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Description of document: A copy of each weekly internal Department of Transportation (DOT), Office of Inspector General (OIG) newsletter, The Inspector, 2012-2014

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Washington, DC 20590
Fax: 202-366-1975 Attn: FOIA Requester Service Center
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**U.S. Department of
Transportation**
Office of the Secretary of
Transportation

Office of Inspector General
Washington, D.C. 20590

May 12, 2016

RE: FOIA Request No. FI-2016-0031

This letter is in response to your Freedom of Information Act (FOIA) request dated, February 11, 2016, sent to the U.S. Department of Transportation (DOT), Office of Inspector General (OIG). You requested electronic/digital copy of each weekly internal DOT OIG newsletter The Inspector, issued during May 10, 2012 through December 2014.

Enclosed you will find documents responsive to your request. Please note that some information was redacted or withheld pursuant to exemptions provided by the Freedom of Information Act (5U.S.C. § 552(b)(6)).¹ A total of 635 pages were responsive to your request. We are providing 635 pages with redactions.

We consider this matter closed. The FOIA gives you the right to appeal adverse determinations to the appeal official for the agency. The appeal official for the OIG is the Assistant Inspector General, Brian A. Dettelbach. Any appeal should contain all facts and arguments that you propose warrant a more favorable determination. Please reference the file number above in any correspondence.

Appeals to Mr. Dettelbach should be prominently marked as a "FOIA Appeal" addressed to: U.S. Department of Transportation, Office of Inspector General, 7th Floor West (J3), 1200 New Jersey Avenue, SE, Washington, DC 20590. If you prefer, your appeal may be sent via electronic mail to FOIAAPPEALS@oig.dot.gov. An appeal must be received within 45 days of the date of this determination and should contain any information and arguments you wish to rely on. The Assistant Inspector General's determination will be administratively final.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. 552(c) (2006 & Supp. IV 2010). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

¹Exemption 6 protects names and any data identifying individuals if public disclosure would be a clearly unwarranted invasion of privacy.

If you have any questions regarding this message, please contact me at either (202) 366-6131 or by email at gordon.johnson@oig.dot.gov and reference the FOIA control number above. You may also contact our FOIA Public Liaison, David Wonnemberg, at either (202) 366-1544 or david.wonnemberg@oig.dot.gov to discuss any aspect of your request.

Sincerely,

Gordon Johnson

OIG FOIA/Privacy Act Officer

Enclosure

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

ANOTHER PRODUCTIVE 6 MONTHS



Last week, the Secretary signed off on our semi-annual report for the first 6 months of fiscal year 2012, which we will provide to Congress by the end of the month, meeting our mandate.

Over the past 6 months, we issued 83 reports with a total of 234 recommendations, including financial recommendations totaling over \$1.4 billion. Yes, that's billion, with a "b." Our investigative work resulted in 86 indictments, 33 convictions, and a total of more than \$19 million in fines, restitution, and recoveries.

Our aviation work continued to identify opportunities to improve

safety and achieve savings in large programs. For example, FAA has not yet implemented key provisions of the Airline Safety Act for increasing pilot proficiency, ensuring sufficient safety inspectors, and identifying the greatest safety risks. Further, our investigations exposed fraudulent activity with the potential to also compromise the integrity of our Nation's aviation system, including the use of unapproved parts in aircraft repairs, illegal charter operations, bogus safety inspections, and the illegal transportation of hazardous materials. Cost, schedule, and performance risks in implementing NextGen transformational programs also continue to be a concern. Notably, ongoing problems with the En Route Automation Modernization program have caused significant delays that impact the cost and pace of NextGen.

Our special programs work highlighted significant deficiencies in PHMSA's Hazardous Materials Emergency Preparedness Grant Program. Weaknesses in grant al-

location, grantee coordination, and program oversight have resulted in more than \$1 million in improperly distributed grant funds—funds that could have been fully used or optimized to ensure local emergency personnel are prepared to quickly and effectively respond to hazardous materials incidents.

Our highway and transit work also identified areas where DOT could improve safety and achieve significant cost savings. Our audits determined that NHTSA needed to enhance its processes for identifying and addressing vehicle safety defects. We also reported on the challenges FTA would likely face in establishing national rail transit safety standards if Congress expands the Agency's safety oversight role.

Our investigations uncovered numerous fraud schemes with safety as well as financial implications. Corruption among aviation and motor carrier safety inspectors, improperly issued commercial

(Continued on page 2)

OIG WEEKLY CALENDAR

MON 5/14	TUE 5/15	WED 5/16	THU 5/17	FRI 5/18
Hill MWAA Briefing Cal, Ann, Lou	Senior Leader's Meeting MWAA Briefing to Stakeholders		OIG DIG meeting	

NOTEWORTHY

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(Continued from page 1)

drivers' licenses, and police officers tampering with traffic enforcement records degrade the integrity of the Department's safety programs, while embezzlement, substandard materials, price fixing, and disadvantaged business enterprise fraud divert millions of Federal dollars from legitimate firms, degrade the quality of taxpayers' investments, and increase the costs of infrastructure projects.

We continued to focus our rail work on FRA's efforts to meet its responsibilities under the Passenger Rail Investment and Improvement Act, improve and expand intercity passenger rail, and ensure that the Government's in-

vestments in the \$10 billion grant program for high-speed intercity passenger rail achieve their intended benefits. We also continued our oversight of Amtrak's operational reforms and financial performance, as well as DOT's management of the Highway Trust Fund's solvency.

Our audits of the Department's information technology portfolio—one of the largest among Federal civilian agencies—continue to identify significant vulnerabilities in the area of cyber security. We also recommended ways in which the Department can improve the accuracy of its quarterly reporting on improper payments, and reported that agencies can improve their use of

single audit findings to protect DOT's grant funding.

Finally, we continued to pursue opportunities to ensure accountability, efficiency, and transparency over DOT's acquisitions and procurements, including those funded under ARRA. Strategically managing acquisitions is critical to maximize the Department's limited resources and achieve better mission results. Yet doing so remains a top management challenge for the Department.

We're already on track for another noteworthy 6 months, with several testimonies behind us and high-profile reports to be issued.

— Cal

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NOTEWORTHY

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OIG MANAGEMENT AT THE GATES OF OMB

Last week, OIG management visited the Old Executive Office Building for the semiannual "Budget Hearing" with OMB. Ann provided an overview of OIG accomplishments and the state of our budget and operational initiatives. Tim, Lou, and most of the AIGs and DAIGs filled in the details on specific programs in DOT's agencies. The 90-minute meeting was well received by the principle OMB budget examiners assigned to DOT. They were impressed with the depth and breadth of our work, and have scheduled follow-up meetings for specific programs.

OIG IN THE NEWS

**SILVER LINE FACES HURDLES
DESPITE PROGRESS****Robert McCartney, *Washington Post*
May 5, 2012**

How many times will the Washington area have to summon U.S. Transportation Secretary Ray LaHood to referee our squabbles before we finally agree to extend the Silver Line to Dulles International Airport?

The region's quarreling children called in Daddy LaHood for a second time last week. It helped, for sure.

But despite all the happy talk about progress after top-level meetings hosted by LaHood on Wednesday, two additional formidable obstacles remain.

One, which hasn't attracted much attention, is a federal audit under way into the Metropolitan Washington Airports Authority.

The audit won't be completed for months, but an initial report will be released May 15. That's just in time to influence a key vote by the Loudoun County Board of Supervisors on whether to pull out of the project.

It's plausible that the audit will reveal or at least highlight past problems in MWAA's complicated, fractious management structure. The investigators, from the inspector general's office of LaHood's department, are also looking at the potentially explosive question of whether the airports authority is correctly projecting how high tolls will rise on the Dulles Toll Road to help pay for the line.

The other big obstacle is cost.

The secretary plans to retire at the end of this year, so we probably can't depend on him to bail us out a third time.

**TOLLS ARE BIGGEST SILVER
LINE ISSUE, NOT UNIONS,
RESIDENTS SAY****WAMU-88.5****May 4, 2012**

A Virginia citizens group says the most critical issue surrounding the construction of Phase 2 of Metro's Silver Line to Dulles Airport is tolls, which are projected to rise to \$6 or more on the Dulles Toll Road.

A pro-union provision proposed by the Metropolitan Washington Airports Authority got most of the attention this week, when federal Transportation Secretary Ray LaHood held a closed door meeting with the Silver Line stakeholders.

Terry Maynard, who sits on the [Reston Citizens Association]'s board of directors, said this week's efforts to resolve the dispute over union labor "barely touch on the most critical issue of the construction of Phase 2 of the Silver Line: three-quarters of the cost of Phase 2 of the rail line's construction will be borne by the... users of the Dulles Toll Road."

Virginia Delegate Barbara Comstock (R), who sponsored legislation to withdraw her state's funding commitment over the pro-union provision, said Phase 2 will not happen if MWAA maintains the...project labor agreement, which would give contractors a ten percent bonus on their technical evaluation scores if they opt for a union workforce.

"The law requires that they have to have a level playing field to compete. It is not something that negotiable," she said.

Comstock said no major decisions should be made about Phase 2's fate until a midterm audit by an inspector general is released May 15.

"It will be a critical time to stop and take a look at what this audit is telling us about [MWAA's] management practices" she said.

**ANCHORAGE PORT PROJECT
STYMIED FOR YET ANOTHER
SEASON*****Anchorage Daily News*****May 7, 2012**

A huge, expensive and troubled expansion of the Port of Anchorage remains stalled for a third construction season while engineers study the best way forward.

"There is no construction plan for this summer and the likelihood of their being any is very, very low," said Steve Ribuffo, the interim port director.

The municipality has been working for more than a decade to replace the aging port, which turned 50 last year and is a prime economic driver in Alaska. Most of what residents eat, drink, wear and drive comes through it.

Problems with the project became apparent during the 2009 summer work season. Steel piles being hammered into the seabed to form a new dock face bent and jammed together. Divers sent down to inspect the damage found gaps between the piles that threatened the integrity of the structure. Since then, most of the work has involved inspecting the work already done and removing damaged sheets of steel.

An independent study of the design's suitability is being done by the engineering firm CH2M Hill under a contract with the U.S. Army Corps of Engineers.

The Corps is working on its own companion study. And another big engineering firm, AECOM, is conducting a root cause analysis of what went wrong. In addition, the inspector general of the U.S. Department of Transportation is auditing the Maritime Administration's work on the Anchorage project and others.

"Before we commit to doing anything more we want to know what those studies say," Ribuffo said.

OIG IN THE NEWS

UPDATE: IOWA FLIGHT SCHOOL TIPPED OFF FAA ABOUT PILOT'S FRAUD

Associated Press
May 7, 2012

Fahad Nabeel Hussein Al-Daous pleaded guilty Friday during a hearing in federal court in Des Moines to one count of making a false statement to the Federal Aviation Administration. Prosecutors agreed to drop a second count under a plea agreement, which revealed that information given to the FAA by Waterloo-based Livingston Aviation prompted the investigation.

Hussein Al-Daous admitted that he falsely listed more than 130 hours of flying he did not actually complete in a logbook the FAA requires pilots to keep of their hours, under a scheme that would allow him to obtain a commercial pilot's license without paying for nearly as many flights required.

He applied for Livingston Aviation's commercial pilot training program in September and that's when the fraud was uncovered. The flight school compared his FAA logbook with its own billing records, which showed many of the flights he claimed he had made had not been paid for and had not happened.

Hussein Al-Daous admitted to falsifying his logbook and submitting inflated numbers to FAA investigators, even providing a chart showing which flights had been falsified during a meeting in Des Moines. He provided similar information during an interview with special agents from the FBI and the Department of Transportation Office of Inspector General at his home in December, court records show.

Even after he obtained his instrument license, he continued to falsely list flights. In all, his logbook shows 90 hours of flight and 41 hours of cross-country flight hours that he did not complete.

TRUCKER IN FATAL PA. CRASH GETS 18-MONTH SENTENCE

Associated Press
May 7, 2012

A truck driver already sentenced to state prison after his faulty brakes caused a fatal crash on a suburban Philadelphia expressway has now been sentenced to 18 months in federal prison.

Fifty-eight-year-old Valerij Belovs, who was sentenced Monday, pleaded guilty in October to making 15 false entries in his driver's logbook before the January 2009 crash that killed 49-year-old David Schreffler.

Federal authorities said Belovs said he was resting when he was actually driving. Safe-driving rules bar truckers from driving more than 11 hours a day without resting 10 hours.

Authorities said Belovs' rig had a falsified inspection sticker at the time of the crash.

Belovs was sentenced in Montgomery County Court in April 2010 to three to 23 months in jail on probation on a vehicular homicide charge.

FAA TO BE AUDITED ON ITS PERFORMANCE BASED NAVIGATION (PBN) PROCEDURES

Aviation Online Magazine
May 11, 2012

The Department of Transportation's Office of Inspector General (OIG) plans to initiate an audit on the Federal Aviation Administration's (FAA) progress in implementing Performance-Based Navigation (PBN) procedures, including the NAV Lean Project (which is aimed at improving FAA's review process for these procedures).

To enhance capacity and reduce delays at congested airports, the FAA is implementing PBN flight procedures that use on-board equipment for satellite-based navigation.

Although the FAA has already implemented over 1,000 PBN procedures, industry representatives have expressed concerns with both their value and timeliness. In response, the FAA performed a study of its processes, the NAV Lean Project, and identified 21 potential improvements to streamline its efforts to develop useful PBN procedures. However, it could take as long as 5 years to implement these changes.

Concerned with FAA's efforts to rapidly deploy new PBN flight procedures that provide value, the Chairmen of the House Committee on Transportation and Infrastructure and the Subcommittee on Aviation asked OIG to assess the Agency's objectives which are to assess the FAA's progress in providing high-value PBN routes and procedures, and the degree to which the NAV Lean Project meets demand for improved review processes.

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COMINGS & GOINGS

There are no comings and goings this week.

Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

OIG EXECUTIVES BRIEF STAKEHOLDERS ON MWAA OBSERVATIONS

Last Tuesday at DOT headquarters, Cal and OIG executives briefed Representatives Frank Wolf and Tom Latham and other stakeholders on our observations on the Metropolitan Washington Airports Authority's management and governance, issued in a letter to Wolf and Latham.

Cal opened the briefing, noting that all present shared a common tie: accountability to the American taxpayer. "It is incumbent upon us to not only be effective stewards of taxpayer dollars but to model the highest ethical and professional standards," Cal said.

Ann provided context to our observations and facilitated the briefing. She spoke on MWAA's broad management authority over Dulles International and Reagan National—both federally owned airports. "Given MWAA's significant influence over the Washington, DC, area and its residents, it is important that the Authority have a sound governing framework," Ann

said. Yet there are few legal structures to hold its Board accountable for decisions that affect MWAA projects. MWAA is not subject to Federal ethics, transparency, or procurement laws. Without a legal framework and procedural safeguards, there are few avenues for judicial review or sanctions to address allegations of wrongdoing. "This level of autonomy gives MWAA and its Board of Directors unique power," Ann said.

Lou described our approach to the ongoing audit, which began in June 2011, and summarized our observations. "Because MWAA is an independent public body, its governance mostly depends on the strength of its internal codes, policies, and processes—and its adherence to them," Lou said. However, our work to date indicates that MWAA's policies and procedures are not sufficient to ensure accountability and ethical responsibility and to ensure contracts represent best value.

Following Lou, the Assistant Inspector Generals from JA-10, JA-60, and JA-50 provided details on our observations. Jeff Guzzetti discussed MWAA's policies and processes related to ethical conduct, travel expenses, and transparency, noting that they are not strong enough to sustain public confidence in the Board's decisions.

