

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



April 15, 2019

The Honorable Muriel Bowser
Mayor of the District of Columbia
Mayor's Correspondence Unit
The John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 316
Washington, D.C. 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
The John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, D.C. 20004

Dear Mayor Bowser and Chairman Mendelson:

This letter is to inform you that the Office of the Inspector General (OIG) has completed the *Audit of OIG Prior Year Recommendations* (OIG Project No. 2019-01-001MA). The OIG is statutorily required to keep you “fully and currently informed about . . . the necessity for and progress of corrective actions¹” as it relates to problems and deficiencies in District programs and operations.

Our objectives were to determine: (1) the status of open recommendations; (2) whether corrective actions remedied key conditions identified in prior OIG audits; and (3) whether agencies realized monetary benefits (if applicable). We conducted this audit in accordance with generally accepted government auditing standards. See the enclosed Appendix A for our scope and methodology.

We found District agencies have implemented 22 out of 50 recommendations contained within eight OIG reports as of the end of fiscal year (FY) 2018. The OIG considers these recommendations “closed.” We found remediation of 28 recommendations was incomplete, and are still considered “open.”

Additionally, we noted that Department of General Services (DGS) recouped \$633,709 in monetary benefits based on the implementation of our recommendation.

¹ D.C. Code 1-301.115a (a-1) (3) (Supp. 2017).

Table 1 identifies the District agencies responsible for implementing our recommendations, as well as the implementation status of the recommendations. Reports 1 through 5 were issued by the OIG between August 2017 and August 2018. Reports 6 through 8 were also included from our previous *Follow-Up Review of OIG Recommendations* because the agencies did not implement all recommendations at the time we conducted our initial recommendation follow-up audit.²

Appendix B provides additional detail on the open recommendations. The OIG will follow up on the open recommendations in FY 2020.

Table 1: Status of OIG Prior Year Audit Recommendations						
Report	Responsible Agencies	Total	Closed	Open	Percentage Implemented	Follow-up in FY 2020
1	Department of General Services	14	8	6	57%	6
2	Office of the Chief Technology Officer	9	0	9	0%	9
3	District of Columbia Public Schools and Office of the State Superintendent of Education	10	6	4	60%	4
4	District of Columbia Public Schools and Office of the Chief Financial Officer	2	2	0	100%	-
5	Fire and Emergency Medical Services Department and Office of Contracting and Procurement	7	1	6	14%	6
6	Department of Human Services	1	1	0	100%	-
7	Department of Child and Family Services-Financial Operations	4	4	0	100%	-
8	Department of Public Works	3	0	3	0%	3
Overall Status		50	22	28	52%	28

Source: OIG analysis

The Department of General Services (DGS), Office of the Chief Technology Officer (OCTO), District of Columbia Public Schools (DCPS), Office of the State Superintendent of Education (OSSE), Fire and Emergency Medical Services Department (FEMS), Office of Contracting and Procurement (OCP), and Department of Public Works (DPW) did not implement all of their respective recommendations. These agencies also did not explain the delay in implementing the recommendations. Therefore, 28 recommendations will remain open until the OIG verifies their completion in FY 2020.

² D.C. OFFICE OF THE INSPECTOR GENERAL, [FOLLOW-UP REVIEW OF OIG RECOMMENDATIONS](#) (OIG Project No. 17-1-19MA, issued November 2017).

The primary benefit of this recommendation follow-up review is assurance that agencies have strengthened their internal controls or improved their compliance with laws and regulations through adequate attention to OIG's audit recommendations.

Failure to strengthen internal controls may cause conditions conducive to fraud, waste, and abuse; and may impact the District's annual financial statement audit. Non-compliance with laws and regulations may subject agencies or the District to legal penalties and may cause reduced performance standards.

We appreciate the cooperation and courtesies extended to our staff during this review. If you have questions about this report, please contact me or Benjamin Huddle, Assistant Inspector General for Audits at (202) 727-2540.

Sincerely,



Daniel W. Lucas
Inspector General

DWL/tda

cc: See Distribution List

DISTRIBUTION LIST:

