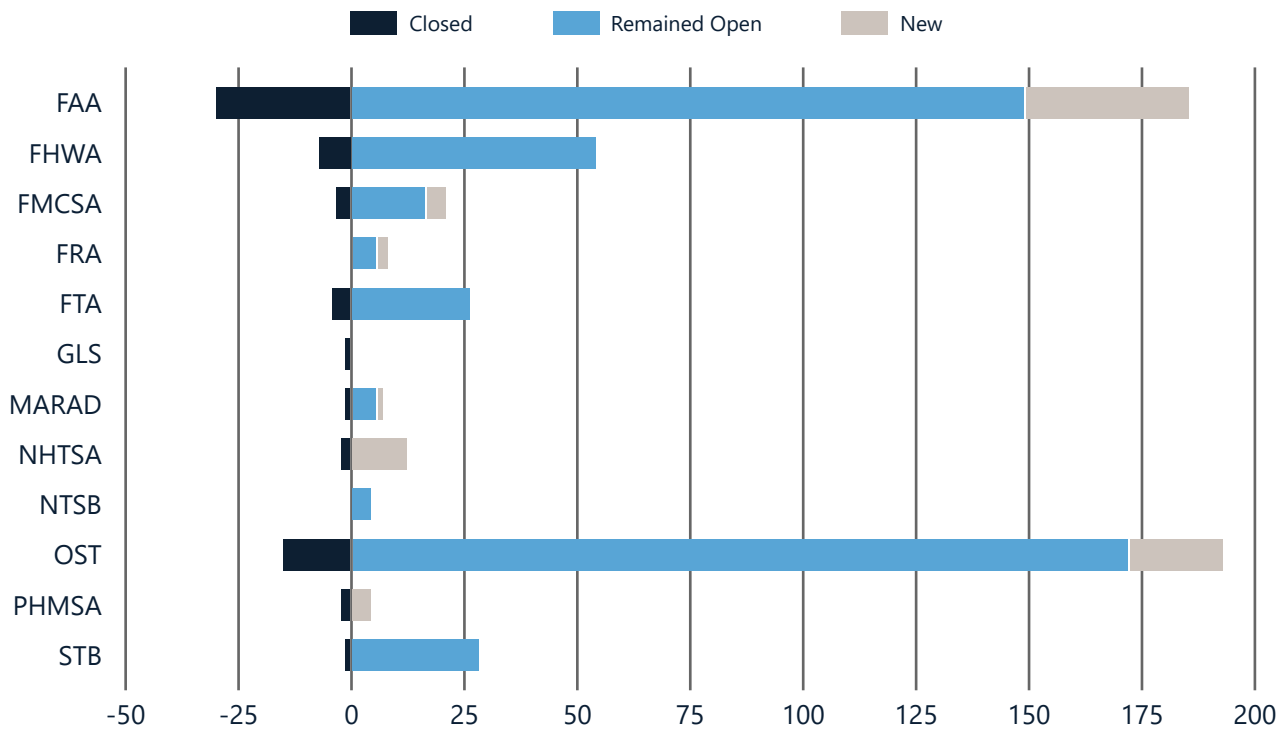
Attestation engagements are reviews that evaluate the assertions of another party for compliance with agreed-upon standards and procedures.

Open audit recommendations

As of September 30, DOT OIG had **544 open recommendations**, which were included in **170** audit reports issued since **November 14, 2011**. Of these, **55** recommendations (from **43** reports) carry an **estimated monetary or cost savings totaling over \$397,808,681**, 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 2023



*Some closed recommendations were opened prior to the reporting period.

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.

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 management decisions regarding four recommendations from two audit reports issued during a previous reporting period.

Attempts to interfere with DOT OIG independence

We did not encounter any instances where 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

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 conducted of DOT OIG

The Small Business Association (SBA) OIG conducted a CIGIE peer review of our Office of Investigations in fiscal year 2018. SBA OIG concluded that the system of internal controls 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 August 29, 2018.

The Social Security Administration (SSA) OIG conducted a CIGIE peer review of our Office of Auditing and Evaluation in fiscal year 2022. SSA OIG 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 applicable legal and regulatory requirements in all material respects. Accordingly, SSA OIG provided a "pass" rating and did not make any recommendations. The report was released on March 15, 2022.

Both 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.

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Reporting Requirements

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

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Acronym Glossary

Acronym	Definition
CIGIE	Council of Inspectors General on Integrity and Efficiency
DBE	Disadvantaged Business Enterprise
DOJ	U.S. Department of Justice
DOT	U.S. Department of Transportation
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
GAO	Government Accountability Office
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
SBA	Small Business Administration
SSA	Social Security Administration
STB	Surface Transportation Board
SUPs	Suspected Unapproved Parts