"To begin with, MWAA's government-appointed Board members are not bound to the same State ethics and financial disclosure laws as the elected officials who appointed them," Jeff said. We identified some limitations to the Board's financial disclosure requirements. It's also unclear what's required of MWAA Board members when they do recuse themselves because of a conflict.

MWAA's policies also lack spending thresholds for travel expenses, and some could be perceived as superfluous, including more than \$200 for two bottles of wine purchased

(Continued on page 3)

OIG WEEKLY CALENDAR

MON 5/21	TUE 5/22	WED 5/23	THU 5/24	FRI 5/25
	CAL—2012 CIGIE Conference	CAL—2012 CIGIE Conference OIG Survivor Series (1:00 p.m.)		CAL— Executive Committee (9:00 a.m.)

NOTEWORTHY

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The Inspector Takes a Holiday

We won't be issuing next Monday, May 28.

Continue to send us your stories, and look for us the following week.

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(Continued from page 1)

during a meal. MWAA's policies are also vague regarding how Board members can achieve savings, such as purchasing airline tickets in advance of travel. A round-trip ticket to Prague, purchased 10 days in advance of the travel, cost nearly \$9,200.

Transparency has also been a concern. MWAA recently revised its bylaws to enhance transparency, but some gaps remain. We're particularly concerned that the Board's executive sessions might obscure some key information from the public.

Mary Kay Langan-Feirson spoke on MWAA's contracting policies and procedures. According to the Air-

ports Act and MWAA's lease agreement with DOT, all contracts over \$200,000 must be awarded with full and open competition to the maximum extent possible. In total, MWAA awarded almost 64 percent of its contracts with limited competition—contracts worth a total of more than \$220 million. This included five high-dollar sole-source awards that did not have proper Board approval.

Another 117 contracts were awarded using categorical exceptions. While the Act permits such exceptions, the Board may not have appropriately used them in some cases. We also found that MWAA did not obtain required Board approval for high-value contracts over \$3 million. Ultimately,

these weaknesses limit MWAA's ability to ensure its contract funds are being spent most effectively.

Mitch Behm wrapped up the briefing with a discussion of MWAA's funding for Phase 2 of the Dulles Corridor Metrorail Project. The project depends heavily on the revenue the Dulles Toll Road can produce and sustain, which makes sound revenue forecasts critical. Based on our preliminary assessment of a 2012 report, MWAA's assumptions behind its revenue estimates appear reasonable.

After the executives briefed out, the floor was open to a robust round of questions. The meeting was productive and engaged stakeholders.

OIG IN THE NEWS

CONCERNS AFTER INSPECTOR GENERAL REPORT ON METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Post
May 16, 2012

The Metropolitan Washington Airports Authority, which oversees Reagan National and Dulles International airports as well as the construction of Metro's new Silver Line in Northern Virginia, came in for considerable criticism Tuesday in an 18-page report from the U.S. Transportation Department's inspector general.

The report comes as the airports authority is expected to meet Wednesday. Many observers are watching to see if the authority will reverse its decision and remove a labor-friendly contracting incentive.

Virginia Gov. Bob McDonnell has said he will block a \$150 million contribution from the commonwealth if the incentive stays. Loudoun County has until July 4 to decide whether it will help pay for the second phase of the Silver Line.

[Rep. Frank] Wolf said in a statement that he was "deeply troubled" by the inspector general's report. He called the findings about MWAA's contracting policies "most egregious."

After the inspector general's report was released Tuesday about 30 local politicians and MWAA officials were briefed. Many had reactions. The inspector general cited the board for having inadequate financial disclosures for lacking adequate oversight over expenses and contracts.

Ken Reid, a Loudoun County supervisor (R- Leesburg)...said the audit should be a "wake-up call" and is evidence that Loudoun shouldn't participate in helping to bring the Silver Line into the county and that the line should end at Dulles Airport.

WOLF: MWAA BOARD 'COMPLETELY DYSFUNCTIONAL'

Fairfax Times
May 16, 2012

The structure of the Metropolitan Washington Airports Authority has led to a lack of accountability and the potential for ethical lapses for the authority and its board of directors, according to an interim report by the U.S. Department of Transportation's Office of the Inspector General.

The authority is not a federal or state agency, and its internal policies for things such as contracting generally are less rigorous than comparable state or federal rules, according to a letter Tuesday from Inspector General Calvin Scovel III to U.S. Rep. Frank Wolf (R-Dist. 10), who requested the audit of the authority's business practices.

The interim report cites abuse of board travel expenditures, vague ethical guidelines for board members, insufficient competition when awarding contracts and a general lack of transparency into operations.

In a letter to U.S. Secretary of Transportation Ray LaHood, Wolf said he is "deeply troubled" by the findings in the interim report.

"Sadly, the current board has not capitalized on past successes and instead is now completely dysfunctional," Wolf wrote. He urged LaHood to place a staff member at MWAA who would report directly to the secretary, something Wolf's letter indicates LaHood is considering.

"It is my hope and expectation that we will be able to address all of the issues before the final inspector general's report is out," said board Chairman Michael Curto.

AUDIT SLAMS METROPOLITAN WASHINGTON AIRPORTS AUTHORITY FOR ETHICS, TRAVEL, CONTRACTING LAPSES

Washington Business Journal
May 15, 2012

The Metropolitan Washington Airports Authority's management, transparency, procurement and travel procedures are fraught with weaknesses, its accountability is limited and its ethics policies are vague, the U.S. Department of Transportation's Inspector General said Tuesday.

"Since its creation, MWAA and its Board of Directors have made many substantial improvements to the region's airports," the IG reported. "Yet, the Authority recently found itself the subject of controversy and debate regarding its activities and actions."

The IG criticized the agency for its travel policies, which offer few limits and little guidance on spending.

"According to an MWAA official we interviewed," the IG reports, "first-class flights are at the discretion of the traveler and do not need to be pre-approved—raising questions about how strictly MWAA follows its own policies in this matter."

The authority, the IG found, does not provide support and oversight to ensure MWAA board members "understand the importance of and comply with its ethical standards." The financial disclosure process is lacking, and MWAA's recusal policies are "vague."

The good news for MWAA? Its population and employment forecasts, fuel price projections and estimates for travelers' values of time, all used to estimate Toll Road use and revenue, "appear reasonable."

OIG IN THE NEWS

AIRPORTS BOARD PUTS OFF VOTE ON LABOR INCENTIVE IN SILVER LINE CONSTRUCTION*Washington Post*
May 16, 2012

The Metropolitan Washington Airports Authority board on Wednesday postponed a vote on removing a union-friendly incentive for contractors bidding to build the second phase of Metro's new Silver Line.

The board said it plans to call a special session no later than June 6 to discuss the 10 percent bonus it had made part of a project labor agreement for the planned construction of the rail line's extension into Loudoun County.

The board's vote could prove to be pivotal. Virginia Gov. Robert F. McDonnell (R) has said that if the incentive remains, he will withhold \$150 million that the state has promised to help pay for the construction of the second phase of the Silver Line.

Supervisors in Loudoun County, who have pledged more than \$200 million to the project, have said they are reluctant to fulfill their county's commitment if the incentive remains. Loudoun has until July 4 to decide whether it is in or out of the project.

But MWAA's board has not shown any inclination to drop the incentive. U.S. Transportation Secretary Ray LaHood had stepped in to try to bring the parties to an agreement but did not reach a final deal.

"Virginia is not holding up the \$150 million," said former Congressman Tom Davis (R), an MWAA board member, after the board meeting. "We are. We're trying to work this out. My concern is we want Loudoun in and we want the state's money."

AUDIT HIGHLY CRITICAL OF AIRPORTS AUTHORITY*WTOP.com*
May 16, 2012

Expensive overseas trips. No accountability. One-bid contracts. An Inspector General's audit lists those items among its criticisms of the Metropolitan Washington Airports Authority.

The report says the 13-member Airports Authority, which has members from Virginia, Maryland, D.C. and the federal government, is not transparent in its financial dealings and lacks safeguards to make sure its own rules are followed.

The report, requested by Rep. Frank Wolf, R-Va., also says too many contracts are awarded without competition. Board members also have questionable travel expenses. One board member spent \$9,200 on an airline ticket to Prague for a conference. Meal expenses for board members and their guests during a three-day trip to Hawaii totaled about \$4,800.

Board members are not bound by the same ethical standards as other transportation authorities that are state entities, raising questions of accountability.

Inspector General Calvin L. Scovel III's interim report also raises concerns about conflicts of interest.

Wolf says this is only an interim report. "As bad as it is, there may be more," says Wolf. "I think they were pretty much dysfunctional, knowing that they could do whatever they could and nobody would find out anything."

Loudoun Supervisor Ken Reid, R-Leesburg, called the report disturbing.

"This audit should be a wake-up call to every Loudoun County resident on why this county should not extend Metro into this county. Just let it terminate at Dulles Airport," Reid said.

WHILE COMMUTERS FACE ESCALATING TOLLS, MWAA BOARD LIVES IT UP*The Washington Examiner Editorial*
May 16, 2012

An interim audit report just released by U.S. Department of Transportation Inspector General Calvin Scovel III reveals that members of the Metropolitan Washington Airports Authority Board of Directors helped themselves to lavish personal amenities, violated their own contracting policies and thumbed their noses at the public.

The scathing 16-page audit report validates the Federal Transit Administration's previous misgivings over allowing unelected, unaccountable political appointees with no experience managing a mass transit project to take on the largest such project currently under way in the nation.

No-bid contracts? MWAA awarded \$6 million worth, despite a federal law that requires all contracts over \$200,000 to be competitively bid. Conflicts of interest? MWAA gave a \$100,000 sole-source contract to the Chicago-based law firm Jenner & Block, where the wife of a MWAA Board member works.

While MWAA Board members were making plans to impose punishing tolls (scheduled to reach \$18.75 one-way by 2048) on the 100,000 Northern Virginia drivers who commute along the Dulles Toll Road, they were living it up—spending \$4,800 on three dinners in Hawaii, \$238 on just two bottles of wine and an outrageous \$9,200 for a last-minute, plane ticket to Prague.

LAST PAGE

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Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

LOU TESTIFIES ON FAA'S AIR TRAFFIC FACILITY MODERNIZATION

Last Thursday, Lou testified before the House Transportation and Infrastructure Subcommittee on Aviation on FAA's efforts to realign and consolidate the Nation's air traffic facilities.

Many air traffic facilities have outlived their useful lives and cannot take advantage of newer technologies. FAA formalized a plan last year to begin consolidating them into larger, integrated facilities over the next 2 decades, beginning with facilities managing airspace in the Northeast.

However, FAA is early in its planning and has delayed making a final decision until next May on where to build the first facility. FAA also needs to align consolidation plans with ongoing construction projects, make technical decisions that could significantly alter the cost and schedules for other modernization programs, finalize project cost estimates, and address associated workforce issues.

Although FAA's consolidation plans are evolving, a number of near-term actions could better position the Agency for success. These actions include incorporating lessons learned from prior consolidation efforts, developing metrics to identify and track anticipated benefits, and determining how best to keep Congress and other stakeholders informed as the effort progresses.

Seated between the other two panel members—David Grizzle, COO of FAA's Air Traffic Organization, and Paul Rinaldi, President of the National Air Traffic Controllers' Association—Lou was asked some tough questions by the subcommittee. Rep. Costello fired off several quick questions. Specifically, he asked Lou about the Boise consolidation and what we previously found that led to our recommendations. Lou noted that we found that there was a lack of transparency and that FAA did not adequately communicate its plans and changes to those plans to lo-

cal officials and workforce, creating some unnecessary questions and concerns about exactly what was going on.

Costello also asked about the funding levels and the reauthorization bill and whether they were adequate to carry out FAA's proposed consolidation plan. "We're aware that FAA has identified some funding shortfalls," Lou said. "FAA does not yet have all the funding in place to construct the first segment. FAA is looking at alternative financing options, but it has not finalized cost estimates. Before FAA can decide how to fund the consolidation, FAA needs to definitize cost estimates."

To watch a video of the hearing, go to:

<http://transportation.house.gov/hearings/hearingdetail.aspx?NewsID=1633>

OIG WEEKLY CALENDAR

MON 6/4	TUE 6/5	WED 6/6	THU 6/7	FRI 6/8
	CAL—Senior Leaders' Meeting (11:00 a.m.)	ANN—Mid-Atlantic Intergovernmental Audit Forum (8:00 a.m.)	ANN—Mid-Atlantic Intergovernmental Audit Forum (8:00 a.m.)	ANN—Mid-Atlantic Intergovernmental Audit Forum (8:00 a.m.)

NOTEWORTHY

MARK YOUR CALENDARS!

NEW DATE FOR OIG SURVIVOR SERIES—JUNE 20, 1:30-3:30, MEDIA CENTER

The first in this series will be an SES flash mentoring panel open to the whole OIG community. The panel—Lou Dixon, Bob Westbrook, Mitch Behm, and Joe Com  —will discuss how they survived pitfalls and plateaus, focusing on experiences early in their careers. They'll discuss how they developed survival skills, identified opportunities to move forward, and calculated risk. The discussion will be candid and interactive, so if you are able to attend in person, please do so.

JUNE 13: LEADERSHIP DEVELOPMENTAL EXCHANGE FOR 13'S AND BELOW, "GETTING YOUR TEAM TO MESH"

JUNE 14: LEADERSHIP BROWNBAG (FOR 14'S AND ABOVE), "DOING MORE WITH FEWER RESOURCES"

WE ARE THE CHAMPIONS (OF TEAMMATE)

Audits has launched a program to help staff members with the ins and outs of TeamMate. JA TeamMate Champions in headquarters and the field will be able assist staff with basic troubleshooting and items such as hyperlinking, folder organization, printing, adding a procedure, coaching notes, and adding team members. Champions will also assist in the development of "How To's" that will be posted on SharePoint. Who's your champion?

JA-10	Headquarters	Kiesha Henson
	Atlanta	Marshall Anderson
	San Francisco	Susan Crook
	Seattle	Curtis Dow
JA-20	Headquarters, Oklahoma City	Nilesh Patel
	Baltimore	Steve Berkeridge
JA-40	Headquarters	Mike English
	Cambridge	Dave McBride
	New York	TBD
	Ft. Worth	Anette Soto
JA-50	Headquarters	Matt Williams
JA-60	Headquarters	Jerri Bailey

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NOTEWORTHY

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OIG IN THE NEWS

FEDS FOUND FAULT WITH MWAA

The Washington Examiner
May 20, 2012

The authority in charge of building the Dulles Rail project was cited by federal investigators for wasteful spending, lax ethics rules and questionable contracting practices. Among investigators' findings:

- Metropolitan Washington Airports Authority board members recently racked up inappropriate expenses, including \$4,800 for three Hawaiian dinners, \$238 for two bottles of wine and \$9,200 for a last-minute airline ticket to Prague.
- A board member recommended the law firm where his wife is employed for a \$100,000 contract. The firm got the contract.
- Board members charged the authority for at least six first-class airline tickets one year without proper authorization.
- The authority's financial disclosure requirements are too weak to identify all potential conflicts of interest.
- The authority awarded about \$6 million in no-bid contracts over two and a half years, even though none of the contracts fell under special rules allowing limited competition.

The airports authority never fixed contracting problems pointed out in 2002 by federal auditors.

Airports authority leaders promised last week to address those concerns. U.S. Secretary of Transportation Ray LaHood said he'd appoint someone to monitor the authority's efforts.

