

**TESTIMONY OF CHARLES J. WILLOUGHBY, INSPECTOR GENERAL
BEFORE THE
COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE ON GOVERNMENT OPERATIONS AND
THE ENVIRONMENT**

FISCAL YEAR 2009 PERFORMANCE OVERSIGHT HEARING

MARCH 9, 2010

GOOD MORNING CHAIRPERSON CHEH AND MEMBERS OF THE COMMITTEE. SEATED WITH ME ARE ALVIN WRIGHT, ASSISTANT INSPECTOR GENERAL (AIG) FOR THE INSPECTIONS AND EVALUATIONS DIVISION; STACIE PITTELL, AIG FOR THE INVESTIGATIONS DIVISION; AND SUSAN KENNEDY, DIRECTOR OF THE MEDICAID FRAUD CONTROL UNIT. THE POSITION OF ASSISTANT INSPECTOR GENERAL FOR AUDITS IS CURRENTLY VACANT.

I AM PLEASED TO TESTIFY AT THIS PERFORMANCE HEARING, WHICH COVERS THE OFFICE OF THE INSPECTOR GENERAL'S (OIG) REPORTING OF ACCOMPLISHMENTS IN FY 2009 AND THE FIRST QUARTER OF FY 2010.

PERFORMANCE SUMMARY

BY LAW, OUR AUDIT, INSPECTIONS AND EVALUATIONS, AND INVESTIGATIONS DIVISIONS WERE REQUIRED TO UNDERGO A PEER REVIEW CONDUCTED BY AN INDEPENDENT ENTITY. IN MARCH 2009, REPRESENTATIVES FROM THE ASSOCIATION OF LOCAL GOVERNMENT AUDITORS (ALGA) COMPLETED A PEER

REVIEW OF THE OIG'S AUDIT DIVISION. THE AUDIT DIVISION RECEIVED AN UNQUALIFIED OPINION FROM THE PEER REVIEW TEAM. DURING AUGUST 2009, THE INSPECTIONS AND EVALUATIONS AND INVESTIGATIONS DIVISIONS UNDERWENT A PEER REVIEW BY THE ASSOCIATION OF INSPECTORS GENERAL, WHICH CONCLUDED THAT BOTH DIVISIONS MET ALL RELEVANT STANDARDS ON INTEGRITY AND EFFICENCY ESTABLISHED BY THE COUNCIL OF INSPECTORS GENERAL. THE MFCU IS AUDITED, REVIEWED, AND RECERTIFIED ANNUALLY BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES. ON MARCH 1, 2010, WE RECEIVED NOTIFICATION THAT THE OIG MFCU HAD BEEN RECERTIFIED FOR THE PERIOD OF MARCH 1, 2010, THROUGH FEBRUARY 28, 2011.

EACH OF THE FOUR OIG DIVISIONS – AUDIT, INVESTIGATIONS, INSPECTIONS AND EVALUATIONS, AND THE MEDICAID FRAUD CONTROL UNIT (MFCU) – HAS A SEPARATE SET OF PERFORMANCE MEASURES THAT RELATE TO THE WAYS IN WHICH OUR WORK ADDRESSES OIG STATUTORY RESPONSIBILITIES AND SUPPORTS CITYWIDE STRATEGIC PRIORITIES.

I WILL NOW PROVIDE AN OVERVIEW OF THE ACTIVITIES AND RESULTS OF EACH OF OUR FOUR DIVISIONS.

AUDIT DIVISION

AUDITS PERFORMED BY THE OIG INCLUDE BOTH PERFORMANCE AND FINANCIAL AUDITS TO IMPROVE ACCOUNTABILITY AND TO FACILITATE EFFECTIVE DECISION MAKING. IN ADDITION, THE AUDIT DIVISION OVERSEES THE CITYWIDE FINANCIAL AUDIT REFERRED TO AS THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR).

THE OIG HAS AND CONTINUES TO ASSIST DISTRICT MANAGEMENT IN ADDRESSING VARIOUS RISKS FACING THE CITY. IN LOOKING FOR WAYS TO MITIGATE THESE RISKS, WE FASHION AUDITS TO ASSESS THE RESULTS OF BUDGETED PROGRAMS, INCLUDING THE ECONOMY, EFFICIENCY, AND EFFECTIVENESS OF MANAGEMENT ACTIONS TAKEN TO ADDRESS THOSE RESULTS. IN FY 2009, THE AUDIT DIVISION CONTINUED ITS INCREASED FOCUS ON ISSUES SURROUNDING D.C. PUBLIC SCHOOLS (DCPS), MEDICAID, VULNERABLE POPULATIONS, PROCUREMENT AND CONTRACTING, AND WORKFORCE ADMINISTRATION.

AUDIT STATISTICS

IN ORDER TO MEASURE OUR AUDIT PERFORMANCE AGAINST OUR GOALS, WE REPORT ON POTENTIAL MONETARY BENEFITS IDENTIFIED AND THE NUMBER OF REPORTS ISSUED. WE ALSO CONTINUE TO WORK TOWARD PROCESS IMPROVEMENTS IN MEASURING OUR PRODUCTIVITY AND PERFORMANCE. IN THIS REGARD, BECAUSE OF THE IMPORTANCE WE PLACE ON AUDIT FOLLOW-

UP, WE ALSO TRACK INTERNALLY THE STATUS OF RECOMMENDATIONS MADE AND DISTRICT AGENCY COVERAGE. WE TRACK AUDIT RECOMMENDATIONS SO THAT WE CAN ASSESS THE PROGRESS OF CORRECTIVE ACTIONS.

ADDITIONALLY, THE COMPTROLLER GENERAL'S GOVERNMENT AUDITING STANDARDS EMPHASIZE THE IMPORTANCE OF FOLLOW-UP ON SIGNIFICANT FINDINGS AND RECOMMENDATIONS FROM PRIOR AUDITS TO DETERMINE IF CORRECTIVE ACTIONS HAVE BEEN IMPLEMENTED.

THE AUDIT DIVISION SIGNIFICANTLY EXCEEDED EXPECTATIONS ON ITS PERFORMANCE MEASURES. FOR FY 2009 WE CONDUCTED AUDITS IN 18 PERCENT OF THE DISTRICT'S AGENCIES/OFFICES (OUR TARGET WAS 15 PERCENT). WE EXCEEDED A TARGET OF ISSUING 24 FINAL AUDIT REPORTS BY ISSUING 34. OUR POTENTIAL MONETARY BENEFITS WERE \$50.3MILLION, COMPARED TO A TARGET OF \$25 MILLION. COMPARING THESE BENEFITS TO AUDIT DIVISION COSTS OF APPROXIMATELY \$3.9 MILLION SHOWS A RETURN ON INVESTMENT FOR AUDITS PERFORMED BY OIG AUDIT STAFF OF ALMOST \$13 FOR EACH DOLLAR INVESTED.