Mr. Rashad M. Young, City Administrator, District of Columbia (via email)
Mr. Barry Kreiswirth, General Counsel, City Administrator, District of Columbia (via email)
The Honorable Mary M. Cheh, Chairperson, Committee on Transportation and the Environment (via email)
The Honorable Vincent C. Gray, Chairperson, Committee on Health (via email)
The Honorable Brianne K. Nadeau, Chairperson, Committee on Human Services (via email)
The Honorable Brandon T. Todd, Chairperson, Committee on Government Operations, Council of the District of Columbia (via email)
The Honorable Robert C. White, Jr. Chairperson, Committee on Facilities and Procurement (via email)
The Honorable David Grosso, Chairperson, Committee on Education (via email)
The Honorable Charles Allen, Chairperson, Committee on Judiciary and Public Safety (via email)
Mr. John Falcicchio, Chief of Staff, Executive Office of the Mayor (via email)
Ms. LaToya Foster, Director of Communications, Office of Communications, Executive Office of the Mayor (via email)
Ms. Jennifer Reed, Director, Office of Budget and Performance Management, Office of the City Administrator (via email)
Ms. Nyasha Smith, Secretary to the Council (via email)
The Honorable Karl Racine, Attorney General for the District of Columbia (via email)
Mr. Jeffrey DeWitt, Chief Financial Officer, Office of the Chief Financial Officer (via email)
Mr. Timothy Barry, Executive Director, Office of Integrity and Oversight, Office of the Chief Financial Officer (via email)
The Honorable Kathy Patterson, D.C. Auditor, Office of the D.C. Auditor, Attention: Cathy Patten (via email)
Mr. Jed Ross, Director and Chief Risk Officer, Office of Risk Management (via email)
Ms. Berri Davis, Managing Director, FMA, GAO, (via email)

Appendix A – Objectives, Scope, and Methodology

Our objectives were to determine: (1) the status of open recommendations; (2) whether corrective actions remedied key conditions identified in prior OIG audits; and (3) whether agencies realized monetary benefits (if applicable).

We selected to review audits issued between August 2017 and August 2018. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We also included three audits from our prior year follow-up audit because the agencies did not implement all their recommendations. Accordingly, our scope was limited to the 50 recommendations that were open in the final reports of the following audits:

- 14 recommendations issued in *Department of General Services: Management of the District's Real Property Assets and Leasing Processes Needs Significant Improvement, Which Could Lead to Substantial Cost Savings*, OIG Project No. 16-1-12AM, August 2017;
- 9 recommendations issued in *Office of the Chief Technology Officer: Actions Needed to Strengthen the District's External Cybersecurity Preparedness*, OIG Project No. 16-1-16TO, September 2017;
- 10 recommendations issued in *District of Columbia Public Schools and the Office of the State Superintendent of Education: The District Lacked Control Activities Over Student Residency Verification and the Collection of Non-Resident Tuition*, OIG Project No. 17-1-16GA, April 2018.
- 2 recommendations issued in *District of Columbia Public Schools and Office of the Chief Financial Officer: Two of Four Findings from our Prior Year Audit Were Not Fully Remediated*, OIG Project No. 18-1-18AT, August 2018;
- 7 recommendations issued in *Fire and Emergency Medical Services Department and Office of Contracting and Procurement: District Response Times to Basic Life Support Calls Have Improved, but Contract Award and Administration Deficiencies Need to be Addressed*, OIG Project No. 17-1-15FB, July 2018;
- 1 recommendation issued in *Department of Human Services: Contracted Services Under the Permanent Supportive Housing Program Were Not Adequately Monitored*, OIG Project No. 15-1-02JA, November 2016;

- 4 recommendations issued in *Child and Family Services Agency: FACES Information Systems Did Not Ensure Control Objectives Were Consistently Met*, OIG Project No. 13-1-22MA, March 2017; and
- 3 recommendations issued in *Department of Public Works: Oversight of District Fleet Vehicles Usage and Inventory Is Not Adequate*, OIG Project No. 14-1-25KT, March 2017.

To assess whether District agencies have implemented OIG recommendations, we provided District agencies with a questionnaire to provide us with the status of the prior year OIG recommendations. We interviewed agency officials responsible for implementing the OIG prior year recommendations. We also performed tests and analysis, including reviews of agencies' policies and procedures, tests of controls, and analysis of financial records and transactions. Overall, we validated each agency's implemented recommendations to determine if corrective actions taken by the agency met the intent of OIG recommendations.

When agencies implemented controls different from that the OIG recommended, we obtained data to determine if corrective actions met the intent of our recommendations. We also evaluated whether the implemented recommendations realized any benefits from remediating weaknesses revealed in the original audit.

Appendix B – Detailed Discussion of Open Recommendations

DEPARTMENT OF GENERAL SERVICES (DGS), REAL PROPERTY ASSETS AND LEASING PROCESSES

Management of the District’s Real Property Assets and Leasing Processes Needs Significant Improvement, Which Could Lead to Substantial Cost-Savings

Overall, DGS has six open recommendations as of September 30, 2018. Table 2 identifies DGS’s responses to open recommendations.

Table 2: DGS’s Response to OIG Prior Year Audit Recommendations		
No.	Recommendations	Agency Response
2	Prepare and submit annual reports of changes in real property assets to the Council.	In-Progress
4	Develop policies that include procedures to competitively bid contracted lease services and requirements to provide relevant training to portfolio management staff.	Not Started
7	Coordinate between Portfolio Management Division and the Finance Department to reconcile rent collected against the tenant listing, and follow-up in a timely manner with tenants who miss rent payments.	In-Progress
8	Consider separating lease administration and auditing services from future tenant representation contracts and award a separate contract with a fixed annual fee for these services.	Not Started
12	Report potential Anti-Deficiency Act violations to the Board of Review for Anti-Deficiency Violations.	In-Progress
13	Consult with the Office of Contracting and Procurement to determine if leasing contracts executed without a valid PO between August 2015 and February 2016 require ratification.	Not Started

Source: OIG analysis

OFFICE OF THE CHIEF TECHNOLOGY OFFICER (OCTO)

Actions Needed to Strengthen the District’s Cybersecurity Preparedness (Confidential, exempt from public disclosure)

OCTO has not implemented all the nine OIG recommendations.