L.I.R.R. PLAN FOR EAST SIDE NEEDS MORE TIME AND MONEY

New York Times
May 21, 2012

Creating a Long Island Rail Road link to the East Side of Manhattan will take six years longer to accomplish than originally expected and will cost nearly \$2 billion more than the initial estimate, Metropolitan Transportation Authority officials said Monday.

The new completion date for the project is August 2019, and officials put the cost at \$8.24 billion, up from an estimate of \$6.3 billion in 2006. The 2006 estimate came after \$2.6 billion in federal financing for the ambitious project was announced, and transportation officials said then that they thought the project would be finished by the end of 2013. It has been delayed a number of times.

Joseph J. Lhota, the chairman and chief executive of the authority, replied that officials were already working around the obstacles.

Perhaps the most daunting issue facing the authority involves the Harold Interlocking, a dense area of tracks in Sunnyside, where a complex system of signals and switches governs the movement of about 800 trains that pass through the area each day on their way to distant destinations.

Last week, the inspector general's office at the federal Transportation Department called East Side Access "one of the largest, most complex capital transit projects in the country" and announced it would conduct a review of the Federal Transit Administration's oversight of the project.

EXPENSIVE MEAL AND WINE RECEIPTS FROM AIRPORTS AUTHORITY

Washington Post
May 26, 2012

Previously undisclosed receipts reveal new details about meals and travel expenses by directors of the Metropolitan Washington Airports Authority, including the names of board members cited in a recent report by the U.S. Transportation Department.

The report, by the department's inspector general, criticized the authority's board, citing lax rules and procedures. It also questioned expensive dinners, last-minute airline trips, and the quasi-public agency's contracting and disclosure policies.

In one case, the inspector general raised concerns about an airline ticket to Prague, costing about \$9,200, that a board member booked barely a week before the trip. The report asked why the ticket wasn't booked further in advance for a cheaper fare and criticized the board's travel policy for not having "specific guidelines" to limit travel costs.

The inspector general also criticized the MWAA board for not having "suggested limits or thresholds" for food and flights related to business. It cited meal expenses for some board members and their guests at a conference in Hawaii as a concern, where it found that dinners on three separate days totaled about \$4,800.

Another expense the inspector general questioned was a \$238 reimbursement for two bottles of wine at a Nov. 30, 2010, dinner at the Fyve restaurant at the Ritz-Carlton hotel in Pentagon City for a business-related dinner. The inspector general said the expenses "may appear excessive."

OIG IN THE NEWS

**CUCCINELLI BACKS KAINE
ON DULLES RAIL PROJECT***The Washington Times*
May 29, 2012

Former Virginia Gov. Tim Kaine acted within his authority when he decided in 2006 to transfer the Dulles Toll Road and management of the Dulles rail project to the Metropolitan Washington Airports Authority (MWAA), Attorney General Kenneth T. Cuccinelli II said Tuesday.

Mr. Cuccinelli, responding to an inquiry from state Delegate Robert G. Marshall, wrote in an official advisory opinion that, while there is no "express authority" allowing the governor to transfer administration of the toll road, various statutes give the executive branch broad flexibility to provide for public transportation.

The opinion, dated May 25 and released Tuesday, marks a politically sensitive development involving a white-hot issue to three of the candidates running for the U.S. Senate seat to be vacated by retiring Democratic Sen. Jim Webb, not to mention Mr. Cuccinelli — who plans to run for governor in 2013.

"I don't like the policy, but we've researched the law pretty thoroughly," Mr. Cuccinelli said. "My priority in these opinions is to get the law right."

[A]n interim report from the U.S. Department of Transportation's inspector general documented an array of shortcomings at MWAA, including ethically questionable contracting practices and lavish expenses, such as a \$9,200 plane ticket to Prague.

The developments left Mr. Kaine, Virginia's Democratic candidate for Senate this year, vulnerable to charges he mishandled the management of one of the largest public works projects in the nation.

**AIRPORT INSIDERS SCORE
BIG-BUCK CONTRACTS***The Washington Examiner*
May 30, 2012

The authority in charge of building the \$6 billion Dulles Rail line -- already under fire from federal investigators for its lax ethical standards and questionable contracting practices -- awarded tens of thousands of dollars' worth of contracts to a former board member and a former board secretary, The Washington Examiner has learned.

The Metropolitan Washington Airports Authority awarded a \$42,000 no-bid contract to former authority board member Leonard Manning for "air cargo consulting" services under which he helped bring flower shipments from Ethiopia to Washington Dulles International Airport.

The authority also awarded a series of contracts, including one worth \$197,000 in October 2011, to former board Secretary Gregory Wolfe, who retired in 2007 but continued to advise the board on ethics issues as an outside contractor.

Manning's term on the board expired just months before he was hired under the \$42,000 consulting contract to work with Ethiopian Airlines to begin delivering hypericum and roses to Dulles in January. It was part of an authority effort to make Dulles a "cargo hub," and officials said in an email that Manning was chosen "because of his close relationships with Ethiopian Airlines and flower producers" and because he was already working on the project while still on the board.

The airports authority board was recently cited by the U.S. Department of Transportation's inspector general for lavish spending. The same report questioned the board's porous ethics policies and frequent use of closed-door sessions.

**FAA TO BE GRILLED ON
NEXTGEN CONSOLIDATION
PLAN***AirTrafficManagement.net*
May 30, 2012

A Congressional hearing tomorrow will examine the Federal Aviation Administration's (FAA) need and efforts to consolidate air traffic control facilities to provide long-term cost savings and help US aviation transition to the NextGen air traffic control system.

The Aviation Subcommittee will hear testimony from the FAA, the Department of Transportation Office of Inspector General (OIG), and the National Air Traffic Controllers Association regarding the need for action given the age and deteriorating condition of FAA facilities, the state of the federal budget, the need for cost savings, expected facility and infrastructure needs with the implementation of NextGen, and consolidation and realignment planning requirements included in the recently enacted FAA Modernization and Reform Act of 2012 (Reform Act).

The FAA is responsible for maintaining or replacing 402 air traffic control facilities in the United States. According to the OIG, the average facility has an expected useful life of approximately 25 to 30 years. As of 2012, the average age of an en-route centre, which generally handles high altitude en route air traffic moving across the United States, is 49 years. The average age of a TRACON, which typically handles traffic within 40 miles of an airport, is 28 years. According to the FAA, the estimated cost to replace 402 terminal facilities is \$10.6 billion, while the estimated annual cost to sustain 402 terminal facilities is \$99.3 million.

PEOPLE WE KNOW

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COMINGS & GOINGS

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Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

OIG LEADERS SPEAK AT ANNUAL INTERGOVERNMENTAL AUDIT FORUM

On June 7, Ann, Tim, and John Sysak (Project Manager, JA 20, Baltimore, and DOT National Single Audit Coordinator) spoke at the Mid Atlantic Intergovernmental Audit Forum in Ocean City, MD.

Attendees included auditors and investigators from Federal, State, and local accountability agencies. The forum aims to foster effectiveness and efficiency of governmental operations and promote communication, coordination, and cooperation among accountability agencies throughout Pennsylvania, West Virginia, Delaware, Maryland, Virginia, and the District of Columbia. The annual forum, sponsored by GAO, has been held for more than 2 decades.

This year the conference's focus was finding fraud in Government programs. Ann and Tim were the keynote presenters at Thursday's kick-off session and shared the floor for 100-plus minutes, includ-

ing time for Q and A. Their presentation entitled, "Ensuring Accountability Through Accountability," responded to participants interest in that it focused on key aspects to promote a high performing organi-

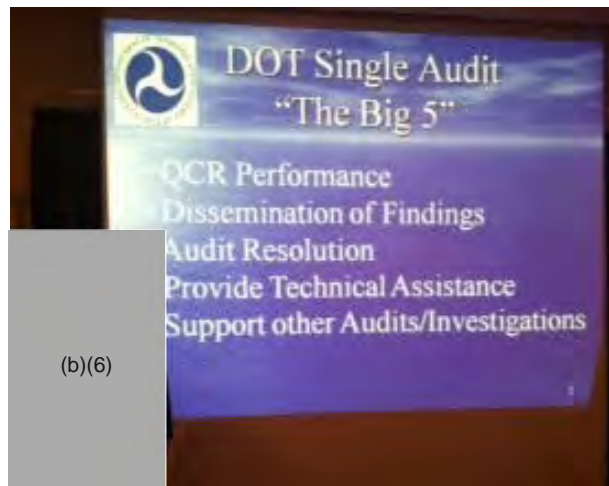
fice. "It was immediately apparent that the coverage, scope, and impact of our single audit work far exceeded that of the other offices," Ann said, "and this is especially noteworthy given our limited re-

sources. And the ARRA stats really pushed us over the top—just take a look at John's [powerpoint presentation](#), notably slides 5 and 6."

Other presenters included David Cotton of Cotton & Company, LLP, who provided a workshop on how to spot fraud, and Sergio Huerta, MD, a public health director for the State of Delaware,

who provided a workshop on how to read body language.

"The forum was a great opportunity for us to share our story, successes, and challenges and learn from others in our community," Ann said. "The conference organizer already wrote me indicating that the presentations were exceptional and that the IGR members scored us very highly!"



zation and efforts to enhance individual accountability, prioritize work, and ensure impactful outcomes. To see the slides used in their presentation, [click here](#).

Later in the day, John Sysak participated in a panel on single audit with seven other Federal IG offices—HUD, Interior, EPA, NASA, USDA, Labor, and DOD—and the Philadelphia City Controller's of-

OIG WEEKLY CALENDAR

MON 6/18	TUE 6/19	WED 6/20	THU 6/21	FRI 6/22
	10:00 to noon, CIGIE Meeting (Ann)	1:30 to 3:00, SES Flash Mentoring Panel		

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NOTEWORTHY

LEADERSHIP DEVELOPMENT EXCHANGE FOCUSES ON TEAMING

On June 13, a diverse group of employees joined Ann in a Leadership Development Exchange discussion on *“Getting a Team To Mesh.”* The premise was that at times, teams are formed by gathering people around a job and hoping that they will somehow find a way to work together effectively. However, the outcome is not always ideal when people and job assignments are initially less than “well thought out.”

The 90-minute discussion touched on several characteristics needed to build an effective team—in other words, to get people to mesh—despite the differences they may have. To accomplish our mission and achieve our goals, it helps tremendously to find the right chemistry and work seamlessly as a team. This can be challenging when considering a multifaceted team that brings together people from different office locations and various departments across OIG. Our cross-cutting work on the Metropolitan Washington Airports Authority is a good example for how such a scenario can work well when executed effectively.

Ann listed seven “C’s” to consider when building an effective team:

- Commitment
- Contribution
- Communication
- Cooperation
- Conflict Management
- Change Management
- Connections

The group discussed the various aspects of these categories and provided some real-world examples from recent memories. For example, commitment to the purpose and values of our organization can provide a clearer sense of direction. The time that might be spent up front for understanding your team, setting expectations, and planning goals can greatly enhance job performance and enjoyment.

Communication (always a favorite subject) can help an audit team or even an organization reach its full potential. Trying to walk in a colleague’s shoes (figuratively speaking), mutual respect across all levels, and honest communication play a vital role in good team cohesiveness. This is also important for the more difficult or controversial cases. To illustrate this point, Ann called on one employee to talk about an experi-

ence she had with him 2 years ago during a one-on-one. As a junior analyst at the time, he provided her with information about his experience in the organization and challenged the status quo.

Operating in a constant risk-averse mode is not always the best way to improving products and processes. Taking risks can sometimes pay off, if the organizational environment is set up in a way that allows employees to feel free to voice their opinions. The same is true within audit teams. Managers should provide the security necessary for teams to take calculated risks so they can affect change and innovate.

Positive attitudes toward others and a friendly spirit are force multipliers that show that we value each individual on the team and within the organization. It develops interpersonal trust and encourages open communication. Also, by sharing the successes we have as individuals and teams, and by managing our differences right from the start, we can build more effective teams to accomplish our missions and goals.

—Henning Thiel, JA-10, Seattle

NOTEWORTHY

LEADERSHIP BROWN BAG: DOING MORE WITH FEWER RESOURCES

On June 14, Ann held a monthly leadership brown bag, “Doing More with Less.” The session was well-attended; and once attendees got used to the eerie teleconference cameras projecting their every move onto the video screen, Ann challenged us to think about how the current budgetary environment has im-

pacted our work. Several participants identified challenges they have faced—including simply having smaller teams to do our reviews—and discussed the creative ways they have overcome them. Participants were very interested in discussing ways to shape up or streamline processes so they could do more with less, but

noted the importance of collaborating with top management on these issues. In order for this to be successful, both groups must be receptive to creative changes whose goal is to streamline.

Ann identified six responses that managers should apply when operating with constrained resources:

- 1 Act quickly and plan for contingencies—think ahead and plan for various scenarios.
- 2 Establish a realistic vision of what you want to achieve and what you can achieve—conduct an ongoing assessment of your priorities.
- 3 Maximize strengths of your workforce—share your goals with team members and let them help you find creative solutions to your challenges.
- 4 Draw closer to your stakeholders—keep them informed and ask for their input in overcoming challenges.
- 5 Shape up your operations—look for opportunities to streamline and increase efficiencies.
- 6 Communicate openly and often with your peers and with your workforce.

These responses have proved successful in OIG’s efforts to continue to be highly productive while operating in the current budget environment.

The bottom line: we cannot always assume a best-case scenario, so think belt *and* suspenders when planning ahead!

—Brendan Culley, JA-50

NOTE: Due to the performance management training scheduled in July, the next brown bag will be in August.

NOTEWORTHY

RTCA CONFERENCE: ADVANCING NEXTGEN IN AN AUSTERE ECONOMY

On June 5 and 6, JA-10's Ray Denmark, Claudia Estrada, Robin Koch, Lillian Slodkowski, and Coletta Treakle attended RTCA's symposium, "Advancing the Goals of NextGen," held in Washington, DC. RTCA (the Radio Technical Commission for Aeronautics) is a private, not-for-profit corporation that functions as FAA's Federal Advisory Committee. It provides FAA consensus-based recommendations for communications, navigation, surveillance, and air traffic management system-related issues.

At this year's annual symposium, RTCA posed the question, "What will it take to move NextGen forward during uncertain economic times?" Speakers included the Honorable Michael Huerta, FAA Acting Administrator; Vicki Cox, FAA's Assistant Administrator for NextGen; and key NextGen stakeholders, including Boeing and Alaska Air.

The symposium gave OIG and other attendees the opportunity to hear first-hand from industry leaders the challenges of turning NextGen goals into a reality. In his keynote address, Huerta noted that "NextGen's success will be a function of how effectively Gov-

ernment and industry and aviation stakeholders can relate with one another." He added that unlike previous FAA modernization efforts, NextGen cannot be forced on the industry because it requires significant changes to aircraft cockpits.

FAA's Cox acknowledged industry's concerns that policy issues are "huge" for industry and stated that "Government and industry leaders must hash out concepts such as "best capable, best serve, and best means to equip for NextGen to reap its full benefits."

The RTCA symposium also provided the opportunity for stakeholders outside of FAA to describe their vision of NextGen and identify the capabilities and technologies important to them. One stakeholder likened NextGen to "tool boxes" that will bring different capabilities to manage the complex National Airspace System—capabilities customizable to answer challenges that may differ from airport to airport.

While NextGen stakeholders expressed interest in NextGen's many tools, most participants agreed Required Navigation Performance—new flight procedures

that can improve efficiency at congested airports—is the most advanced capability available for implementation today. To implement RNP at airports, collaboration between all parties complemented by a culture change is essential. The airport panelists explained how NextGen begins and ends at the airports.