TO IDENTIFY SPECIFIC POTENTIAL BENEFITS, THE OIG INCLUDES A SCHEDULE IN EACH AUDIT REPORT THAT LISTS EACH BENEFIT BY TYPE AND RECOMMENDATION, AND DESCRIBES EACH BENEFIT AS ECONOMY AND EFFICIENCY, INTERNAL CONTROL AND COMPLIANCE, OR PROGRAM RESULTS. FOR FY 2009, THE AUDIT DIVISION MADE A TOTAL OF 339 RECOMMENDATIONS TO DISTRICT MANAGEMENT.

AUDIT HIGHLIGHTS BY THEME ARE AS FOLLOWS:

REVENUE ENHANCEMENT

AUDIT OF THE MANAGEMENT OF COMMERCIAL PROPERTY INCOME AND EXPENSE REPORTS BY THE OFFICE OF TAX AND REVENUE'S REAL PROPERTY TAX ADMINISTRATION (RPTA), OIG NO. 08-2-01AT, MAY 15, 2009

THE RPTA DID NOT ESTABLISH BASIC INTERNAL CONTROLS THAT WOULD HAVE IDENTIFIED COMMERCIAL PROPERTY OWNERS WHO DID NOT FILE INCOME AND EXPENSE (I & E) REPORTS, FILED LATE REPORTS, OR FILED I & E REPORTS WITH INACCURATE OR INCOMPLETE DATA. FURTHER, VARIOUS RPTA OFFICIALS CHARGED WITH THE RESPONSIBILITY OF ENFORCING REAL PROPERTY TAX I & E REPORTING PROVISIONS FAILED TO DO SO FOR A PERIOD OF AT LEAST 10 YEARS. LACK OF ENFORCEMENT DURING 2006 RESULTED IN AN ESTIMATED \$11.8 MILLION IN UNCOLLECTED PENALTIES FOR NONCOMPLIANCE WITH LEGAL REPORTING REQUIREMENTS. THESE PENALTIES SHOULD HAVE BEEN ASSESSED AND BILLED TO NONCOMPLIANT COMMERCIAL PROPERTY OWNERS BETWEEN MARCH AND SEPTEMBER 2008. IF SIMILAR SITUATIONS EXISTED FOR 2007 REPORT SUBMISSIONS AND, TO A LESSER EXTENT, DURING THE SUBMISSION OF 2008 REPORTS, A CONSERVATIVE ESTIMATE OF LOST PENALTY REVENUES FOR THOSE TWO PERIODS COULD BE APPROXIMATELY \$13.2 MILLION. TOTAL LOST PENALTY REVENUES FOR ALL THREE PERIODS MAY HAVE EXCEEDED \$25 MILLION.

**AUDIT OF THE MOTOR FUEL SALES AND TAX PROCESS, OIG NO. 09-2-02KA,
JULY 23, 2009**

WE DETERMINED THAT IMPORTER MOTOR FUEL TAX LIABILITIES OF ABOUT \$733,000 HAVE GONE UNCOLLECTED FOR MORE THAN 6 YEARS. UNREMITTED IMPORTER MOTOR FUEL TAXES WERE THE RESULT OF: 1) A LACK OF INTERNAL CONTROLS IN THE OFFICE OF TAX AND REVENUE'S (OTR'S) MANUAL PROCESSES FOR MOTOR FUEL TAX REVENUES; 2) INSUFFICIENT OVERSIGHT BY OTR'S AUDIT DIVISION; AND 3) THE EXCLUSION OF A MODULE IN THE OTR TAX INTEGRATED SYSTEM THAT WOULD ASSIGN DELINQUENT MOTOR FUEL TAX ACCOUNTS TO TAX REVENUE OFFICERS TO TAKE THE NECESSARY ENFORCEMENT ACTIONS. WE ALSO FOUND THAT THE DISTRICT ASSUMED AN INCREASED RISK OF LOSS DUE TO THE MISCALCULATION OF BOND LIABILITY OWED BY MOTOR FUEL TAXPAYERS, WHICH WOULD PROVIDE MONIES TO COVER POTENTIAL LOSSES FROM DELINQUENT TAXES OR DAMAGES CAUSED BY A FUEL SPILL OR OTHER ACCIDENTS. IN ADDITION, WE ALSO FOUND THAT THE DISTRICT DID NOT IMPLEMENT PREVIOUSLY AGREED-TO RECOMMENDATIONS AND, THEREFORE, LOST INTERSTATE BUS TAX REVENUES TOTALING AT LEAST \$2.3 MILLION OVER THE LAST 10 YEARS (\$229,000 ANNUALLY) BY NOT PARTICIPATING IN THE INTERNATIONAL FUEL TAX AGREEMENT MANAGED BY THE INTERNATIONAL FUEL TAX ASSOCIATION.

SPENDING AND EFFICIENT USE OF RESOURCES

AUDIT OF PURCHASE CARD TRANSACTIONS AT THE OFFICE OF UNIFIED COMMUNICATIONS, OIG NO. 08-1-10AA, FEBRUARY 12, 2009

WE FOUND THAT THE OFFICE OF UNIFIED COMMUNICATIONS (OUC) AND THE OFFICE OF CONTRACTING AND PROCUREMENT (OCP) NEED TO IMPROVE CONTROLS OVER MANAGEMENT OF THE D.C. PURCHASE CARD PROGRAM. THE PROGRAM WAS NOT ADEQUATELY MANAGED BECAUSE OUC EITHER CIRCUMVENTED EXISTING INTERNAL CONTROLS OR FAILED TO ESTABLISH INTERNAL CONTROL PROCEDURES TO PROPERLY JUSTIFY CARD PURCHASES AND ADEQUATELY DOCUMENT THE RECEIPT OF PURCHASES BY AUTHORIZED PERSONNEL. OUC ALSO DID NOT OBTAIN COMPETITION AS REQUIRED BY TITLE 27 OF THE D.C. MUNICIPAL REGULATIONS (DCMR). FURTHER, OCP DID NOT PERFORM SUFFICIENT OVERSIGHT FOR PURCHASE CARD TRANSACTIONS AS REQUIRED BY OCP PROCUREMENT POLICY AND PROCEDURE DIRECTIVE 9000.01 (OCP DIRECTIVE 9000.01). AS A RESULT, OUC SPENT \$154,000 ON UNJUSTIFIED OR QUESTIONABLE EXPENDITURES. IN ADDITION, OUC SPENT \$144,000 IN CARD PURCHASES WITH NO ASSURANCE THAT PRICES WERE FAIR AND REASONABLE. WE ALSO CONCLUDED THAT OUC USED ITS \$100,000 EMERGENCY PURCHASE CARD AUTHORITY ON NON-EMERGENCY EXPENDITURES, SUCH AS MATERIALS AND SUPPLIES FOR THE CHILDCARE DEVELOPMENT CENTER, EMPLOYEE UNIFORMS, AND CHAIR CLEANING AND MAINTENANCE.

