



Office of the Inspector General OIG (AD)

MISSION STATEMENT

The mission of the Office of the Inspector General (OIG) is to conduct independent audits, investigations, and inspections to detect and prevent fraud, waste, and mismanagement, and to help the District of Columbia government improve its programs and operations by promoting economy, efficiency, and effectiveness.

SUMMARY OF SERVICES

- Initiate and conduct independent financial and performance audits, inspections, and investigations of District government operations.
- Serve as the principal liaison between the District government and the US General Accountability Office.
- Conduct other special audits, assignments, and investigations.
- Audit procurement and contract administration on a continual basis.
- Forward to the appropriate authorities evidence of criminal wrongdoing that is discovered as the result of audits, inspections, or investigations conducted by the Office.
- Enter into a contract with an outside audit firm to perform the annual audit of the District government's financial operations with the results published in the Comprehensive Annual Financial Report (CAFR) as well as chairing the CAFR oversight committee.

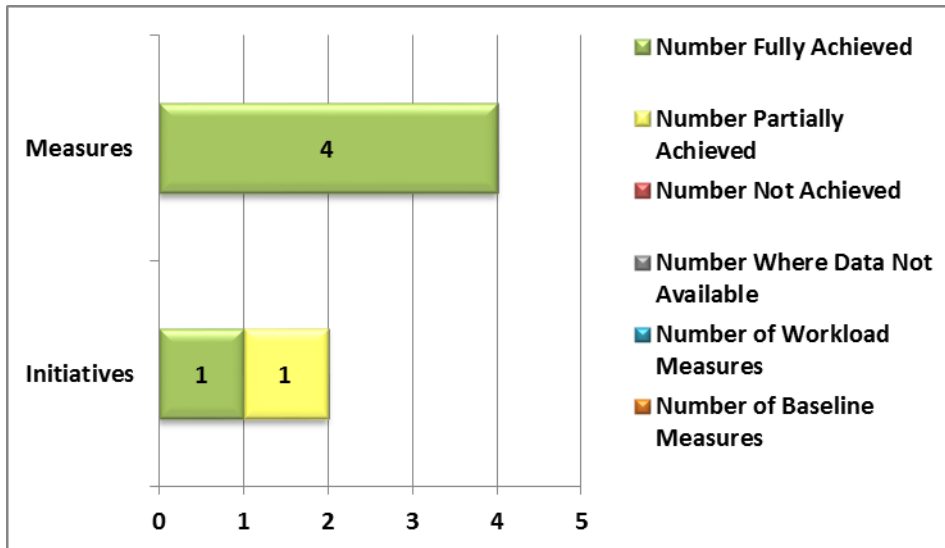
ACCOMPLISHMENTS

- ✓ The Inspections and Evaluations Division (I&E) published 11 final reports: 4 Reports of Special Evaluation, 3 Management Alert Reports (MARs), 3 Management Implication Reports (MIRs), and 1 Report of Inspection (ROI). Collectively, these reports presented District agency directors and their managers with 55 distinct findings and 104 actionable recommendations aimed at mitigating noted deficiencies and/or enhancing District government operations. I&E also published its first annual *Summary of Compliance Activities*, which analyzed District agencies' compliance with over 300 recommendations that were presented in ROIs and reports of special evaluation published between 2006 and 2010.
- ✓ The Investigations Division investigated a wide variety of allegations of criminal and administrative misconduct by District employees. Criminal investigations conducted revealed that District employees from various agencies engaged in schemes to defraud the District government, stole money, received bribes, and engaged in identity theft. Administrative investigations conducted revealed that District employees violated conflict of interest rules, misused government equipment and failed to follow existing government procedures. The Division's investigations resulted in 33 people sentenced, 2 indictments, 20 convictions, and sentences of imprisonment totaling 285 months.
- ✓ The Medicaid Fraud Control Unit (MFCU) processed 3,006 incoming unusual incident reports, complaints, or referrals; initiated 169 investigations, and closed 124 matters. Through trial or settlement, the MFCU attained 27 substantive dispositions of outstanding fraud, abuse, neglect,



and sexual assault cases. The MFCU resolved 11 criminal matters and referred another to the IRS for resolution. MFCU also recovered substantial monies in restitution to the Medicaid program through participation in 1 criminal and 14 civil resolution.

OVERVIEW OF AGENCY PERFORMANCE





Performance Initiatives – Assessment Details

Performance Assessment Key:

 Fully achieved  Partially achieved  Not achieved  Data not reported

Agency Management


OBJECTIVE 1: Through the Accountability, Control, and Compliance Program, conducts audits and inspections for the District government, focusing efforts on mitigating risks that pose the most serious challenges to District agencies and other stakeholders.

 **INITIATIVE 1.1: Scheduling and conducting audits of the District of Columbia Medicaid Program.**

As part of our continuous review of the District Medicaid program the OIG initiated an audit of the District-Owned Nursing Homes because each home had been operated by Vital Management Team Long Term Management, Inc. (VMT) via long-term contracts to Washington Center for Aging Services (WCAS) for over 20 years and J.B. Johnson Nursing Center (JBJ) for 15 years. The lack of rebidding raised the question of whether the District was paying the best possible price for management services of District-owned nursing homes. The results of the audit revealed that VMT used approximately \$2 million of District funds without authorization and violated performance conditions of its WCAS contract valued at approximately \$750,000. These events occurred because the District of Columbia Office of Aging (DCOA) lacked internal controls to provide adequate contract oversight. In addition, VMT, a long-term District contractor, used its experience and assertive management style to execute questionable hiring practices and exercise improper account management. Without proper contract oversight, significant contract violations went unresolved or undetected for several years. As a result of our audit, we identified \$2.7 million in contract costs that the District could have avoided.

Performance Assessment Category: Partially achieved- 80%, of the initiative was achieved, because this initiative is ongoing and will not be fully achieved until FY 2013.

OBJECTIVE 2: Use the law enforcement and compliance program to conduct investigations into allegations of waste, fraud, and abuse relating to the programs and operations of the District Government.

 **INITIATIVE 2.1: Investigative referrals to District government agencies to inform them of the interim finding, actions, and/or results of OIG investigations.**

This initiative was expanded in FY11, as compared to FY10, in that the OIG anticipated sending investigative referrals concerning more investigations and to agency employees at all levels (i.e. in addition to agency heads) who may have a need to know and/or an interest in knowing the information contained in the investigative referral. During FY11 the OIG issued 31 Investigative Referrals to District agencies, an increase over the number of investigative referrals sent to District agencies in FY10. **Performance Assessment Category:** Fully achieved-100% of the initiative was achieved.



Key Performance Indicators – Details

Performance Assessment Key:

● Fully achieved ● Partially achieved ● Not achieved ● Data not reported

		Measure Name	FY2010 YE Actual	FY2011 YE Target	FY2011 YE Revised Target	FY2011 YE Actual	FY2011 YE Rating	Budget Program
●	1.1	number of final audit report issued (financial/ Performance).	28	28		28	100%	ACCOUNTABILITY, CONTROL/ COMPLIANCE
●	1.2	Final inspection/ evaluation reports issued	10	10		11	110%	ACCOUNTABILITY, CONTROL/ COMPLIANCE
●	2.1	% of complaints evaluated within ten days of receipt of investigations	99%	85%		96%	112.94%	LAW ENFORCEMENT AND COMPLIANCE
●	2.2	Number of criminal/ civil resolutions obtained in MFCU cases	24	20		27	135%	LAW ENFORCEMENT AND COMPLIANCE