According to industry representatives, FAA needs to clarify its policy and provide procedures to ensure a return on investment to airspace users. Further, industry representatives believe that FAA needs to prioritize implementation of proven technologies, such as RNP, to move the aviation industry forward and build the infrastructure that will bring NextGen into reality.

In concluding remarks, RTCA President Margaret Jenny stated that, "While challenges still stand in the way of realizing the benefits of NextGen, aviation leaders who attended the RTCA 2012 Annual Symposium all agreed that the greatest hurdles are not technical in nature, but rather the need to implement new policies and procedures."

— Claudia Estrada, JA-10

OIG IN THE NEWS

HOUSE SUBCOMMITTEE CHALLENGES ATC CONSOLIDATION EFFORTS*AIRonline*

June 4, 2012

As the aviation subcommittee of the U.S. House of Representatives wrestles with deciding which of the FAA's 402 Air Traffic Control facilities should be re-modeled and which ones should be combined to reduce operating costs, Congressmen have been hearing testimony from the FAA, DOT and National Air Traffic Controllers Association (Natca) officials. David Grizzle, FAA COO of the Air Traffic Organization; Lou Dixon, the DOT's principal assistant inspector general for auditing and evaluation; and Paul Rinaldi, Natca president, testified before the subcommittee on May 31.

Because the subcommittee has been dissatisfied with FAA consolidation efforts to date, it instructed the DOT's Office of the Inspector General (OIG) to audit the agency's progress. The OIG determined that the average age of a Terminal Radar ATC facility (Tracon) is 28 years and the useful life of an en route center is 49 years. FAA said, "The estimated cost to replace 402 facilities is \$10.6 billion," with an annual cost to maintain those same facilities running about \$100 million.

In statement...the subcommittee said, "Despite its understanding of the need to make decisions on facility requirements and to move ahead with realignments and consolidations, the FAA has previously met parochial political resistance from Congress, and at times, its own workforce. If the FAA is to successfully implement NextGen and achieve the expected cost savings, cost avoidance and safety improvements, it must work with Congress, labor, industry and other stakeholders."

FAA AIR TRAFFIC FACILITY CONSOLIDATION EFFORT ALREADY LATE*FierceGovernmentIT*

June 2, 2012

Air traffic control facilities across the nation must be consolidated in order to realize the full transformative effect of the Federal Aviation Administration's ongoing air traffic control modernization effort.

The modernization effort..."fundamentally relies on the agency's ability to optimize our facilities and workforce," said David Grizzle, chief operating officer of the FAA's air traffic organization. Grizzle spoke before the House Transportation and Infrastructure subcommittee on aviation.

The plan calls for the FAA to begin consolidation by building a new integrated facility covering the New York-New Jersey-Philadelphia area. But, said Lou Dixon, Transportation Department principal assistant inspector general for auditing and evaluation, the FAA has delayed a final decision on where to build that first consolidated facility until May 2013. That decision will impact the consolidation schedule for other locations, Dixon added.

The agency estimates it needs \$2.3 billion to construct and equip the first of four consolidated facilities by 2023; however the FAA reauthorization act signed into law earlier this year would permit the agency to spend less than that, Dixon noted. As a result, the FAA is investigating alternative financing sources such as partnership with other agencies, local government, or the private sector, Dixon added.

Dixon also faulted the FAA for lacking valid metrics for evaluating whether planned consolidated will indeed achieve operational efficiencies and cost savings, a charge Grizzle said during the hearing was accurate.

WOLF PUSHES FOR OVERSIGHT OF AIRPORTS AUTHORITY*The Washington Examiner*

June 6, 2012

The airports authority overseeing the \$6 billion Dulles Rail project is likely to have a permanent watchdog imposed on it by the end of the year.

On Thursday, Rep. Frank Wolf, R-Va., inserted, into must-pass federal transportation legislation, a provision that would create a permanent inspector general's office inside the Metropolitan Washington Airports Authority.

The inspector general would keep year-round watch over the authority, which has been under intense criticism after a federal investigator revealed spending excesses, contracting problems and lax ethics policies. The airports authority would pay for the inspector.

"This is to provide transparency and accountability and make sure the governance issues are going to be addressed," Wolf spokesman Dan Scandling said.

The U.S. Department of Transportation's inspector general revealed last month that airports authority members spent \$4,800 on three Hawaiian dinners, \$238 on two bottles of wine and \$9,200 for a plane ticket to Prague, among other questionable expenses. Federal investigators also questioned the authority's lax ethics rules and contracting practices.

U.S. Secretary of Transportation Ray LaHood promised to send a federal official in to oversee the authority's cleanup efforts, though he has not yet done so.

"We are actively engaged in a search process for the accountability officer and are working to fill the position as quickly as possible," DOT spokeswoman Sasha Johnson said.

OIG IN THE NEWS

MWAA'S MARTIRE SUES AFTER VIRGINIA GOVERNOR MCDONNELL SEEKS REMOVAL

Washington Post
June 14, 2012

The political fight over Metro's new Silver Line boiled over again Thursday, when a labor leader filed suit challenging a move hours earlier to oust him from the board overseeing construction of the multibillion-dollar rail extension.

Dennis Martire, who has been one of Virginia's representatives on the Metropolitan Washington Airports Authority board, has drawn criticism for overseas travel expenses, including a \$9,000 trip to Prague to attend a transportation conference.

But he and his supporters said the effort to remove him by Gov. Robert F. McDonnell (R) was unwarranted and unprecedented, and they were clearly ready when the governor acted Thursday morning. The 17-page lawsuit, which seeks to block McDonnell's action, was filed Thursday afternoon in federal court in the District.

Speculation about Martire has been building in recent weeks because a federal audit highlighted some of his travel expenditures, including the Prague trip. In total, Martire spent \$38,000 attending five conferences in 2010 and 2011, according to MWAA records.

In a statement, McDonnell's office explained the decision.

"Today, the Governor exercised his authority under state and federal law to remove MWAA board member Dennis Martire for cause," said McDonnell's spokesman, Tucker Martin. "The governor determined that recently well-publicized issues regarding individual decisions made by Mr. Martire as a board member involving taxpayer dollars, coupled with his continued reluctance to improve the transparency of his actions, have diminished public confidence in his ability to effectively serve on this critically important board."

Although Martire's trip did not appear to violate any MWAA rules, it was one of several significant expenditures flagged by the federal transportation officials who have been examining the operations of the board.

After the critical report by the U.S. Transportation Department's inspector general, the MWAA's chairman, Michael Curto, suspended most international travel by board members and established an internal mechanism to ensure compliance with the authority's policies.

In the lawsuit filed in U.S. District Court, attorneys for Martire...said their client seeks "to preserve MWAA's independence by preventing the Governor of Vir-

ginia's unlawful and politically-motivated attempt to unseat Mr. Martire from his board position." They asked the court to block McDonnell from removing Martire from the board.

"The removal of a sitting Board member whose term has not expired is an unprecedented act," wrote MWAA spokeswoman Kimberly Gibbs in an e-mail. "The Board and Senior staff will review the Governor's letter and consult with legal counsel before responding to the governor's action."

In addition to being a subject of concern about his travel expenses, Martire has clashed with McDonnell's administration over incorporating a project labor agreement, or PLA, into the second phase of the Silver Line project. Under pressure from McDonnell and others, Martire joined 10 of the 11 other board members in voting this month to do away with the PLA.

State officials have also faulted Martire for failing to turn over a current statement of economic interest. But in his suit, Martire said that MWAA board members are not required to submit a Virginia disclosure form and noted that the governor has not attempted to remove other Virginia representatives on the board who have not submitted their forms.

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

OIG SURVIVAL: SES DISCUSS PITFALLS AND PLATEAUS AT FLASH MENTORING

Last Wednesday, Lou Dixon, Joe Com  , Bob Westbrooks, and Mitch Behm candidly discussed how they survived career pitfalls and plateaus at OIG’s first flash mentoring event. Madeline Chulumovich opened the event and introduced the panelists and the discussion’s moderators: Michelle McVicker and Olivia Starr.

After summing up their careers in a few words, the panelists described in detail the pitfalls and plateaus they faced. For Lou, the greatest challenge was striking the right balance between “me and the demands and requirements of the various positions I’ve held.” Mitch said he reached a plateau about 2 weeks into his first job as an attorney. “I felt I should be a managing partner at that point.”

Each panelist confessed to being risk-averse or, in Joe’s case, risk-oblivious: “When I was young, I didn’t consider [my actions] to be a risk.” Mitch said that while he’s not a risk-taker, he does take



some risks, “but I have a backup plan.” As an example, Mitch talked about a career move he made. “I was a practicing attorney for a few years, and I was doing frankly very well.” But he wasn’t interested in a long-term career in law. When he had the opportunity to shift from legal to business, he took it. Lou also admitted to being risk-averse, but has similarly taken risks in her career. “I was very

comfortable at my previous job and I was doing well in it. There was no reason for me to move.” But at the continued urging of a good friend, Lou left EPA and came to DOT, a career move Lou says was clearly good for her but scary.

The panelists described other seized opportunities that helped

(Continued on page 3)

OIG WEEKLY CALENDAR

MON 6/25	TUE 6/26	WED 6/27	THU 6/28	FRI 6/29
	ANN- Illinois DOT Ethics Conference	ANN- TDY-Chicago	(b)(6)	CAL- S2 Updates

NOTEWORTHY

MARK YOUR CALENDARS: ALL-HANDS, TUESDAY, JULY 10!

Cal's next All-Hands is scheduled for Tuesday, July 10, starting at 1:30 EDT in the Media Center at Headquarters, with live webcast to the fields.

ANNUAL FEDS FEED FAMILIES FOOD DRIVE HAS BEGUN!

Donations to food banks typically slow down over the summer—when children are without school nutrition programs and at greater risk of being hungry. Millions of elderly and working adults are also affected by hunger. Since 2009, *Feds Feed Families* has sponsored a summer food drive to help bridge this gap.

The goal for year's *Feds Feed Families* drive, which runs through

August 2012, is 2 million pounds of food nationwide. In the District, contributions benefit the Capital Area Food Bank, which will distribute 30 million pounds of food to 480,000 people through more than 700 food pantries, soup kitchens, and other service organizations in DC, Virginia, and Maryland. But they need our help!

DOT's goal is 58,100 pounds of food—almost 6,000 pounds less



than the 64,000 pounds DOT collected last year for the government-wide Feds Feed Families Food Drive. OIG's goal is 6 pounds of food per person.

To learn more, visit www.FedsFeedFamilies.gov.

WHAT YOU CAN DO

- **Bring Food!** Items most wanted include canned fruits and vegetables; multigrain cereal; grains such as rice, oatmeal, pasta; canned proteins such as tuna, salmon, chicken, and peanut butter; soups; juice; condiments; snacks; hygiene items; and paper towels, napkins and cleaning supplies. Pet food and school supplies are also accepted. HQ collection boxes are located near the 7th Floor West Elevator Lobby and in the OIG pantries. Remaining pickups are scheduled for July 20 and August 24.
- **Field Offices!** If you need help coordinating food donations, contact Sharon Oby at 202-366-1495.
- **Volunteer!** If want to get involved with *Feds Feed Families* events, email Amy Berks.
- **Get Creative!** The Can Castle Competition is July 18. If you have any design ideas, contact Angel Simmons at 202-366-6131.

NOTEWORTHY

(Continued from page 1)

advance their careers. While at JP Morgan, Mitch decided to work during the holidays—when most staff took vacation. When a major bankruptcy filing against a \$1 billion plus company came in, Mitch was selected to work on the team, even though he didn't work in the group assigned the case. "I had an opportunity to work on an extremely high-profile job that was in the *Wall Street Journal* day in and day out, working with managers, vice presidents, and very senior people from the bank that I otherwise wouldn't have had the opportunity to work with." Joe described a difficult time in the late 1990s when he and his staff were facing a RIF. He realized he had to motivate his team and called on Bill Murray in *Stripes*: "We're mutts, nobody likes us, but we gotta get together...and do

something because it's the best thing for us." The team hit its goal.

When asked about good advice that they'd received, Bob recalled being told to "focus on accomplishments," not on time spent in a position, which freed him from earlier advice to slow down and take his time. When confronted with a tough decision, Lou was advised to "think long-term, not short-term." Mitch learned that when he's feeling overwhelmed, it's important to manage managers' expectations and do the best job you can. "You're better off doing a really good job at one thing than a crappy job at trying to complete everything."

The panelists also had good advice of their own. Lou recommended, "Be open to being more mobile and more flexible," while Bob promoted being in the moment. "Sometimes we're too focused on

what happened in the past" or what may happen in the future. When deciding when the time is right to seek advancements, both Lou and Mitch cautioned that it can be disastrous to try to pursue something before you're ready. Lou also advised, "Make sure that what you want to do is a good fit for you. If you're having a really tough time getting there, you really need to think about, is this the right thing for me?"

In addition to Michelle, Madeline, and Olivia, Marshall Anderson and Cordelia Bostic planned the event. To view the entire event, go to http://inside.oig.dot.gov/multimedia_center/video/SES-Panel-Webcast_2012-06-20.wmv

So what words did the panelists use at the start of the session to describe their careers (for correct answers, see last page)?

- | | | | |
|---|-------|---|--|
| 1 | Lou | A | Rocky, scary but fun adventure |
| 2 | Joe | B | Play the Game |
| 3 | Bob | C | Box of Chocolates |
| 4 | Mitch | D | Non-linear, action-packed, and self-preservation |



NOTEWORTHY

A VIEW FROM THE
BOTTOM: FOIA

I was very pleased to attend the Council of Counsels to Inspectors General's Summer Intern Brownbag lunch the Department of Transportation on Monday, June 18. CCIG has done well to give its summer interns a crash course in OIG life and workings. This program, focused on FOIA and its wrinkles, was no exception. National Science Foundation IG Counsel Kenneth D. Chason gave a thorough exposition of the basic purpose and workings of the statute.

The discussion was based on the premise that FOIA is an OIG's friend. Public insight and information into the machinations of bureaucracy, though seemingly a bane to the object of inquiry, is a boon to the investigating community. It's become clear to me that one of the reasons FOIA is so often mentioned in office conversation, traditional news sources, and news media, is not because it is



controversial or poor policy. Rather, its constant presence in the public-government dialogue is a testament to the statute's impact on a citizen's ability to peer into a complex bureaucracy.

Naturally, my summer colleagues who elected to pursue this experience in administrative law were highly engaged in the presentation. Questions regarding the protections of voluntary corporate information, congressional re-

quests for information, and the intersection of privacy protections and FOIA demonstrated not only the audience's keen interest and ability to grasp the subject, but the able presentation of Mr. Chason as well.

I'm just happy I now know how to "Glomar" something.

— Bradon Smith, J3 Intern



COUNCIL
of COUNSELS
to the INSPECTOR GENERAL



OIG IN THE NEWS

REMOVAL OF MWAA BOARD MEMBER...LEAVES UNCERTAINTY ON AIRPORTS AUTHORITY BOARD

WUSA9.COM

June 18, 2012

A gubernatorial ousting of a member of the Airports Authority board and subsequent lawsuit is creating uncertainty over what happens next.

Virginia Governor Bob McDonnell ousted Metropolitan Washington Airports Authority board member Dennis Martire on Thursday, June 14th. Martire fired back with a lawsuit seeking to block the action. His supporters called his removal unjustified.

But McDonnell's office said the "Governor exercised his authority under state and federal law to remove MWAA board member Dennis Martire for cause." Martire came under scrutiny for his \$9192 flight to Prague for a conference, among other expenses totaling \$38,000 over five years.

That's one of many large expenses highlighted in the Department of Transportation Inspector General's report on MWAA. It turned up lavish lunches and travel expenditures by several board members.

