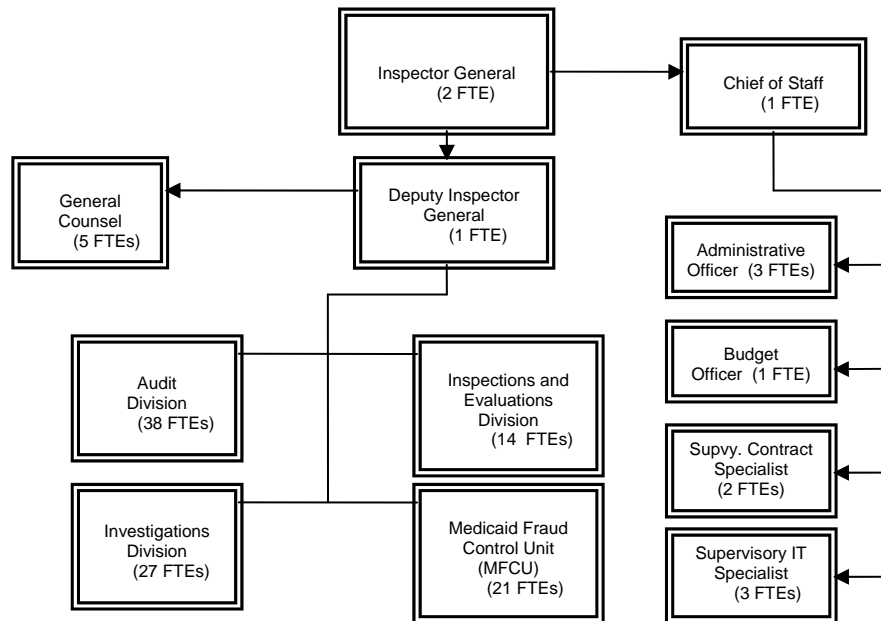


## I. Agency Organization

1. Please provide a complete, up-to-date organizational chart for each division within the agency including, either attached or separately, an explanation of the roles and responsibilities for each division and subdivision.
  - Please include a list of the employees (name and title) for each subdivision and the number of vacant positions.
  - Please provide a narrative explanation of any organizational changes made during the previous year.

### Response:

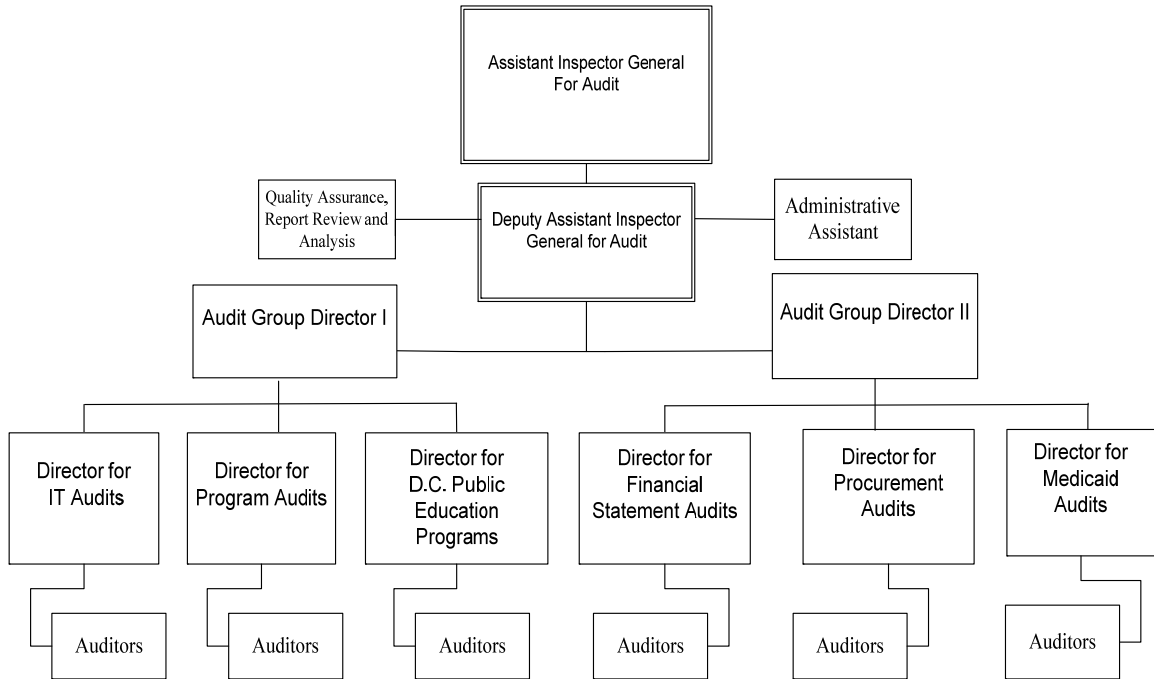
#### OIG Organizational Chart – as of September 30, 2009 118 FTEs



The OIG is comprised of the Inspector General (IG), the Deputy Inspector General, the General Counsel, the Chief of Staff, and four divisions, which are: the Audit Division; the Investigations Division; the Inspections and Evaluations Division; and the Medicaid Fraud Control Unit (MFCU). An Assistant Inspector General (AIG) leads each division and a Director leads the MFCU. All executives report directly to the Deputy Inspector General, except for the Chief of Staff, who reports to the IG. Reporting to the Chief of Staff are the Budget Officer, the Supervisory Contracts Specialist, the Administrative Officer, and the Supervisory Information Technology Specialist.

See **Attachment A** for employee listing.

## Organization Chart for the Audit Division as of September 30, 2009



The OIG Audit Division, comprised of a staff of professional auditors, is headed by an Assistant Inspector General for Audits (AIGA), a Deputy AIGA, two Audit Group Managers, and six Directors. The AIGA sets policy and, through the Deputy AIGA and Audit Group Directors provide leadership and direction for the Division. The Directors manage the day-to-day projects and activities of the auditors. The audit directorates are: (1) Information Technology Audits; (2) Program Audits; (3) DCPS Resident Audit Site; (4) Financial Statement Audits; (5) Procurement Audits; and (6) Medicaid Audits. Our Audit Directorates are aligned to address the major risks facing the District.

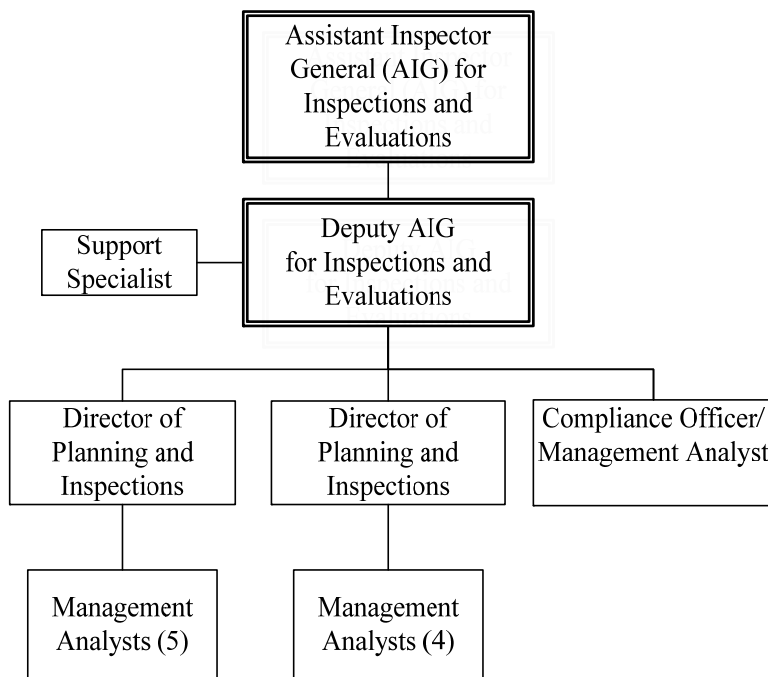
The Audit Division is responsible for conducting audits of District organizations, programs, functions, and activities. These audits complement other elements of management evaluations and are aimed at providing reliable and constructive recommendations for improved administration of operations. Audits provide management with an independent appraisal of whether desired results and objectives are achieved efficiently, economically, and in accordance with prescribed laws, regulations, policies, and procedures. Key elements of our audits are the independence of the OIG from the management of such programs, and the OIG's responsibility to report to District management and other stakeholders the results of such audits.

The Division is staffed to perform the full spectrum of engagements, e.g., financial, attestation, and performance audits. Financial audits assess whether the financial statements of an entity are presented fairly, in all material respects, in conformity with generally accepted accounting principles. Attestation audits or engagements concern

examining, reviewing, or performing agreed-upon procedures on a subject matter or assertion. Performance audits entail an objective and systematic examination of evidence to provide an independent assessment of a program or entity and typically assess program results and/or the entity protecting or using its resources in the most productive manner. Two important purposes of performance audits are to improve accountability and facilitate effective decision-making.

See **Attachment B** for employee listing.

**Organization Chart for the Inspections and Evaluations Division as of  
September 30, 2009**



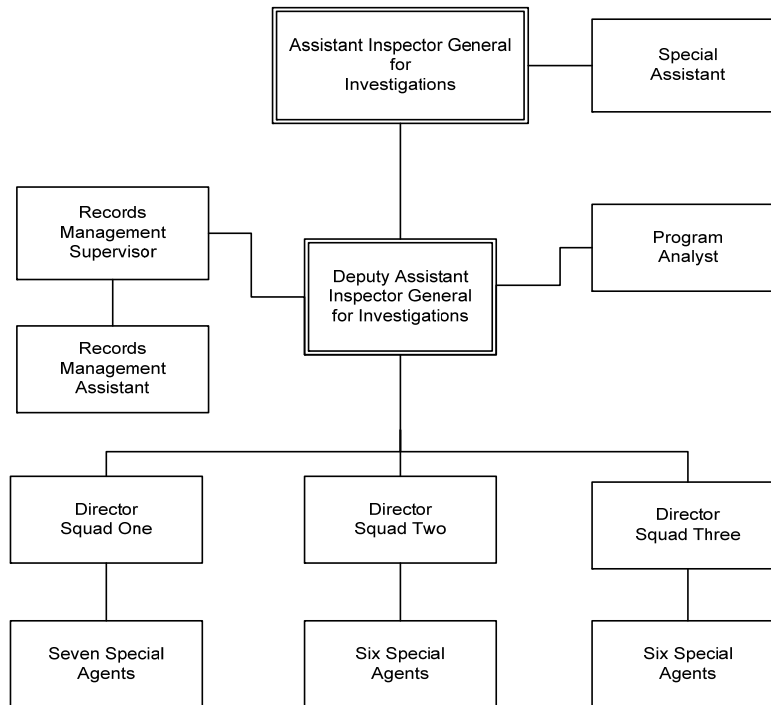
Note: One Management Analyst position that was “frozen” at the beginning of FY 2009 remains unfilled due to budget constraints.

The OIG Inspections and Evaluations Division (I&E) is managed by an Assistant Inspector General (AIG), a Deputy Assistant Inspector General (DAIG), and two Directors of Planning and Inspections (DPIs). The AIG sets policy and, through the DAIG, provides leadership and direction to the Division. The DPIs supervise the management analysts’ inspection activities both in the field and at the OIG, and oversee the day-to-day administrative activities in the Division.

I&E is responsible for conducting inspections of District government agencies and programs. An OIG inspection is a process that evaluates, reviews, and analyzes the management, programs, and activities of a District department or agency in order to provide information and recommendations that will assist managers in improving operations, programs, policies, and procedures. Inspections provide senior managers with an independent source of factual and analytical information about vital operations, measuring performance, assessing efficiency and effectiveness, and identifying areas of mismanagement, fraud, waste, and abuse. Inspection results are published in a Report of Inspection (ROI), Management Alert Reports (MARs), and Management Implication Reports (MIRs). The OIG provides a MAR when the Inspector General believes that a matter that has surfaced during an inspection requires the immediate attention of the head of an agency or department; similarly, the OIG issues a MIR on a matter of priority concern that affects multiple District agencies. The findings developed during inspections may also lead to recommendations for OIG investigations or audits. I&E additionally conducts re-inspections and has an ongoing compliance program to follow-up on and monitor agency compliance with the Inspector General’s previous recommendations.