OCTO Response:

OCTO has self-reported to the OIG audit team that the implementation efforts for 5 recommendations are “in-progress”, for 2 recommendations as “established and ongoing”, and for the remaining 2 recommendations “not started”.

**DISTRICT OF COLUMBIA PUBLIC SCHOOLS AND OFFICE OF THE STATE
SUPERINTENDENT OF EDUCATION (OSSE), STUDENT RESIDENCY**

*The District Lacked Control Activities Over Student Residency Verification and the Collection of
Non-Resident Tuition*

These recommendations remain open as of the date of this report:

Recommendation #4

Review and, as necessary, adopt residency verification documentation requirements like those in other jurisdictions to establish proof of domicile in the District of Columbia.

OSSE Response:

OSSE reviewed and researched the documentation requirements of surrounding counties. However, the documentation requirements are set forth in D.C. Code § 38-309, and without a Council amendment, OSSE does not have the authority to make changes to the permissible residency verification documents.

Recommendation #5

Refer all fraud cases to appropriate authorities, including the Office of the Attorney General (OAG), Office of Government Ethics (OGE), and OIG as required by District regulations.

OSSE Response:

OSSE is currently working on updating our standard operating procedures to include specific and appropriate standards, processes, and timing for referrals to the various external agencies. OSSE has been meeting internally and reaching out to OAG and OIG for input since OIG issued the report.

Recommendation #8

Establish standard operating procedures (SOP) to track residency fraud allegations.

OSSE Response:

In early 2018, OSSE developed an internal ticketing system to track residency fraud allegations.

Recommendation #10

Establish monitoring activities to ensure timely submission of all required investigation results.

OSSE Response:

OSSE is finalizing an internal standard operation procedures manual and the comprehensive investigations protocol that will include a baseline for the performance standards of investigative staff and set forth standards for supervisory monitoring and case processing times.

FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT (FEMS) AND OFFICE OF CONTRACTING AND PROCUREMENT (OCP)

District Response Times to Basic Life Support Calls Have Improved, but Contract Award and Administration Deficiencies Need to be Addressed

Overall, FEMS/OCP has six open recommendations as of September 30, 2018. Table 3 identifies FEMS/OCP responses to open recommendations.

Table 3: FEMS/OCP Response to OIG Prior Year Audit Recommendations		
No.	Recommendations	Agency Response
1	When making a decision on whether to exercise a contract option year moving forward, re-negotiate or re-compete the contract to obtain competition from more than one qualified vendor in an effort to ensure a fair and reasonable price.	Not started
2	Implement controls to ensure the accuracy of documentation and analysis of the D&F prior to providing to internal and external decision makers.	Not Started
3	Improve management oversight of the contract requirements phase of solicitations.	Not started
4	Automate the data analysis process necessary to assess and deduct penalties for missed performance targets in a timely manner.	In progress
5	Maintain records to support ambulance hours spent waiting to respond to incidents and preparing the ambulances to return to service.	Completed/Modified plan
6	Retroactively verify all invoices to date and recoup any payments from the contractor for ambulance hours spent out-of-service for lack of equipment or personnel, or for mechanical failures, maintenance, or repairs.	Completed/Modified plan

Source: OIG analysis

DEPARTMENT OF PUBLIC WORKS (DPW)

Oversight of District Fleet Vehicle Usage and Inventory Is Not Adequate.

These recommendations remain open as of the date of this report:

Recommendation #1

Establish mechanisms to ensure annual utilization reviews are performed in compliance with Mayor's Orders 2000-75 and 2009-210, and FMA Manual.

DPW Response:

DPW's new Fleet Management Administration (FMA) team is in the process of revising the FMA policies and procedures, which will address annual utilization review, and anticipates the policies and procedures, will be approved and implemented by September 2019.

Recommendation #3

Document specific procedures in the FMA Manual for vehicle disposal, including a mechanism to ensure timely reclassification of disposed vehicles.

DPW Response:

DPW's new FMA team is in the process of revising the FMA policies and procedures and anticipates the new procedures will be approved and implemented by December 2019.

Recommendation #4

Establish procedures for divisions to coordinate in order to retain and update all required vehicle master file documents.

DPW Response:

DPW commented that files have been centrally located and staff is assigned as a control mechanism. DPW is updating the checklist for each file and party responsible for securing the documents. In addition, DPW is in the process of hiring a supervisory inventory equipment specialist that will oversee the Property Disposition Agreement (PDA) process and ensure faster equipment data is accurate.