DELIVERY OF CITIZEN SERVICES

AUDIT OF DISTRICT AGENCIES' IMPLEMENTATION OF AUDIT RECOMMENDATIONS, OIG NO. 08-1-03MA, MARCH 12, 2009

THE RESULTS OF OUR PAST THREE TRIENNIAL FOLLOW-UP AUDITS SHOW A STEADY RATE AT WHICH DISTRICT AGENCIES IMPLEMENTED AGREED-TO AUDIT RECOMMENDATIONS – 80 PERCENT IN FY 2002, 77 PERCENT IN FY 2005, AND 88 PERCENT IN 2008. WHILE THE IMPLEMENTATION RATE HAS INCREASED, WORK REMAINS. WE IDENTIFIED PROBLEMS THAT CONTINUE WITH THE DISTRICT OF COLUMBIA OFFICE OF RISK MANAGEMENT (DCORM) FOLLOW-UP SYSTEM, AND THE STEPS AGENCIES SHOULD TAKE TO CLOSE ALL OUTSTANDING RECOMMENDATIONS.

IN REGARD TO DISTRICT AGENCY FOLLOW-UP ACTIONS, WE CONDUCTED AUDIT TESTING AT 23 OF 24 DISTRICT AGENCIES. DISTRICT AGENCY OFFICIALS REPORTED THAT: (1) ACTION HAD BEEN COMPLETED TO ADDRESS 321 OF THE 363 (88 PERCENT) RECOMMENDATIONS REVIEWED; (2) 38 (11 PERCENT) RECOMMENDATIONS REMAINED OPEN; AND (3) 4 RECOMMENDATIONS HAD BEEN OVERTAKEN BY EVENTS SUCH THAT ACTION WAS NO LONGER NECESSARY TO CORRECT RELATED DEFICIENCIES. WE NOTED THAT 37 OF THE 38 OPEN RECOMMENDATIONS (97 PERCENT) WERE MADE IN FYS 2005 AND 2006. THE IMPLICATIONS OF THIS FINDING ARE THAT OIG RECOMMENDATIONS WERE NOT TIMELY RESOLVED WITHIN 6 MONTHS AS PROVIDED FOR BY THE OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-50. TO STRENGTHEN

FOLLOW-UP EFFORTS, THE OIG ESTABLISHED A NEW FOLLOW-UP SYSTEM AT THE START OF FY 2007 TO REMIND AGENCY MANAGEMENT ABOUT THE IMPORTANCE OF TIMELY RESOLVING RECOMMENDATIONS CONTAINED IN AUDIT REPORTS.

WE SELECTED 109 OF THE 321 REPORTED AS CLOSED RECOMMENDATIONS FOR VERIFICATION. WE WERE ONLY ABLE TO VERIFY THAT 65 OF THE 109 TESTED (60 PERCENT) WERE ACTUALLY CLOSED BASED ON DOCUMENTATION MAINTAINED BY AGENCY OFFICIALS.

AUDIT OF THE FIRE AND EMERGENCY MEDICAL SERVICES' DEPARTMENT ADMINISTRATION OF AMBULANCE BILLING CONTRACTS, OIG-07-2-31FB, MARCH 23, 2009

WE DETERMINED THAT FEMS DID NOT HAVE PERSONNEL WITH SUFFICIENT BUSINESS ACUMEN, TRAINING, AND EXPERIENCE TO ADEQUATELY OVERSEE CRITICAL BUSINESS-RELATED ACTIVITIES IN SUPPORT OF ITS MISSION TO PROVIDE EMERGENCY MEDICAL CARE AND TRANSPORTATION. ACCORDINGLY, CORRECTIVE MEASURES WERE WARRANTED IN SEVERAL AREAS TO IMPROVE FEMS OPERATIONS. NOTED DEFICIENCIES INCLUDED:

- A LACK OF AN EFFECTIVE ADMINISTRATIVE SUPPORT SERVICES FUNCTION TO MANAGE AND MONITOR ROUTINE BUSINESS OPERATIONS SUCH AS EMERGENCY TRANSPORT BILLINGS, ACCOUNTS RECEIVABLE, AND BAD DEBT ACCOUNTS.

- A PROCESS THAT ALLOWED A PRIOR CONTRACTOR, WHO PROVIDED BILLING FOR EMERGENCY TRANSPORT SERVICES, TO CONTINUE RECEIVING REMITTANCES FOR SERVICES PROVIDED ON AN EXPIRED CONTRACT.
- SIGNIFICANT FLAWS IN FEMS' MANUAL PROCESSING OF PATIENT CARE RECORDS (PCRS) AND DROP-BOX PICKUP PROCEDURES, RESULTING IN LOST OR UNACCOUNTED FOR PCRS, WHICH COULD RESULT IN HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA) VIOLATIONS, FINES, AND LAWSUITS.
- UNRECORDED ACCOUNTS RECEIVABLES EXCEEDING \$60 MILLION AND SUBSEQUENTLY DETERMINED TO BE UNCOLLECTABLE. THESE ACCOUNTS RECEIVABLE DATE BACK AS FAR AS FY 2001.
- THE DISTRICT'S EMERGENCY TRANSPORT RATES WERE WELL BELOW THOSE CHARGED BY OTHER JURISDICTIONS. OUR BENCHMARKING RESULTS OF SIX CITIES WITH SIMILAR DEMOGRAPHICS IN THE NORTH-ATLANTIC REGION OF THE COUNTRY SHOWED THE AVERAGE BASIC LIFE SUPPORT (BLS) AND ADVANCED LIFE SUPPORT (ALS) RATES FOR THESE CITIES TO BE \$530 AND \$832, RESPECTIVELY. FEMS CHARGED \$268 FOR BLS AND \$471 FOR ALS. ADDITIONALLY, FEMS DID NOT CHARGE FOR MILEAGE, WHICH IS A REIMBURSABLE COST IN NEARLY ALL OF THE JURISDICTIONS IN OUR SURVEY.
- MISSING COST ANALYSIS THAT WOULD SUPPORT INCREASING THE REIMBURSEMENT FOR EMERGENCY TRANSPORTS BY FEMS. THE

FAILURE TO CONDUCT AND SUBMIT A COST STUDY ANNUALLY IMPEDED MAA'S ABILITY TO PURSUE INCREASES IN THE REIMBURSEMENT RATES FOR AMBULANCE TRANSPORTS.

