

OFFICE OF THE
INSPECTOR GENERAL
DISTRICT OF COLUMBIA GOVERNMENT

ANNUAL REPORT OF ACTIVITIES

For the Period Ending
September 30, 2024



DANIEL W. LUCAS
INSPECTOR GENERAL



OUR MISSION

We independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

OUR VISION

We strive to be a world-class Office of the Inspector General that is customer focused and sets the standard for oversight excellence!

OUR VALUES

Accountability: We recognize that our duty extends beyond oversight; it encompasses responsibility. By holding ourselves accountable, we ensure that every action we take contributes to the greater good of the District.

Continuous Improvement: We view challenges not as obstacles, but as opportunities for growth. Our commitment to continuous improvement drives us to evolve, adapt, and enhance our practices.

Excellence: Mediocrity has no place in our lexicon. We strive for excellence in every facet of our work.

Integrity: Our integrity is non-negotiable. We act with honesty, transparency, and unwavering ethics. Upholding the public's trust demands nothing less.

Professionalism: As stewards of oversight, we maintain the utmost professionalism. Our interactions, decisions, and conduct exemplify the dignity of our role.

Transparency: Sunlight is our ally. Transparency illuminates our processes, decisions, and outcomes. By sharing information openly, we empower stakeholders, promote understanding, and reinforce our commitment to accountability.





ANNUAL ACTIVITIES REPORT

OCTOBER 1, 2023 – SEPTEMBER 30, 2024

In this Report

From the Inspector General	4
Our Work	7
Operational Units	8
Audit Unit (AU)	10
Inspections and Evaluations Unit (IE)	16
Investigations Unit (IU)	21
Medicaid Fraud Control Unit (MFCU)	27
Risk Assessment and Future Planning (RAFP)	31
Support Divisions	33
Business Management	33
Executive Secretariat	34
External Affairs	35
Office of General Counsel	36
Quality Management	36
OIG In the Community	39



Wood Thrust (State Bird)



ANNUAL ACTIVITIES REPORT

OCTOBER 1, 2023 – SEPTEMBER 30, 2024



FROM THE INSPECTOR GENERAL

I am pleased to present the Office of the Inspector General's Annual Activities Report for Fiscal Year 2024, a year that marks my tenth anniversary as Inspector General. Over the past decade, we have transformed the OIG into a highly effective oversight organization, consistently strengthening our capacity to protect District resources and improve government operations.

When I became Inspector General in 2014, the District's budget was \$11.5 billion. Today, we oversee a government with a \$24.3 billion gross budget serving approximately 700,000 residents and millions of visitors each year. To meet this growing responsibility, we have achieved several transformative changes:

- **Enhanced Law Enforcement Authority:** Through successful legislative initiatives, our criminal investigators now have law enforcement authorities commensurate with the OIG's criminal investigation mission. Strengthening our ability to investigate complex crimes.
- **Increased Oversight Capacity:** We increased our technical capabilities by investing in data analytics and computer forensic training to maximize our efficiency in a resource constrained environment. The establishment of the OIG Support Fund, which generates funding from our financial recoveries, has helped to sustain resources for our mission.
- **Organizational Excellence:** We created specialized units for risk assessment and quality management, enhanced our use of data analytics, and consistently earned recognition from our peers for the quality of our work.





This year exemplifies how far we have come. Our work resulted in significant achievements:


- **Financial Impact:** Our audits, evaluations, and investigations identified over \$55 million in monetary benefits to the District through criminal restitution, civil recoveries, and recommendations for more efficient use of resources.
- **Excellence in Oversight:** Our audit of overtime usage across District agencies received national recognition with the 2023 Knighton Award from the Association of Local Government Auditors. This audit identified \$31.5 million in underestimated overtime costs and provided recommendations to improve workforce management.
- **Fighting Corruption:** Our investigations led to multiple significant convictions and indictments, including verdicts in a \$3 million tax evasion scheme and arrests in a \$10 million healthcare fraud conspiracy, demonstrating our commitment to protecting public funds.
- **Improving Government Operations:** We issued 32 reports with targeted recommendations to enhance cybersecurity, strengthen economic development programs, and improve services for District youth.

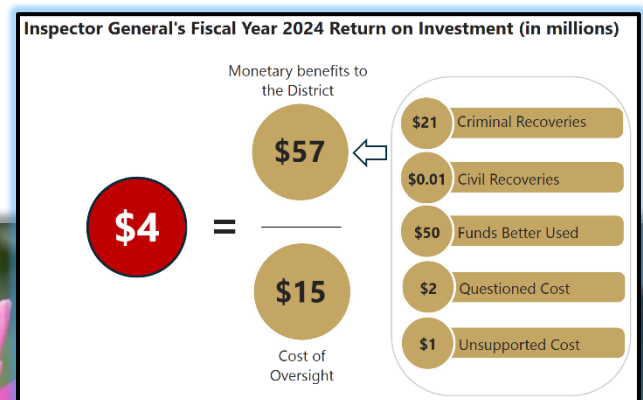
Looking back over the past decade, I am particularly proud of how we strengthened our partnerships across government. Our collaborative approach with agencies, while maintaining our independence, has enhanced our ability to effect positive change. The support of the Council and Mayor in establishing the OIG Support Fund and enhancing our investigative authorities demonstrates their commitment to strong oversight.

Looking ahead, we face both opportunities and challenges. The increasing complexity of government operations, particularly in areas like cybersecurity and emergency response, requires us to adapt our oversight strategies continuously. We are investing in new technologies and analytical tools to enhance our ability to detect fraud and waste. We are also expanding our proactive oversight work to help agencies address problems before they become crises.

None of these achievements would be possible without our dedicated staff, whose expertise and commitment to public service drive our success. I also thank the Mayor, Council, and agency leaders for their cooperation and support of our mission.

As we move forward, the Office of the Inspector General remains committed to promoting efficiency, accountability, and integrity in District government. Our work not only saves taxpayer dollars but helps ensure District residents receive the high-quality government services they deserve.


 Daniel W. Lucas
 Inspector General





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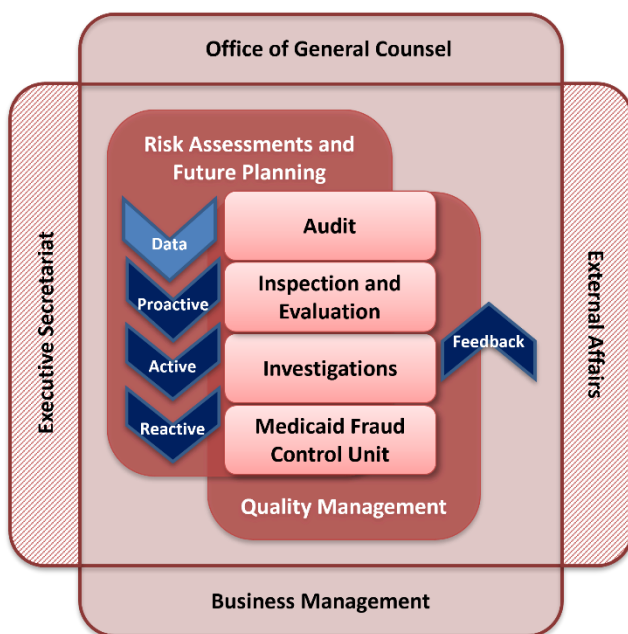
Memorial Bridge

OUR WORK

The Office of the Inspector General oversees a \$24.3 billion capital and operating budget, 40,000 employees, over 80 agencies, and more than 1,400 programs, which serve approximately 700,000 residents and millions of visitors. Our entire team drives our success, working together as a system to efficiently and effectively protect the District of Columbia government against waste, fraud, abuse, and mismanagement.

On the following pages, we detail our agency’s fiscal year 2024 activities by operational units and support services divisions.

Oversight Systems Diagram



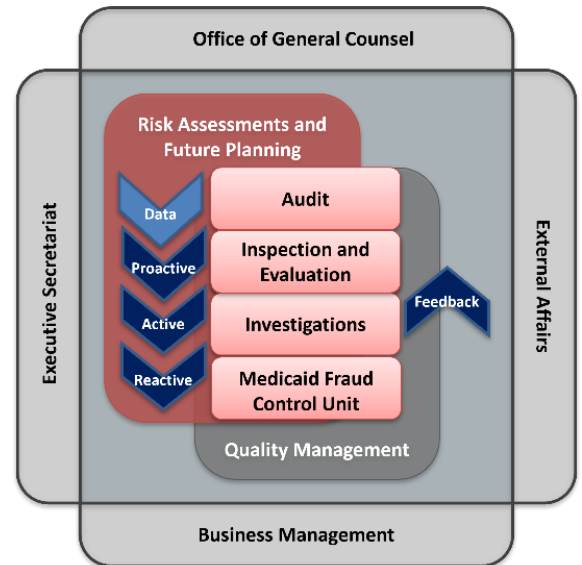


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OPERATIONAL UNITS

The Office of the Inspector General's operational units form an integrated oversight system that enables comprehensive detection and prevention of waste, fraud, and abuse in District government. Through our Audit Unit's rigorous examinations, Inspections & Evaluations Unit's systematic program assessments, Investigations Unit's criminal and civil cases, Medicaid Fraud Control Unit's healthcare oversight, and Risk Assessment team's data-driven planning, we identified millions of dollars in potential monetary benefits in FY 2024 alone. These units work in concert to provide robust oversight of the District government's complex and ever evolving government service ecosystem. Their complementary functions - from uncovering multi-million-dollar fraud schemes to evaluating critical programs to ensure we fulfill our mission of promoting economy, efficiency, effectiveness, and accountability while protecting District resources.