[Rep. Frank] Wolf is adding an amendment to transportation legislation on Tuesday, June 19, 2012, that will put in place a permanent inspector general overseeing MWAA.

Democrat Gerald Connolly, (D) 11-District, agrees with more oversight, but calls Martire's removal unjustified and unwarranted. He says the ouster was a "smokescreen" for the Governor's to pack both the MWAA and Metro boards with his people and rid them of pro-labor people.

LOCAL EDITORIAL: MWAA'S 'CHANGE' GURU KEEPS THE CHANGE

Washington Examiner

June 18, 2012

When Federal Transit Administration officials declined to fund Phase 2 of the \$6 billion Dulles Rail project, they cited two main reasons. First, the mass transit project's overall cost-benefit rating was "medium-low," making it ineligible for the FTA's New Starts program. Second, federal officials had little confidence that the Metropolitan Washington Airports Authority Board could successfully manage a transportation project as large and complex as Dulles Rail. The fact that MWAA paid an outside management consultant the equivalent of \$7,000 an hour to help board members deal with "important organizational change issues" is proof that their concerns were well-founded.

MWAA signed three no-bid contracts for a total of \$173,000 with Pennsylvania-based "change" guru Gregory Shea to lead group discussions at the board's annual retreats. The news surfaced just weeks after a federal inspector general's audit found that two-thirds of all MWAA contracts more than \$200,000 were not competitively bid between 2009 and 2011.

The lack of competitive bidding in projects involving tax dollars is inexcusable, but MWAA has never been known for its prudent fiscal management. After spending \$1.5 billion on a 3.8-mile automated "People Mover," it quietly scrapped the original plan for a continuous oval-shaped loop to quickly ferry passengers to and from Washington Dulles International Airport's far-flung terminals. The current hook-shaped configuration is an apt metaphor for a board that routinely leaves the public on one by overpromising and underdelivering.

SALT LAKE CITY OIL SPILL SURFACES IN FEDERAL AUDIT URGING MORE INSPECTIONS

The Salt Lake Tribune

June 20, 2012

The federal agency overseeing the nation's oil pipelines needs to beef up its on-the-ground inspections and investigations, according to a new report from the U.S. Transportation Department's Inspector General.

Jeffrey B. Guzzetti writes in a June 18 memo on the IG's audit that the pipeline office has enormous responsibilities that require strong oversight.

"PHMSA's inspection and enforcement program has accomplished much," he said, "but still faces multiple challenges."

Cynthia L. Quarterman, administrator of the pipeline office, largely agreed with the IG's suggestions and...said to achieve the kinds of improvements needed the agency would have to add 120 inspection and enforcement staff—an increase requested in next year's federal budget.

The report credited an on-site inspection for identifying still more safety problems with the Chevron pipeline, which carries crude oil from Rangely, Colo., to the company's Salt Lake City refinery. The company then was ordered to fix the problems.

Despite successes like this, the pipeline agency investigates just half the significant accidents, "thereby limiting the agency's opportunities to identify and mitigate weaknesses," according to the audit.

Jeff Niermeyer, director of the Salt Lake City Public Utilities Department, was pleased with the audit and hopes the pipeline agency will follow through with its recommendations.

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COMINGS & GOINGS

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THE INSPECTOR TAKES A BREAK!

With the 4th of July holiday, *The Inspector* won't be publishing next week.

Please continue to send your stories, and we'll publish them the following week.

Have a fun and safe 4th!



Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL ANSWERS THE MAIL ON OIG ACHIEVEMENTS AND BUDGET CONCERNS AT ALL-HANDS



On Tuesday, July 10, Cal held his second All Hands meeting of the fiscal year, updating OIG staff on our recent accomplishments, various initiatives, and the current budget environment.

But first, Cal screened two videos from OIG groups randomly selected at the last All Hands. Henning Thiel's soaring film "JA-10 Cantata," juxtaposed images of the aviation industry through history with captions about JA-10's work in aviation and special programs, all set to soothing music. Next was JI's master opus, featur-

ing a dramatic reading of JI's strategic plan by the children of JI staff, followed by a montage of JI staff in the field and in training set to the *Mission Impossible* theme.

Cal began the meeting by outlining OIG's accomplishments since March, which included 76 audit reports, 4 testimonies, 57 indictments, 28 convictions, and \$15 million in fines and recoveries. Cal highlighted particular efforts, including the cross-division MWAA letter to Congressman Wolf, JA-20's report on DOT enterprise architecture shortcomings, JI's work in employee integrity at MARAD, and JM's creation of IT personas for all staff levels. Cal also recognized those who gave presentations on behalf of OIG, including Bob Westbrooks, Barbara Hines, Matt Hampton, Terry Letko, Tim Barry, Rob Stanek, and more.

Cal announced the publication of OIG's newest Strategic Plan (http://www.oig.dot.gov/sites/dot/files/Strategic-Plan_05-10-12.pdf) and drew attention to on-

going initiatives, such as establishing new performance measures for SES and staff, the OIG mentoring program, equal employment opportunity training, workforce flexibilities, and the ongoing production of JI's second annual *Impact* magazine.

Cal then turned to the budget. As always, Cal was frank about the potential budget constraints, while assuring us that he will take every effort possible to minimize the impact on OIG staff. He provided updates on our budget requests, the office's most recent cost-saving efforts, ongoing efforts to extend the deadline for using any remaining ARRA funds, and OPM's approval of our VERA/VSIP authority.

the Q&A session after Cal's presentation featured questions regarding VERA/VSIP and performance ratings. To view the All Hands, go to: <http://portal.oig.dot.gov/Lists/Multimedia/DispForm.aspx?ID=62>.

OIG WEEKLY CALENDAR

MON 7/16	TUE 7/17	WED 7/18	THU 7/19	FRI 7/20
	Ann: CIGIE meeting, 10:00	Cal: FAA Control Tower Hearing, 10:00		

NOTEWORTHY

PSWG ANNOUNCES NEW MEMBERS

The Process Standardization Working Group welcomed five new members at its last meeting on June 28:

- Brian Chapman, JA-40, Fort Worth
- Stefanie McCans, JA-10, Atlanta
- Alli Sturges, JA-20, Baltimore
- Wayne Van De Walker, JA-10, San Francisco
- Nichole Verdejo, JA-50, Washington, DC

The new members join 14 others in a continuing effort to identify processes across all of JA that could benefit from standardization. PSWG has three key goals:

- Identify audit staff "pain points" that can be addressed by consistent practices.
- Develop guidelines/processes that will address identified "pain points."
- Communicate best practices to the JA community.

Have an idea that you think the PSWG should consider? Feel free to share it with Marshall Jackson, PSWG Chairperson, or any PSWG member. You can find a list of group members as well as details on the PSWG on the group's SharePoint site.

THE ANNUAL BACK TO SCHOOL SUPPLIES DRIVE: "STUFF A BACKPACK"

Help support students in the Amidon-Bowen DC Public Schools and the Eagle Academy Public Charter School by stuffing a backpack full of much needed school supplies. Stuff a backpack (without wheels) with school supplies, such as No. 2 pencils with erasers, blue or black ink pens, a basic calculator, high-lighters, wide rule spiral or wire-bound notebooks, a protractor, a box of crayons (24 count), 2 pocket folders, a ruler, a glue stick, a 3-ring binder with loose leaf paper, a zippered pencil case, or a mini pencil sharpener. DOT Community Service Coalition Committee Members will have boxes set up for drop off between July 9 and August 24. Your donations will be most appreciated by students this fall!

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OIG IN THE NEWS

AT MERCHANT MARINE ACADEMY, A PERSISTENT CASE OF SEASICKNESS*Newsday*
July 10, 2012

If you're wondering just how big a job it will be to turn around the good ship US Merchant Marine Academy, the Kings Point institution that has had three superintendents in the past three years, consider the latest word from the General Accounting Office.

The GAO, the federal watchdog agency, previously cited the academy for overcharging midshipmen \$8.1 million in fees, among many other shortcomings. GAO now says the academy has adopted 32 of its 47 recommendations for improvement—and has repaid nearly all the wrongful charges. But there's still no internal system for catching and correcting such errors. And a report in May from the inspector general of the U.S. Department of Transportation (the agency that oversees US-MMA) found that the academy lacks proper network security controls and USMMA data, including personally identifiable information, "is at high risk of exposure to hackers."

LONG AMTRAK DELAYS OUT OF SLC? STUDY BLAMES FREIGHT RAILS*Salt Lake Tribune*
July 13, 2012

For years, Amtrak blamed chronic delays for some passenger trains...on bad dispatching by freight lines that own the rails. Freight carriers, in turn, pointed to insufficient capacity on shared rails.

The U.S. Transportation Department's inspector general issued a report this week that sides mostly with Amtrak and points at freight railroads as the biggest delay culprit.

It is important to know what causes delays because Congress in recent years authorized \$12 billion to build infrastructure to improve capacity and help speed up intercity rail service. But the report said host effects and slow orders "may not require capital investment to address."

The study noted that Amtrak's on-time performance in the Northeast ranges from 75 percent to 90 percent. On long-distance lines elsewhere, on-time performance falls below 55 percent.

The inspector general noted that for years, "Amtrak points to freight railroads' dispatching practices as the cause with the greatest impact on Amtrak train delays, while the freight railroads contend that capacity limitations, or insufficient infrastructure for rail traffic levels, contribute more heavily."

It added, "Freight railroads' dispatchers are required by law to give Amtrak trains preference when freight trains and passenger trains operate on the same routes. However, Amtrak and the freight railroads disagree over whether preference is actually always given to Amtrak."

CULBERSON WINS HOUSE BAN ON FEDERAL AID FOR METRO LINES ALONG RICHMOND, POST OAK*Houston Chronicle*
July 1, 2012

Advocates of federally subsidized expansion of the Houston Metro light rail system lost a crucial round to Houston Congressman John Culberson.

The House adopted a \$51.6 billion spending measure on a 261-163 vote that included Culberson's ban on federal spending for any Metro expansion along Richmond Avenue and Post Oak Boulevard. The measure also requires an in-depth audit of the Metropolitan Transit Authority of Harris County by the inspector general of the Department of Transportation.

In a boost for Metro, the spending package included \$200 million in 2013 to support continued work on the lines in the North Corridor and Southeast Corridor.

House approval stands as "a significant milestone in my determined effort to protect Houston taxpayers from Metro's profligate spending and to protect the quality of life for property owners along Richmond Avenue and Post Oak Boulevard," Culberson said. "I have always promised to guard the gate of the public treasury from wasteful and unwanted government spending."

The House vote left Metro supporters holding their fire and looking to deliberations by a House-Senate conference committee later this year to make the final decision on a ban included in the House bill but not included in the Senate version.

"We will await the outcome of the normal process in the House and Senate," said Metro Chairman Gilbert Garcia.

OIG IN THE NEWS

DOT IG: AMTRAK LONG-DISTANCE ROUTES NOT CLOSE TO ON TIME

Politico

July 13, 2012

A new report concludes what many already know: Amtrak's on-time percentage for its long-distance routes is dismal. But the analysis suggests that much of that is due to factors beyond the carrier's control.

According to the DOT's inspector general, which analyzed data between 2002 and 2007, Amtrak's on-time performance inside the Northeast Corridor was between 75 percent and 90 percent, depending on the route. But for its 15 long-distance routes outside the NEC, on-time percentage was "consistently" below 55 percent.

According to the IG, the chief reasons for these delays were attributed to the freight railroads. They own much of the track over which Amtrak's trains must travel virtually everywhere except inside the Northeast Corridor, where Amtrak owns most of its track.

The two chief causes of delays for long-distance trains, the IG said, were orders to slow down over segments of track in poor condition or that were undergoing repairs, and what the report termed "host effects," which include things such as a railroad's dispatching practices.

"Host effects and slow orders were the chief causes of delays system-wide," the report said.

According to the report, Amtrak long-distance routes traveling over Union Pacific track added an average of 25 minutes more than the baseline comparison. (An Amtrak route over BNSF Railway tracks, meanwhile, reduced delays by more than 13 minutes over the baseline comparison.)

FEDS TO AUDIT SPENDING OF LAX FUNDS FOR NON-AIRPORT USES

Los Angeles Daily News

June 29, 2012

An audit will be launched in early July to investigate allegations of revenue diversion at Los Angeles International Airport, the U.S. Department of Transportation's Inspector General's Office announced Friday.

Spending LAX-generated funds for uses outside the airport could be grounds for action by the Federal Aviation Administration.

Several members of Congress requested the review, according to a memo issued by Jeffrey Guzzetti, the DOT's assistant inspector general for aviation and special program audits.

In a written statement, LAX officials said they take the allegations "very seriously" and will "cooperate fully" with the audit.

"We anticipate the audit will indicate Los Angeles World Airports is following all FAA regulations and federal statutes that require airport revenue be spent for the operating and capital costs of LAX," said airport spokeswoman Mary Grady.

Still pending is an FAA inquiry launched in December to determine whether the Los Angeles Police Department overcharged for security services at LAX, the nation's third-busiest airport.

In 2009, the FAA found that \$14 million worth of airport funds were used to improperly market the entire city of Los Angeles by LA Inc., the city's convention and visitors bureau.

ST. LAWRENCE SEAWAY WORKER ADMITS \$85K IN BENEFITS FRAUD

Watertown Daily Times

July 10, 2012

A St. Lawrence Seaway Development Corp. employee has admitted in federal court that he defrauded the U.S. Department of Labor of nearly \$85,000 by collecting disability benefits while running his own company.

Thomas Schneller, 53, a millwright with the U.S. Department of Transportation working for the Seaway corporation, pleaded guilty July 3 in U.S. District Court, Utica, to workers' compensation fraud. He admitted receiving \$84,987 in benefits by making false statements and representations to obtain the benefits, according to the U.S. attorney's office.

The office said Mr. Schneller admitted he falsely represented that he was not employed, self-employed or involved in any business enterprise between August 2006 and November 2008 when he was collecting federal workers' compensation benefits. At the time, Mr. Schneller worked for his own company, AKJ Marine, a marine contracting firm that specialized in docks, boat lifts, seawalls and pile-driving along the St. Lawrence River.

Mr. Schneller faces up to five years in prison and a \$250,000 fine at sentencing Nov. 16. He remains free on his own recognizance.

PEOPLE WE KNOW

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COMINGS & GOINGS

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Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL TESTIFIES, ATSAP “NO SILVER BULLET”

On Wednesday, July 18, Cal testified on FAA’s Contract Tower Program before the House Committee on Transportation and Infrastructure Subcommittee on Aviation. Cal testified on the first of two panels alongside David Grizzle, Chief Operating Officer for FAA’s Air Traffic Organization. On the second panel were representatives from the U.S. Contract Tower Association Policy Board, the National Air Traffic Controllers Association, and the Aircraft Owners and Pilots Association.

Created 30 years ago, FAA’s Contract Tower Program currently operates 250 contract towers that provide air traffic control services throughout the Nation. The program has been—and remains—a subject of significant congressional interest because of its potential cost savings for the Federal Government and its unique cost-sharing structure with local communities.

Cal testified that contract towers continue to provide comparable services to similar FAA-operated

towers. Our current work shows that contract towers have fewer reported safety incidents and are more cost efficient than their comparable FAA counterparts. Cal testified that a contract tower costs \$1.5 million less than similar FAA towers annually. Cal also noted that FAA has several opportunities to improve its oversight of contract towers, such as through implementing voluntary safety reporting at contract towers (similar to the ATSAP program in place at FAA towers) and more thoroughly reviewing annual labor hours worked at towers to ensure they meet contract requirements. These steps will help ensure that FAA’s getting what it pays for when it contracts air traffic control services, as well as improving safety.