SUPPORT SERVICES

AUDIT OF GRANTS AWARDED BY THE DEPARTMENT OF HEALTH'S COMMUNITY HEALTH ADMINISTRATION (CHA), OIG NO. 08-2-04HC, SEPTEMBER 23, 2009

THE AUDIT DISCLOSED THAT \$235,000 IN TITLE V, MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT FUNDS AWARDED BY CHA OFFICIALS TO FOUR SUBRECIPIENTS HAD NOT BEEN PROPERLY USED IN ACCORDANCE WITH THE SUBGRANT AGREEMENTS. THE SUBRECIPIENTS EXPENDED ALMOST \$100,000 OF THE FUNDS FOR ITEMS AND/OR SERVICES THAT DID NOT DIRECTLY RELATE TO THE GENERAL OR SPECIFIC REQUIREMENTS AS STATED IN THE SUBGRANT AGREEMENTS, OR COULD NOT DOCUMENT OR SUPPORT EXPENDITURES. FOR EXAMPLE, ONE SUBGRANTEE PURCHASED QUANTITIES OF MATERIALS WELL IN EXCESS OF NEEDS AND THE ASSOCIATED COSTS WERE PAID BY THE DISTRICT.

THE FAILURE OF THE SUBRECIPIENTS' COMPLIANCE WITH THE SUBGRANT REQUIREMENTS, COUPLED WITH INADEQUATE PROGRAM OVERSIGHT ON THE PART OF CHA OFFICIALS, RESULTED IN THE EXPENDITURE OF GRANT FUNDS FOR UNINTENDED PURPOSES. MORE IMPORTANTLY, THE CONDITIONS UNDER

WHICH THE SUBGRANTS WERE AWARDED AND MANAGED PLACED THE DISTRICT GOVERNMENT AT AN INCREASED RISK OF FRAUD, WASTE, AND ABUSE. OF THE \$235,000 AWARDED TO THE FOUR SUBRECIPIENTS, WE QUESTIONED OR DISALLOWED \$99,335 IN COSTS THAT WERE REIMBURSED TO THE FOUR SUBRECIPIENTS.

DISTRICT OF COLUMBIA PUBLIC EDUCATION PROGRAMS

AUDIT OF THE DEPARTMENT OF EMPLOYMENT SERVICES' (DOES') SUMMER YOUTH PROGRAM (SYP), OIG NO. 08-2-28CF, JUNE 17, 2009

THIS REPORT CONTAINS 11 FINDINGS THAT DETAIL THE CONDITIONS FOUND DURING OUR AUDIT. THE FINDINGS WERE GROUPED INTO FOUR SECTIONS. IN SECTION I, "PLANNING FOR THE SUMMER YOUTH PROGRAM," WE DISCUSS DEFICIENCIES IN THE SYP PLANNING PROCESS. THIS SECTION INCLUDES THREE FINDINGS. OUR FIRST FINDING DISCUSSES HOW THE MAYOR AND DOES IMPLEMENTED SEVERAL NEW INITIATIVES FOR THE 2008 SYP, WHICH IMPACTED DOES' ABILITY TO EFFECTIVELY BUDGET, PLAN, AND OPERATE THE PROGRAM. OUR SECOND FINDING DISCLOSES THAT DOES USED SYP FUNDS TOTALING APPROXIMATELY \$531,000 TO PAY FOR EXPENDITURES UNRELATED TO THE PROGRAM. OUR THIRD FINDING REVEALS THAT DOES DID NOT ESTABLISH ADEQUATE INTERNAL CONTROLS FOR THE 2008 SYP. AS A RESULT OF THESE DEFICIENCIES, THE SYP BUDGET FOR FY 2008 ESCALATED FROM \$14.5 MILLION TO \$52.4 MILLION, AND THE 2008 SYP WAS SUSCEPTIBLE TO THEFT, ABUSE, AND FRAUD.

IN SECTION II, “INFORMATION TECHNOLOGY,” WE DISCUSS DEFICIENCIES IN PLANNING AND IMPLEMENTING THE DOES STANDARD APPLICATION PLATFORM (DSAP), THE NEW SYSTEM USED FOR REGISTERING SYP PARTICIPANTS AND PROVIDING ONLINE TIMEKEEPING FUNCTIONS. THIS SECTION INCLUDES THREE FINDINGS (FINDINGS 4, 5, AND 6). IN OUR FOURTH FINDING, WE DEMONSTRATED THAT DOES’ DECISION TO DEVELOP AND IMPLEMENT DSAP APPROXIMATELY 2 WEEKS PRIOR TO THE START OF THE 2008 SYP WAS HAPHAZARD AND NOT PREDICATED ON A STRUCTURED INFORMATION TECHNOLOGY (IT) SOLUTION ACQUISITION METHODOLOGY OR UNDERTAKEN IN CONSULTATION WITH THE OFFICE OF THE CHIEF TECHNOLOGY OFFICER. OUR FIFTH FINDING SHOWS THAT DOES FURTHER INHIBITED THE SUCCESSFUL IMPLEMENTATION AND DEVELOPMENT OF DSAP BY NOT FOLLOWING A STRUCTURED SYSTEMS DEVELOPMENT LIFE CYCLE PROTOCOL/METHODOLOGY. OUR SIXTH FINDING DISCLOSES SPECIFIC DSAP APPLICATION CONTROL DEFICIENCIES THAT WE OBSERVED DURING OUR REVIEW. AS A RESULT OF THESE DEFICIENCIES, DSAP DID NOT FULLY MEET THE SYP OBJECTIVES AND DSAP DATA COULD NOT BE FULLY RELIED UPON TO MANAGE AND SUPPORT THE SYP.

IN SECTION III, “CONTRACTING FOR THE SUMMER YOUTH PROGRAM,” WE DISCUSS DEFICIENCIES WITH THE CONTRACTS AWARDED TO SUPPORT THE 2008 SYP. THIS SECTION INCLUDES TWO FINDINGS (FINDINGS 7 AND 8). IN OUR SEVENTH FINDING, WE POINT OUT THAT THE OCP DID NOT TIMELY AWARD CONTRACTS TO THE ORGANIZATIONS THAT PROVIDED ENRICHMENT TRAINING

TO SYP PARTICIPANTS. AS A RESULT, MANY SYP PARTICIPANTS WERE UNAWARE OF THEIR ASSIGNMENTS WHEN THE PROGRAM BEGAN AND CONTRACTORS HAD TO RUSH TO PERFORM TASKS FOR THEIR TRAINING PROGRAMS. ADDITIONALLY, OCP AWARDED ENRICHMENT TRAINING CONTRACTS TO ESSENTIALLY ALL OF THE OFFERORS WHO RESPONDED TO THE SOLICITATION, INCLUDING OFFERORS WHO SUBMITTED LATE PROPOSALS AND RECEIVED LOW EVALUATION SCORES. FURTHER, OCP AWARDED A \$200,000 CONTRACT TO A VENDOR TO RECRUIT BUSINESSES TO PARTICIPATE IN THE SYP ALTHOUGH DOES STAFF ESSENTIALLY PERFORMED THE SAME TASK. IN OUR EIGHTH FINDING, WE SHOW THAT THE ENRICHMENT TRAINING CONTRACTS INCLUDED POORLY WRITTEN PAYMENT TERMS AND CONDITIONS AND, CONSEQUENTLY, DOES WAS OBLIGATED TO PAY CONTRACTORS FOR SERVICES THAT THEY DID NOT PERFORM. FOR EXAMPLE, TWO CONTRACTORS DID NOT PROVIDE ENRICHMENT TRAINING TO THE MINIMUM NUMBER OF PARTICIPANTS STATED IN THEIR CONTRACTS, BUT WERE PAID APPROXIMATELY \$324,000 FOR SERVICES THAT THEY DID NOT PROVIDE.