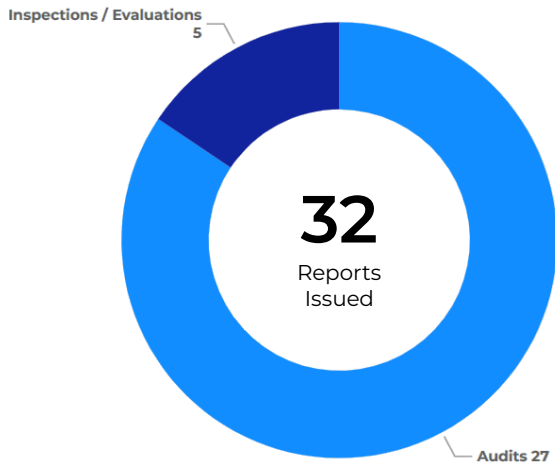


OIG Offices at 100 M Street Southeast

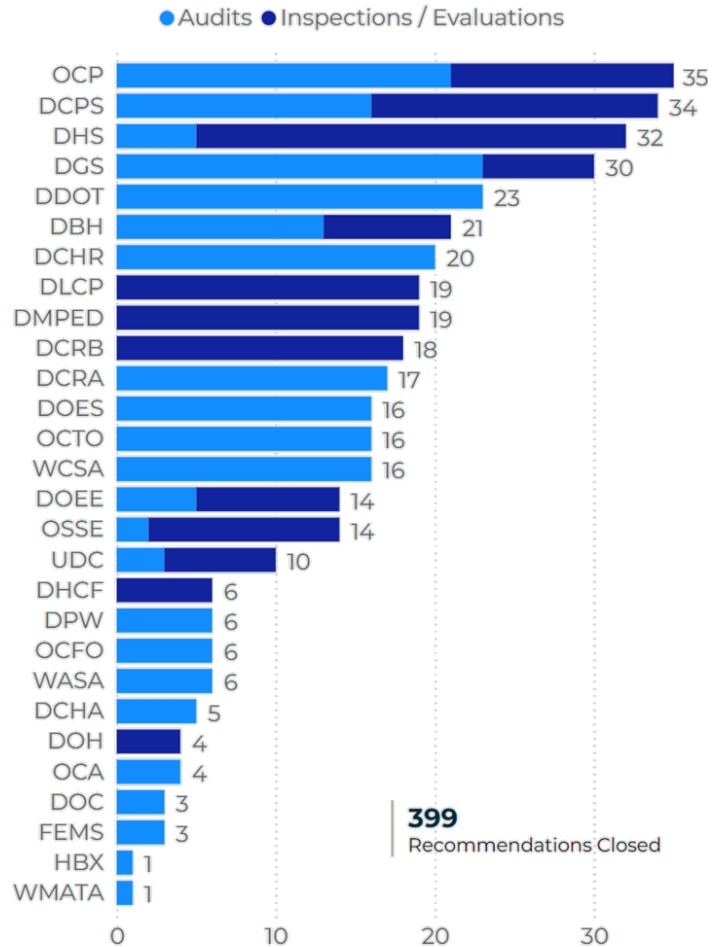




PUBLICATIONS



RECOMMENDATIONS CLOSED



RECOMMENDATIONS OPENED

193
Recommendations

\$37,202,989
Questioned Cost Found

399
Recommendations Closed

Closed recommendations include recommendations made between 2021 and 2024



Bolder Bridge, Rock Creek Park

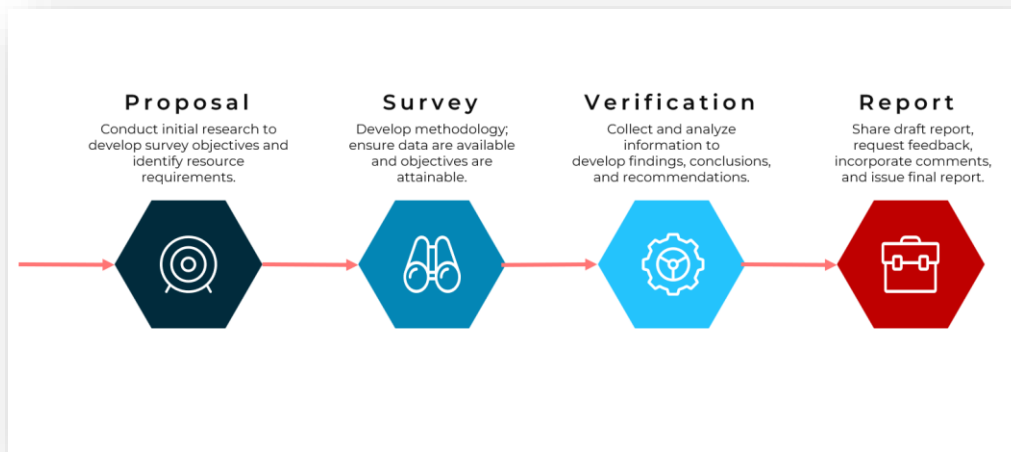


Audit Unit (AU)

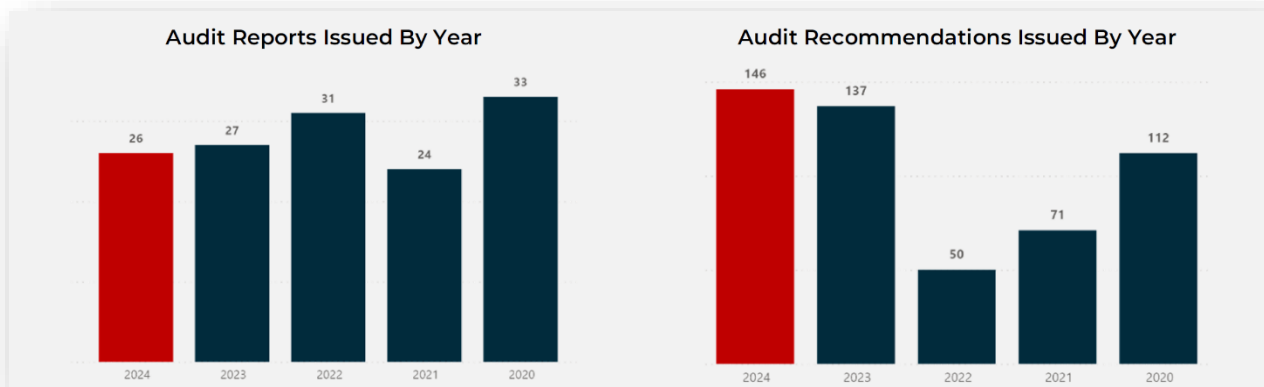
AU conducts independent audits and attestation engagements of District government programs and operations in accordance with the US Government Accountability Office's generally accepted government auditing standards. These standards emphasize the importance of independence, the exercise of professional judgment, and quality control and assurance.

A single audit can include the review of thousands of pages of materials, synthesizing massive data sets, and interviewing many government officials. Our audits are thorough and can take three months to two years to complete, depending on the complexity of the engagement.

Audit Process



Auditing by the Numbers



Note: Reports issued per year may vary due to the complexity and scope of the engagements. Additionally, some audit reports are retrospective in nature and evaluate financial statements and internal controls in preceding fiscal years.



Highlighted Report

Audit of the District of Columbia Agencies' Overtime Usage

When the COVID-19 pandemic began, many agencies struggled with employee shortages and absenteeism, which resulted in excessive overtime usage due to noncompliance with or lack of internal control related to overtime management. During the pandemic, certain agencies experienced new or additional duties and challenges, increasing overtime usage above historical trends.

We found that nine District agencies underestimated overtime needs by 53 percent—or \$31.5 million in total. We also found that the agencies consistently failed to follow District policies to (1) complete prior authorizations for overtime work and (2) submit reprogramming requests for additional overtime budget approval. District agencies did not perform budget variance and utilization analyses to develop accurate overtime budgets. They also did not reprogram funding when overtime budgets were overspent.

Additionally, agencies did not equitably distribute overtime among eligible employees, validate the necessity for excessive overtime pay, or limit overtime hours to prevent productivity decline during FY 2021. Moreover, one agency incorrectly accounted for overtime hours, which resulted in over- and under-payments of overtime to employees. Further, two of the nine agencies incorrectly paid overtime to ineligible managerial employees.

As a result of ineffective planning for overtime needs, noncompliance with government policies, and the pandemic instigating employee absences or additional work demands, the District was subject to spending pressures, health and safety risks, absenteeism, turnover, productivity decline, improper overtime payments, and inefficient and ineffective use of government resources.



This year, the Association of Local Government Auditors award a 2023 Knighton Award to the District of Columbia Government for its *Audit of the District of Columbia Agencies' Overtime Usage* report.



Fiscal Year 2024 Reports

- **FY 2023 Annual Comprehensive Financial Report Audit ([23-1-05MA](#))**

The OIG is statutorily responsible for awarding and administering a contract with an independent auditor to audit the District's complete financial statement and report on activities, commonly known as the District's Annual Comprehensive Financial Report (ACFR). The ACFR audit is imperative to enhancing public trust and accountability, providing independent and objective information to aid in budget and policy decisions, and influencing the District's creditworthiness and bond ratings.