See **Attachment C** for employee listing.

**Organization Chart for the Investigations Division as of  
September 30, 2009**



The day-to-day operation of the Investigations Division (ID) is the responsibility of the Assistant Inspector General for Investigations (AIGI), who supervises a management team that consists of a Deputy AIGI, three squad Directors, and one Records

Management Supervisor. Each Director is responsible for a team of special agents who are assigned both administrative and criminal investigations concerning District government operations, District government employees, and those doing business with the District government. The Records Management Supervisor, who reports directly to the Deputy AIGI, provides organization and accountability for the various records systems of the OIG. The ID also has a Program Analyst who is responsible for the effective operation of the Hotline and Referral Programs. The Hotline is staffed by special agents on a rotating basis.

The ID consists of 28 employees, including 6 managerial/supervisory personnel, 19 special agents, 1 special assistant, and 2 support staff members. OIG special agents are sworn law enforcement officers. Many of our special agents hold advanced degrees and professional certifications. Newly hired special agents are required to meet firearm qualification standards of either a federal/state law enforcement agency or the Metropolitan Police Department (MPD). The ID staff includes former investigators and managers from law enforcement agencies such as the Federal Bureau of Investigation (FBI), federal and local OIGs, and major police departments. Special agents are authorized to carry firearms during the performance of their official duties, make arrests in limited situations, execute search warrants, and administer oaths.

The ID is responsible for conducting criminal and administrative investigations into allegations of waste, fraud, and abuse on the part of District government employees and contractors. In addition, the ID conducts investigations of District government employee conduct alleged to have violated the Standards of Conduct (D.C. Code § 1-618.01 and 6 DCMR Chapter 18). When investigative findings solely indicate non-criminal employee misconduct or management deficiencies, a Report of Investigation (ROI) is prepared and forwarded to the responsible agency head. These administrative investigations typically uncover violations of District law, policy, and/or regulations. They also identify the individuals responsible for the violations and make recommendations for administrative action. Equally important to the investigative process is the identification of program weaknesses, contracting irregularities, and other institutional problems that place a District government agency at risk for waste, fraud, and abuse. Therefore, the ROIs frequently make specific recommendations to correct the identified deficiencies, provide guidance on the applicable laws and regulations, and suggest employee training where appropriate.

When investigative findings are indicative of criminal conduct, they are presented to either the U.S. Attorney's Office (USAO) or the Office of the Attorney General (OAG) for prosecutorial opinion and action. When a case is accepted by either entity for prosecutorial consideration, the investigation will proceed under the guidance and direction of the prosecutors, often in conjunction with other law enforcement partners such as the FBI. The investigative findings also are used to determine whether civil action is appropriate in addition to or in lieu of criminal prosecution.

The Referral Program is important to the investigative work of the ID and allows the OIG to be responsive to citizen complaints of waste, fraud, and abuse. Complaints and allegations received by the OIG that do not warrant formal investigation by the ID are referred to the appropriate District or other government agency for consideration and

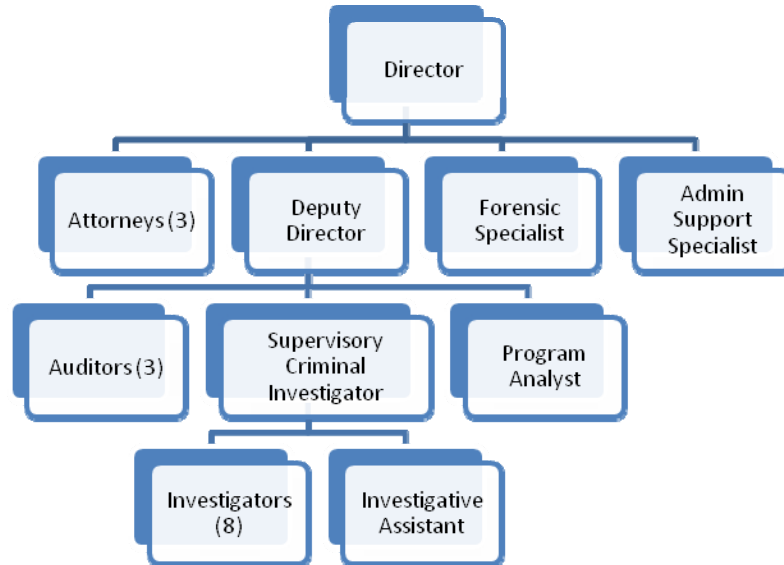
resolution. In most cases that are referred to a District government agency, the responsible agency head is requested to respond to the ID's questions and concerns. Based on the adequacy of the response, the ID determines whether further investigation is warranted. The Referral Program is an invaluable mechanism by which the OIG is able to ensure that District government agency heads are accountable to citizen concerns and responsive to the public interest.

The Hotline Program is an equally important component of the ID whereby the OIG is able, 24 hours a day, to receive telephonic complaints from District government employees and the general public. A special agent is on duty every working day during normal business hours to respond to telephonic complaints. All complaints received during non-business hours are recorded and processed on the next workday. In addition, the ID receives numerous complaints by electronic mail and some complaints by regular mail, facsimile, and walk-ins.

The Records Management Unit (Unit) is responsible for maintaining the investigative files of the ID and for coordinating the development and retention of all OIG files in accordance with District law and policy. The Unit also is responsible for maintaining the chain-of-custody for all evidence and for protecting the identity of matters subject to the grand jury secrecy provisions of Rule 6(e) of the Federal Rules of Evidence. In addition, the Unit works closely with the OIG's Legal Division to identify and produce documents requested pursuant to the District of Columbia Freedom of Information Act (D.C. Code §§ 2-531 – 2-540). Consequently, the Unit also is responsible for maintaining a comprehensive database and case filing system that allows the ID to locate investigative information through the identity of complainants and subjects.

See **Attachment D** for employee listing.

**Organization Chart for the Medicaid Fraud Control Unit as of  
September 30, 2009**



The United States Department of Health and Human Services (HHS) certified the Medicaid Fraud Control Unit (MFCU) on March 1, 2000, and FY 2009 was the ninth year in which the MFCU was completely operational. The MFCU's mission is to investigate and prosecute cases of fraud and abuse within the Medicaid program for the District of Columbia. Managed by a Director, the members of the MFCU bring a variety of skills and experience to the task. Of particular value is the healthcare industry background that members possess, including hospital billing, healthcare accounting, and healthcare investigations. The current Director, appointed in FY 2004, formerly worked as a Registered Nurse in long-term care and community health agencies and was a state prosecutor before joining the MFCU as Deputy Director in FY 2003. The Deputy Director, who joined the staff in June 2007, worked as an attorney for the previous 12 years, prosecuting violent and white collar crimes.

MFCU cases are investigated from inception by prosecutor-led teams, comprised of an attorney, investigator, and for financial fraud cases, an auditor. This method of organization presents significant advantages in that attorneys are able to provide legal analysis from the very beginning of each case and are familiar with the case long before litigation ensues. The team approach also has proven to be productive in that all members of the MFCU have a forum to share their expertise and creativity in the investigation and prosecution of cases. Team members view cases from different perspectives and use new approaches when investigating other cases. The team approach is especially helpful in building unity and cooperation among the MFCU staff members. MFCU staff members are frequently called to assist on cases that are not their primary responsibility. The team approach brings many matters to successful resolution.

Attorneys in the MFCU are sworn Special Assistant United States Attorneys and Special Assistant Attorneys General and, as such, are able to represent the OIG in Superior and federal District courts on matters investigated by the MFCU. MFCU attorneys work with their colleagues in the USAO for the District of Columbia and the District of Columbia OAG, acting as co-counsel during all phases of civil and criminal litigation on matters initiated by the MFCU.

The MFCU's enforcement efforts fall into two general categories: (1) financial fraud committed by providers against the Medicaid program; and (2) abuse, neglect, or financial exploitation of persons who reside in Medicaid-funded nursing homes and other institutional settings, or board and care facilities. Both of these areas involve investigations, litigation, outreach, and legislative components.

The MFCU is 1 of 50 certified MFCUs nationwide. The MFCU receives 75 percent of its funding in the form of a grant from the HHS OIG. In order to remain eligible for these yearly grants, the MFCU must conform to a number of federal requirements described in the Code of Federal Regulations. The MFCU's policies, staffing, case management, and operations are reviewed annually by the Medicaid Fraud Oversight Division at HHS to earn recertification and continued funding. In addition to complying with all mandatory federal standards, the MFCU must provide quarterly and annual statistical reports demonstrating its continued productivity and a significant return on the investment of federal and District tax dollars.

See **Attachment E** for employee listing.

- Please provide a narrative explanation of any organizational changes made during the previous year.

**Response:**

The MFCU was the only division that made any organizational changes in FY 09. The MFCU Chief Investigator position was converted to a MSS position and renamed Supervisory Criminal Investigator (SCI). The SCI supervises the investigators and investigative assistant.

**II. Personnel**

2. Please provide a complete, up-to-date position listing for your agency, which includes the following information:
  - Title of position
  - Name of employee or statement that the position is vacant, unfunded, or proposed.
  - Date employee began in position
  - Salary and fringe, including the specific grade, series, and step of position
  - Job status (continuing/term/temporary/contract)

*Please list this information by program and activity*

**Response:**

Please see **Attachment F**.

3. Please provide the number of FY09 full-time equivalents (FTEs) for the agency, broken down by program and activity. Please also note the number of vacancies at the close of FY09, by program and activity, and current vacancy information.
  - For each vacant position, please note how long the position has been vacant and whether or not the position has since been filled.
  - How many vacancies within the agency were posted during FY09 and FY10, to date?

**Response:**

Please see **Attachment F** for the number of FY 09 full-time equivalents (FTEs) broken down by activity.

At the close of FY 09, the OIG had five (5) vacancies which were:

- CS-13 Auditor (Audit Division): This position became vacant 9/30/09 and has been filled.
- CS-13 Management Analyst (Inspections and Evaluations Division): This position became vacant 9/25/09 and has been filled.
- CS-12 Criminal Investigator (Investigations Division): This position became vacant 12/2/09 and has not been filled but has been announced.
- CS-12 Criminal Investigator (Investigations Division): This position became vacant 6/10/09 and an offer has been made to an applicant with an anticipated start date of 2/16/10.
- MS-14 Supervisory Contract Specialist: This position became vacant 9/30/09 and has been filled.

During FY 09 the OIG posted sixteen (16) position vacancies and has posted ten (10) for FY 10 to date.

4. Please provide a detailed narrative description of the personnel process within the agency. Specifically, please describe how the personnel activity within the agency works in coordination with the DC Department of Human Resources to ensure that human resource needs are met.

**Response:**

Pursuant to Mayor's Order 2008-81, dated June 5, 2008, the OIG received joint delegation of personnel authority with the D.C. Department of Human Resources to function as personnel authority in the area of recruitment and selection for all Career, Legal, and Management Supervisory Services positions. All appointments to Excepted Service positions remained a function of the D.C. Department of Human Resources. While assuming joint delegation of authority, all activities associated

with the joint delegation of authority in the area of recruitment and selection process are governed by and conducted in accordance with the rules and regulations set by the D.C. Department of Human Resources. The D.C. Department of Human Resources serves as a resource tool to ensure that the agency's needs are met and to resolve any issues concerning recruitment, as well as any other human resource-related issue.

5. Does the agency conduct annual performance evaluations of all its employees? Who conducts such evaluations? What steps are taken to ensure that all agency employees are meeting individual job requirements?