Following Cal’s testimony, David Grizzle provided an overview of the Contract Tower Program’s history and updated the committee on current efforts under way at the Agency, many relating to the current fiscal realities of the Agency and the economy as a

whole. For example, he discussed efforts such as recovering more costs from non-cost-efficient towers, and updating the Agency’s cost-benefit analysis on public-private partnerships that can fund these towers.

In the question and answer session, members asked about the safety, cost effectiveness, technology, and other aspects of the program. Several questions focused on the potential budget sequestration, and what impact if any these cuts might have on safety. When one subcommittee member related air traffic controllers to football players in a “common sense”-based analogy, Cal stayed true to our OIG mission of providing only fact-based, data-grounded answers to all questions.

During questioning, one subcommittee member flipped through our written statement and read aloud the headings and subheadings to summarize the statement and set up his first question,

(Continued on page 2)

OIG WEEKLY CALENDAR

MON 7/23	TUE 7/24	WED 7/25	THU 7/26	FRI 7/27
	Senior Leaders Meeting , 11:00 to noon S2 Meeting @ 1:00 (Cal)			Airport Revenues Meeting @ FAA 9:00 (Cal/Lou)

NOTEWORTHY

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(Continued from page 1)

posed to Mr. Grizzle, about our concerns regarding FAA's oversight of contract towers.

Cal concluded the entire panel session by clarifying OIG's position on the ATSAP program, stating that while we support ATSAP, several limitations impact the program's effectiveness. Cal pointed the subcommittee to our ATSAP report, which we published on Thursday, July 19.

Committee staff promptly emailed its praise: "We were very pleased with the hearing. The IG did his usual very professional, clear and thorough job. We appreciated his comment at the end about the fact that ATSAP is not the 'silver bullet' and needs improvement. Up to that point, the impression was that ATSAP was the answer to all reporting issues and that there were no problems with the program as implemented at FAA towers."

Congratulations to Cal on another successful testimony and to the testimony team—Frank Danielski, Tasha Thomas, My Le, Aaron Rodgers, Jeff Guzzetti, Matt Hampton, Bob Romich, Andrea Nossaman, Dan Raville, Karen Sloan, Petra Swartzlander, Megha Joshipura, Betty Krier, Kang Hua Cao, Jerrod Sharpe, and Dave Wonnenberg—for its fantastic job creating the written and oral statements and prepping Cal for questions.

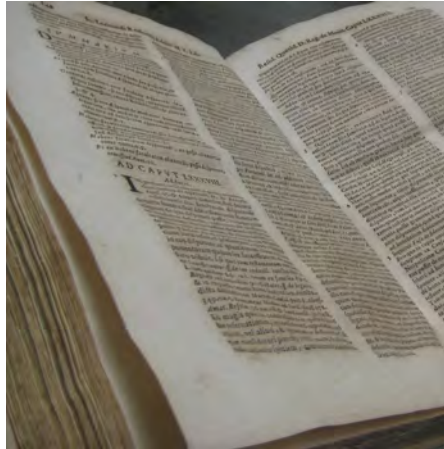
NOTEWORTHY

CCIG LIBRARY OF CONGRESS TOUR

On Thursday, July 12, I was joined by law clerks Tanner Horton-Jones and Bradon Smith, J-3 staff Amy Berks, Barbara Hines, and Angel Simmons on a tour of the Library of Congress. We were fortunate to join the Council of Counsels for the Inspector General's tour for summer law clerks.

We attended a 2-hour training by one of the law librarians on statutory and legislative history research. During this training, we received information and guidance on the resources available in various legal research systems. While the resources available at the Library of Congress are vast, our group was mainly comprised

of second and third year law students who benefited from the legal focused session.



After our legal resources training, we toured the Madison and Jefferson buildings. The tour included a visit to the chilly closed stacks of the law library in the sub

-basement of the Madison building. There are 2.78 million volumes in the law library collection comprising nearly one and half football fields worth of space. We saw shelves upon shelves of materials that spanned not only across countries, but also across time. Our group had the privilege of seeing and touching books from the sixteenth and seventeenth centuries!

We want to give a big thanks to the CCIG Summer Law Clerk Planning Committee for putting this amazing informational experience together.

— Daniel Butler, Undergraduate Intern, J-3 DC



Bradon Smith, Angel Simmons, Amy Berks, Tanner Horton-Jones, Barbara Hines, and Daniel Butler at the Library

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OIG IN THE NEWS

GOP WANTS MORE PRIVATE AIR TRAFFIC CONTROL TOWERS

The Hill
July 19, 2012

The Federal Aviation Administration could save money by contracting out more of its air traffic control towers, Republicans argued Wednesday.

The chairman of the House Transportation and Infrastructure Committee's subcommittee on Aviation, Rep. Tom Petri (R-Wis.), pointed to a study from the Department of Transportation that flight towers staffed under the FAA's Contract Tower Program were cost-effective.

"The [DOT inspector general] determined that contract towers had a lower number and rate of reported safety incidents than similar FAA towers," Petri said in a statement after conducting a hearing Wednesday.

"The IG also found that the contract towers provided air traffic services to low-activity airports at lower costs than the FAA could otherwise provide," he continued. "The IG determined that the

average contract tower costs roughly \$1.5 million less to operate than a comparable FAA tower—due largely to lower staffing and salary levels."

The FAA was sharply criticized last year for multiple reports of its air traffic controllers sleeping on the job. Petri said Wednesday that private controllers handle about 28 percent of the aviation traffic in the United States.

Panelists at the Aviation subpanel hearing he chaired on Wednesday agreed with his assessment.

"Between 1998 and 2003, we completed four reviews of the Contract Tower Program," the author of the study, DOT Inspector General Calvin Scovel said in a written testimony. "Overall, we found little difference in the safety or quality of services provided by similar FAA and contract towers. Contract towers continue to provide safe air traffic services and are strongly supported by users."

FAA Air Traffic Organization Chief Operating Officer David Grizzle said the agency was supportive because the agency is "always investigating ways to operate more cost-effectively by reviewing and adjusting, as necessary, staffing

levels, operating hours, and deployment of system enhancements.

The Washington, D.C.-based National Air Traffic Controllers Association said, however, that the comparison between contract flight towers and FAA towers was not apples-to-apples.

"There is a fundamental difference between an FAA tower and a contract tower," NACTA Vice President Trish Gilbert told the committee. "The FAA model was built on the premise of redundancy to prioritize safety above all, whereas a contract tower has incentive to prioritize the bottom line."

Gilbert said the air traffic controllers association supported the Contract Tower Program, but she said it was important to keep in mind the distinctions.

Petri said there was enough room in the national aviation system for both types of flight towers.

"We are talking about towers at low activity airports, but they are also airports with mixed use and other operational conditions that make it essential they have a tower to ensure safety," he said.

REP. WOLF SEEKS DULLES GREENWAY TOLL REVIEW

Washington Business Journal
July 18, 2012

Rep. Frank Wolf has asked Virginia's top lawyer to launch a consumer protection review of the toll structure on the Dulles Greenway—something that has bothered the Loudoun Republican for years.

Wolf's July 18 letter to Attorney General Ken Cuccinelli, a Republican, asks that the AG refer the Greenway toll structure to the consumer protection section of his office "and work with the Loudoun Board of Supervisors and Loudoun resi-

dents to address this serious and growing consumer abuse."

Eastbound tolls on the Greenway are up to \$4.80 one-way during rush hour for drivers exiting at Route 28, Ox Road or the Loudoun County Parkway. And that does not include the costs of traveling the state-owned Dulles Toll Road, which brings the price tag up to \$5.55 one-way.

The westbound toll is collected when drivers access the Greenway, meaning everybody pays \$4.80 during rush hour, no matter their final destination. Tolls are scheduled to increase as much as 2.8

percent per year between 2013 and 2020.

Wolf noted...his years-long, openly critical stance of the Greenway tolls and the Greenway's owner, Toll Road Investors Partnership II—an arm of Australian firm Macquarie Ltd.

Wolf's interest in the Dulles corridor extends beyond tolls to the Metropolitan Washington Airports Authority. A federal audit of MWAA and its management of the Silver Line project, sought by Wolf, is ongoing and Wolf's bill to create an MWAA inspector general is before a House committee.

OIG IN THE NEWS

**NO FAA DECISION YET ON
NORTHEAST AIR CENTER LO-
CALE***Associated Press*
July 20, 2012

A report from the U.S. Department of Transportation says no decision has yet been made on where to build a new air traffic control center that will serve the busy New York, New Jersey, and Philadelphia metro areas.

DOT's Inspector General said this week that the Federal Aviation Administration still has to make several key decisions about the new facility and about how to move forward with a broader modernization plan. The FAA plans to consolidate 49 aging air traffic facilities in the Northeast down to four at a cost of

about \$2.3 billion. The goal is to finish the four new facilities by 2023

A final decision on where to build the main facility, which is expected to employ more than 1,000 people, has been pushed back from November 2012 to May 2013, according to the report.

"This is primarily due to delays in selecting a site for the facility and tight funding limits," the report noted.

The Inspector General also said that the FAA's plans for future projects could change based on experiences with the initial locations, including "changing the number and size of integrated facilities built, or constructing two buildings on one site."

The National Air Traffic Controllers Association also issued a statement this

month urging that the facility remains on Long Island. "NATCA supports facility consolidations and realignments where they enhance the safety and efficiency," union President Paul Rinaldi said. "We believe the New York Integrated Control Facility can do both and also save taxpayers' money."

The FAA said in a statement that the agency agrees with recommendations the Inspector General made on how to improve the consolidation process.

The report said the FAA has made "considerable progress" since the last review in 2008.

In February, President Barack Obama signed legislation to modernize the nation's aviation system, speeding up the switch from radar to an air traffic control system based on GPS technology.

**US CONTRACT TOWERS
\$1.5M CHEAPER TO RUN***Air Traffic Management*
July 19, 2012

A US Congressional hearing highlighted yesterday the cost-effectiveness of the Federal Aviation Administration's (FAA) Contract Tower programme, which allows the private sector to provide air traffic control services which would otherwise be cost prohibitive.

The Subcommittee on Aviation heard the details of an audit update from the Department of Transportation Inspector General (DOT IG) whose previous audit in 2003 demonstrated the cost-effectiveness of the programme.

The committee heard how the IG determined that contract towers had a lower number and rate of reported safety incidents than similar FAA towers. The IG also found that the contract towers provided air traffic services to low-activity airports at lower costs than the FAA

could otherwise provide. The IG determined that the average contract tower costs roughly \$1.5 million less to operate than a comparable FAA tower.

Calvin Scovel, the Inspector General of the Department of Transportation, discussing the DOT IG's most recent findings said: "Contract towers continue to operate at lower costs than comparable FAA towers."

"Our comparison of costs at our sample of 30 contract towers and 30 FAA towers with similar air traffic densities found that the average operations costs in fiscal year 2010 were about \$537,000 for a contract tower and about \$2.025 million for an FAA tower—a difference of \$1.488 million, or 277 per cent.

"The difference in cost is primarily due to two factors," Scovel continued. "First, contract towers are staffed at lower levels than the comparable FAA towers. The 30 contract towers in our sample had an average of six air traffic person-

nel at the facility, while the sample of 30 comparable FAA towers had an average of 16 air traffic personnel.

"Second, contract tower controllers' salaries, which are based on Department of Labour wage rates, are lower than the salaries paid to FAA controllers."

Scovel urged the FAA to enhance oversight of the Contract Tower Programme to ensure the continued safety. "While the Contract Tower Programme continues to provide cost-efficient air traffic services that are supported by users, there are opportunities for FAA to improve its oversight and strengthen programme controls," said Scovel. "These opportunities include implementing a voluntary safety incident reporting programme at contract towers, implementing policies that require contract towers to receive regular safety reviews, and improving agency oversight over the contractual aspects of the programme."

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COMINGS & GOINGS

There are no comings or goings this week.

Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.



INSPECTOR

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OIG WEEKLY CALENDAR

MON 8/6	TUE 8/7	WED 8/8	THU 8/9	FRI 8/10
	Audit Managers' Meeting			

NOTEWORTHY

REMINDER: REQUIRED TRAINING

August is a good time to think of completing required training before work ramps back up in the Fall. Some training that's required in the first quarter of fiscal year 2013 is available now:

- **Human Trafficking Awareness Training** must be completed by November 2, 2012
- **No FEAR Act Training** must be completed by December 17, 2012

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NOTEWORTHY

THREE DAYS, THREE REPORTS FROM JA-10

Tuesday, July 17: OIG issued a report on FAA's plans for consolidating and realigning its air traffic control facilities. FAA operates 561 manned air traffic facilities nationwide, many of which are deteriorating and outdated, especially given the Agency's ongoing modernization efforts through the NextGen. The successful implementation of FAA's plans will depend on addressing key challenges—such as aligning ongoing construction projects, making critical technical decisions, coordinating with NextGen offices, finalizing cost estimates, and addressing the impacts of consolidations on the workforce and affected communities. FAA concurred with our five recommendations to assist the Agency in achieving a successful consolidation and realignment plan.

Wednesday, July 18: Cal testified before the House Subcommittee on Aviation regarding FAA's Contract Tower Program. Cal testified that, based on our ongoing work, contract towers continue to provide safe air traffic services, as contract towers have a lower number and rate of reported safety incidents and Agency-identified deficiencies when compared with similar FAA towers. In addition, contract towers remain strongly supported by users and continue to provide cost-efficient air traffic control services. Our work found that the average contract tower costs roughly \$1.5 million less to operate annually than a comparable FAA tower, largely due to lower staffing and salary levels.

Thursday, July 19: OIG issued a report on FAA's oversight of the Air Traffic Safety Action Program (ATSAP)—a voluntary non-punitive reporting program for air traffic controllers to report safety concerns, such as operational errors. Although FAA completed ATSAP implementation at all air traffic control facilities in 2010, the Agency will need to make significant improvements before ATSAP can effectively identify and address the root causes of safety risks. Failure to address potential deficiencies in transparency and accountability may lead to the perception that ATSAP is an amnesty program in which reports are automatically accepted, regardless of whether they qualify under program guidelines. We made 10 recommendations.

THANKS TO JA-10 AND OTHER STAFF WHO MADE IT HAPPEN (IN NO PARTICULAR ORDER)

Barry DeWeese	Andrew Sourlis	Megha Joshipura	Andrea Nossaman (JA-1)
Frank Danielski	Wayne Van De Walker	Erik Phillips	Betty Krier (JA-50)
Bob Romich	Aaron Rodgers	Andrew Olsen	Seth Kaufman (J-3)
Christopher Frank	Tasha Thomas	Matt Hampton	Petra Swartzlander (JA-2)
Audre Azuolas	My Le	Dan Raville (JA-1)	
Craig Owens	Mi Hwa Button	Karen Sloan (J-2)	

NOTEWORTHY

COMÉ SPEAKS TO AASHTO AUDIT CONFERENCE ATTENDEES

What do you say to a group of nearly 200 auditors from across the country when the next speaker promises an exciting presentation on “Secrets of Linguistic Lie Detection?” How about: “I’m from the IG and I’m here to help.”

That’s the cliché our Assistant Inspector General for Highway and Transit Audit, Joe Comé, turned to when opening his speech this July at the American Association of State Highway and Transportation Officials Audit Subcommittee meeting in Phoenix.

Joe spoke on “Lessons Learned and Future Implications from the ARRA Era,” and despite the lame beginning, the audience soon warmed to his presentation. He covered the range of ARRA work done by our auditors and investigators but focused on his group’s audit of the \$8 billion in ARRA funds spent on local highway and bridge projects as well as JA-60’s audit report on the Federal Highway Administra-



Well-worn copies of our 2009 report on indirect costs related to Federal-aid grants were as popular as “Call Me Maybe”

tion’s oversight of contracting issues.