For FY 2023, the OIG's independent auditor issued an unmodified ("clean") opinion of the basic financial statements contained in the District's ACFR. Further, as part of the overall FY 2023 ACFR Audit, the OIG's independent auditor issued opinions on the following organizational units, funds, and programs of the District:

- **Emergency and Non-Emergency Calling Systems Fund ([23-1-15UC](#))**
The OIG's independent auditor concluded that the financial statements were presented fairly in all material respects.
- **Health Benefit Exchange Authority (HBX) (Financial Statements) ([23-1-10HI\(a\)](#))**
The OIG's independent auditor found HBX's financial statements to be presented fairly in all material respects.
- **Highway Trust Fund ([23-1-06KA](#))**
The OIG's independent auditor concluded that the financial statements were presented fairly in all material respects.
- **Highway Trust Fund (Estimated Funding Forecasts) ([23-1-06KA\(a\)](#))**
The OIG's independent auditor found the forecast to be presented in accordance with professional standards and the underlying assumptions to be reasonably supported and provide a basis for the District's forecast.
- **Home Purchase Assistance Program Fund (Financial Statements) ([23-1-14DB](#))**
The OIG's independent auditor concluded that the financial statements were presented fairly in all material respects.
- **Not-for-Profit Hospital Corporation ([23-1-09HW](#))**
The OIG's independent auditor concluded that the financial statements were presented fairly in all material respects.
- **Office of Lottery and Gaming ([23-1-11DC](#))**
The OIG's independent auditor concluded that the financial statements were presented fairly in all material respects.
- **Other Post-Employment Benefits Fund ([23-1-13MA](#))**
The OIG's independent auditor concluded that the financial statements were presented fairly in all material respects.



- **Unemployment Compensation Fund (23-1-12BH)**
The OIG's independent auditor concluded that the financial statements were presented fairly in all material respects.
- **University of the District of Columbia (Financial Statements) (23-1-23GG)**
The OIG's independent auditor concluded that the financial statements were presented fairly in all material respects.
- **Washington Convention and Sports Authority (Events DC) (23-1-08ES)**
The OIG's independent auditor concluded that the financial statements were presented fairly in all material respects.

Additionally, the OIG's independent auditor reviewed the work and resulting opinions of third-party auditors for the following organizational units, funds, and programs:

- **401(a) Defined Contribution Plan (23-1-21AT)**
Our independent, contracted auditor concluded that the financial statements presented fairly in all material respects.
 - **457(b) Deferred Compensation Plan (23-1-22AT)**
This independent, contracted audit of the District's 457(b) financial statements found the statements to be presented fairly in all material respects.
 - **Green Finance Authority (23-1-20KB)**
Our independent, contracted auditor concluded that the financial statements presented fairly in all material respects.
 - **Housing Finance Agency (Financial Statements) (23-1-16HF)**
The OIG's independent auditor concluded that the financial statements were presented fairly in all material respects.
 - **Teachers' and Police Officers & Firefighters' Retirement Funds (23-1-18MA)**
This contracted audit of the fund's financial statements found the statements to be presented fairly in all material respects.
- **FY 2023 ACFR Audit Reports on Internal Control Over Financial Reporting and Management Recommendations**

As part of the overall FY 2023 ACFR Audit, the OIG's independent auditor also reported on internal control deficiencies or instances of noncompliance with provisions of laws, regulations, contracts, or grant agreements. These deficiencies exist when the design or operation of a control does not allow management or employees to prevent or detect misstatements on a timely basis.

- **457(b) Deferred Compensation Plan (23-1-22AT)**
The third-party auditor identified a significant deficiency regarding loan receivables.
- **FY 2023 Annual Comprehensive Financial Report Audit (23-1-05MA)**
As part of the overall FY 2023 ACFR audit opinion, the OIG's independent auditors identified a significant deficiency at the District ACFR level related to purchase card transactions.



- **Management Recommendations for the DC Government (23-1-05MA(a))**
The OIG's independent auditor identified 11 deficiencies and made 24 recommendations to improve the effectiveness of internal controls over the District's financial reporting.
- **Health Benefit Exchange Authority (Management Recommendations) (23-1-10HI(a))**
The OIG's independent auditor identified a deficiency regarding data security.
- **Home Purchase Assistance Program Fund (Management Recommendations) (23-1-14DB(a))**
The OIG's independent auditor identified a deficiency regarding the review process for new loan expenditures.
- **University of the District of Columbia (Management Recommendations) (23-1-23GG(a))**
The OIG's independent auditor identified a deficiency regarding salary processing for student workers.

- **FY 2022 Events DC Financial Statements (23-ES-0058)**

In FY 2024, the OIG's independent auditors concluded that Events DC's financial statements were presented fairly in all material respects. The OIG's independent auditors also identified five material weaknesses and one significant deficiency at Events DC.

As reported in the FY 2022 ACFR audit opinion (22-1-26MA), due to a ransomware cyber-attack at Events DC, the OIG's independent auditor was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion for Events DC. As a result, the OIG's independent auditor issued a disclaimer of opinion for the aggregately discretely presented component units on the District's FY 2022 ACFR. The OIG's independent auditors also identified six material weaknesses and one significant deficiency at Events DC. Subsequently, Events DC provided the OIG's independent auditor with sufficient appropriate evidence to provide a basis for this audit opinion on its FY 2022 financial statements.

- **Overtime Usage Audit (22-1-03MA)**

We conducted this audit following increases in District agencies' overtime budgets and spending and impacts on District operations from excessive overtime reliance. This audit focused on nine specific agencies and made over one hundred recommendations to improve the government's economy and effectiveness.

- **Special Education Attorney Certifications (24-1-01MA)**

The annual audit found, while attorneys initially billed \$5.4 million for special education complaints under IDEA, settlements reduced this to \$3.1 million, with attorney certifications found to be accurate due to DCPS's strong internal controls. However, DCPS has not implemented a previous recommendation to track IDEA complaints and their outcomes, which could help manage costs and improve negotiation strategies.

- **West End Library and Fire Station Maintenance Fund Audit (FY 2023) (24-1-02MA)**

Our audit found that as of September 30, 2023, the Maintenance Fund had (1) assets of \$931,229; (2) liabilities of \$7,285; and (3) a Fund balance of \$923,944. We also found no evidence of unlawful expenditures.



OPERATIONS

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Inspections and Evaluations Unit (IE)

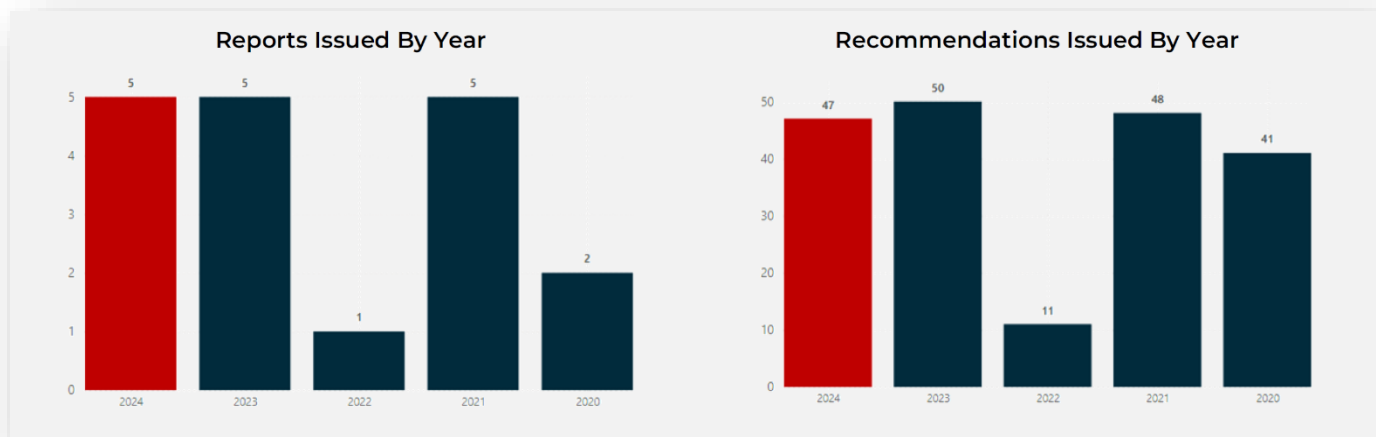
IE is a specialized division within the Office of the Inspector General that conducts systematic and independent assessments of government agencies, programs, and operations. This unit employs an agile approach to oversight, combining elements of auditing and investigative techniques to evaluate efficiency, effectiveness, and compliance. IE analysts examine agency processes, analyze data, conduct interviews, and perform on-site observations to gather evidence.