**Response:**

The OIG conducts annual performance evaluations of all its employees in accordance with Chapter 14 of the D.C. Personnel Regulations. Everyone who serves in a supervisory capacity conducts evaluations, and the OIG follows all regulations pertaining to performance management to ensure that employees meet individual job requirements.

6. Please list all employees detailed to or from your agency, if any. Please provide the reason for the detail, the detailed employee's date of detail, and the detailed employee's projected date of return.

**Response:**

There are no OIG employees on detail.

7. Please provide the Committee with:
  - A list of all employees who receive cellphones, personal digital assistants, or similar communications devices at agency expense.

**Response:**

**OIG CELLULAR NUMBERS  
FOR BLACKBERRY TOUR DEVICES**

<b>Employee</b>	<b>Cell</b>
Alvin Wright	202-359-9347
Austin Andersen	202-359-9339
Charles Willoughby	202-359-9335
Karen Branson	202-359-9351
Roger Burke	202-359-6587
Zanetta Holley	202-359-9343
Koye Jemisin	202-341-7084
Les Valentin	202-341-6817

Employee	Cell
Towanda Mitchell	202-341-7980
*Slemo Warigon	202-821-2276
Jacqueline Franklin	202-258-2146
Jacqueline Schesnol	202-341-7403
Susan Kennedy	202-262-9297
*Slemo Warigon is assigned this line with Data services only. (Hearing Impaired)	
<b>Total: 13 new BB Tour devices (one with data only)</b>	

**OIG CELLULAR DIRECTORY  
for VZW DEVICES**

Employee	Cell
Shante Mcgee	202-359-9349
Al Miller	202-359-3346
Bernadette Todd-Atwater	202-359-6157
Bryan Chase	202-359-0770
Charles Abbington	202-359-3670
David Stupar	202-359-6792
Denmark Slay	202-359-3914
Elliott Taylor	202-359-0337
Derek Savoy	202-359-5567
Unassigned-Vacant	202-359-6864
James Glymph	202-497-3276
Michele Carter	202-359-6271
Kerthalia Peavely	202-359-6092
Stacie Pittell	202-359-4040
Unassigned-Vacant	202-359-5591
John DiGravio	202-359-5668
Stephen Eggleston	202-359-6482
Unassigned-Vacant	202-359-6593
Unassigned-Vacant	202-359-3672
William Redden	202-359-6455
Shelley Elliott	202-359-6968
Tanisha Carr	202-359-5667
Vantresse McMillan	202-359-1774
Emily Hosenbackez	202-359-6967
Unassigned-Vacant	New # Needed
Unassigned-Vacant	New #

Employee	Cell
	Needed
Arkieva Smith	202-262-8715
Meghan Strickland	202-258-3304
Jennifer Wertheim	202-355-2142
Jonathan Rich	202-258-2394
Khoa Nguyen	202-386-3959
Sandra Adams	202-262-7696
Stuart Silverman	202-380-2592
Allen Johnson	202-386-4602
Victor Richardson	202-386-4409
Yolanda Brooks	202-669-4214
<b>TOTAL: 36</b>	

- A list of all vehicles owned, leased, or otherwise used by the agency and to whom the vehicle is assigned.

**Response:**

DIVISION	VEHICLE			CUSTODIAN
	MAKE	MODEL	YEAR	
INVESTIGATIONS	Ford	Taurus	2002	David Stupar
	Ford	Taurus	2002	James Glymph
	Ford	Taurus	2002	Denmark Slay
INSPECTIONS AND EVALUATIONS:	Dodge	Caravan	1998	Edward Farley
MEDICAID FRAUD CONTROL UNIT (MFCU)	Dodge	Stratus	2001	Susan Kennedy
	Ford	Taurus	2002	Susan Kennedy

The three vehicles assigned to the Investigations Division and the one vehicle assigned to the Inspections and Evaluations Division were purchased with OIG Funds and are titled to the District Government (Department of Public Works, Fleet Management Administration). The two OIG Medicaid Fraud Control Unit vehicles were funded with OIG funds (25%) and federal grant funds (75%).

- A list of employee bonuses granted in FY09 and FY10, to date, if any.

**Response:**

There were no bonuses granted in FY 09 and thus far in FY 10.

- A list of travel expenses, arranged by employee

**Response:**

<b>AUDIT FY 2009 TRAVEL COSTS</b>					
<b>TRANSACTION</b>	<b>AIRLINE</b>			<b>20100</b>	<b>FY 2009</b>
<b>DATE</b>	<b>LODGING</b>	<b>TRAVELER</b>	<b>PURPOSE OF TRAVEL</b>	<b>AUDIT TRAVEL COSTS</b>	<b>TOTAL PER EMPLOYEE</b>
4/29/2009	Airline	Cheryl Ferrara	Training	268.20	268.20
5/11/2009	Lodging	John Gannon	Training	178.00	178.00
2/5/2009	Lodging	Lenore Peters	Training	883.58	
2/3/2009	Airline	Lenore Peters	Training	527.40	1,410.98
5/11/2009	Lodging	Salvatore Guli	Training	178.00	178.00
2/6/2009	Car Rental	Slemo Warigon	Audit Assignment	526.92	526.92
5/15/2009	Airline	Wayne Good	Training	338.90	
5/15/2009	Lodging	Wayne Good	Training	609.42	948.32
3/17/2009	Airline	William DiVello	Training	219.20	
3/24/2009	Lodging	William DiVello	Training	367.86	587.06
2/5/2009	Lodging	Yvonne Lee	Training	736.32	
2/2/2009	Airline	Yvonne Lee	Training	177.20	913.52
<b>TOTAL COSTS</b>					<b>5,011.00</b>

**INSPECTIONS FY 2009 TRAVEL COSTS**  
**(Non-OIG Employee Funded Travel for Peer Review)**

TRANSACTION DATE	AIRLINE	TRAVELER	PURPOSE OF TRAVEL	20300 INSPECTIONS TRAVEL COSTS	FY 2009 TOTAL PER EMPLOYEE
	LODGING TRAIN				
3/2/2009	Lodging	Steve Pasichow	Peer Review	496.50	496.50
4/29/2009	Airline	Sheryl Steckler	Peer Review	159.20	386.90
3/23/2009	Airline	Sheryl Steckler	Peer Review	98.10	
3/23/2009	Airline	Sheryl Steckler	Peer Review	129.60	
<b>TOTAL COSTS</b>				<b>\$ 883.40</b>	<b>\$ 1,668.70</b>

**INVESTIGATIONS FY 2009 TRAVEL COSTS**  
**(2 Non-OIG employee funded travel for Peer Review)**

TRANSACTION DATE	AIRLINE	TRAVELER	PURPOSE OF TRAVEL	20100 AUDIT TRAVEL COSTS	FY 2009 TOTAL PER EMPLOYEE
	LODGING				
4/13/2009	Lodging	Derek Savoy	Training	241.18	241.18
4/2/2009	Lodging	Emily Hosenbackez	Training	122.18	122.18
4/29/2009	Airline	Sheryl Steckler	Peer Review	159.20	386.90
3/23/2009	Airline	Sheryl Steckler	Peer Review	98.10	
3/23/2009	Airline	Sheryl Steckler	Peer Review	129.60	
2/20/2009	Lodging	Steve Eggleston	Interviews	170.76	170.76
3/2/2009	Lodging	Steve Pasichow	Peer Review	496.50	496.50
4/2/2009	Lodging	Tanisha Carr	Training	238.00	238.00
<b>TOTAL COSTS</b>				<b>\$ 1,655.52</b>	<b>\$ 1,655.52</b>

## MFCU FY 2009 TRAVEL COSTS

TRANSACTION DATE	AIRLINE LODGING	TRAVELER	PURPOSE OF TRAVEL	MFCU COSTS		TOTAL EXPENSE	FY 2009 TOTAL PER EMPLOYEE
				30300 FEDERAL	30200 OPERATING		
1/23/2009	Airline	Stuart Silverman	Training	\$ 263.40	\$ 87.80	\$ 351.20	\$ 351.20
5/28/2009	Airline	Allen Johnson	Training	239.40	79.80	319.20	
5/28/2009	Lodging	Allen Johnson	Training	547.95	182.65	730.60	
9/3/2009	Lodging	Allen Johnson	Training	324.33	108.11	432.44	
9/3/2009	Airline	Allen Johnson	Training	287.55	95.85	383.40	1865.64
3/17/2009	Airline	Clark Geiger	Training	141.15	47.05	188.20	
3/17/2009	Lodging	Clark Geiger	Training	671.34	223.78	895.12	1083.32
4/22/2009	Lodging	Dangkhoa Nguyen	Training	242.43	80.81	323.24	
4/22/2009	Airline	Dangkhoa Nguyen	Training	231.90	77.30	309.20	632.44
2/19/2009	Airline	Danielle Pennington	Training	237.30	79.10	316.40	
2/19/2009	Lodging	Danielle Pennington	Training	297.71	99.24	396.95	
7/10/2009	Lodging	Danielle Pennington	Training	484.91	161.64	646.55	
7/10/2009	Airline	Danielle Pennington	Training	206.40	68.80	275.20	1635.10
7/10/2009	Lodging	Jackie Franklin	Training	384.59	128.20	512.78	
9/3/2009	Lodging	Jackie Franklin	Training	415.16	138.39	553.55	
4/22/2009	Lodging	Jackie Schesno	Training	554.90	184.97	739.86	1806.19
6/8/2009	Lodging	Jonathan Rich *	Training	189.90	63.30	253.20	253.20
3/18/2009	Lodging	LaShawn Brooks	Training	367.77	122.59	490.36	
3/18/2009	Airline	LaShawn Brooks	Training	89.40	29.80	119.20	
2/19/2009	Airline	LaShawn Gamble	Training	237.30	79.10	316.40	
2/19/2009	Lodging	LaShawn Gamble	Training	297.75	99.25	397.00	1322.96
5/28/2009	Airline	Linda Brock	Training	229.80	76.60	306.40	
5/28/2009	Lodging	Linda Brock	Training	547.95	182.65	730.60	1037.00
9/3/2009	Lodging	Meghan Strickland	Training	450.41	150.14	600.55	600.55
9/3/2009	Lodging	Sandy Adams	Training	405.41	135.14	540.55	
9/3/2009	Airline	Sandy Adams	Training	531.53	177.18	708.70	1249.25
5/28/2009	Airline	Shante McGee	Training	726.90	242.30	969.20	
5/28/2009	Lodging	Shante McGee	Training	547.95	182.65	730.60	
6/8/2009	Lodging	Shante McGee	Training	400.95	133.65	534.60	
9/3/2009	Lodging	Shante McGee	Training	324.33	108.11	432.44	
9/3/2009	Airline	Shante McGee	Training	230.55	76.85	307.40	
9/9/2009	Airline	Shante McGee	Training	463.43	154.48	617.90	3592.14
1/23/2009	Lodging	Stuart Silverman	Training	665.78	221.93	887.70	887.70
7/10/2009	Lodging	Susan Kennedy	Training	581.90	193.97	775.86	
9/4/2009	Lodging	Susan Kennedy	Training	324.33	108.11	432.44	
9/4/2009	Airline	Susan Kennedy	Training	531.53	177.18	708.70	1917.00
5/28/2009	Airline	Victor Richardson	Training	216.90	72.30	289.20	
5/28/2009	Lodging	Victor Richardson	Training	547.95	182.65	730.60	1019.80
5/28/2009	Airline	Yolanda Brooks	Training	216.90	72.30	289.20	
5/28/2009	Lodging	Yolanda Brooks	Training	547.95	182.65	730.60	1019.80
1/13/2009	Lodging	Yolanda Mobuary	Training	335.61	111.87	447.48	
3/18/2009	Lodging	Yolanda Mobuary	Training	367.77	122.59	490.36	
3/18/2009	Airline	Yolanda Mobuary	Training	89.40	29.80	119.20	
9/3/2009	Lodging	Yolanda Mobuary	Training	424.16	141.39	565.55	
9/3/2009	Airline	Yolanda Mobuary	Training	215.03	71.68	286.70	1,909.29
<b>TOTAL COSTS</b>				<b>\$ 16,636.94</b>	<b>\$ 5,545.65</b>	<b>\$ 22,182.58</b>	<b>\$ 22,182.58</b>

- A list of the total overtime and workman’s compensation payments paid in FY 09 and FY10, to date

**Response:**

There were no overtime and workman’s compensation payments paid in FY 09 and thus far in FY 10.