IN SECTION IV, "SUMMER YOUTH PROGRAM OPERATIONS," WE DISCUSS THE OPERATIONAL DEFICIENCIES THAT WE FOUND DURING OUR AUDIT. THIS SECTION INCLUDES THREE FINDINGS (FINDINGS 9, 10, AND 11). IN OUR NINTH FINDING, WE DEMONSTRATE THAT THERE WERE DEFICIENCIES IN THE SYP REGISTRATION PROCESS, WHICH SEVERELY INHIBITED DOES' ABILITY TO ENSURE THAT ALL PARTICIPANTS WERE ELIGIBLE TO PARTICIPATE IN THE PROGRAM. OUR TENTH FINDING DISCLOSES THAT DOES EMPLOYEES

REGISTERED YOUTH FOR THE 2008 SYP WHO DID NOT MEET THE ELIGIBILITY REQUIREMENTS TO PARTICIPATE IN THE PROGRAM. IN OUR LAST FINDING, WE REVEAL THAT DOES DID NOT ESTABLISH ADEQUATE CONTROLS OVER THE MANAGEMENT, ISSUANCE, DISTRIBUTION, AND ACCOUNTABILITY OF DEBIT CARDS. AS A RESULT OF THESE DEFICIENCIES, THERE WAS AN INCREASED OPPORTUNITY FOR FRAUD, WASTE, AND ABUSE.

INSPECTIONS AND EVALUATIONS DIVISION

THE INSPECTIONS AND EVALUATIONS DIVISION (I&E) PROVIDES OBJECTIVE, THOROUGH, AND TIMELY ASSESSMENTS OF THE MANAGEMENT AND KEY OPERATIONS OF DISTRICT AGENCIES. I&E FOCUSES PARTICULARLY ON AGENCIES RESPONSIBLE FOR THE DELIVERY OF SERVICES TO CITIZENS, AND THOSE IN WHICH SIGNIFICANT PROBLEMS COME TO THE ATTENTION OF THE MAYOR, THE COUNCIL, AND OTHER STAKEHOLDERS. I&E RECOMMENDATIONS TO AGENCY AND DEPARTMENT HEADS TYPICALLY CALL FOR CORRECTIVE MEASURES TO ENSURE THAT DISTRICT AND FEDERAL LAWS, REGULATIONS, AND POLICIES ARE FOLLOWED, THAT DEFICIENCIES ARE ADDRESSED, AND THAT OPERATIONS ARE IMPROVED. I&E ALSO CONDUCTS OR COORDINATES PRIORITY AND HIGH PROFILE SPECIAL EVALUATIONS REQUESTED OF THE OIG BY THE EXECUTIVE OFFICE OF THE MAYOR AND BY COUNCILMEMBERS.

INSPECTION PERFORMANCE MEASURES

I&E SURPASSED ITS FY 2009 PERFORMANCE GOAL OF PUBLISHING 10 REPORTS BY ISSUING 16 REPORTS: ONE REPORT OF SPECIAL EVALUATION, THREE REPORTS OF INSPECTION, TWO REPORTS OF RE-INSPECTION, NINE MANAGEMENT ALERT REPORTS, AND ONE MANAGEMENT IMPLICATION REPORT. I WILL NOW BRIEFLY HIGHLIGHT SEVERAL OF THE REPORTS PUBLISHED BY I&E DURING FY 2009.

IN APRIL 2009, I&E PUBLISHED A REPORT OF SPECIAL EVALUATION ENTITLED “INTERACTIONS BETWEEN AN AT-RISK FAMILY, DISTRICT AGENCIES, AND OTHER SERVICE PROVIDERS.” THE REPORT CONCLUDED A 14-MONTH SPECIAL EVALUATION, INITIATED BY THE OIG AT THE REQUEST OF THE MAYOR AND THE CITY ADMINISTRATOR, AND CONTAINED 60 FINDINGS AND 49 RECOMMENDATIONS THAT TARGETED OVER A DOZEN DISTRICT GOVERNMENT AND NON-PROFIT SERVICE PROVIDERS. THE REPORT ALSO NOTED A SINGLE OVERARCHING FINDING: THAT SEGMENTS OF THE DISTRICT’S SOCIAL SERVICE NETWORK FUNCTION INDIVIDUALLY; HOWEVER, THEY OFTEN ACT IN ISOLATION, UNABLE TO COORDINATE WITH OTHER SOCIAL SERVICE AGENCIES OR UNAWARE OF THE NECESSITY TO DO SO. THE REPORT RECOMMENDED AN INTER-ORGANIZATIONAL EFFORT TO COLLECT, PRESERVE, AND SHARE INFORMATION IN A COORDINATED MANNER; POLICIES AND PROCEDURES THAT REFLECT SHARED RESPONSIBILITIES; AND A SYSTEM TO TRACK AND ANALYZE INDIVIDUAL CASES TO ENSURE ACCOUNTABILITY.

MANAGEMENT ALERT REPORTS, OR MARS, AND MANAGEMENT IMPLICATION REPORTS, OR MIRS, ARE ISSUED TO AGENCY HEADS WHEN INSPECTORS BELIEVE A MATTER REQUIRES IMMEDIATE OR PRIORITY ATTENTION. THE 10 MARS/MIRS ISSUED BY I&E DURING FY 2009 PRESENTED A TOTAL OF 13 FINDINGS AND 27 RECOMMENDATIONS. THE FOLLOWING ARE SUMMARIES OF SEVERAL MARS AND THE MIR ISSUED BY I&E:

- ONE MAR, ISSUED TO THE DEPARTMENT OF REAL ESTATE SERVICES, ADDRESSED THE FACT THAT SOME OF ITS PROTECTIVE SERVICES DIVISION OFFICERS DID NOT HAVE THE EQUIPMENT AND/OR TRAINING THAT WOULD ENABLE THEM TO APPLY ALL OF THE “LEVELS OF CONTROL” AS DEFINED IN A GENERAL ORDER REGARDING “USE OF FORCE” WHEN DEALING WITH VIOLENT AND POSSIBLY LIFE-THREATENING SITUATIONS.
- ANOTHER MAR, ISSUED DURING THE COURSE OF AN INSPECTION OF THE D.C. DEPARTMENT OF HUMAN RESOURCES’ BENEFITS AND RETIREMENT ADMINISTRATION, NOTIFIED DCHR THAT EMPLOYEES WERE NOT PROPERLY SAFEGUARDING SENSITIVE INFORMATION, SUCH AS SOCIAL SECURITY AND BANK ACCOUNT NUMBERS, PERTAINING TO D.C. GOVERNMENT EMPLOYEES AND RETIREES.
- DURING ITS SPECIAL EVALUATION OF THE ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION, OR ABRA, I&E ISSUED A MAR AFTER

DETERMINING THAT ABRA DID NOT REQUIRE ALCOHOLIC BEVERAGE CONTROL LICENSE APPLICANTS TO UNDERGO NATIONAL CRIMINAL BACKGROUND CHECKS.