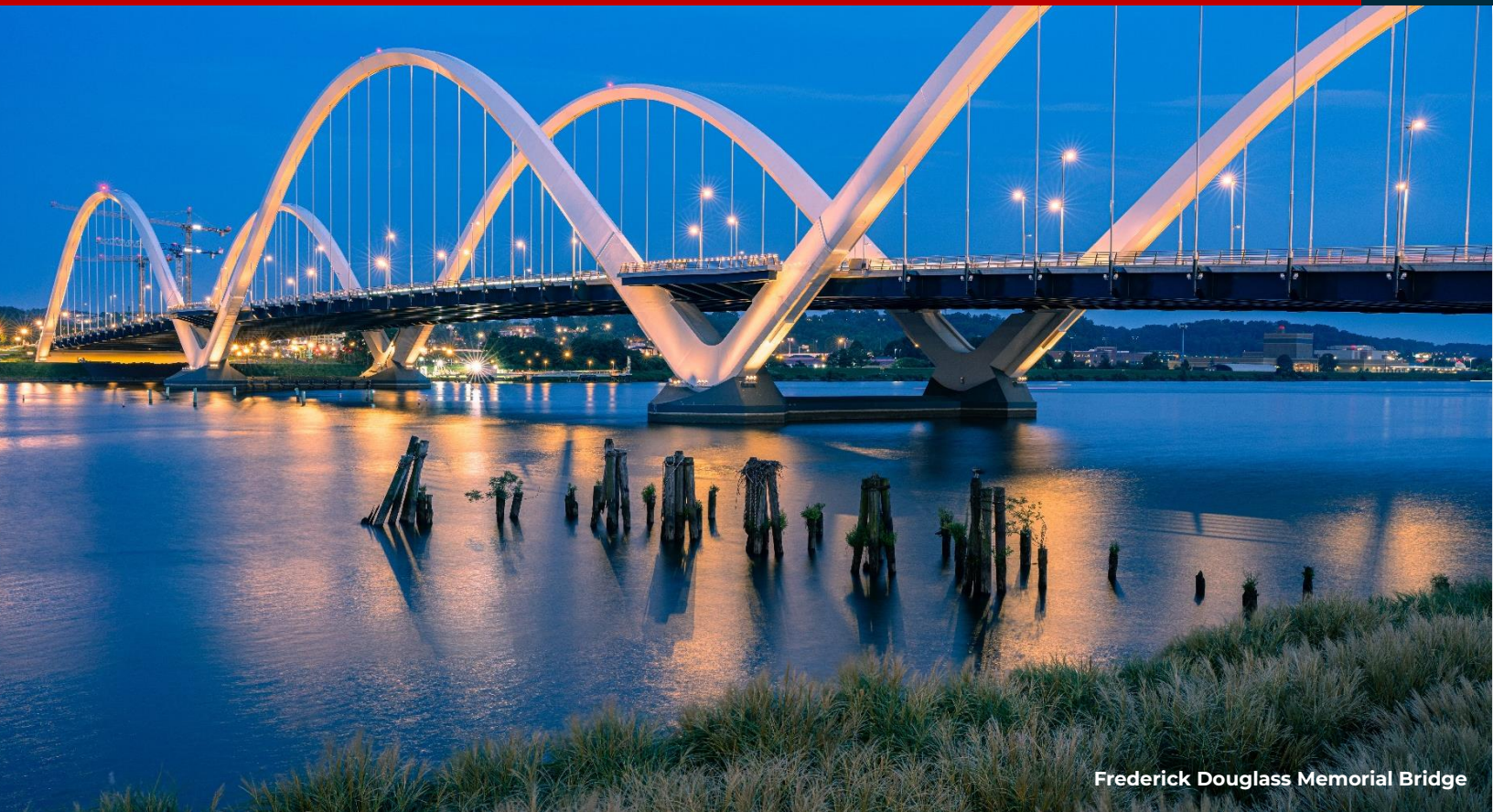
The unit follows professional standards set by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), ensuring their work is thorough, objective, and impactful. Their work results in detailed reports that identify areas for improvement, highlight best practices, and offer practical recommendations to enhance government performance. By providing timely and insightful analyses, IE plays a crucial role in promoting accountability, efficiency, and effectiveness in government operations.

Inspections and Evaluations Process



Inspections and Evaluations By the Numbers





Highlighted Report

Evaluation of Community-Based Services [for Committed Youth]

This year, we evaluated community-based services provided by the Department of Youth Rehabilitation Services (DYRS) to court-involved youth. Our evaluation found significant gaps in DYRS' oversight of program spending, attendance, and document retention, putting the DYRS programs at higher risk of fraud, waste, abuse, and mismanagement of its resources.

There has been a decrease in recent years in the population of committed youth, the number of service providers, and participation in skills-building and related programs at Achievement Centers. DYRS service providers repeatedly failed to meet the monthly minimum youth attendance requirements. However, DYRS continued to reimburse providers for invoices, regardless of whether their programs met minimum attendance requirements. Progressive Life Center (PLC), which receives Community Programming Initiative (CPI) grant funds from DYRS to oversee service coalition providers' day-to-day operations, reviewed provider invoices and verified expenses but did not monitor their gift card purchases or event sign-in sheets to verify attendance. Additionally, although DYRS is responsible for monitoring PLC and tracking CPI grant expenditures, it failed to retain all CPI grant administration documents. As a result, DYRS could not explain or account for discrepancies in final expenditure reports.



Fiscal Year 2024 Reports

- **Cybersecurity Waivers Evaluation ([23-E-03-TOO](#))**
We found that OCTO lacked the policies, procedures, and personnel to effectively manage the waiver program, particularly after waiver issuance. However, OIG recognizes OCTO made, and continues to make, improvements to these aspects of the waiver program.
- **Evaluation of Economic Development Programs ([23-E-06-EB0\(m\)](#))**
This report evaluated economic development grant programs administered by the Office of the Deputy Mayor for Planning and Economic Development (DMPED) and the Department of Small and Local Business Development (DSLBD), focusing on processes to minimize fraud and redundancies while maximizing effectiveness. The evaluation found deficiencies in interagency communication, conflict of interest monitoring, and equitable distribution of grant funds that left the programs vulnerable to fraud, waste, and mismanagement. The report makes eight recommendations to DMPED and DSLBD to strengthen policies and procedures, improve collaboration, and enhance oversight to more effectively support the District's economic development goals.
- **DYRS Community-Based Services Evaluation ([23-E-04-JZ0](#))**
We conducted this evaluation to identify and review the effectiveness of DYRS community-based services. We found significant oversight gaps relating to program spending, attendance, and document retention. We provided DYRS 12 recommendations to deter program fraud, waste, abuse and mismanagement.
- **Continuity of Operations Planning (COOP) Evaluation ([23-E-05-BN0](#))**
We found that, although the Homeland Security and Emergency Management Administration (HSEMA) has taken positive steps toward executing the COOP requirements, HSEMA can improve COOP program management to ensure that the District is adequately prepared to continue operations and deliver essential services to residents through periods of significant disruption.
- **Contract Evaluation at the Department of Licensing and Consumer Protection (DLCP) ([23-E-08-CR0](#))**
This evaluation assessed the Department of Licensing and Consumer Protection's (DLCP) compliance with procurement and contract administration requirements for a specific contract. The review found deficiencies in contract oversight, unclear expectations and deliverables, potential waste of funds, and issues with task order administration and pricing. While no formal recommendations were made, the report highlights several areas for improvement in DLCP's contracting practices, including strengthening internal controls, improving communication with the Office of Contracting and Procurement, and ensuring proper definition and monitoring of contracted services.



OPERATIONS

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Combined Investigative Statistics

Complaints / Referrals

Investigations Opened / Closed



Prosecution

● Charged ● Guilty ● Sentenced



As of the close of FY2024, ten individuals have been charged criminally awaiting trial; seven individuals have entered a guilty plea and are awaiting sentencing; and for 22 individuals have been criminally sentenced by a court.

6 – 264 months
Probation

15 – 427 months
Jail Time

3 – 390 hours
Community Service

14 - \$14,138,898.29
Criminal Restitution

9 - \$6,771,846.30
Forfeitures

21 - \$256,050
Assessments, Fines

Note: The above figures represent the number of judgments and the resulting penalties. For example, "6 – 264 months" means six judgments with a combined 264 months of probation ordered.





OPERATIONS

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Investigations Unit (IU)

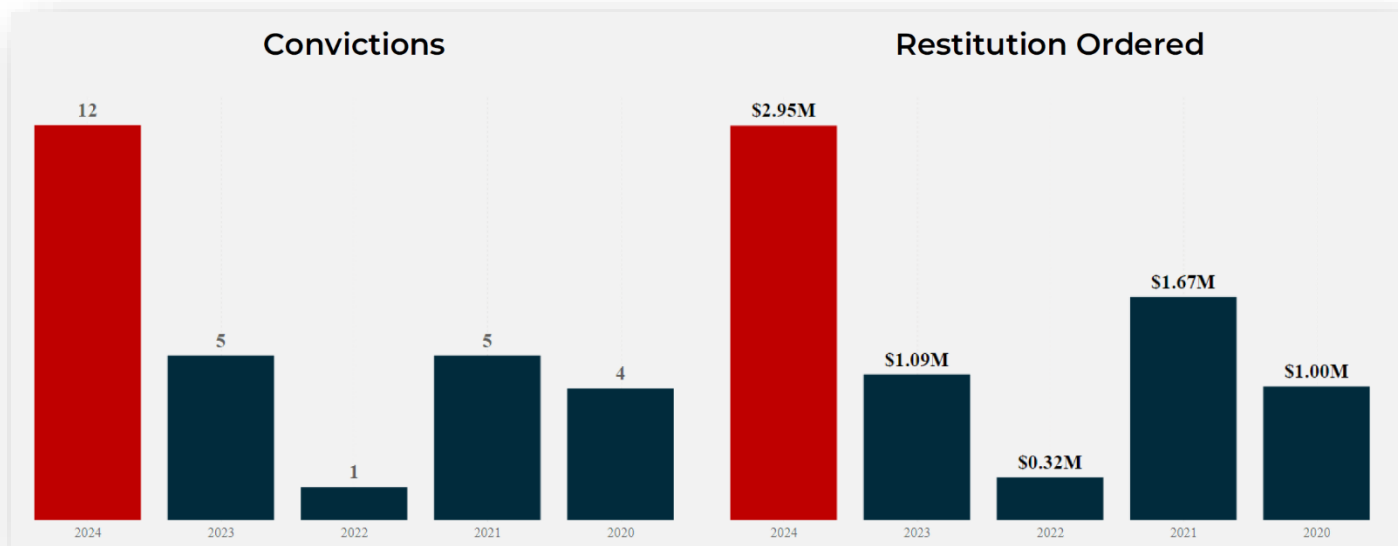
IU serves as one of OIG's law enforcement components, conducting criminal, civil, administrative, and ethical investigations relating to District government programs and operations. Our investigations can be complex, involving multiple authorities, including the FBI and the US Attorney's Office. The time between receiving a case and fully resolving it through litigation can take years, but these cases play a critical role in our mission to detect and prevent corruption, mismanagement, waste, fraud, and abuse.