**III. Budget**

8. Please provide a chart showing your agency’s approved budget and actual spending, by program, for FY09 and FY10, to date. In addition, please describe any variance between fiscal year appropriations and actual expenditures for FY09 and FY10, to date.

**Response:**

<b>Program</b>	<b>FY09 Budget</b>	<b>FY09 Actual Spending</b>	<b>Variance</b>	<b>Description</b>
Agency Management	\$3,068,745	\$2,938,861	\$129,884	Surplus is due to under spending in fixed costs.
Accountability, Control, and Compliance	9,287,595	9,055,076	232,519	Surplus is due to salary lapses.
Law Enforcement and Compliance	5,446,537	5,113,524	333,013	Majority of the surplus is due to under spending in the federal program by \$254,332.93. The remaining \$78,680.07 in the local program is due to salary lapses.
<b>Total</b>	<b>\$17,802,877</b>	<b>\$17,107,461</b>	<b>695,416</b>	

<b>Program</b>	<b>FY10 Budget</b>	<b>FY10 Actual Spending</b>	<b>Available</b>	<b>Description</b>
Agency Management	\$3,205,581	\$1,772,164	\$1,433,417	55% of the budget has been spent and/or obligated.
Accountability, Control, and Compliance	8,854,014	4,908,495	3,945,519	55% of the budget has been spent and/or obligated.
Law Enforcement and Compliance	5,481,738	1,600,732	3,881,006	29% of the budget has been spent and/or obligated.
<b>Total</b>	<b>\$17,541,333</b>	<b>\$8,281,391</b>	<b>9,259,942</b>	

9. Please list any reprogrammings, in or out, which occurred in FY09 or FY10, to date. For each reprogramming, please list the total amount of the reprogramming, the original purposes for which the funds were dedicated, and the reprogrammed use of funds.

**Response:**

In FY 09, the Office of the Inspector General (OIG) reprogrammed funds in the amount of \$1,018,000 for the following:

1. The amount of \$935,000 was reprogrammed into the OIG's local funds budget from Debt Service within the Short-term Borrowings account. The original purpose for which the funds were allocated was to cover short-term interest rates. The reprogrammed use of funds was to cover higher than anticipated costs for a modification to the contract for the FY 08 Comprehensive Annual Financial Report (CAFR). The modification included additional work in the area of the Office of Tax and Revenue and other agencies.
2. The reprogramming of \$83,000 was within the OIG's local funds budget. Of this amount, \$78,000 was reprogrammed from the Law Enforcement and Accountability, Control/Compliance responsibility center to the Agency Management Program responsibility center. The original purpose for these funds was to cover salary costs and the funds became available due to salary lapses. The reprogrammed use of these funds was to replace a computer server and a data back-up system due to the obsolescence of the equipment. The remaining \$5,000 was reprogrammed within the Law Enforcement responsibility center non-personal services. The original purpose for these funds was to support other services and charges. The reprogrammed use of these funds was to replace worn-out office chairs that have become a health hazard to the employees.

For FY 10, the OIG has not submitted any reprogramming request as of January.

10. Please provide a complete accounting for all intra-District transfers received by or transferred from the agency during FY09 or FY10, to date.

**Response:**

Intra-district transfers that were transferred from the OIG during FY09:

<b>Discription</b>	<b>Amount</b>	<b>Agency transferred to</b>
Building Space (Rent)	\$1,241,449	Office of Finance/Resource Mgmt (AS0)
Telephone	75,458	Office of Finance/Resource Mgmt (AS0)
Fleet Maintenance	7,116	Department of Public Works (KT0)
Postage	3,016	Office of Property Mgmt. (AM0)
Building Security	29,108	Office of Property Mgmt. (AM0)
Customer Service	4,916	Office of Unified Commnications(UC0)
Single Audit	2,500	Office of the Chief Financial Officer (AT0)
Purchase/Travel Credit Card	187,872	Office of Contracting/Procurement (PO0)
<b>Total</b>	<b>\$1,551,435</b>	

FY10 intra-district transfers that were transferred from the OIG:

<b>Description</b>	<b>Amount</b>	<b>Agency transferred to</b>
Building Space (Rent)	\$1,446,204	Office of Finance/Resource Mgmt. (AS0)
Telephone	83,366	Office of Finance/Resource Mgmt. (AS0)
Fleet Maintenance	6,158	Office of Property Mgmt. (AM0)
Purchase/Travel Credit Card	204,233	Office of Contracting/Procurement (PO0)
<b>Total</b>	<b>1,739,961</b>	

11. Please identify any special purpose revenue accounts maintained by, used by, or available for use by your agency during FY09 or FY10, to date. For each account, please list the following:
- The revenue source name and code
  - The source of funding
  - A description of the program that generates the funds.
  - The amount of funds generated by each source or program in FY09 and FY10, to date
  - Expenditures of funds, including the purpose of each expenditure, for FY09 and FY10, to date

**Response:**

The OIG didn't maintain any special purpose revenue accounts during FY 09 or FY 10.

12. Please provide a list of all projects for which your agency currently has capital funds available. Please include in this list a description of each project, the amount of capital funds available for each project, a status report on each project, and planned remaining spending on the project.

**Response:**

The OIG currently has no capital funds or projects.

13. Please provide a complete accounting of all federal stimulus funds received for FY09 and FY10, to date.

**Response:**

The OIG has not received any federal stimulus funds for FY 09 or FY 10.

14. What steps have been taken during FY09 and FY10, to date, to reduce the following:
  - Space utilization
  - Communications costs
  - Energy use

**Response:**

The OIG is currently in the process of finalizing plans to relocate at the end of FY 10. As a result of the move, the OIG is projecting a savings in the agency's total fixed costs of approximately 31% in its FY 11 budget.

15. Please provide the agency's fixed costs budget and actual spent for FY08, FY09, and FY10, to date. Please include a narrative description of any substantial changes in these costs.

**Response:**

Description	FY08		FY09		FY10	FY10
	Budget	FY08 Actual	Budget	FY09 Actual	Budget	Spending as of 1/25/10
Building Space (Rent)	\$1,417,176	\$1,341,190	\$1,241,449	\$1,212,469	\$1,446,204	\$520,668
Telephone	99,264	50,815	75,458	65,570	83,367	23,725
Building Security	29,515	26,491	29,108	28,430	0	0
Fleet Maintenance	<u>8,080</u>	<u>7,710</u>	<u>7,116</u>	<u>5,770</u>	<u>6,158</u>	<u>0</u>
<b>Total</b>	<b>1,554,035</b>	<b>1,426,206</b>	<b>1,353,131</b>	<b>1,312,239</b>	<b>1,535,729</b>	<b>544,393</b>

Note: The OIG FY 08 budget for building space included estimates for an increase in rental rates due to the expiration of the office lease agreement and the need for additional space. The FY 08 budget increases were not included in the FY 09 budget because the new lease agreement was finalized during FY 09, and the additional space was also added during the fiscal year.

16. Please identify all legislative requirements that the agency lacks sufficient resources to properly implement.

**Response:**

The OIG's FY 11 proposed baseline budget, as it was submitted to the Mayor without the enhancement request, is sufficient to support all of the agency's current legislative requirements.

**IV. Agency Programs and Policies**

17. Please describe any initiatives your agency implemented within FY09 or FY10, to date, to improve the internal operation of the agency or the interaction of the agency with outside parties. For each initiative please provide:
- A detailed description of the program
  - The name of the employee who is responsible for the program
  - The total number of FTE's assigned to the program
  - The amount of funding budgeted to the program
  - The results, or expected results

**Response:**

**Investigations:**

The OIG Investigations Division continually strives to improve its internal operations and its interactions with outside parties. Toward that end, in FY 09 the OIG Investigations Division continued our initiative to conduct Corruption Prevention Lectures at other District government agencies. All of the OIG Investigations Division managers and supervisors and the majority of the Special Agents have been trained to conduct such lectures. In FY 09, the OIG Investigations Division conducted a total of eight corruption lectures at five District agencies. Two of those corruption lectures were conducted at the New Employee Orientation held by the District of Columbia Department of Human Resources (DCHR) and for FY 10, the OIG Investigations Division has committed to conducting corruption lectures at all DCHR New Employee Orientations. The expected results of regularly conducting corruption lectures include educating District government employees on the rules and laws governing appropriate conduct, informing them of the role of the OIG in District government, and notifying them of how to report waste, fraud, and abuse within District government. Although this is a Division-wide initiative with no specific FTEs assigned to it and no specific funding budgeted to it, most of the investigative personnel within the Division participate in this initiative.

In FY 10, the OIG Investigations Division implemented an internal initiative to better track the statistics of the investigative work performed in the Division. This involved the creation of detailed charts to capture, in a uniform manner and on a nearly real-time basis, statistics relating to criminal, administrative, and preliminary investigations conducted throughout the year. It is anticipated that the results of this initiative will include an improved ability to respond to inquiries regarding our investigative achievements and additional insights into our methods of managing our large investigative caseload. Although this is a Division-wide initiative with no specific FTEs assigned to it and no specific funding budgeted to it, the Division's three squad Directors, under the supervision of the Assistant Inspector General for Investigations and the Deputy Assistant Inspector General for Investigations, have primary responsibility for ensuring that this initiative is implemented appropriately.

**Medicaid Fraud Control Unit:**

In FY 09, the MFCU finalized a new MOU with the Department on Health Care Finance (DHCF), and initiated quarterly meetings with representatives of DHCF. The MFCU Director is responsible for oversight of the program; and typically, the MFCU Director, Deputy Director, and the Supervisory Criminal Investigator attend the quarterly meetings. The Inspector General attends meetings when they are held at the OIG.

As a result of this initiative, the two agencies have more open and frequent communication related to shared interests. The increased communication has improved the relationship between the agencies, and the number of referrals from DHCF to the MFCU has dramatically increased.

There is no additional funding necessary to support any of the above initiatives.

18. Please provide a list of all studies, research papers, and analyses (“studies”) the agency prepared, or contracted for, during FY09 and FY10, to date. Please state the status and purpose of each study.

**Response:**

The OIG neither prepared nor contracted for any studies, research papers, or analyses during FY 09 and FY 10.

During FY 09, the MFCU continued its initiative to encourage staff members to research and write articles with the goal of publishing articles on topics believed to be of interest to other MFCUs and the law enforcement community. These articles are based on issues that we have become aware of during the performance of our work. In the January 2009 Health Care Fraud Report published by the Bureau of National Affairs (BNA), a MFCU attorney was quoted in an article on healthcare fraud and the impact of the federal budget deficit on waste and abuse in the Medicaid program.

19. If applicable, please explain the impact on your agency of any legislation passed at the federal level during FY09 or FY10, to date.

**Response:**

The OIG is not aware of any federal legislation passed during FYs 09 and 10 that has a significant impact on the agency.

20. Please list all regulations for which the agency is responsible for oversight or implementation. Please list by chapter and subject heading, including the date of the most recent revision.

**Response:**

The OIG is not responsible for implementing any regulations. As a result of the OIG’s statutory mandate to audit, inspect, and investigate District government programs and operations, the OIG has investigatory oversight responsibilities for the DCMR and the District Personnel Manual (DPM), to the extent that these regulations do not specifically delegate investigatory oversight to other District government agencies.