- I&E'S SPECIAL EVALUATION OF THE METROPOLITAN POLICE DEPARTMENT'S YOUTH INVESTIGATIONS DIVISION, OR YID, PROMPTED THE ISSUANCE OF A MAR TO ADDRESS THE FACT THAT YID DID NOT SECURELY MAINTAIN INVESTIGATIVE VIDEOTAPES AND CASE RECORDS, INCLUDING CONFIDENTIAL JUVENILE ARREST AND CHILD ABUSE RECORDS. THE MAR ALSO CONCLUDED THAT YID'S BUILDING CONDITIONS MAY POSE HEALTH CONCERNS FOR EMPLOYEES.
- THE ONE MIR PUBLISHED BY I&E IN FY 2009 WAS ISSUED TO THE OFFICE OF THE CITY ADMINISTRATOR AND THE DEPARTMENT OF PUBLIC WORKS, OR DPW, SEVERAL DAYS BEFORE THE PRESIDENTIAL INAUGURATION, AFTER THE OIG LEARNED THAT DPW HAD NOT DETERMINED THE OPERATIONAL AVAILABILITY AND STATUS OF EMERGENCY POWER GENERATORS MAINTAINED BY MOST DISTRICT AGENCIES AND OFFICES DESIGNATED AS "EMERGENCY SUPPORT FUNCTION" AGENCIES.

FY 2010 INSPECTIONS IN PROGRESS THUS FAR INCLUDE:

- **THE DEPARTMENT OF HUMAN SERVICES' ADULT PROTECTIVE SERVICES DIVISION.** THIS INSPECTION IS EVALUATING, AMONG OTHER

THINGS, THE SUFFICIENCY AND QUALITY OF CASE INTAKE AND INVESTIGATIONS OF ABUSE AND NEGLECT REPORTS.

- **THE CHILD AND FAMILY SERVICES AGENCY'S CHILD PROTECTIVE SERVICES (CFSA).** THIS INSPECTION EXAMINES CFSA'S INVESTIGATION OF ABUSE AND NEGLECT REPORTS. THE INSPECTION WILL ALSO GAUGE CFSA'S SUCCESS IN RECRUITING AND RETAINING QUALIFIED SOCIAL WORKERS.
- **THE DEPARTMENT ON DISABILITY SERVICES' REHABILITATION SERVICES ADMINISTRATION.** INSPECTORS ARE ANALYZING THE QUALITY AND EFFICIENCY OF VOCATIONAL REHABILITATION SERVICES PROVIDED TO INDIVIDUALS WHO HAVE DEVELOPMENTAL DISABILITIES. THE INSPECTION ALSO WILL ASSESS PROCEDURES, QUALITY CONTROL MECHANISMS, MANAGEMENT PRACTICES, AND ADHERENCE TO APPLICABLE LAWS AND BEST PRACTICES.
- **THE METROPOLITAN POLICE DEPARTMENT'S YOUTH INVESTIGATIONS DIVISION.** THIS SPECIAL EVALUATION WAS INITIATED IN RESPONSE TO ALLEGATIONS OF MISMANAGEMENT OF CASES INVOLVING MISSING CHILDREN AND YOUTHS, AND PROBLEMS WITH THE PROCESSING OF JUVENILE OFFENDERS.
- **DEPARTMENT OF EMPLOYMENT SERVICES.** THE OBJECTIVE OF THIS SPECIAL EVALUATION IS TO DETERMINE DOES' EFFICIENCY AND TIMELINESS IN ISSUING UNEMPLOYMENT BENEFITS.

THUS FAR IN FY 2010, I&E DIRECTED A SECOND MAR TO THE MPD'S YOUTH INVESTIGATIONS DIVISION, REGARDING POORLY SECURED SERVICE WEAPONS AT THE JUVENILE PROCESSING FACILITY, AND ONE REPORT OF INSPECTION, WHICH WAS ISSUED TO THE PUBLIC SERVICE COMMISSION. COLLECTIVELY, THESE REPORTS PRESENTED 15 FINDINGS AND 23 RECOMMENDATIONS FOR CORRECTIVE ACTION.

FINAL INSPECTION REPORTS REGARDING ABRA, THE HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY, AND DRES'S PROTECTIVE SERVICES DIVISION WILL BE PUBLISHED IN THE NEAR FUTURE.

INVESTIGATIONS DIVISION

IN FY 2009, OUR INVESTIGATIONS DIVISION MAINTAINED AN EMPHASIS ON CRIMINAL INVESTIGATIONS THAT RESULTED IN PROSECUTIONS, AN OUTCOME THAT WE BELIEVE SERVES AS A SIGNIFICANT DETERRENCE TO OFFICIAL MISCONDUCT. WE OPENED 85 NEW CRIMINAL INVESTIGATIONS AND PRESENTED 37 CASES FOR PROSECUTION TO THE UNITED STATES ATTORNEY'S OFFICE (USAO). OF THESE, 18 WERE ACCEPTED FOR FURTHER INVESTIGATION. WE PRESENTED 8 CASES TO THE OFFICE OF THE ATTORNEY GENERAL FOR THE DISTRICT OF COLUMBIA FOR POSSIBLE PROSECUTION, AND 7 OF THOSE CASES WERE ACCEPTED FOR FURTHER INVESTIGATION OR CIVIL ACTION BY THAT OFFICE. OUR CASES RESULTED IN 17 INDICTMENTS AND 16 CONVICTIONS. 44

PEOPLE WERE SENTENCED IN FY 09 TO SENTENCES INCLUDING IMPRISONMENT, HOME DETENTION, PROBATION, COMMUNITY SERVICES, RESTITUTION, AND FINES. SENTENCES IN FY 2009 STEMMING FROM OIG INVESTIGATIONS TOTALED 1,256 MONTHS IMPRISONMENT AND MORE THAN \$127 MILLION IN RESTITUTION, FINES, AND RECOVERIES.