Investigations Process



Investigations By the Numbers

This fiscal year, in collaboration with the US Attorney's Office, 12 people were convicted of crimes relating to District government programs and operations. Additionally, we secured judgments of \$2.95 million.





Highlighted Investigation Outcomes

DC Tax Evasion Scheme: Business Owner Sentenced in \$3 Million Bribery Conspiracy

A significant tax evasion scheme involving multiple business owners and a former DC government employee resulted in the conviction of Mehmet Amirshahi, one of the business owners involved.

The scheme, which operated for over five years, involved bribing Vincent Slater, a former manager in the DC Office of Tax and Revenue (OTR), to fraudulently reduce tax liabilities for several businesses. Anthony Merritt, a former employee of the DC Department of Consumer and Regulatory Affairs, acted as a middleman, facilitating bribe payments from business owners to Slater.



In total, the conspiracy deprived the District of approximately \$3 million in tax revenue. The scheme came to an end when Slater resigned from the OTR in December 2017.

For his role in the bribery scheme, Amirshahi was sentenced on April 19, 2024, by the United States District Court for the District of Columbia and received the following sentence:

- Three years of probation
- Two hundred hours of community service
- Over \$891,000 in criminal restitution

This case highlights the serious consequences of tax evasion and corruption within government offices, demonstrating that such actions result in significant penalties and restitution requirements.

Criminal Prosecutions

- **Andre De Moya (1:19-CR-00158)**
De Moya was sentenced to 30 months in prison for participating in multiyear conspiracies to evade business tax obligations through bribes to a former DC Office of Tax and Revenue employee. He was found guilty of bribery, conspiracy, and wire-fraud offenses.
- **Anthony Merritt (1:19-CR-00228-RBW-2)**
Merritt acted as a middleman in bribery conspiracies involving the DC Office of Tax and Revenue. He facilitated tax evasion for business owners, resulting in at least \$2.3 million in losses to the District. The recommended sentence is 188 to 235 months of incarceration.



- **Anthony Merritt (1:19-CR-00158)**
Anthony Merritt served as a middleman in multiple bribery conspiracies involving Vincent Slater, a corrupt DC Office of Tax and Revenue official, where he facilitated bribes from business owners seeking to evade taxes. Through these schemes, Merritt handled communications and bribe payments between business owners and Slater, sometimes keeping portions or all of the bribes for himself, ultimately contributing to over \$1 million in tax losses to the District. Based on his late acceptance of responsibility and the severity of his crimes, which undermined public trust in government, prosecutors recommended a sentence of 78 to 97 months imprisonment.
- **Arman H. Amirshahi (1:18-CR-00335)**
Amirshahi participated in a bribery scheme to evade business taxes through bribes to a former DC Office of Tax and Revenue manager. The scheme, involving multiple business owners, deprived the District of approximately \$3 million.
- **Brian Winston Bailey (19-CR-00156-1 (CKK))**
Bailey bribed a city housing official and an FBI agent to gain advantages in purchasing rental properties. He was convicted of two counts of bribery and two counts of conspiracy. The government requested a sentence of 121 months incarceration and the maximum allowable fine.
- **Chao Charles Zhou (1:19-CR-00047)**
Defendant Zhou, a bar and restaurant owner, participated in a multiyear bribery and wire fraud conspiracy by bribing Vincent Slater, a supervisor at the DC Office of Tax and Revenue, through middleman Anthony Merritt, to evade business tax obligations. This scheme resulted in over



\$900,000 in losses to the District, undermined public trust, and obstructed the OTR's mission, with Zhou also betraying his fiduciary duty when failing to remit collected sales and use taxes.

- **David Paitsel (1:19-CR-00156-CKK)**
Former FBI agent Paitsel and Maryland resident Bailey were convicted of bribery and conspiracy charges, receiving 24 and 48 months in prison, respectively, along with fines and supervised release. Bailey bribed Dawne Dorsey, a DC Department of Housing and Community Development specialist, for confidential Tenant Opportunity to Purchase Act (TOPA) information, while both Bailey and Paitsel were found guilty of a scheme where Paitsel used his FBI database access to look up TOPA rights holders' contact information for Bailey. The case also involves Frederick Silvers, who was sentenced to 5 months for related bribery charges.
- **Davoud Jafari (1:19-CR-00228)**
Jafari, a Washington DC nightclub owner, was found guilty of and sentenced for bribery, conspiracy, and wire-fraud. He bribed a former DC tax official to avoid paying several hundred thousand dollars in business-related taxes.
- **Dawne Dorsey (1:19-CR-00164-CKK)**
Dorsey, a former employee of the DC Department of Housing and Community Development, was sentenced for accepting bribes in exchange for confidential information from the department.
- **Khin P. Ngon (2024 CF2 003404)**
Ngon conducted a systematic scheme in the District to defraud the STAY DC Tenant Assistance Program of more than \$245,000. Ngon was sentenced to 23 months in prison for six felony counts and ordered to pay \$206,320 in restitution to the District government and serve three years of supervised release.
- **Maron Moss (2023 CF2 003863)**
Moss misrepresented his financial resources to secure foreclosure prevention funds from DC's HomeSaver program. He claimed unemployment while actually earning at least \$239,743, resulting in \$31,920 in fraudulent payments.
- **Ronald Allen (2024 CF2 000718)**
Allen pleaded guilty to fraudulently obtaining \$31,044 from the Stay DC program. He submitted false information about his income and misused the funds for personal expenses. Allen agreed to pay full restitution and was placed on supervised probation for 5 years.





Medicaid Fraud Control Unit (MFCU)

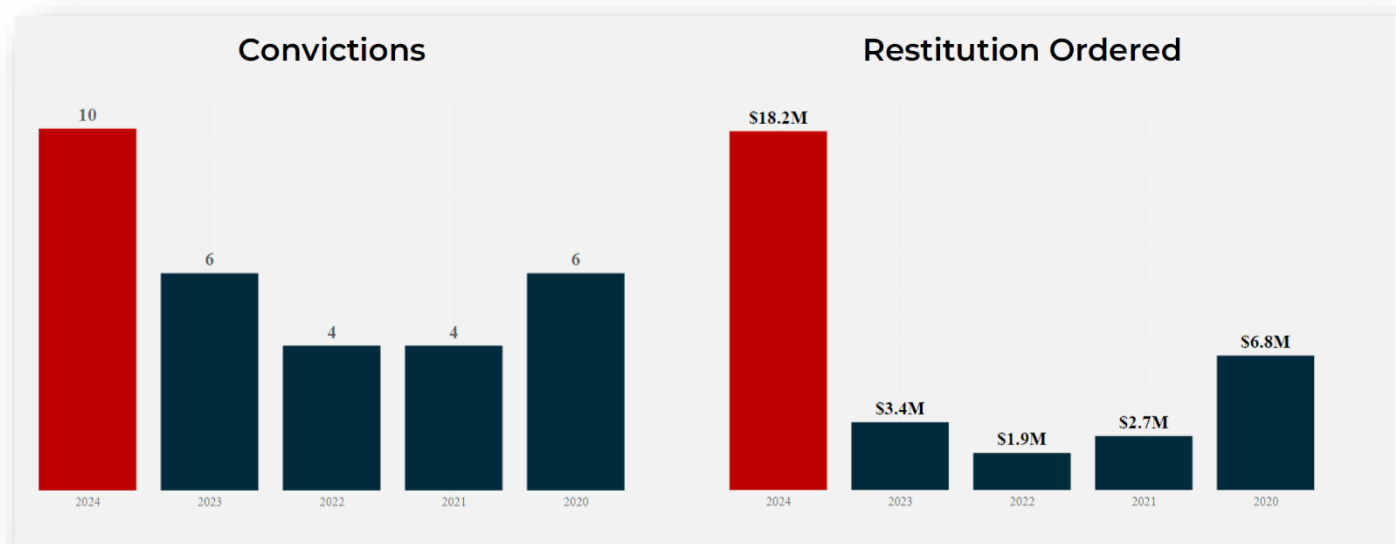
The Medicaid Fraud Control Unit (MFCU), which received federal certification from the US Department of Health and Human Services on March 1, 2000, serves as the District's primary authority for investigating and prosecuting fraud in the District's Medicaid program. MFCU's mandate includes Medicaid provider fraud and criminal abuse, neglect, and financial exploitation of persons residing in Medicaid-funded facilities or receiving Medicaid-covered services.

Medicaid Fraud Control Process



Medicaid Fraud Control By the Numbers

On average, we secure six convictions per year. These convictions are often the product of complex investigative work and lengthy court proceedings.





Highlighted Medicaid Fraud Investigation Outcomes

Six Indicted in Scheme to Defraud DC Medicaid Program

Our office along with federal authorities uncovered an alleged \$10 million Medicaid fraud scheme targeting mental health services in Washington DC. The case highlights ongoing efforts to protect both taxpayer dollars and vulnerable citizens requiring mental health care.