21. Did the agency meet the objectives set forth in the performance plan for FY09? Please provide a narrative description of what actions the agency undertook to meet the key performance indicators or any reasons why such indicators were not met.

**Response:**

The OIG met all of its objectives that were set forth in its FY 09 performance plan. The following is a description of actions undertaken by the OIG that resulted in the agency's ability to meet its key performance indicators:

1. Our goal-orientated approach to managing audit resources has fostered productivity in terms of being able to meet and exceed our annual targets. A number of key factors contributed to this accomplishment, including: (1) targeting principle risk areas; and (2) managers, auditors and analysts who strive for greater efficiency in the performance of fieldwork and analysis, and in the writing/editing process in order to increase the production of more streamlined and timely-written reports.
  2. Evaluating risk areas and programs that represented issues of critical concern to the Mayor and City Council.
  3. The Investigations Division processed 635 intakes during FY 09 by having multiple managers with diverse and overlapping skills who are able to assist each other with evaluating and processing the intakes as they are received.
  4. The MFCU continued to demonstrate a high level of activism and community outreach. MFCU staff are members of task forces, make presentations to the community, and participate in training opportunities all over the country.
  5. The OIG has existing long term processes that have been improved over the years so that personnel external to the Investigations Division, in an appropriate and timely manner, transfer calls to the Investigations Division hotline and forward intakes received by regular mail and electronic mail. The MFCU's outreach helped to generate an increase in caseload.
22. Please list and describe any ongoing investigations, studies, audits, or reports on your agency or any employee of your agency, or any investigations, studies, audits, or reports on your agency or any employee of your agency that were completed during FY09 or FY10, to date.

**Response:**

**Audit:**

In March of 2009, representatives from ALGA completed a peer review of the OIG's Audit Division. I am pleased to report that the Audit Division received an

unqualified opinion from the peer review team. The peer review covered the period January 1, 2006, through December 31, 2008.

A companion management letter of the same date noted areas where this Office excelled and also included suggested improvements that will increase the value of this Office. Specifically, the report showed that the OIG Audit Division has a competent, qualified, and experienced staff, and that its Audit Handbook thoroughly addressed policies and procedures. In addition, it was noted that the audit work was documented in a comprehensive and well-organized manner and that the Audit Division had established an extensive and effective quality assurance function.

### **Inspections and Evaluations:**

In June 2009, as required every 3 years by D.C. Code, a team of reviewers from other inspector general offices reviewed I&E's policies, procedures, operations, and quality controls. This peer review team from the Association of Inspectors General concluded that I&E met all relevant Council of Inspectors General on Integrity and Efficiency standards for the period of the review, 2006-2008. The results of the peer review team's assessment were provided to your Committee, the Mayor, and Chairman Gray under a letter dated September 18, 2009.

### **Investigations:**

Respectfully, the Investigations Division has a policy of not commenting on ongoing investigations. During FY 09, the OIG Investigations Division completed one internal administrative matter; the allegations were unsubstantiated. Additionally, ID underwent a Peer Review during FY 09, which concluded that the ID met all relevant Council of Inspectors General on Integrity and Efficiency standards. The Peer Review team also pointed out areas of distinction, which included the employees' dedication to the OIG mission, professionalism, planning and supervision, and independence.

### **Medicaid Fraud Control Unit:**

In November 2008, the HHS OIG, Office of Evaluation and Inspections, Medicaid Fraud Unit Oversight Division notified the Director that the MFCU would undergo an onsite review in the coming months. The HHS OIG team conducted its inspection in January 2009 and reviewed and evaluated the MFCU's compliance with federal regulations, the administrative rules for federal grants, and the 12 MFCU performance standards used to assess the effectiveness and efficiency of the MFCU's operations. The inspection consisted of a review of 30 closed and open case files, interviews of the MFCU staff, scrutiny of time and vehicle reports, and review of policies and procedures. HHS issued its report in July 2009, stating that the MFCU was in general compliance with all federal rules and regulations that govern the grant. The HHS staff recommended that the MFCU obtain a third car for use by the investigative staff to improve efficiency and enhance their ability to complete investigations in a timely manner. The IG requested that another car be provided from the D.C. fleet, but the request was denied.

23. Please identify all electronic databases maintained by your agency, including the following:
- A detailed description of the information tracked within each system
  - Identification of persons who have access to each system, and whether the public can be granted access to all or part of each system
  - The age of the system and any discussion of substantial upgrades that have been made or are planned to the system

**Response:**

The Investigation Division (ID) maintains a Case Tracking System (CTS) using Microsoft Access Database. It was developed by the IT Director in 1998. The purpose of the CTS is to:

- Manage the daily complaints that come by mail, telephone hotline, e-mail, and fax machine.
- Assist supervisors in managing agents' caseloads.
- Perform Agents' file reviews.
- Provide monthly, quarterly, semi-annual, and annual case status by managers, group, or agents.
- Produce different types of custom or ad hoc reports.

The CTS has been upgraded on demand for the past few years. In July 2009, we started to upgrade the CTS to a different platform to accommodate the number of complaints that are coming into the ID. In addition, this upgrade would enhance the security access of the CTS. This process would have taken approximately 6 months to 1 year to complete. Due to a lack of funds, the new platform will be developed in-house by the IT Director.

ID, Legal, and the IG have access to the CTS. Due to statutory requirements for confidentiality, the public cannot have access to the CTS.

The Medicaid Control Fraud Unit (MFCU) has a case tracking system called "Medicaid Fraud Case Tracking System" (MFCTS). The MFCTS was developed by an independent contractor in 2000. The purpose of the MFCTS is to:

- Provide a comprehensive data tracking unique to MFCU Cases.
- Perform custom reports specific to HHS quarterly and annual reports.
- Provide Management reporting tools for efficient management of caseloads
- Provide full security with configurable access rights.

The MFCTS is upgraded every 3 years upon Microsoft's release of a new version of MS Office, whenever the software developer makes changes to the MFCTS, or whenever the MFCU requests adjustments or additions to report generating ability. The following individuals have access to the MFCTS: IG, MFCU Director, and Forensic Specialist.

In addition, the MFCU has an Incident Report Tracking System (IRTS). This system was developed by the IT Director in 2005. The IRTS:

- Tracks incoming reports of unusual incidents in Medicaid funded facilities such as nursing homes and residences for dependent adults.
- Facilitates generation of monthly, quarterly, and annual statistical analysis.
- Permits analysis of trends in type, location, day, and time of incidents.

The IRTS is upgraded every 3 years upon Microsoft's release of new versions of MS Office software. The following individuals have access to the IRTS: MFCU Director, Forensic Specialist, and the Investigative Assistant.

The Audit Division has an auditor work paper case tracking system called "TeamMate". This system was designed by PriceWaterhouseCooper and is owned by CCH. TeamMate audit management software provides audit departments of all sizes with an integrated, paperless audit management strategy, eliminating the barriers associated with paper-filled binders and disconnected electronic files. TeamMate is a suite of products combining both client and web-based technologies. The combined suite allows auditors to identify, schedule, document, report, and track time and expenses on audits using a modular approach.

The Audit Division has access to manage work papers and the IT Unit has only installation access. TeamMate was installed in 2007 and was upgraded in late 2009. The Legal Division has its own case tracking system called Freedom of Information Act (FOIA), which was designed by the D.C. Office of the Attorney General (OAG). The OAG provided the OIG with a copy of the database in 2005. The database is designed to track FOIA requests. The Legal Division has sole access to the database.

24. What has the agency done in the past year to make the activities of the agency more transparent to the public? In addition, please identify ways in which the activities of the agency and information retained by the agency could be made more transparent.

**Response:**

**Audit:**

While not a new initiative, in order to ensure transparency, the Audit Division posts all reports issued on the OIG website.

**Inspections and Evaluations:**

In FY 09, I&E made no changes to its procedures or operations to increase transparency. In FY 09, all I&E final reports (i.e., Management Alert Reports, and reports of inspection, re-inspection, and special evaluation) were posted to the OIG website shortly after issuance to the subject agencies. (In FY 08, I&E initiated a practice of posting to the OIG website Management Alert Reports and the responses provided by the directors of the agencies targeted by these reports. Prior to this

change, I&E waited to publish the MARs and agency responses as part of a final report of inspection of the agency.)

### **Investigations:**

At all OIG Investigations Division corruption lectures, District employees are informed of the authority and work of the OIG and its role in District government. In addition, District employees are directed to our website for further information. The OIG website contains general information about the OIG, Annual Reports, and reports issued by each of the Divisions, including Significant Activity Reports (SARs) regarding criminal investigations completed by the Investigations Division.

In addition, OIG Investigations Division personnel take advantage of every opportunity to educate managers, attorneys, and internal integrity personnel in other District agencies on how we evaluate matters that are sent to us and how we would like to interact with them on issues relating to their agencies. This includes participating in training programs, conducting “meet and greets”, and having detailed telephone conversations.

### **Medicaid Fraud Control Unit:**

The MFCU is engaged in anti-fraud educational and outreach presentations in the private sector. The Director frequently receives requests for information and training on healthcare fraud and reporting, as well as investigating crimes against vulnerable citizens. The Director made formal presentations in FY 09 on Medicaid Fraud, Abuse, and Neglect. A MFCU staff member was on a panel discussion on the subject of corporate integrity and licensure issues for nursing homes. Some of the audiences included: The Specialty Hospital of Washington; Georgetown University Center for Child and Human Development; and the National Association of Medicaid Fraud Control Units (NAMFCU).

The MFCU works closely with industry groups on problems of common concern. Collaborating with other District and federal law enforcement agencies in the investigation and prosecution of fraud cases is mutually beneficial. In particular, the MFCU is working on a number of ongoing investigations with the Federal Bureau of Investigation (FBI), the HHS OIG, the Drug Enforcement Administration (DEA), and the Metropolitan Police Department (MPD). The Director participates in a Health Care Fraud Managers working group, and attends bimonthly to discuss issues affecting law enforcement and strategies to combat healthcare fraud committed by service providers in D.C. Additionally, the MFCU is an active participant in several healthcare fraud task force groups with other local and federal law enforcement entities. This participation generated investigations during FY 09, and we expect that it will continue to generate referrals.

In September 2009, the U.S. Department of Justice National Institute of Justice (NIJ) invited the MFCU to send a representative to the Elder Abuse Prosecution Training Forum to participate alongside nationally recognized experts in the area of elder abuse and neglect. Participants were asked to share their insight, experience, and

knowledge concerning elder abuse for the purpose of exposing current shortfalls related to investigations and prosecutions of elder abuse. Additionally, the forum served as a springboard for developing a national infrastructure to address the rise in elder abuse and neglect cases and assist in NIJ's development of a national website providing resources in the field. The MFCU attorney who attended the first meeting of the forum will continue to represent the MFCU.

Other MFCU activities included the Director's participation as a member of the Mental Retardation and Developmental Disabilities Fatality Review Committee, and an investigator's participation as a member of the District of Columbia Adult Abuse Prevention Committee and the NAMFCU Resident Abuse Committee. A MFCU staff attorney serves as a member of the Steering Committee for the Health Law Section of the D.C. Bar, a member of the Advisory Board for the BNA Health Care Fraud Reporter, and the Chair of the Business Law and Governance Practice Group of the American Health Lawyers Association. Other MFCU staff members belong to organizations such as: the Association of Inspectors General; the National Health Care Anti-Fraud Association (NHCAA); the Association of Certified Fraud Examiners (ACFE); the Association of Government Accountants; and the National District Attorneys Association.