Each of these topics elicited comments and questions from the CPA-heavy crowd both during and after the presentation.

Another hot topic at the conference was the recently passed Surface Transportation Reauthorization Bill (known as MAP-21), and Joe had the room’s attention as he noted how prior IG work on performance measures and expenditure tracking in the bridge area would have heightened relevancy under the new legislation as Congress has put increased emphasis on performance budgeting.

OIG’s influence on the nationwide audit community was evident throughout the AASHTO Audit conference: FHWA’s CFO focused much of her remarks on a pending finding in JA-10’s ongoing financial audit and well-worn copies of our 2009 report on indirect costs related to Federal-aid grants were as popular as “Call Me Maybe” at this conference attended by many who commonly conduct FAR overhead audits.

Overall, it was a good opportunity to share our work and learn about the challenges facing the State transportation community.

DESPITE SUMMER SLOW DOWN, OIG REMAINS “IN THE NEWS”

OIG IN THE NEWS

FORMER DOT INVESTIGATOR SENTENCED FOR FAKING LOGBOOKS FOR CLIENT*Land Line Magazine*
July 26, 2012

A former U.S. DOT safety investigator now working as a safety consultant has been sentenced for falsifying logbooks to keep a client out of trouble with the DOT's Federal Motor Carrier Safety Administration.

According to the DOT's Office of Inspector General, on June 15, 2012...James J. "Jim" Brylski was sentenced to 12 months of probation and was fined \$3,000 and a \$100 special assessment.

OIG's investigation revealed that Brylski falsified driver's logs in order to conceal the number of hours driven from the FMCSA. He was charged by the U.S. Attorney with falsifying the company's logbooks from prior to 2007 through March 2010.

Roger Dale (Butch) Mabe Jr., 49, president and owner of Mabe Trucking, was...sentenced to one-year probation and fined \$2,000 plus \$100 assessment....Mabe Trucking was placed on probation for five years and fined \$8,000 plus \$400 assessment. The company is required to install and activate electronic on-board recorders in all company-owned vehicles, at its own expense.

FMCSA's Safety Measurement System reveals that of Mabe's 160 trucks and 200 drivers, violations in the last two years include 15 instances of driving more than 11 hours, 22 occurrences of driving after 14 hours on duty, three cases of breaking the 60/70 hour rule, 13 log violations, one occasion of no record of duty status, four instances of false logbooks, 37 incidents of logbooks not current, and six occurrences of drivers failing to retain the previous seven days' logs.

DOT BUST OF PENNSYLVANIA TRUCKING COMPANY LEADS TO FDA INVESTIGATION*Land Line Magazine*
July 27, 2012

What began as a crackdown on a Pennsylvania trucking company and its owner for hours-of-service violations developed into an investigation that revealed logbook cover-ups and recycling of multiple loads of condemned milk.

The case was investigated by the U.S. Department of Transportation Office of Inspector General and the U.S. Food and Drug Administration Office of Criminal Investigations.

Dean A. Landis, 45, of Willow Street, PA owner of D.A. Landis Trucking Inc. in Lancaster, PA, was sentenced Tuesday, July 24, in connection with conspiracy to falsify logbooks. The violations occurred from about 2007 through November 2009 and included 10 drivers.

Landis was sentenced to five years probation, including 12 months home detention, plus a \$15,000 criminal fine and a special assessment of \$100. Landis Trucking was placed on a four-year probation period and fined \$250,000, plus a \$4,400 special assessment. The company must also implement a comprehensive compliance and ethics plan.

The case was prosecuted by Assistant United States Attorney John J. Pease. According to Pease's office, between 2007 and 2009, Landis instructed his drivers to prepare and maintain false daily logbooks to conceal violations. Investigators found files specifically marked "Not for DOT."

Landis pleaded guilty March 16, 2012, on his own behalf and on behalf of his truck company.

CARTERSVILLE MAN PLEADS GUILTY TO CONSPIRACY CHARGE*Atlanta Journal-Constitution*
July 30, 2012

A Cartersville aviation consultant pleaded guilty to a conspiracy charge for his role in forgery of an FAA certificate, according to the U.S. Department of Transportation Office of Inspector General.

Andrew K. Anderson pleaded guilty to the charge in U.S. District Court in Atlanta on July 23, the inspector general's office said. It said Anderson had been contracted by SIA Engineering Co. to secure certificates for aircraft owned by Dubai Air Wing, a branch of the Dubai government that provides air transportation for government officials.

Anderson forged Federal Aviation Administration certificates and gave them to Dubai Air Wing, purporting that they were issued by the FAA, according to the inspector general's office.

OIG IN THE NEWS

FAA ERROR REPORTING GIVES AMNESTY FOR SLEEPING, REPORT SAYS*Bloomberg*
July 23, 2012

A U.S. Federal Aviation Administration program created for early detection of safety problems has been used by some air-traffic controllers to escape punishment for sleeping on duty, a report said.

Controllers have been allowed to report poor personal conduct rather than the kind of performance problems the program was intended to find, the Transportation Department inspector general's office said today.

The FAA program, known as Air Traffic Safety Action, was modeled on successful programs at airlines. It was intended to discover potential systemic safety risks before they become serious. The FAA encouraged reporting of performance lapses by preventing controllers from being punished as retribution for making reports.

The program shows promise as a tool to promote increased safety reporting, the inspector general said.

"Accepting reports of this nature may lead to the incorrect perception that ATSAP is an amnesty program where reports are automatically accepted," according to the report.

"The bottom line is that since the beginning of implementation in 2008, no other safety program has identified and fixed more local and systemic problems," Steve Hansen, chairman of the labor union's safety committee, said.

At least five FAA air traffic controllers were reported to be sleeping on the job last year. Transportation Secretary Ray LaHood pledged to fire three air traffic controllers caught sleeping in Seattle, Miami and Knoxville

INCOMPLETE FAA CONSOLIDATION PLAN COULD HAVE NEXTGEN BUDGET IMPACT, SAY AUDITORS*Fierce Government*
July 23, 2012

Incomplete plans by the Federal Aviation Administration to consolidate en-route and terminal radar approach control facilities will have "wide ranging impacts" on the budgets of some technology programs underpinning an ongoing \$40 billion air traffic control modernization effort, says the Transportation Department office of inspector general.

In a report dated July 17, the Transportation OIG notes that the FAA plans to consolidate en-route centers and TRACONS into large, integrated facilities with completion targeted for 2034.

In November 2011, the FAA Joint Resources Council approved a plan to consolidate 49 northeastern facilities—45 TRACONS and four en-route centers—into four new facilities costing \$2.3 billion over their lifecycle.

The plan is to start first with a new facility for New York, New Jersey and Philadelphia airspace, but the agency has postponed its deadline for approving construction from November to May 2013. FAA officials told auditors that's because they've experienced delays in selecting a site and are under tight funding limits as a result of the most recent FAA reauthorization act.

That means that the final integrated facility plan could "require cost and schedule changes" to some NextGen programs.

"The full extent of the changes will not be known until FAA solidifies its plans for integrated facilities," the report states.

HOUSE AVIATION CHAIR LIKES CONTRACT TOWERS*AIN Online*
July 23, 2012

Rep. Tom Petri (R-Wisc.), chairman of the House of Representatives' subcommittee on aviation (part of its Transportation and Infrastructure Committee), said the FAA's Contract Tower Program is cost-effective, The Hill reported on July 18. Petri supported his stance with a recent DOT study released by the DOT Inspector General's office.

"The IG determined contract towers had a lower number and rate of reported safety incidents than similar FAA towers," Petri said in a statement after conducting a hearing on July 19. The IG also found contract towers provided air traffic services to low-activity airports at lower costs than the FAA could otherwise provide. The average contract tower costs roughly \$1.5 million less to operate than a comparable FAA tower, due largely to lower staffing and salary levels, Petri said.

The National Air Traffic Controllers Association (NATCA) represents controllers at 314 FAA-operated facilities, while the contract towers, staffed with non-union employees, operate 240 facilities, 63 of which have employees represented by NATCA. In the IG's report, NATCA supports the cost-share aspect of the current program, but raised concerns that staffing at contract towers often means some facilities have only one person on duty for much of the day.

NATCA also said certification training that often takes between one and five years at an FAA tower, could take as little as 30 days at a contract facility.

OIG IN THE NEWS

US AIR SAFETY PROGRAM FOR REPORTING CONTROLLER ERRORS NEEDS SIGNIFICANT IMPROVEMENT*Associated Press*
July 24, 2012

A safety program that encourages air traffic controllers to voluntarily disclose their mistakes in exchange for amnesty from punishment needs significant improvement before it can work effectively, according to a report released Monday.

The program...had collected more than 41,000 reports as of the end of last year, showing "promise as a tool to promote increased safety reporting," the report by the Transportation Department's inspector general said.

But the FAA has only recently developed processes to analyze the data that has been amassed, the report said.... The FAA "will need to make significant improvements" before the program "will be able to effectively identify and address the root causes of safety risks."

In one case cited by the inspector general, the program accepted a report from a controller who was watching movie while on duty.... "We consider this a conduct issue that requires management attention rather than a safety issue appropriate for a confidential safety program," the report said.

FAA spokeswoman Brie Sachse, responding to the report, called the program "an effective safety tool" that has allowed the agency "to take swift, corrective action and enhance skills in the workforce."

The National Air Traffic Controllers Association also disagreed with the inspector general's conclusions. "While there is always room for improvement, the...program is a major leap forward."

THE GOP PLAN TO GET AIR TRAFFIC SAFETY ON THE CHEAP*Bloomberg Businessweek*
July 24, 2012

What's the GOP's answer to government air traffic controllers falling asleep on the job? Privatize the job.

That may not be a bad thing. For one thing, it's cheaper. Contract towers cost roughly \$1.5 million less per year to operate than a comparable FAA tower, according to the inspector general for the Department of Transportation.

They may be safer, too. In a recent audit, the inspector general found a "lower number and rate of reported safety incidents than similar FAA towers."

But there may be a less reassuring reason for those good safety numbers: Staff at the contract towers misreport or don't report violations to the government. From the IG report:

According to two FAA studies that were conducted in 2009 and 2010, contract towers had a lower number of reported runway incursions than comparable FAA towers. The Agency determined that the main reasons for the difference were that contract tower controllers either did not know the current definition of a runway incursion or the criteria for classifying them.

The reporting problem isn't limited only to the private contractors. The FAA had so much trouble getting its own employees to report safety violations that two years ago, the DOT promised not to punish or take disciplinary action against controllers who voluntarily report them. A separate inspector general investigation published on Monday found lots of problems with that program. One of the biggest is confidentiality, which stops the FAA from tracing infractions back to the source.

FAA'S FACILITY PLANS STILL INCOMPLETE*Executive.Gov*
July 24, 2012

The Office of the Inspector General of the Department of Transportation issued a report on July 17 regarding the effects of the Federal Aviation Administration's incomplete plans for consolidating en-route and terminal radar approach control facilities.... It also will have a comprehensive effect on fiscal appropriations of other technology projects, according to the report.

The FAA Joint Resources Council approved a plan to integrate 49 Northeastern facilities which is composed of 45 TRACONs and four en-route centers, into four new facilities; with a proposed project cost of \$2.3. billion.

The plan states that initial development will start with their facilities in New York, New Jersey, and Philadelphia

FAA officials said to report auditors they are experiencing delays with the schedule due to site selection and fiscal restrictions due to the recent FAA reauthorization act.

In the meantime, the FAA is basing their cost estimates with NextGen project—which aims for air traffic control modernization.

This means that presentation of a final consolidation plan would result to cost and schedule revisions for some NextGen programs.

They also claim that a definite impact of the finalized consolidation plan is still undetermined.

Consequently, the report states that it will not be revealed until the FAA finishes its complete plan for facility integration.

OIG IN THE NEWS

**INSPECTOR GENERAL SAYS
ATSAP NEEDS WORK***AIN Safety*
July 30, 2012

The U.S. Department of Transportation's Office of Inspector General (OIG) issued a report on July 19 outlining additional steps necessary to make the FAA's Air Traffic Safety Action Program (ATSAP) more effective at identifying safety risks.

The OIG said, "As of December 31, 2011, FAA has collected more than 41,000 reports, and the program shows promise as a tool to promote increased safety reporting. Yet, FAA has only recently developed processes to analyze ATSAP data to identify safety trends and to share valuable safety data with individual air traffic facilities. In addition, due to ATSAP provisions designed to protect controller confidentiality, much of the ATSAP data the FAA collects are not validated."

The OIG is also concerned that, "Failure to address potential deficiencies in transparency and accountability may lead to the perception that ATSAP is an amnesty program in which reports are automatically accepted, regardless of whether they qualify under the program's guidelines."

In a rebuttal released shortly after the OIG report, the National Air Traffic Controllers Association (NATCA) answered a number of the report's concerns in a prepared statement. In one example where the OIG said, "Deficiencies with ATSAP data analysis limit FAA efforts to identify and mitigate safety risks," the union disagreed. It responded, "ATSAP has boosted the number of reports filed [and] increased the resolution of safety issues around the country. This is a direct result of the robust and comprehensive data analysis processes currently in place."

**FAA OFFICIAL: NEW AIR
TRAFFIC CONTROL CENTER
WILL BE IN NEW YORK***USA Today*
July 24, 2012

A new air traffic control center that will serve the busy New York, New Jersey and Philadelphia metropolitan areas will be built somewhere in New York, although a decision on an exact location is still likely many months away.

The FAA has announced a \$2.3 billion modernization plan that will consolidate 49 aging air traffic facilities in the Northeast down to four by 2023.

The Transportation Department's inspector general issued a report last week noting that the consolidation effort is part of the FAA's program to replace deteriorating and outdated equipment. In February, President Obama signed legislation to modernize the nation's aviation system, speeding up the switch from radar to an air traffic control system based on GPS technology.

Earlier this year, a government watchdog charged that airline safety regulators have lagged in responding to urgent safety problems at several locations around the country. The Office of Special Counsel, which protects whistle-blowers, said controllers at the Ronkonkoma facility—one of the world's busiest—slept in the control room at night, left shifts early, used personal electronic devices while on duty, ignored proper procedures and manipulated work schedules to gain overtime pay.

Imprecise language used by a controller at the Ronkonkoma facility contributed to a near collision between an American Airlines jet with 259 people aboard and two Air Force transport planes southeast of New York City in January 2011.

The FAA has since replaced most of the center's top managers.

**MORE TESTING RECOM-
MENDED FOR SOME SILVER
LINE STRUCTURES***Fairfax Times*
August 2 2012

An inspector general's report released this past week criticized the Federal Transit Administration's oversight of the Dulles Metrorail project, and raised new concerns about the adequacy of tests done on bridge pier foundations used for the new Silver Line.

With Silver Line construction about a year away from completion, the U.S. Department of Transportation Office of the Inspector General now is saying the FTA did not require the Metropolitan Washington Airports Authority and Dulles Transit Partners to perform enough testing.

The Office of the Inspector General stated, and FTA agreed, that MWAA's contractor should perform additional stray current tests, which are designed to measure the anticipated corrosion rate of metal piles from the electrical current used to power the trains, to prove that the piles will last for 50 years. The report also says FTA should require additional corrosion protection, if the tests find it is warranted.

Pat Nowakowski, the project's executive director, said the additional stray current tests will be performed, although they have not been scheduled. The additional testing is not expected to affect the overall project budget or schedule, he said.