Omolere Omomowo, 43, along with five community support workers, has been charged with conspiring to defraud DC's Medicaid program. The scheme allegedly involved falsely upgrading patients to receive more intensive and expensive mental health services, billing for unnecessary services, and submitting claims for services that were never provided. At the heart of the fraud was the manipulation of the Assertive Community Treatment (ACT) program, which is designed to provide intensive care for the District's most vulnerable adults with serious and persistent mental illness.

The fraud allegedly began at Prestige Healthcare Resources, where Omomowo served as Chief Financial Officer. After leaving Prestige in 2021, he established The Marcaulay Group and later partnered with other healthcare companies to continue the scheme. Throughout this time, prosecutors say Omomowo and his co-conspirators created fraudulent medical assessments and systematically overbilled Medicaid for mental health services.

What makes this case particularly troubling is that it targeted some of society's most vulnerable individuals – those struggling with serious mental illness. Beyond the \$10 million in misused public healthcare funds, the scheme potentially compromised the quality of care for patients who genuinely needed these mental health services.

Law enforcement has already taken action, with Omomowo arrested in Fort Lauderdale, Florida, and co-defendant Zilah Bessem apprehended at Dallas-Fort Worth International Airport. Four additional co-defendants are scheduled to appear in court. If convicted, the defendants face up to 20 years in prison for conspiracy charges.

This case demonstrates the Justice Department's ongoing commitment to protecting both public healthcare funds and ensuring that vulnerable citizens receive appropriate mental health care services.

Health Clinic Owner Sentenced in \$3.3 Million Medicaid Fraud and COVID Relief Abuse

Julius Bakari, the owner of Holy Health Care Services LLC, was convicted for orchestrating a multi-million-dollar fraudulent enterprise that exploited both the DC Medicaid program and vulnerable individuals struggling with mental health challenges and housing insecurity.

In collaboration with federal agencies, we revealed a sophisticated scheme in which Bakari's company deployed vans throughout DC's neighborhoods, targeting homeless shelters and low-income areas, to recruit Medicaid





beneficiaries with promises of mental health services at its clinics. These patients received minimal to no legitimate mental health care. Instead, the company paid them \$5-10 per visit.

Behind the scenes, Bakari and his co-conspirators submitted millions in fraudulent claims to Medicaid for services never rendered, using a network of fake community support workers to generate false documentation.

Bakari pleaded guilty to conspiracy to commit healthcare fraud and was sentenced to 36 months in federal prison, followed by three years of supervised release. The judgment included restitution of \$3,343,781 to the DC Medicaid program and a forfeiture order of \$2,914,460.

Criminal Prosecutions

- **Atawan Mundu John (2014-CR-00030-09)**
Atawan Mundu John, 46, of Hyattsville, Maryland, was sentenced to nine months in prison for attempting to tamper with a witness during a federal healthcare fraud investigation in 2014. John, who worked as a personal care aide in a home health care agency involved in a multimillion-dollar Medicaid fraud scheme, instructed a beneficiary to lie to the FBI about receiving kickbacks, then fled the area for nearly nine years before being arrested in July 2023. In addition to his prison sentence, John was ordered to pay \$80,493 in restitution to the DC Medicaid program for false claims associated with kickbacks he paid to beneficiaries.
- **Dominic Forka (8:22-CR-00152-PX)**
Dominic Forka pleaded guilty to one count of health care fraud for submitting false claims to Medicaid for community support services that either never occurred or were not provided for the amount of time billed, resulting in at least \$356,409 in fraudulent payments. On February 27, 2024, Forka was sentenced to 1 day in prison (time served) followed by 3 years of supervised release, including 4 months of home detention. He was also ordered to pay \$356,409 in restitution.
- **Francis Senesie (8:22-CR-00216-PX)**
Francis Senesie, along with co-conspirators including Julius Bakari and Mboutchock Kabiwa, orchestrated a complex scheme to defraud the District's Medicaid program through Holy Health Care Services. The fraud involved creating fake community support workers, entering false service claims into the Integrated Care Management System, and continuing these activities even after some conspirators were arrested, resulting in an actual loss to Medicaid of at least \$304,442.
- **Julius Bakari (8:22-CR-00109-PX)**
Julius Bakari conspired to defraud the District's Medicaid program through his company, Holy Health Care Services, by paying bribes and kickbacks to beneficiaries to visit the clinic and bill for services not rendered. The scheme, which ran from 2017 to 2021, involved submitting false claims, using fake community support workers, and resulted in a loss to Medicaid of approximately \$3,343,781. Bakari and his co-conspirators, including Mboutchock Kabiwa, obtained this amount as gross proceeds from the healthcare fraud scheme.
- **Kelly Barry (2023 CF3 004721)**
Kelly Barry, a 25-year-old former direct support professional, pleaded guilty to criminal negligence of a vulnerable adult in Washington, DC. Barry misused a company van to make food deliveries with a vulnerable adult instead of providing proper care and failed to inform authorities when the van was stolen with the vulnerable adult inside. Barry was sentenced to 180 days in jail (partially suspended),



14 months of supervised probation, 90 hours of community service, and is prohibited from working with individuals who cannot care for themselves.

- **Kevin Thomas (2023 CF2 008586)**
Kevin Thomas was an employee at the Capital City Skilled Nursing Facility. On November 29, 2021, the defendant caused injury to a facility resident, and was subsequently charged with, and pleaded guilty to, criminal abuse of a vulnerable adult or elderly person.
- **Lambert Mbom (8:22-CR-00109-PX)**
Lambert Mbom, a 47-year-old program administrator for Holy Health Care Services, was sentenced to 60 months in federal prison for his role in a health care fraud conspiracy. Mbom and his co-conspirators defrauded Medicaid programs in Maryland and Washington, DC of more than \$2.5 million by falsely billing for services not provided and paying kickbacks to Medicaid beneficiaries. In addition to the prison term, Mbom was ordered to pay \$4,450,588 in restitution and forfeit \$2,45,070 in criminally derived proceeds.
- **Mboutchock Kabiwa (8:22-CR-00109-PX)**
Mboutchock Kabiwa, operating Holy Health Care Services in Washington, DC, pleaded guilty to conspiracy to commit health care fraud involving bribes to Medicaid beneficiaries and fraudulently obtaining a \$150,000 Economic Injury Disaster Loan (EIDL). She was sentenced to 20 months in prison and ordered to pay over \$3.4 million in restitution along with her co-conspirators for their involvement in the scheme.
- **Miker L. Ivory (2023-CF1-004665)**
Miker L. Ivory pleaded guilty to attempted second degree sexual abuse and was sentenced to 18 months of supervised probation. He also agreed to be listed in the sex offender registry for life.

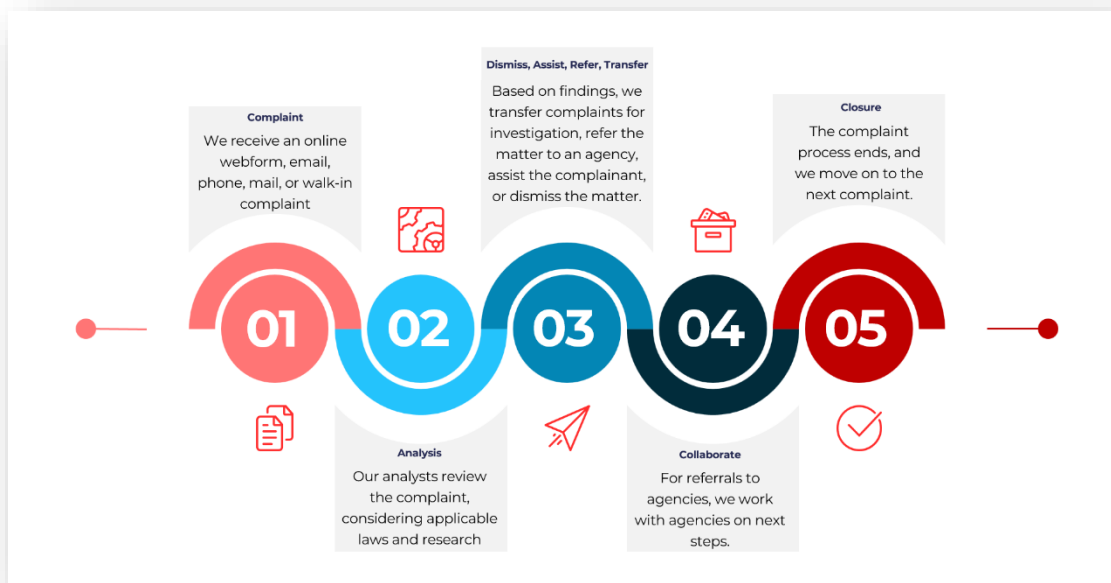




Risk Assessment and Future Planning (RAFP)