25. Please identify any statutory or regulatory impediments to your agency's operations.

**Response:**

**Inspections and Evaluations:**

D.C. Code §§ 16-2331 – 2333 (Supp. 2009) impose restrictions on access to juvenile case, social, and law enforcement records. Although Sections 16-2331 (b)(13) and 2333 (b)(4) grant access to law enforcement personnel for juvenile case and police records, respectively, Section 16-2332 (b)(1) restricts law enforcement access to cases where a custody order has been issued for the child. These limitations pose impediments for the OIG's Inspection Division.<sup>1</sup> Bill 18-0344, currently pending

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<sup>1</sup> The following examples of the impact of the restrictions from recent and current OIG projects illustrate the practical implications of this issue:

1. Presently, the OIG's Inspections and Evaluations Division (I&E) is conducting a special evaluation of MPD's Youth Investigations Division (YID), which is responsible for conducting child physical and sexual abuse investigations, investigations of missing children, and investigations of Internet crimes against children. During a walkthrough of the YID facility, an OIG inspector observed what appeared to be dozens of boxes of unsecured physical and sexual abuse case records and missing persons case records. (As a result of this walkthrough, the OIG issued Management Alert Report 09-I-009, which was fully disseminated on October 28, 2009.) However, the OIG inspector was forced to rely on YID staff to confirm that the unsecured records were in fact related to child abuse cases and juvenile arrests because, due to privacy laws, the inspector does not have the authority to view such records.
2. A common inspection methodology is to review a random sample of an inspected agency's files and assess the thoroughness and consistency of record keeping, compliance with statutory and/or

before the Council, seeks to amend Title 16 of the D.C. Code “to allow information contained in juvenile case records, social records, and law enforcement records pertaining to a child to be divulged to persons who have a professional interest in the protection, welfare, treatment, and rehabilitation of the child...[,]” who are defined as follows:

- (A) An employee of a public or private entity receiving District funds to provide services for children or families;
- (B) A member of the Clergy;
- (C) The Mayor or his designee;
- (D) A Member or staff of the Council; or
- (E) A person required to make reports under section 2 of An Act To provide for the mandatory reporting by physicians and institutions in the District of Columbia of certain physical abuse of children, approved November 5, 1996 (80 Stat. 1354; D.C. Official Code § 4-1321.02).

The Inspector General and/or his/her designee is not included among those individuals with a professional interest in the protection, welfare, treatment, and rehabilitation of a child for purposes of the amendment.

**Investigations:**

With limited exceptions, not applicable to this issue, D.C. Code § 2-302.08 (c)(1) grants the OIG “access to the books, accounts, records . . . , and all other papers, items, or property belonging to or in use by all departments, agencies, . . . , and employees of the District government, including . . . independent agencies . . . , [which are] necessary to facilitate an audit, inspection, or investigation.” When the OIG seeks taxpayer information to conduct investigations involving misconduct, fraud, waste, and abuse in District programs and operations, the OIG is met with opposition from the Office of the Chief Financial Officer’s (OCFO) Office of Tax and Revenue (OTR), which, in its view, is limited to the information it can release by

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agency reporting requirements, etc. Ideally, as part of the OIG’s special evaluation of YID, inspectors would have unfettered access to MPD’s files so that they could review a random sample of 50 investigation files and evaluate the timeliness and effectiveness of their juvenile missing persons investigations. However, due to current restrictions on the OIG’s access to certain types of information, MPD personnel will have to either remove protected information from the case files before our inspectors review them, or redact it. This may not only cause delay in the inspection process, but also prevent inspectors from seeing the “whole picture.” If, for example, 30 of the 50 juvenile missing persons cases that the OIG team samples at MPD involve juveniles who have been assigned to the care of Department of Youth Rehabilitation Services, a likely outcome of the file review is that inspectors would not “see” those facts or draw that valuable conclusion from the restricted information that resides in MPD’s files.

its statutory mandates found at D.C. Code § 47-1805.04. Portions of the OIG's statute and the OTR's statute are incompatible.

26. Please identify all recommendations identified by the Office of the Inspector General or the D.C. Auditor during the previous 3 years. Please note what actions have been taken to address these recommendations.

**Response:**

This question is not applicable to the Office of the Inspector General.

**V. Contracting and Procurement**

27. Please list each contract, procurement, lease, and grant ("contract") awarded or entered into by your agency during FY09 and FY10, to date. For each contract, please provide the following information, where applicable:
- The name of the contracting party
  - The nature of the contract, including the end product or service
  - The dollar amount of the contract, including budgeted amount and actually spent
  - The term of the contract, including any option years
  - Whether the contract was competitively bid or not
  - The name of the agency's contract monitor and the results of any monitoring activity
  - Funding source

**Response:**

The Office of the Inspector General (OIG) issued two fixed price contracts during fiscal years 2009 and 2010.

The final option year of the contract with BDO Siedman, LLP was exercised in July 2009 for audit of the FY 09 CAFR. The award amount for the option year was \$2,032,544.

During FY 10, the OIG selected KPMG to audit the FY 10 CAFR for an award amount of \$2,137,444 for the base year. The Mayor and D.C. Council approved the selection and the award will be made in late April 2010. The contract provides for four successive 1 year options.

The CAFR Oversight Committee, along with the contracting officer, monitors the technical and financial aspects of the contract through frequent meetings with the contractor. The Oversight Committee consists of members from the OIG, Executive Office of the Mayor, and the D.C. Council. Representatives from federal agencies and other District agencies also attend these meetings. The independent auditor provides the attendees with progress reports of the audit and any issues that may arise affecting the audit. Minutes of the meetings are distributed to the committee members and OIG contract personnel. The OIG Chief of Contracts and Procurements

is the Contracting Officer's Technical Representative (COTR) for contract administration.

The majority of funds for the CAFR are included in the OIG appropriation. However, monies for the audit are also obtained from agencies outside the OIG.

28. Please provide a list of all MOUs currently in place and any MOUs planned for the coming year.

**Response:**

1. MOU with MPD to establish policy for the OIG and MPD with regard to the referral and investigation of criminal and administrative allegations involving District government employees. (2000)
  2. MOU with MPD to conduct criminal background checks of law enforcement and non-law enforcement applicants for employment with the OIG and persons currently employed with the OIG. (2009)
  3. MOU between MFCU and the D.C. Department of Health Care Finance to establish the duties, rights, and responsibilities of the DCHF and the MFCU with respect to preventing, detecting, investigating and addressing fraud in the District of Columbia Medicaid program. This MOU also sets forth the operational procedures to carry out those duties, rights, and responsibilities consistent with the requirements set forth in 42 CFR §455.21. (2009)
  4. An MOU with MPD for training on the use of Oleoresin Capsicum (OC) aerosol spray is planned for FY 10.
29. Please describe the steps taken by the agency to provide oversight and management for contracts. Specifically, how does the agency ensure that its programmatic needs are being met? How does the agency ensure that contracting actions are standardized across various programs?

**Response:**

**Audit:**

To oversee the CAFR, the OIG established the Comprehensive Annual Financial Report Oversight Committee (Committee). A charter identifying the Committee's purpose, composition, meeting schedule, and responsibilities governs the Committee. The Committee assists the OIG in fulfilling its oversight responsibility by monitoring the progress of the audit and addressing any issues that may arise from the audit or may prevent timely completion. The Committee's purposes include: (1) monitoring the reliability and integrity of the Office of the Chief Financial Officer's (OCFO) financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance; (2) monitoring the independence and performance of the District's independent auditors (Auditors); and (3) providing an open avenue of communication among the Auditors, Executive Office of the Mayor (EOM), Council

of the District of Columbia (Council), OCFO, and other District management officials.

The Committee, chaired by the OIG AIGA, is comprised of District officials who are independent of the OCFO, including representatives from the OIG, the Council, and the EOM. The Committee also invites representatives from the GAO, as well as CFO representatives, and various agency representatives to attend select meetings, as appropriate.

In order to ensure adequate and timely actions are taken by management to recommendations, the Committee continued to meet throughout FY 09. As part of these meetings we invited agency heads to present the status of work completed at their respective agencies to address deficiencies and open recommendations. Agencies that had representatives brief the Committee in FY 09 included: DCPS, the Office of the State Superintendent of Education, OCFO, the Office of Contracting and Procurement, and the Department of Health Care Finance.

Additionally, the OIG Chief of Contracts and Procurements is the Contracting Officer's Technical Representative (COTR) for contract administration to ensure standardization for procurements from all divisions.

30. What is the process, including a timetable, for the procurement of goods and services? How many steps must the agency take in order to complete a procurement? What is the process for a sole-source procurement?

**Response:**

The OIG strictly adheres to the requirements and guidelines set forth in the D.C. Code, the D.C. Municipal Regulations (DCMR), and the procedures promulgated by the District's Chief Procurement Officer (CPO) as they relate to contracts and small purchases. More specially, the OIG follows the procedures and timelines specified in Title 27 of the DCMR, including Chapters 16 (Procurement by Competitive Sealed Proposals), 17 (Sole Source and Emergency Procurements), and 18 (Small Purchase and Other Simplified Purchase Procedures).

The CAFR, is awarded every 5 years with a calendar of events that begins about late July, ends with award about April, and includes seven major events:

1. Pre-solicitation
2. Issuance of a Request for Proposal
3. Pre-Bid Conference
4. Submission of Bids
5. Evaluation of Bids
6. Notice to Bidders
7. Award of Contract

31. Please describe the methods used by your agency to monitor contract compliance. If your agency has a written policy on contract monitoring, please provide a copy of the policy.

**Response:**

Please see responses to 29 and 30, above.

**VI. Oversight and Management**

32. Please describe the top 5 challenges for the OIG in FY09 and identify the top 5 goals for FY10.

**Top 5 Challenges Response:**

1. RECRUIT AND RETAIN EMPLOYEES IN A HIGHLY COMPETITIVE ENVIRONMENT FOR HUMAN RESOURCES.

**Audit:**

In the Audit Division, we have created a career ladder policy that promotes junior auditors to progress noncompetitively after each year of service when performance is at a satisfactory level up to a grade 13. Unfortunately, with the current status of the budget and economic conditions of the city, we have been unable to fulfill this promise to our junior auditor. While only one has left thus far, the morale of the staff and the potential to seek other employment opportunities have impacted Audit operations. When weighing the cost of training and other expenses to hire and develop young talent, the minimal cost of a grade promotion far outweighs the costs expended and benefit loss in future years. Further, the knowledge base is retiring, and we must rely on young talent to become knowledgeable about the District and be able to take over the reins in future years.

**Inspections and Evaluations:**

As evidenced by the number and quality of reports it issued during FY 09, I&E has a strong, capable core of managers and inspectors. Apart from one analyst/inspector FTE that was “frozen” at the beginning of FY 09 (and subsequently removed from the agency), the Division’s remaining 14 FTEs were essentially filled for the entire FY. At various points during FY 09, it was a challenge to balance requirements to thoroughly document and apply the District’s performance management and progressive disciplinary processes with the need to stay focused on the responsibilities and mission of the Division and the OIG: the timely issuance of accurate work products that assist District managers and decision makers.

**Investigations:**

In FY 09, one of the top five challenges of the Investigations Division was to recruit qualified and appropriate candidates for open positions within the Division. Because our work is specialized and requires personnel with particular training and unique skills who possess the highest levels of integrity, we have found recruitment difficult. We continue, however, to work toward addressing this challenge so that the open positions in the Investigations Division will be filled.

**Medicaid Fraud Control Unit:**

In FY 09, the MFCU identified the need to increase its staff by two employees to manage the more than 250 *qui tam* matters currently open. The increase in staff was not approved in the FY 10 budget.

2. ENSURE THAT EMPLOYEES IN ALL AGENCIES, BRANCHES, AND COMPONENTS OF THE DISTRICT GOVERNMENT UNDERSTAND:
  - (A) THE AUTHORITY AND JURISDICTION OF THE OIG, AND
  - (B) THE OBLIGATION TO REPORT ALL INSTANCES OF WASTE, FRAUD, AND ABUSE TO THE OIG.