OUR SPECIAL AGENTS WERE INVOLVED IN JOINT CRIMINAL INVESTIGATIONS WITH AGENCIES, INCLUDING THE USAO, THE FEDERAL BUREAU OF INVESTIGATION, THE METROPOLITAN POLICE DEPARTMENT, THE U.S. POSTAL INSPECTION SERVICE, AND THE U.S. DEPARTMENT OF EDUCATION OFFICE OF THE INSPECTOR GENERAL . EXAMPLES OF THESE JOINT INVESTIGATIONS INCLUDE:

1. THE CONVICTION AND SENTENCING OF A FORMER CONSUMER AND REGULATORY AFFAIRS PLUMBING INSPECTOR WHO ALSO OWNED A PRIVATE PLUMBING SERVICE BUSINESS. DURING THE PERFORMANCE OF HIS OFFICIAL DCRA DUTIES, THE DCRA INSPECTOR APPROVED AND ISSUED A DCRA CERTIFICATE OF INSPECTION FOR PLUMBING WORK PERFORMED BY HIS OWN PLUMBING SERVICE BUSINESS. THE FORMER EMPLOYEE PLED GUILTY TO CONFLICT OF INTEREST – MISDEMEANOR, AND WAS SENTENCED TO 24 MONTHS OF PROBATION AND 24 HOURS OF COMMUNITY SERVICE.
2. THE CONVICTION AND SENTENCING OF A WATER AND SEWER AUTHORITY (WASA) PAYROLL SPECIALIST WHO STOLE MORE THAN \$235,000 BY USING HER ACCESS TO THE WASA PAYROLL PROCESSING

SYSTEM TO CREATE ADDITIONAL CHECKS FOR EMPLOYEES WHO HAD BEEN TERMINATED OR WERE ON LEAVE. SHE PLED GUILTY AND WAS SENTENCED TO 24 MONTHS IN PRISON AND ORDERED TO PAY RESTITUTION.

3. THE CONVICTION AND SENTENCING OF TWO FORMER DEPARTMENT OF HUMAN SERVICES CONTRACTORS, A MOTHER AND DAUGHTER, WHO MISAPPROPRIATED MORE THAN \$200,000 IN VENDING COMMISSIONS INTENDED FOR BLIND VENDORS. BOTH CONTRACTORS PLED GUILTY. THE DAUGHTER WAS SENTENCED TO 41 MONTHS IN PRISON AND THE MOTHER WAS SENTENCED TO 1 YEAR AND 1 DAY IN PRISON. BOTH WERE ORDERED TO PAY RESTITUTION.

4. THE CONVICTION AND SENTENCING OF A PRIVATE CITIZEN WHO WAS PART OF A CONSPIRACY TO PRODUCE AND SELL THOUSANDS OF COUNTERFEIT IDENTIFICATION DOCUMENTS INCLUDING DC GOVERNMENT - ISSUED DOCUMENTS. THE PRIVATE CITIZEN WAS SENTENCED TO 48 MONTHS IN PRISON AND ORDERED TO PAY RESTITUTION.

IN ADDITION TO CRIMINAL INVESTIGATIONS, THE OIG CONDUCTS ADMINISTRATIVE INVESTIGATIONS OF DISTRICT EMPLOYEES WHO VIOLATE DISTRICT REGULATIONS, INCLUDING THE DISTRICT'S STANDARDS OF CONDUCT. IN FY 2009, WE OPENED 40 NEW ADMINISTRATIVE INVESTIGATIONS, WHICH COVERED A WIDE RANGE OF MISCONDUCT. WE ISSUED FOUR REPORTS OF INVESTIGATION, WHICH CONTAINED A TOTAL OF 15 RECOMMENDATIONS

AND RESULTED IN ADMINISTRATIVE SANCTIONS AGAINST 5 DISTRICT GOVERNMENT EMPLOYEES BECAUSE OF THEIR MISCONDUCT.

THE DIVISION ALSO OPERATES A REFERRAL PROGRAM BY WHICH THE OIG REFERS TO OTHER DEPARTMENTS AND AGENCIES ADMINISTRATIVE MATTERS THAT CAN BEST BE ADDRESSED BY THOSE AGENCIES. IN MOST CASES, THE OIG MONITORS THE RESPONSES TO THESE REFERRALS TO ENSURE THAT THE MATTERS ARE HANDLED APPROPRIATELY.

OUR INVESTIGATIONS DIVISION ANNUALLY RECEIVES APPROXIMATELY 2,000 CALLS THROUGH ITS HOTLINE PROGRAM. DURING FY 2009, OUR INVESTIGATORS PROCESSED 635 NEW COMPLAINTS, OPENED 136 FORMAL INVESTIGATIONS, AND REFERRED A TOTAL OF 329 MATTERS TO THE HEADS OF 44 DISTRICT AGENCIES, 20 FEDERAL AGENCIES, 3 OTHER OIG DIVISIONS, AND 1 PRIVATE COMPANY.

IN THE FIRST QUARTER OF FY 2010, INVESTIGATORS PROCESSED 166 NEW COMPLAINTS, OPENED 34 NEW INVESTIGATIONS, AND REFERRED A TOTAL OF 73 MATTERS TO 25 DISTRICT AGENCIES, 10 FEDERAL AGENCIES, AND 1 PRIVATE ENTITY. OF THE 34 NEW INVESTIGATIONS OPENED, 26 ARE CRIMINAL, 5 ARE ADMINISTRATIVE, AND 3 ARE PRELIMINARY.

THE INVESTIGATIONS DIVISION EXCEEDED GOALS IN ALL THREE PERFORMANCE MEASURES FOR FY 2009, AS FOLLOWS:

1. EVALUATE ALL COMPLAINTS WITHIN 10 DAYS OF RECEIPT IN THE INVESTIGATIONS DIVISION. **GOAL:** 82% **ACTUAL:** 99 %

2. COMPLETE EVERY PRELIMINARY INVESTIGATION WITHIN 30 WORKING DAYS OF ASSIGNING THE CASE TO AN INVESTIGATOR IN THE INVESTIGATIONS DIVISION. **GOAL:** 80% **ACTUAL:** 95 %

3. PREPARE A REFERRAL LETTER TO THE APPROPRIATE DISTRICT DEPARTMENT OR AGENCY WITHIN 10 WORKING DAYS OF A COMPLAINT BEING ASSIGNED TO THE INVESTIGATIONS DIVISION REFERRAL PROGRAM. **GOAL:** 85% **ACTUAL:** 100 %

MEDICAID FRAUD CONTROL UNIT

THE MEDICAID FRAUD CONTROL UNIT (MFCU) INVESTIGATES AND PROSECUTES (1) ALLEGATIONS OF FINANCIAL FRAUD AGAINST THE MEDICAID PROGRAM COMMITTED BY PROVIDERS, AND (2) ABUSE, NEGLECT, OR FINANCIAL EXPLOITATION OF PERSONS WHO RESIDE IN MEDICAID-FUNDED FACILITIES, SUCH AS NURSING HOMES AND GROUP HOMES. FY 2009 WAS ONE OF THE MFCU'S MOST SUCCESSFUL AND PRODUCTIVE YEARS SINCE ITS CERTIFICATION IN 2000.