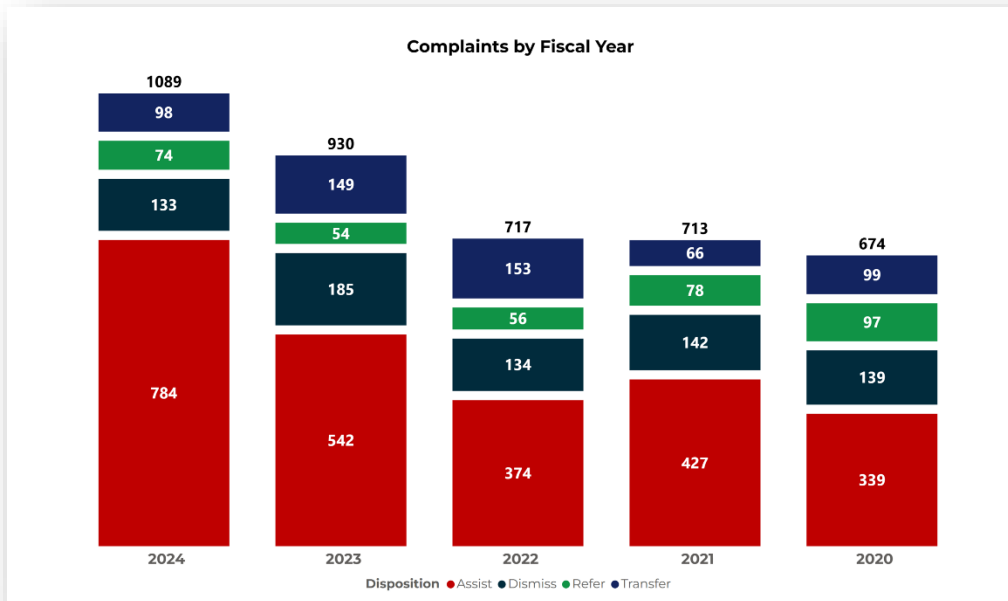
The Risk Assessment and Future Planning (RAFP) unit aggregates open source, internal, and District data to identify risks to District programs and provides comprehensive intelligence to promote economy, efficiency, effectiveness, and accountability within the District government. RAFP also operates OIG's Hotline and Administrative Investigations Program, which allows District employees and members of the public to report incidences of corruption, fraud, waste, abuse, and mismanagement in government agencies and programs.

Risk Assessment and Future Planning Process



Risk Assessment and Future Planning By the Numbers

This year, we received over 1,000 complaints. Following analysis, each complaint is either Dismissed, Assisted, Referred, or Transferred (DART). Dismissals occur when there is not enough actionable information for any agency to take action; we assist complainants when they need help navigating the government; we refer matters to specific agencies based on the nature of some complaints when further information is needed, or an agency needs to take action, and the rest are transferred to operational OIG units for further action.



Highlighted Administrative Investigation Outcomes

Investigation of Procurement Irregularities at the Department of Human Services

The OIG conducted an administrative investigation into procurement irregularities at the Department of Human Services (DHS). The investigation focused on the procurement of return-to-work promotional items in 2021.

Key findings:

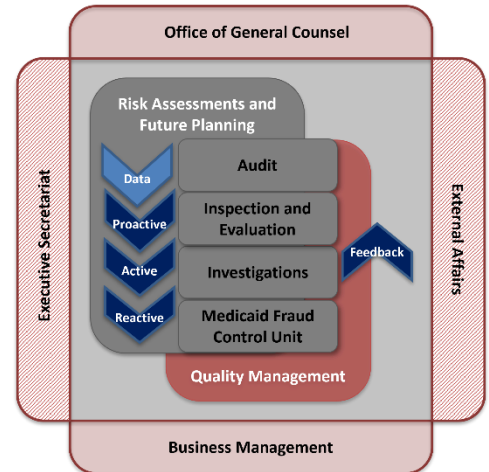
- A DHS Program Analyst knowingly violated District procurement policies by splitting a requisition to avoid competition requirements. The employee initially submitted a requisition for \$18,938, then withdrew it and submitted two separate requisitions under \$10,000 each to circumvent the competitive bidding threshold.
- The same employee made unauthorized commitments on behalf of the District government by ordering and accepting goods without valid written contracts in place. The employee arranged for delivery of items before purchase orders were approved.
- The employee demonstrated awareness of procurement rules but deliberately attempted to circumvent them to select a preferred vendor.

The OIG concluded that these actions violated multiple District laws, regulations, and policies related to procurement. As a result, the OIG recommended that DHS take appropriate administrative action to address the employee's misconduct.



SUPPORT DIVISIONS

The OIG's operational success depends on robust internal support functions working in concert. These support divisions provide the foundational infrastructure - from legal counsel to quality management to administrative coordination - that enables our operational teams to conduct thorough, independent oversight. Through strategic planning, resource management, technical support, and coordination across units, these divisions ensure the OIG maximizes its effectiveness in promoting accountability and integrity throughout District government.



Business Management (BM)

The Business Management division supports the OIG's mission by delivering services in the areas of strategic planning; human capital management; budget, contracting and procurement; information technology; telecommunications; training; security; facility management; and organizational performance management. Business Management also provides the Inspector General with advice, guidance, and support on mission-critical issues and initiatives.

Key Accomplishments This Year



Human Capital

Established a comprehensive in-house HR operation managing the full employee lifecycle



Procurement

Secured significant savings through strategic contract negotiations and management



Facilities and IT

Completed major office infrastructure upgrades, including new AV systems installation





Executive Secretariat (ES)

The Executive Secretariat coordinates the Agency's administrative work, serving as a liaison between OIG's operational units and supporting divisions to deliver innovative solutions that advance world-class oversight.

In FY2024, ES established critical infrastructure to strengthen OIG operations. Key accomplishments include implementing automated cross-channel collaboration for OIG products, creating centralized knowledge repositories for reports and recommendations, and developing templates to enhance recommendation effectiveness. ES ensures all official correspondence maximizes impact for District leaders through rigorous review. During this period, ES processed over 475 documents, including reports, letters, and subpoenas.

Much of ES' contributions are illustrated throughout this document, ranging from automated ROI calculations, historical OIG work statistics, current publication and recommendations dispositions, and the overall design of this report. Some of our contributions include:

The collage illustrates various support services provided by the Executive Secretariat:

- Audit Report:** A cover for a report titled "AUDIT REPORT Special Education Attorney Certifications (FY 2023) OIG No. 24-1-Q1MA" dated October 16, 2024.
- Open Cases:** A donut chart titled "Open Cases By Focus Area" showing the distribution of 121 cases: Oversight (26%), Housing (40%), Public Safety (5%), Economic Development (2%), Health (1%), and Political Syst. (1%).
- Executive Secretariat Report:** A cover for the "EXECUTIVE SECRETARIAT MONTHLY P3 UPDATE - OCTOBER 2024" featuring a globe and bokeh lights.
- Published Reports:** A screenshot of a web interface titled "Published Reports | Economic Development Programs Evaluation" showing a list of reports and a detailed view of the "Evaluation of Economic Development Programs" report.
- Power BI Dashboard:** A screenshot of a dashboard showing a bar chart of recommendations, a table of open recommendations, and a pie chart of open recommendations.







Clockwise from the bottom left: recommendations reporting using Power BI visuals, new OIG intranet for cross-channel collaboration, refreshed report design, case breakdown visuals, updated presentation styles, and new data entry UIs for knowledge management.



External Affairs (EA)

The External Affairs division leads the OIG's public, media, legislative, and intragovernmental affairs. It performs a pivotal role in connecting OIG oversight work with the public, media, and the executive and legislative branches of District government. EA oversees the OIG's recommendation tracking and follow-up program, builds internal oversight capacity, coordinates external oversight liaison functions, and advocates the OIG's position with external decision-makers. EA also serves as the media liaison and the point of contact for community outreach and engagement, managing the OIG's social media accounts and maintaining the OIG's website.

In FY2024, EA strengthened District oversight through strategic engagement and expanded outreach. Key accomplishments include:

-  Secured legislative changes defining OIG criminal investigators as law enforcement officers, enhancing investigative authorities
-  Provided expert testimony at five Council hearings on topics including budget, financial audits, and investigative outcomes
-  Partnered with BEGA to deliver whistleblower protection training and monthly ethics counselor sessions
-  Conducted anti-corruption program briefings for international delegations and new District employees
-  Advanced senior citizen protection through fraud prevention training and panel discussions
-  Launched weekly email/text newsletter reaching thousands of District residents

To subscribe to OIG updates and stay informed about our oversight work, scan this QR code:



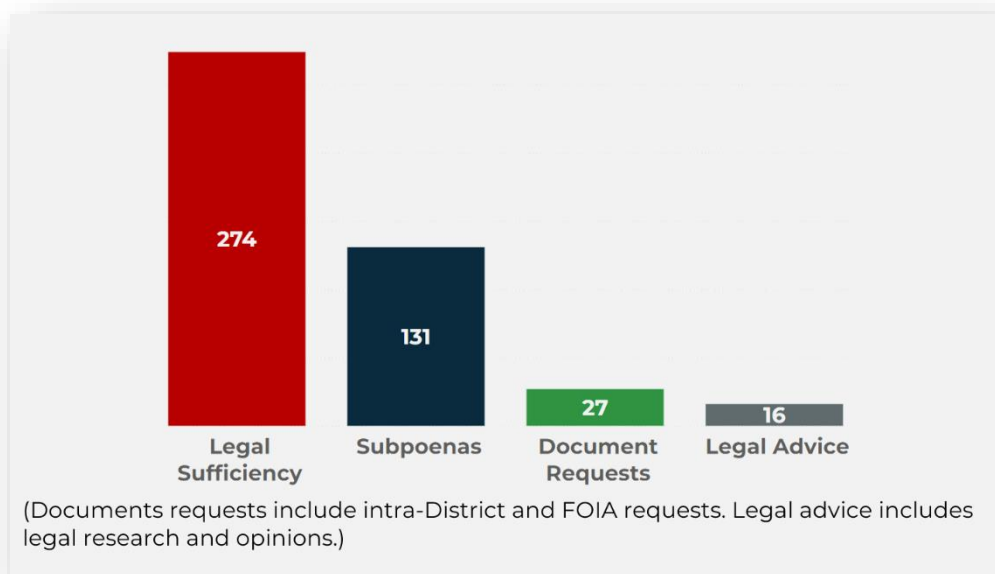
Scarlet Oak (State tree)



Office of General Counsel (OGC)

The Office of General Counsel ensures all activities undertaken by the OIG comport with laws, rules, regulations, and policies. Further, OGC provides in-house legal services by ensuring OIG operations, activities, and communications conform to applicable legal requirements; rendering forthright and objective legal advice to protect the OIG against legal liability; and advocating the OIG's legal position in disputes.