**Audit:**

In the Audit Division, we continue to make progress in this area by increasing our briefings with agency heads, with a particular focus on newly appointed agency officials, City Council members, and citizens who have reported alleged discrepancies or sought our assistance. We also continue to seek and obtain the active participation of all stakeholders (agency officials, legislative and executive officials, and citizenry) in our annual audit planning efforts so that our planned audits reflect those issues and problems most relevant to those stakeholders. We continue to keep agencies informed of the requirement to and importance of reporting criminal and unethical conduct.

**Investigation:**

See *infra*.

3. CONTINUALLY ASSESS THE STRATEGIC PRIORITIES OF THE CITY IN A WAY THAT ENABLES US TO DETERMINE THE MOST EFFICIENT AND EFFECTIVE USE OF LIMITED PERSONNEL RESOURCES IN CONDUCTING AUDITS, INVESTIGATIONS, AND INSPECTIONS THAT RELATE TO THE PROGRAMS AND OPERATIONS OF THE DISTRICT GOVERNMENT.

**Audit:**

To date, the Audit Divisions is addressing this challenge by focusing audit efforts on identified risk areas and programmatic themes as follows:

Risk Areas

- a. Public Education Programs
- b. Medicaid
- c. Contracting and Procurement
- d. Vulnerable Populations
- e. Citizen Safety and Protection
- f. Workforce Administration
- g. Payment Process (new for FY 2009)

Themes

- h. Revenue Enhancement
  - i. Spending and Efficient Use of Resources
  - j. Delivery of Citizen Services
  - k. Support Services
  - l. Audits Required by Law
  - m. District of Columbia Public Education Programs
  - n. Stimulus Spending
4. ADDRESS A GROWING WORKLOAD THROUGH INCREASED LEVERAGING OF PERSONNEL RESOURCES.

**Audit:**

To maximize use of limited resources, we engage in joint audit efforts where feasible, coordinate efforts between our operating divisions, maintain an on-site presence, and coordinate with external audit entities to maximize coverage and avoid duplication.

**Investigations:**

Another of the top five challenges for FY 09 for the Investigations Division was to manage an extremely large and complex investigative caseload without being fully staffed. Our special agents have been carrying an even larger caseload than normal because we had several unexpected openings, frozen positions, and difficulty hiring to fill open positions. This has had a significant impact on our ability to complete all of our investigations in as efficient a manner, as we would have liked to follow up investigatively on issues from prior investigations.

5. ENSURE THAT RECOMMENDATIONS MADE IN OUR REPORTS TO AGENCIES ARE NOT JUST AGREED TO BUT IMPLEMENTED AS WELL.

**Audit:**

The Audit Division meets this challenge by conducting triennial follow-up audits, issuing “dunning” letters to agencies, conducting informal follow-up (telephone calls, meetings), issuing Management Implication Reports (MIRs) when we identify potentially wide-spread problems, and issuing Management Alert Reports (MARs) to alert a specific agency management of the need to take immediate corrective action.

**Investigations:**

The OIG Investigations Division tracks all referrals to agencies where a response is requested. If the agency to which the referral was sent fails to respond by the due date, a reminder is sent to the agency. The reminder automatically grants the agency one extension and a new due date is provided. If the agency fails to respond, provide the OIG with an update, or request an additional extension by the new due date, the OIG sends a letter to the Mayor notifying him of the agency’s failure to respond. If the agency responds to a referral by the due date, but the response is insufficient or fails to address the key issues, the OIG requests additional information from the agency and tracks that until a sufficient response has been received.

**Top 5 Goals Response:**

1. COMPLETION OF ACTIVITIES SPECIFICALLY MANDATED BY DISTRICT AND FEDERAL STATUTES, SUCH AS AUDITS OF HIGHWAY TRUST FUND, PROCUREMENT ACTIVITIES, AND OVERSIGHT OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT.

**Audit:**

To date, all mandated audits, including the District’s Comprehensive Annual Financial Report (CAFR), have been completed. We anticipate meeting this goal for the remainder of the FY.

2. PROVIDING A MEANS TO KEEP THE MAYOR, THE COUNCIL, AGENCY AND DEPARTMENT HEADS FULLY AND CURRENTLY INFORMED OF PROBLEMS AND DEFICIENCIES RELATING TO THE ADMINISTRATION OF DISTRICT GOVERNMENT PROGRAMS AND OPERATIONS.

### **Audit:**

Throughout the year, the OIG addresses this goal by routinely keeping agencies, the Mayor, and City Council members advised through briefings, hearings and reports, of emerging issues identified through the performance of our normal duties. Our combined annual efforts are also reflected in our Annual Report on the Activities of the Inspector General, which is available on our website.

### **Inspections and Evaluations:**

Significantly improve our follow-up and interaction with inspected agencies on actions taken in response to our findings and recommendations, and more frequently update the Mayor, the Council, and other stakeholders on the results.

### **Investigations:**

One of the goals of the Investigations Division for FY 10 is to better inform agencies of matters resulting from investigations that may be useful or important to the agency, but which have not resulted in specific recommendations for the agency to implement. Examples of such matters may include notifying an agency of a monetary recovery in connection with a program, contract, or grant run by that agency, and significant action in a court case related to a current or former agency employee.

3. ESTABLISHMENT OF ACCOUNTABILITY, CONTROL AND COMPLIANCE PROGRAMS TO PROVIDE AUDITS AND INSPECTIONS THAT FOCUS EFFORTS ON MITIGATING RISKS THAT POSE THE MOST SERIOUS CHALLENGES TO DISTRICT AGENCIES AND OTHER STAKEHOLDERS SO THAT DISTRICT GOVERNMENT ENTITIES CAN BETTER MAINTAIN FISCAL INTEGRITY AND OPERATIONAL READINESS.

### **Audit:**

We continually address this goal through several means. For example, our Annual Audit Planning conference typically addresses each of the identified risk areas and seeks to create future audits designed to mitigate those risks. This planning is performed with input from all principal stakeholders, including members of the administration, City Council, and District agencies. As mentioned earlier, we also have an aggressive follow-up program to ensure that agencies take action in response to our findings and recommendations. Lastly, we continually work to improve our analytic techniques, keeping abreast of the audit methodologies and the effect changes in accounting and auditing standards that may have on audit operations.

**Inspections and Evaluations:**

Continue efforts to produce reports in a more timely fashion by (1) improving the efficiency, accuracy, and speed of our work processes, and (2) enhancing inspectors' analytical skills so that they generate thorough and persuasive findings and recommendations more quickly and independently.

4. RECRUIT AND RETAIN EMPLOYEES IN A HIGHLY COMPETITIVE ENVIRONMENT FOR HUMAN RESOURCES.

**Inspections and Evaluations:**

Fill our three existing analyst/inspector vacancies (one inspector was promoted into a different role within the OIG; one left the D.C. government for a position in a federal agency; one was terminated) with skilled researcher/analyst/writers who are D.C. residents.

**Investigations:**

One of the top five goals of the Investigations Division for FY 10 is to recruit qualified and appropriate candidates for open positions. We hope that this will allow us to reduce the case load of each agent so that investigations can be conducted more efficiently and completed in a shorter time period.

**Medicaid Fraud Control Unit:**

The additional staff cost (referenced above in Challenges as not approved for the FY 10 budget) has been included in the FY 11 budget. The MFCU goal is to have two staff members dedicated to *qui tam* matters, which result in significant money returned to the D.C. Treasury each year, exceeding the District cost of funding the MFCU.

5. IMPLEMENTATION OF THE REQUIREMENT IN THE OIG STATUTE THAT THE INSPECTOR GENERAL INDEPENDENTLY CONDUCT INVESTIGATIONS INTO ALLEGATIONS OF WASTE, FRAUD, AND ABUSE, AND REPORT THOSE CASES WHICH ARE CRIMINAL IN NATURE TO FEDERAL OR DC PROSECUTORS, AS APPROPRIATE.

**Investigations:**

In FY 10, the Investigations Divisions will endeavor to continue to meet our statutory requirement to conduct investigations into allegations of waste, fraud, and abuse, and report those cases which are criminal in nature to federal or local prosecutors, as appropriate.

33. How many referrals were made in FY09 to the U.S. Attorney’s Office, or any other law enforcement authority?

**Response:**

**Investigations:**

In FY 09, the OIG Investigations Division presented 37 cases to the USAO for possible prosecution. Of those 37 cases, 18 were accepted for further investigation. The OIG also presented eight cases to the District of Columbia Office of the Attorney General (OAG) for possible prosecutions. Seven of those cases were accepted.

**Medicaid Fraud Control Unit:**

The MFCU referred 30 cases to the United States Attorney’s Office in FY09. Of those, four were declined, and five have not yet been adjudicated, the remainder have been resolved through trial, plea, or settlement.

34. Of the audits, inspections, and investigations conducted by the OIG in FY09, how many were:
- Statutorily initiated
  - Council initiated
  - Executive initiated
  - Independently initiated

**Response:**

**Audit:**

The Audit Division issued 34 final reports in FY 09 and 1 Management Implication Report. A breakdown follows.

20	Statutorily initiated
3	Council initiated
7	Executive initiated
5	Independently initiated
35	Total reports issued in FY 09

**Inspections and Evaluations:**

- a. *Statutorily initiated:* None
- b. *Council initiated:* None
- c. *Executive initiated:* None
- d. *Independently initiated:* 7 - Department of Human Resources – Benefits and Retirement Administration (cancelled); Department on Disability Services (ongoing); Metropolitan Police Department – Youth Investigations

Division (ongoing); Department of Employment Services – Office of Unemployment Compensation (ongoing); Department of Health – Addiction Prevention and Recovery Administration (ongoing); Department of Human Services – Adult Protective Services (ongoing); Child and Family Services Administration – Child Protective Services (ongoing)

**Investigations:**

In FY 09, the OIG Investigations Division opened a total of 136 formal investigations, including 8 that were initiated at the request of the D.C. Council, 23 that were initiated at the request of agency heads, and 22 that were independently initiated.

35. Please provide a breakdown of how many cases have been open for a:
- 8 month period
  - 12 month period

**Response:**

**Investigations:**

Of the 210 currently open formal investigations, 102 have been open at least 1 year. Of those, however, 30 were accepted by a prosecutor for criminal prosecution within 1 year. In addition, 28 investigations have been open more than 8 months but less than 1 year. Of those, 8 were accepted by a prosecutor for criminal prosecution within 8 months. Our criminal investigations remain open and active until the prosecution is complete and all of the defendants have been sentenced.

**Medicaid Fraud Control Unit:**

8 months: 3

12 months: 6

36. During last year’s performance season, the Committee requested a status of the Chief Lanier audit. At the time, the OIG indicated that documentation still needed analysis and that OIG investigators would start to conduct follow-up interviews.
- Has the OIG completed the document analysis and proceeded to conduct follow-up interviews?

**Response:**

Yes, the OIG has completed the documents analysis and conducted all necessary follow-up interviews.

- Is there any further update with respect to this investigation?

**Response:**

Yes, the OIG has completed the investigation and it is now closed. The investigation revealed no evidence to substantiate allegations that MPD Chief Cathy Lanier intentionally provided misleading or inaccurate information during her Council testimony.

37. Is there any update with respect to the investigation involving District surplus fire equipment to the town of Sosua in the Dominican Republic and an investigation involving the Office of the Chief Technology Officer (OCTO)?

- When does the OIG expect to release a report on surplus fire equipment?

**Response:**

The investigation is nearly complete, except for difficulty obtaining statements witnesses made in depositions before the Council. Despite that, investigators are analyzing all of the information and evidence obtained during the investigation and anticipate issuing a response to the Council containing the facts uncovered, within approximately 90 days.

- When does the OIG expect to release a report on the OCTO scandal?