ABUSE OF VULNERABLE PERSONS AND UNUSUAL INCIDENTS

THE MFCU TAKES SIGNIFICANT STEPS TO PROTECT THE DISTRICT'S MOST VULNERABLE CITIZENS AND CONTINUES TO MAKE PROTECTION OF THAT

POPULATION A PRIORITY. IN FY 2009, THE MFCU WAS ACTIVE IN INVESTIGATING AND PROSECUTING THESE CASES, AS WELL AS EDUCATING THE COMMUNITY ABOUT ABUSE AND NEGLECT.

THE MFCU'S INVESTIGATIONS OF ABUSE AND NEGLECT BEGIN WITH A REVIEW AND ASSESSMENT OF UNUSUAL INCIDENT REPORTS RECEIVED FROM HEALTHCARE PROVIDERS, TYPICALLY INSTITUTIONS SUCH AS NURSING HOMES AND GROUP HOMES, AS WELL AS FROM INDIVIDUALS, FAMILY MEMBERS, AND HEALTHCARE WORKERS.

EACH FISCAL YEAR, THE MFCU RECEIVES AN INCREASING NUMBER OF UNUSUAL INCIDENT REPORTS. ALTHOUGH MANY OF THE REPORTS ULTIMATELY DO NOT INVOLVE ABUSE OR NEGLECT, IT IS IMPOSSIBLE TO MAKE SUCH A DETERMINATION WITHOUT ASSESSING EVERY COMPLAINT, AND, AT TIMES, CONDUCTING AN INVESTIGATION. IT IS CRUCIAL THAT ALL REPORTS ARE ASSESSED QUICKLY TO ENSURE FURTHER ABUSE IS PREVENTED.

IN FY 2009, THE MFCU REVIEWED AND ASSESSED MORE THAN 4,200 REPORTS ADDRESSING UNUSUAL INCIDENTS AT NURSING AND GROUP HOMES. SINCE THE BEGINNING OF FY 2010, THE MFCU HAS RECEIVED APPROXIMATELY 325 UNUSUAL INCIDENTS EACH MONTH. IF REPORTS CONTINUE TO COME IN AT THIS RATE, THE UNIT WILL ONCE AGAIN SEE AN INCREASE IN THE NUMBER OF UNUSUAL INCIDENT REPORTS IT RECEIVES IN FY 2010.

THE MFCU IS CURRENTLY INVESTIGATING OVER 80 ABUSE OR NEGLECT MATTERS AND 12 MATTERS OF FINANCIAL EXPLOITATION OF VULNERABLE ADULTS. IN FY 2009, THE MFCU OBTAINED 12 CONVICTIONS IN CRIMINAL MATTERS OF ABUSE (5), NEGLECT (6), AND THEFT (1) INVOLVING VULNERABLE PERSONS.

ANTI-FRAUD EFFORTS

OTHER MFCU ENFORCEMENT EFFORTS CONSIST OF INVESTIGATIONS AND PROSECUTIONS OF FINANCIAL FRAUD AGAINST THE MEDICAID PROGRAM. IN FY 2009 THE MFCU RESOLVED 4 CASES OF FRAUD THROUGH CRIMINAL CONVICTIONS AND CIVIL SETTLEMENTS, RECOUPING MORE THAN \$2.3 MILLION FOR THE MEDICAID PROGRAM.

THE MFCU IS CURRENTLY WORKING ON 83 MATTERS INVOLVING ALLEGATIONS OF PROVIDER FRAUD, 42 OF WHICH WERE INITIATED IN FY 2009. THESE INVESTIGATIONS INVOLVE ALLEGATIONS OF FRAUD RELATING TO A BROAD VARIETY OF HEALTHCARE PROVIDERS, FROM INSTITUTIONS TO SOLO PRACTITIONERS. MEDICAL SPECIALISTS INVOLVED IN THE MFCU'S CASES INCLUDE PHYSICIANS, PHARMACISTS, MEDICAL EQUIPMENT SUPPLIERS, AND HOME HEALTH CARE AND TRANSPORTATION PROVIDERS. INVESTIGATIONS CAN LEAD TO THE FILING OF CRIMINAL, CIVIL, AND/OR ADMINISTRATIVE CHARGES.

IN ADDITION TO INITIATING CASES, THE MFCU ENGAGES IN ANTI-FRAUD EDUCATIONAL AND OUTREACH PRESENTATIONS IN THE PRIVATE SECTOR. WE SPEAK TO GROUPS THROUGHOUT THE DISTRICT TO INTRODUCE OUR WORK AND ANSWER QUESTIONS. MOREOVER, WE WORK CLOSELY WITH OTHER LAW ENFORCEMENT AGENCIES, AND THE MFCU IS A MEMBER OF SEVERAL LOCAL LAW ENFORCEMENT TASK FORCE GROUPS. ONE OF THE MFCU'S PERFORMANCE MEASURES IS TO PROVIDE TRAINING OR IN-SERVICE EDUCATION EACH FISCAL YEAR. IN FY 2009, THE MFCU PROVIDED FIVE TRAININGS, INCLUDING PRESENTATIONS AT CONFERENCES RELATED TO ELDER ABUSE AND HEALTHCARE FRAUD.

IN FY 2009, THE MFCU INITIATED 235 INVESTIGATIONS AND CLOSED 229 MATTERS. THROUGH TRIAL OR SETTLEMENT, THE MFCU OBTAINED 19 RESOLUTIONS OF OUTSTANDING FRAUD, ABUSE, NEGLECT, AND SEXUAL ASSAULT CASES, SIGNIFICANTLY EXCEEDING EXPECTATIONS OF ITS PERFORMANCE GOAL OF 12, AND RECOUPED MORE THAN \$3 FOR EVERY DISTRICT DOLLAR FUNDING IT.

IN ADDITION, THE MFCU CONTINUED TO DEMONSTRATE A HIGH LEVEL OF ACTIVISM THROUGH ITS MEMBERSHIP IN TASK FORCES, EDUCATIONAL PRESENTATIONS, AND PARTICIPATION IN OTHER WRITING AND TRAINING OPPORTUNITIES.

CONCLUSION

I LOOK FORWARD TO WORKING WITH THE CHAIRPERSON AND THE MEMBERS OF THIS COMMITTEE. I AM PROUD OF OUR FY 2009 AND FY 2010 ACCOMPLISHMENTS TO DATE, ALL OF WHICH CAN BE REVIEWED IN GREATER DETAIL BY VISITING THE OIG'S WEBSITE. THE OIG WILL CONTINUE TO FOCUS OUR LIMITED RESOURCES ON MITIGATING THOSE RISKS WHICH POSE THE MOST SERIOUS CHALLENGES TO DISTRICT AGENCIES AND STAKEHOLDERS. THIS CONCLUDES MY TESTIMONY, AND I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.