In FY2024, OGC provide legal services in over 400 matters, and responded to 26 *Freedom of Information Act* matters. The legal services provided breakdown as follows:



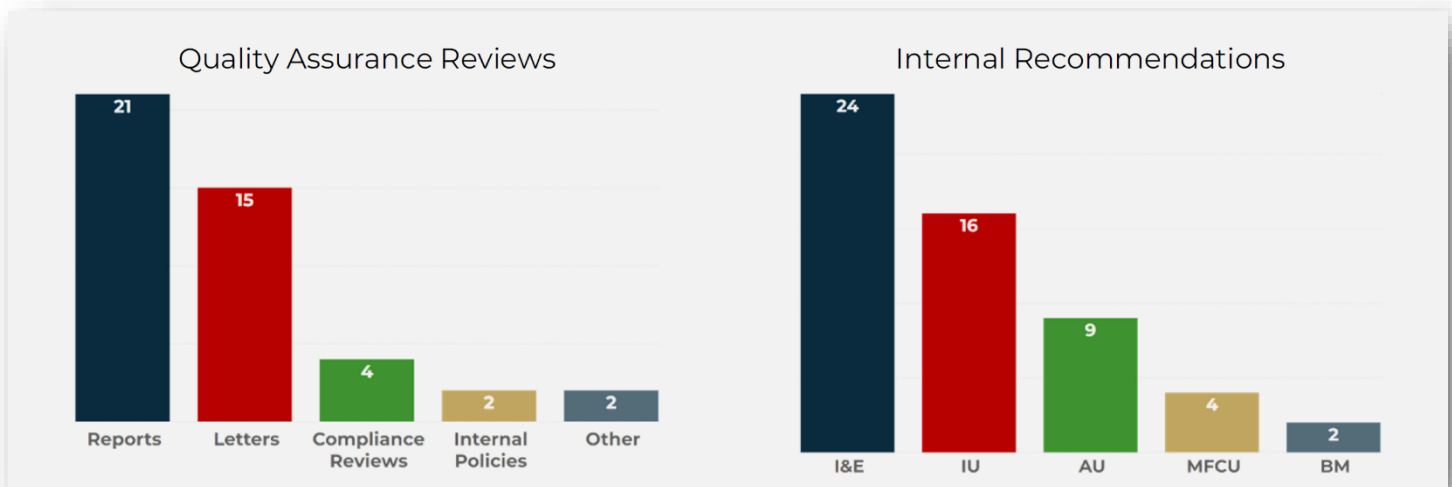


Quality Management (QM)

The Quality Management division ensures all outputs from the OIG's units and divisions comply with OIG policies, professional standards, and best practices. QM oversees all OIG activities to maintain a desired level of excellence while ensuring the OIG's long-term success through customer satisfaction, innovation, and continuous quality improvement.

In FY2024, QM conducted rigorous quality assurance reviews of 45 documents, verifying thousands of individual factual assertions and citations. This meticulous review process ensures the accuracy and reliability of all OIG work products while keeping the highest standards of integrity in government oversight. These reviews result in recommendations to our internal units.

Quality Management by the Numbers



Is Your Agency At Risk?

The Internal Control Assessment Program (ICAP) can help.

Are your internal controls good enough?

- Are your leadership and organizational values aligned to foster a robust control environment?
- How effectively does your current strategy identify and address emerging risks?
- Are your control activities effectively mitigating identified risks?
- Is your information optimized to support decision-making and control processes?
- How do you assess performance quality over time and promptly resolve control concerns?

The Internal Control Assessment Program (ICAP) can answer these questions and help your agency be effective, efficient, and ready to confront and minimize risks.

Get Started Now with ICAP:



<https://oig.dc.gov/form/internal-control-assessment/>

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Annual Senior Symposium

In June, OIG's MFCU participated in expert panels aimed at helping seniors recognize and prevent fraud and scams at the Mayor's 13th Annual Senior Symposium. Our team shared valuable insights on the various ways scammers target vulnerable individuals and offered guidance on steps seniors can take to protect themselves. The session was part of an ongoing effort to empower seniors with the knowledge and tools needed to stay safe in today's complex environment. The session was highlighted in the Annual Report to Congress on Department of Justice Activities to Combat Elder Fraud, which describes elder abuse prevention efforts by DOJ and local governments.



Senior Fest

In May, OIG participated in the annual Senior Fest event, staffing a booth to connect with District seniors. Senior Fest is a community celebration that provides older adults with information resources, food, and entertainment.

At the OIG booth, staff answered questions, listened to seniors' concerns, and shared how the OIG works to combat waste, fraud, and abuse, with a focus on protecting vulnerable populations like seniors. The OIG valued the chance to engage directly with the community, hear their perspectives, and raise awareness of its mission at this popular senior-focused event.

Metropolitan Police Department (MPD) Partnership

In February, the Inspector General met with the Chief of Police to discuss opportunities for OIG to collaborate more closely with local law enforcement.

The meeting allowed the OIG and MPD to share information and explore joint initiatives to enhance public safety and accountability in the District. As independent oversight bodies, the OIG and MPD aim to leverage their expertise and resources through this partnership to better serve the community.



APPENDIX 1: INDEX OF STATUTORY REPORTING

Each year, the Office of the Inspector General for the District of Columbia prepares an annual report summarizing its activities for the preceding year. DC Code § 1-301.115a(f-2) mandates the publication of this report and requires that it be filed no later than December 1.

In addition to this annual report, we are responsible for publishing the following reports each year:

Code	Report	Page
<u>DC Code § 1-301.115a(a)(4)</u>	Annual Comprehensive Financial Report	13
<u>DC Code § 9-109.02(e)</u>	Highway Trust Fund and 5-Year Forecast Audit	13
<u>DC Code § 42-2605</u>	Home Purchase Assistance Fund	13
<u>DC Code § 1-301.115a(e-1)</u>	Housing Authority Fiscal and Management Audit	14
<u>DC Code § 1-301.115a(a)(3)(E)</u>	Procurement Activities Audit	19
<u>DC Code § 1-301.115a(a)(3)(J)</u>	Special Education Attorney Certifications	15
<u>DC Code § 1-301.115a(f-2)</u>	Use of Force Details	13
<u>DC Code § 1-325.181(e)</u>	West End Library and Fire Stations Maintenance Fund	15



APPENDIX 2: ANNUAL ACTIVITIES REPORTING

For this report, the Office of the Inspector General for the District of Columbia provides information consistent with the reporting requirements of federal office of inspectors general found in 5 USC § 405(b). To the extent relevant this report includes the following information for comparative purposes:

Reporting element

Conviction summaries	Page 24
Corrective actions recommended and their status	Report 2024-2-05MA
Investigation statistics, including reports issued, and referrals	Page 21
OIG Peer Review Recommendations that are outstanding	Page 42
Problems, abuses, deficiencies identified	Pages 13 and 19
Prosecution referral summaries	Page 21
Report and recommendation statistics	Page 10
Report summaries	Page 13 and 19



APPENDIX 3: 2022 FOLLOW-UP TO OIG PEER REVIEW

In accordance with DC Code § 1-301.115a (f-5), the OIG must undergo a triennial peer review of its audit, inspection, and investigation units' policies, procedures, operations, and quality controls.

On September 6, 2022, the Association of Inspectors General (AIG) issued its peer review management letter of the Office of the Inspector General for the District of Columbia for FYs 2018-2021. AIG provided our office with 14 areas of distinction and five recommendations for our consideration. The OIG will undergo its next peer review in fiscal year 2025.

Since the issuance of their report, OIG has implemented two recommendations. The remaining three were in progress during fiscal year 2024. Those peer review recommendations, and their status, are as follows:

Unit	Recommendations and Status
Audits	<p>Recommendation: During the planning phase of an audit, auditors should assess the time resources needed for each audit and adjust their timelines as needed.</p> <p>Status: In Progress The audit team is currently updating its procedural guidance, consistent with the 2024 Yellow Book. These revisions will include a new policy to address this important recommendation.</p>
Inspections & Evaluations	<p>Recommendation: Use the I&E TeamMate+ case management system to its fullest capability.</p> <p>Status: Implemented Written I&E procedures now require staff to use TeamMate+ for all project work papers, key documents, and draft and final documents.</p>
	<p>Recommendation: I&E should streamline its reporting by making content technically accurate but more concise to reduce report drafting times.</p> <p>Status: Implemented I&E has implemented several procedural steps to achieve more accurate, concise, and timely products. These steps include regular, reoccurring team project briefings; team review of project timelines, milestones, and background research; internal peer-review of draft documents; and including more qualitative and quantitative analysis in our reporting.</p>



APPENDIX 4: USE OF FORCE INCIDENTS

As part of this annual report, DC Code § 1-301.115a (f-2) requires us to detail any use of force incidents involving OIG law enforcement officers during the fiscal year. Reports of use of force incidents must include the date, time, and location of each incident; a description of the use of force; and the result of any investigation of each use of force, including any determination of whether the use of force was justified and any discipline imposed.

In fiscal year 2024, there were no use of force incidents to report.

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REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT

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