**Response:**

The investigative work has been completed. It resulted in the arrests of five people, three of whom had been District government employees. (One OCTO employee was terminated and one was allowed to resign; one OCFO employee was terminated). Of the five people who were arrested, four have entered guilty pleas. One of those people has been sentenced and the other three people are scheduled to be sentenced within the next couple of months. The criminal case for the fifth person is still pending. There is no way for the OIG to estimate when the criminal cases for those who have not entered guilty pleas and/or have not yet been sentenced will be concluded. When all defendants have been sentenced, however, the OIG anticipates issuing a final report, in the form of a Significant Activity Report (SAR), which will be posted on the OIG website.

38. In August of 2009, the Committee sent your office an inquiry regarding the capability of developing a searchable database system for researching reports on the OIG website. In your response, you indicated that you planned to work with OCTO to ensure all archived reports are converted and available for keyword searches. What is the current status of this agency project?

**Response:**

Currently, the search feature located on the front page of the OIG website allows you to search for reports by agency name (i.e., OIG MPD, OIG DOH). However, due to a lack of funding in FY 10, fine tuning of this feature is ongoing. Once the fine tuning is complete, the search feature will allow the public to search reports according to agency name/acronym, report title, date of report and keyword(s).

39. Please provide to the Committee an update on how well the District is operating to ensure whistleblowers feel empowered know to come forward to provide information.

**Response:**

Due to the fact that the OIG does not possess authority or the jurisdiction to confer whistleblower status on an employee pursuant to applicable law, this Office cannot answer the question. However, it should be noted that as part of the corruption forum presentation, referenced above, that the OIG conducts at agencies, employees are informed about the prohibition against retaliation of employees for reporting information to the OIG, and generally about whistleblower process. Further, it should be noted that at these forums, employees are strongly encouraged to report matters to the OIG and are informed of their obligation to do so. Finally, this information is also contained in our OIG brochure, which is distributed to employees.

## **VII. Performance Plans**

The following questions relate to the FY 09 Performance Plan.

40. *INITIATIVE 1.1 of the FY09 performance plan relates to the scheduling and conducting of audits of the District of Columbia Medicaid Program.*
- Please assign the agency a letter grade, from A to F, based on whether it accomplished this objective. Please justify this grade.
  - The OIG has indicated that audits will begin in FY10 and will be concluded before the end of FY12. Approximately, when will the audit report be made available for the public?

**Response:**

**Audit:**

The Medicaid Program has been of continuing concern to the District for some time and has been identified in recent Management Reports related to the CAFR as a material weakness affecting the District's financial management infrastructure. Through our work on the CAFR Committee, we have been able to work collaboratively with agencies to address previous recommendations and correct deficiencies, and have lessened the impact of identified deficiencies on the CAFR.

The OIG has designated the Medicaid Program as a major issue area until the risk to the District is more manageable. Accordingly, our plan for Medicaid coverage is citywide and comprehensive. OIG audit plans have consistently addressed the risks posed by the Medicaid program, continually reviewing Medicaid program systemic weaknesses and internal controls to identify and address potential fraud indicators and Medicaid program functions susceptible to abuse. Specific Medicaid audit topics include: payment of claims; eligibility of recipients; provider rates; durable medical equipment/prosthetics, orthotics, and supplies; contracts; third party liability; and human care agreements.

In FY 09, we completed a multi-agency Medicaid Research Project that focused on rate-setting methods for the reimbursement of Medicaid services and related issues associated with eligibility determinations, provider certifications, claim approvals, provider payments, and draw-downs of applicable federal funds. Currently, we have ongoing audits in the Intermediate Care Facilities for Persons with Developmental Disabilities (ICF's/DD) and the Community Health Administration and Medicaid claims at the Department of Health Care Finance. While we have achieved our intended focus, relative to Medicaid, work remains; therefore, we rate our efforts as a "B".

- Is the Medicaid Fraud Control Unit (MFCU) adequately staffed?

**Response:**

No. Pursuant to a recommendation made by the Health and Human Service (HHS) recertification team that conducted an onsite review, the MFCU needs two additional staff members to work on *qui tam* cases. HHS authorized funding for those positions, but the D.C. government did not have the money to fund its 25% of those positions in FY 10.

- Federal regulations governing MFCU's require each certified MFCU to undergo a recertification process annually. Has the D.C. OIG's MFCU been recertified?

**Response:**

On February 23, 2009, HHS notified the MFCU of its recertification for another year from March 1, 2009 - February 28, 2010. In January 2010, the MFCU submitted its recertification package to HHS for the upcoming year.

- How many types of *qui tam* matters are currently handled by MFCU?

**Response:**

The MFCU is currently handling over 240 *qui tam* matters. These include cases such as: off - label marketing; best price; kickbacks; false cost reports; Stark Law

compliance; and quality of care. The Office of Attorney General (OAG) has authority for matters affecting the District, so the MFCU shares information with OAG personnel in the Civil Litigation Section. If the MFCU were granted authority for the MFCU-related *qui tams*, it would eliminate the duplication of efforts expended by two different D.C. agencies, and expedite the processing of *qui tam* matters and returning Medicaid dollars to the District.

41. *INITIATIVE 1.2 of the FY09 performance plan seeks to establish the Sustained Compliance Program to improve follow-up with inspected agencies. This initiative was originally to occur in FY09; however, due to budgetary constraints was pushed to FY10.*
- Please assign the agency a letter grade, from A to F, based on whether it accomplished this objective. Please justify this grade.

**Response:**

I&E assigns itself a grade of “D.” In its written response in advance of last year’s performance hearing, I&E stated it would enhance its compliance efforts in several ways:

We are developing and will implement a five-part process that includes (1) issuing a Compliance Form to agencies for each recommendation made. This form is already being used by agencies to document compliance with recommendations, and they must be signed by the agency head or designated official; (2) every 3-4 months I&E’s Compliance Officer will consult with a designated representative on the status of the agency’s compliance with our recommendations; (3) we are creating a database to track issuance and agency compliance with all recommendations; (4) we will continue to conduct periodic on-site re-inspections and issue Reports of Re-inspection; and we will issue a Compliance Report at the end of each fiscal year to the Executive, the Council, and the public that documents the progress inspected agencies have made on all recommendations. As an additional step, I&E will reach out to District agencies in writing and briefings to provide information and encourage full participation in and responsiveness to our compliance program.

I&E continued its standard practice of providing the directors of inspected agencies with compliance forms along with their copy of the final report of inspection. I&E’s compliance officer held two briefings regarding completed inspections (one at the Office of Administrative Hearings and one at the Department of Consumer and Regulatory Affairs) to explain the purpose of the forms, answer questions regarding the compliance forms, etc. Also, 6 months following its April 2009 publication of *Interactions Between an At-Risk Family, District Agencies, and Other Service Providers*, I&E drafted a letter to Mayor Fenty requesting information received by the

EOM regarding corrective actions it had requested as well as any responses received from agencies and non-profits cited in the report. (While there appears to be legislation addressing agency coordination, as of this writing, the OIG has not received a response to its request.) During FY 2009, I&E received no completed compliance forms from inspected agencies. In addition, due in part to exigent inspection and re-inspection activities taking longer than expected to complete, I&E did not reach out to inspected agencies to determine why they had not submitted compliance forms and provided the status of agreed-upon recommendations; however, as noted in the response below, work on the compliance program will begin in February 2010.

- In September 2009 this was made a priority of the agency to keep track of recommendations made city-wide. Is the program still on target to be fully developed by March 2010? If so, how will this new program work?

**Response:**

Not all elements of this compliance process will be in place by March 2010. In February 2010, I&E began contacting agencies that received Management Alert Reports in FY 09 to ask for updates on information and planned actions communicated in their initial responses to the recommendations.

- Would the system be automated and available to public?

**Response:**

I&E will disseminate any additional information it receives from agencies to District stakeholders and post any formal responses it receives from targeted agencies to our website, [oig.dc.gov](http://oig.dc.gov).

- Would implementation of the sustained compliance program present any additional programmatic costs to the OIG?

**Response:**

Full implementation of an enhanced compliance process will not present any additional programmatic costs to the OIG.

42. *INITIATIVE 2.1 of the FY09 performance plan holds that the agency continues its outreach to District government employees, communicating with them the rules regarding appropriate conduct protecting the integrity of District government.*

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this objective. Please justify this grade.

**Response:**

The OIG assigns itself the letter grade of “A”- based on its accomplishment of this objective. All of the OIG Investigations Division managers and supervisors and the majority of the Special Agents have been trained to conduct such lectures. In FY 09, the OIG Investigations Division conducted a total of eight corruption lectures at five District agencies. Two of those corruption lectures were conducted at the New Employee Orientation held by the District of Columbia Department of Human Resources (DCHR). For FY 10, the OIG Investigations Division has committed to conducting corruption lectures at all DCHR New Employee Orientations. In addition, it already has and will continue to conduct corruption lectures at other District agencies.

- This was also an initiative for FY09. Beyond conducting corruption lectures in agencies, how else does the OIG intend to reach out to government employees with respect to protecting the integrity of District government?

**Response:**

OIG Investigations Division personnel take advantage of every opportunity to educate managers, attorneys, and internal integrity personnel in other District agencies not only on how we evaluate matters that are sent to us and how we would like to interact with them on issues relating to their agencies, but to clarify and expand upon their understanding of problems that typically arise in agencies, pertinent laws and regulations, and appropriate methods of dealing with these issues. We accomplish this by participating in training programs, conducting meet and greets, and having detailed telephone conversations. We will continue to do so wherever possible throughout FY 10.

- How have the corruption lectures been received by District employees?

**Response:**

The corruption lectures have been received well by District employees. The groups we address are lively and generally ask important, substantive questions which show that the employees are thinking about the issues being raised.

- Are the lectures mandated? Should the lectures be mandated?

**Response:**

The OIG Investigations Division is not aware of any District agencies having mandated attendance at OIG corruption lectures for all agency employees. If all District agencies were to mandate such attendance, the OIG Investigations Division could not possibly conduct enough corruption lectures every year to address every

District employee at every District agency within any reasonable time frame. We simply do not have enough staff to do so. The OIG Investigations Division, however, has committed to conducting corruption lectures at all DCHR New Employee Orientation sessions. This means that all District employee hired after we began conducting such lectures in September 2009, will have attended at least one OIG corruption lecture during their career with District government.

- In FY10, the Committee increased the budget of the OIG by approximately \$600,000 to cover the cost of developing the CAFR. Has your office discussed way to prevent this cost from escalating. For instance, recent discussions with the Office of the City Administrator have revealed potential changes in fixed costs assessments substantially reducing the challenge of auditing these funds. Is there an opportunity to reduce the cost of the CAFR contract and are there other opportunities available?

**Response:**

Through a vigorous RFP process, including in-depth price and technical evaluations of the offers, the FY 10 CAFR was awarded for \$2,137,444. By comparison, the FY 09 CAFR contract was awarded for \$2,032,544. The OIG's FY 09 approved budget for the CAFR was \$3,013,823. The OIG received a re-programming from OCFO of \$935,000 to cover additional work for the FY 09 CAFR. Actual expenditures for FY 09 were \$3,637,018. While the cost of the FY 10 CAFR is higher than FY 09, the increase is modest, given that the base cost of the FY 09 option was negotiated 5 years ago.

The OIG continuously seeks opportunities to realize efficiencies in its operations and in administering the CAFR contract. To that end, we developed an innovative vehicle for administering the CAFR contract and in overseeing the work of the independent auditors who are under contract to the OIG. The CAFR Oversight Committee integrates the knowledge, skills, and talents of the Executive, D.C. Council, Major Departments and agencies in a structure lead by the OIG in ensuring that the District receives the most efficiency, effective, and economical and best in class audit services available. However, it must be noted that during the 5 year life of a CAFR contract, circumstances beyond our control often result in modifications that raise the cost of the base and option year contracts. Examples are change in accounting rules, creation of new systems, and large scale frauds, such as that which was discovered in 2007 at the Office of Tax and Revenue.