In addition to the extensive technical analysis of the pier and pile testing process, the report further criticizes FTA's oversight of the project's timeline and budget at periods during which there were concerns. The timeline issues have been resolved, and the MWAA Board of Directors has set aside \$150 million in additional funding to account for anticipated cost overruns.

OIG IN THE NEWS

MCCASKILL MOVES TO HOLD FAA ACCOUNTABLE FOR CONTRACT OVERRUNS & MISMANAGEMENT

AviationPros.com

July 26, 2012

Blasting the Federal Aviation Administration (FAA) for avoiding questions into soaring costs and huge overruns on a government contract, U.S. Senator Claire McCaskill today said that she plans to call FAA officials to the Senate and "hold their feet to the fire."

Last month, McCaskill sent a letter to FAA Acting Administrator Michael

Huerta, requesting information about an \$860 million government contract intended to help train new and current air traffic controllers.

After receiving a three-page response from Huerta last week, in which the Administrator failed to adequately address the decision-making process and plans to prevent waste in the future, McCaskill is vowing to call agency officials to the Senate to answer those same questions [and] explain their decision to award contractor, Raytheon, more than \$28 million in profit on the contract.

In 2008, the FAA awarded the Air Traffic Controller Optimum Training Solution

(ATCOTS) contract to the defense contractor Raytheon, in order to train air traffic controllers and to develop new and more efficient training methods.... In 2010, the Office of Inspector General found serious cost overruns, poor procurement practices, and a lack of oversight of the contract.

McCaskill's letter was in response to information provided by the Inspector General during the Inspector General's ongoing review of the contract, which was requested by McCaskill in 2011.

NAMES OFTEN SHIELDED WHEN MISCONDUCT OCCURS

Federal Times

July 23, 2012

A Veterans Affairs Department employee bilks the government \$19,000 by falsely claiming locality pay. Some two dozen Securities and Exchange Commission staffers access pornography while on the job. A Transportation Department employee is fired after a bribery investigation.

In all cases, federal employees committed offenses—in some cases, potentially criminal—yet their agencies refused to

disclose their identities, saying that would amount to an unwarranted infringement on their right to privacy. Critics counter that federal employees caught doing wrong must be held publicly accountable.

"They're paid by the taxpayers, so they should be accountable to the taxpayers," Sen. John McCain, R-Ariz., said in an interview.

Under the Freedom of Information Act, personal privacy considerations are one of nine exemptions agencies can cite in withholding records. Although the Justice Department offers more than 70 pages of guidance on the subject, there are no hard-and-fast rules for deciding

when to disclose an employee's name in cases of misconduct, government lawyers say.

"It's really case by case," said Rich Delmar, counsel to the Treasury Department's Inspector general. As a general rule, the office doesn't publicly release names, Delmar said, but there are exceptions. The higher the employee's job grade, for example, the weaker the privacy interest. Another factor government lawyers weigh is the significance of the misconduct, Delmar said.

Other IG offices, including at the Veterans Affairs Department, take a similar approach.

SCARY MOMENTS IN THE SKY

Raw audio of air traffic controllers discussing a near midair collision of three commuter jets last Tuesday at Reagan National Airport:

http://www.washingtonpost.com/local/air-traffic-controller-what-happened/2012/08/02/gJQAvxfbRX_video.html

LAST PAGE

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COMINGS & GOINGS

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Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

AUDIT MANAGERS MEET FULL AGENDA

From August 7 through 10, OIG audit managers held their annual off-site meeting in Alexandria. After videotaped introductory remarks from Cal, Lou kicked off the meeting on Tuesday. Bob Westbrooks, Dave Wonnenberg, and Amy Berks talked about establishing OIG's investigative priorities and the legal and legislative horizon. Next, Susan Dailey, Jason Carroll, Sharon Oby, Chuck Hiep, Nardia Bennett, and Angie Thorpe discussed new initiatives in JM.

Ann kicked off the afternoon with a discussion of leadership responsibilities. Deb Alexander and Connie Harshaw followed with a review of OIG's new performance management system.

Day 2 included a talk by Len Meade on how to plan for a successful peer review; a discussion of JA's recent successes and ongoing challenges by Lou and the AIGs and Deputy AIGs. Madeline Chulovich kicked off training on reasonable accommodations, led by Nicole Angarella and April Lane.

A highlight of the day was a rousing round of "JA Jeopardy," where Program Directors and Program Managers squared off to test their knowledge of OIG audit processes and procedures. Jeff Guzzetti-Trebek, who led the game, reminded contestants that answers be in the form of a question. "For example, the correct answer for the clue *The handsomest guy in the room* would be *Who is Jeff Trebek?*" JA Jeopardy categories included Scoping Out the Audit Team; Performance Mismanagement; Yellow Gridlock; Take Me to Your Leader!; and Not With My Report You Don't!

The PDs immediately dominated the board with Robin Koch's lightning fast hand-raising skills. Ever the proper host, Jeff chatted up the contestants. Dave Poulliot earned appreciative applause for talking about his adorable baby girl. Ken Prather earned a frown from the host by announcing his favorite NFL team was the Ravens. Steve Jones—known throughout OIG for his "radio ready" voice—shared that he used to play guitar

and sing in a band, then treated the audience to a sample of Lou Rawls to enthusiastic applause!

Over the next hour, contestants slugged it out in a roller coaster round complete with nail-biting, groaning, and applauding. Ultimately, Robin led the PDs to a close victory—and to the coveted Starbucks gift card contributed by senior managers.

On Thursday morning, managers worked in breakout sessions on audit scoping, team composition, project management, and the review process. In the afternoon, managers participated in formal training on leadership conducted by Dave Weinberg, a retired Air Force Colonel.

On the last day, Marshall Jackson provided an update on the Process Standardization Working Group, and Jeff, Matt Hampton, Louis King, Joe Comé, Tom Yatsco, Mitch Behm, and Mary Kay Langan-Feirson sat on a panel on Executives' Vision.

— Andrea Nossaman (JA-1), Karen Sloan (J-2)

OIG WEEKLY CALENDAR

MON 8/20	TUE 8/21	WED 8/22	THU 8/23	FRI 8/24
	3:30: Cal, S2 update	Noon: Ann, Leadership Development Exchange	9:00 a.m.: Feds Feed Families Super Seer-sucker End of Summer Social	11:00: Cal, biweekly with DOT CFO

NOTEWORTHY

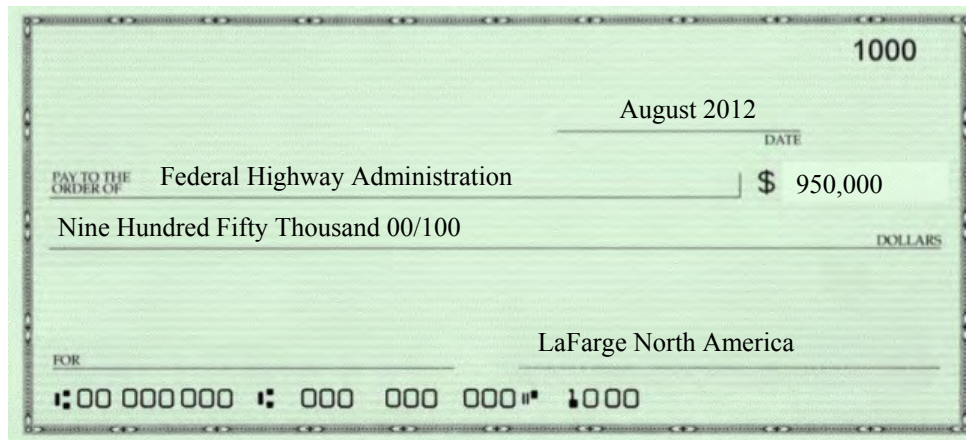
BRINGING HOME THE BACON

JRI-2 NY has brought about another successful, large-scale settlement with a construction company regarding fraud on a DOT contract. The result of the settlement is the contractor returning close to a million ill-gotten dollars to FHWA's coffers.

The wrongdoing in this case is Disadvantaged Business Enterprise

(DBE) fraud. In this case, the United States Attorney for the Western District of New York recently reached an agreement with LaFarge North America (LNA) to settle claims that LNA, fraudulently obtained subcontracts that were supposed to be performed by certain minority and disadvantaged business enterprises. LNA advertises itself as the largest di-

versified supplier of construction materials in the U.S. and Canada. Pursuant to this settlement, LNA has agreed to pay the United States \$950,000, which will be returned to FHWA.



It was alleged that between June 2001 and March 2006, LNA employees entered into a fraudulent agreement with Oscar Rayford of Rayford Enterprises, a certified DBE construction company to obtain DBE concrete supply subcontracts on eight separate projects in the Buffalo, NY, area that were funded in part by FHWA.

Rayford claimed his company was a bona fide DBE that performed concrete work on the highway construction projects in Western New York. In truth, Rayford used LNA, a non-DBE manufacturer of

ready-mix concrete, to perform all of the concrete work on the projects. Rayford had previously pled guilty to Federal mail fraud charges and forfeited

\$1.8 million.

The settlement, along with the other outstanding results in this case, are the culmination of 7 years of hard work by ASAC Dan Helzner in JRI-2's New York office. Dan also worked closely with the FBI on the case.

— Doug Shoemaker, JRI-2

NOTEWORTHY

WHEN HACKERS COMPETE

What do you do to relax after 5 days of grueling 10-hour a day training? Usually, the answer involves a good meal or a comfortable place to rest. For over 100 people at last month's SANSFIRE conference in Washington—including Tim Roberts and me (JA-20)—the answer was to spend another 3 hours putting their new skills to the test in the SANS NetWars Tournament.

NetWars is a security competition pitting participants against a series of progressively harder challenges, and eventually one another to demonstrate mastery of security skills.

In the tournament format, NetWars is a timed competition, where each player must defeat security controls, identify system misconfigurations, or solve forensics puzzles to answer questions. Answer correctly, and you score a set amount based on the difficulty of the question, answer incorrectly and you lose points. When you reach certain score levels, you



advance to the next tier of the contest and face significantly harder questions.

Tim, who was taking “Introductory Hacker Techniques, Exploits, and Incident Handling,” performed admirably for a newcomer to the field, advancing to tier two before the end of the competition. I was taking “Advanced Penetration Testing, Exploits, and Ethical Hacking” and completed half of tier three, and finished third overall.

But my overall score of 128 just missed the first and second place tie score of 131. As a result, I was invited back to compete in the NetWars Tournament of Champions to be held December 12 and 13 in Washington DC. I look forward to competing against the best in the industry.

— Gerald Steere



For more on the NetWars tournament, go to
<http://www.sans.org/cyber-ranges/netwars>

NOTEWORTHY

Milk & Sugar*: Final Call for 2012 Feds Feed Families



Please join the Inspector General and your esteemed colleagues for coffee and pastries and a chance to show off your finest seersucker, striped, or other fine summer attire.

August 23, 2012, at 9 am.
in the Front Office Conference Room

What to bring:

3 non-perishable food items if wearing your
finest summer attire

5 non-perishable food items if not

*The word seersucker originates from the Persian words “shir o shekar,”
meaning “milk and sugar.”

OIG IN THE NEWS

FAA DATACOMM DELAYED BY 2 YEARS*Fierce Government*

August 9, 2012

Delays in the software for controlling high altitude air traffic has led the Federal Aviation Administration to push back rollout of DataComm, another modernization effort that seeks to replace voice communications between pilot and air traffic controller with text messages.

In a Transportation Department office of inspector general report...auditors say the timeline for implementing some DataComm capabilities has slipped by 2 years, from 2016 to 2018 due to delays in another project known as En Route Automation Modernization. The FAA has undertaken a collection of air traffic control modernization efforts collectively known as NextGen.

ERAM replaces a three-decade-old long-range radar tracking system, but its implementation has been plagued by bad coding and delays. The system is a key enabler of other NextGen efforts; Transportation Inspector General Calvin Scovel has repeatedly warned that holdups with ERAM will have cascading effects on the entire NextGen effort.

The 2-year delay in DataComm could have a negative impact on airlines' willingness to invest in upgrading their fleet to meet NextGen standards, auditors warn in the new report, based on interviews with members of an RTCA NextGen task force.

DataComm itself is an important technology in realizing the cited benefits of NextGen, including more precise management of aircraft in order to reduce fuel consumption and emissions and lower airline operating costs.

INSPECTOR GENERAL CRITICAL OF FAA NEXTGEN EFFORT*AviationPros.com*

August 15, 2012

Airline operators are reluctant to spend dollars on further avionics upgrades and concerned about the potential for significant delays realizing the benefits of NextGen particularly at the nations most congested airports. That is among the conclusions of an audit released Aug. 1 by the Department of Transportation Office of Inspector General that cited several challenges in keeping NextGen on track.

The OIG staff placed a premium on required navigation performance (RNP), pressuring the FAA to step up implementation of the high-precision approaches using the most sophisticated equipment in lieu of satellite-based area navigation (RNAV) approaches that GA aircraft, and many airlines, are equipped for. AOPA supports the FAA strategy of reserving RNP implementation for cases where it can enhance safety navigating around terrain or other unusual airspace features.

OIG auditors also took issue with the FAA's decision to include less congested airports in its update efforts, rather than focusing primarily on areas with the highest traffic volume. The OIG audit found the FAA has been slow to staff key positions, and to finalize plans to implement the recommendations developed in 2009 by a task force of government and industry representatives.

FAA Acting Administrator Michael Huerta, appearing at EAA AirVenture after the OIG report had been delivered to the FAA for consideration, said accelerating the progress of NextGen is a top priority.

FEDS PROBE METRO OVER STIMULUS-FUNDED CONTRACT*The Examiner*

August 16, 2012

Federal officials are investigating Metro for problems with a contract partially funded with \$5 million in federal stimulus funding.

The U.S. Department of Transportation's inspector general recently subpoenaed documents related to an information technology contract the transit agency has with Metaformers, a McLean company, according to a Metro employee with direct knowledge of the investigation.

"We're actually putting together the documentation for it now," the employee said.

The DOT Inspector General's Office investigates fraud, waste, abuse and violations of transportation law, with purview over any project receiving federal money, including the stimulus funds. It also can take criminal action if needed. The inspector general's spokesman, David Wonnemberg, declined to confirm or deny an investigation into Metro or the contract.

The transit agency received nearly \$202 million in federal stimulus funds for various projects, including \$9.3 million for IT projects.

Seven out of 12 of Metro's inspector general audits since 2010 have been on IT projects, including one each on the Maximo and PeopleSoft projects that the Metaformers contract was intended to unite. Both internal audits found Metro lacked sufficient oversight over the systems.

OIG IN THE NEWS

DOT ASKS FTA TO BETTER OVERSEE DULLES METRORAIL PROJECT

Epoch Times
August 11, 2012

A new report released last week by the Office of the Inspector General of the Department of Transportation lists recommended actions for the Federal Transit Authority to improve its oversight of the Washington Metropolitan Airports Authority [Dulles Corridor Metrorail Project] project's first phase.

Calvin Scovel, DOT inspector general, in a letter to Congressmen Frank Wolf and Tom Latham in May [said,] "Our observations to date indicate that weaknesses in MWAA's policies and procedures related to financial disclosures, travel, and transparency have limited the Board's accountability to the public, Congress, and stakeholders."

The [new] OIG report states that the FTA did not take adequate and timely action to address specific issues of concern raised regarding the structural safety of foundations used in the project after the issues were brought to the attention of the FTA in 2009.

In addition, the report states that the FTA did not address risks that would prevent the project from being completed on schedule, including the late delivery of 64 railcars, failing to resolve disagreements on the project, and it had not taken sufficient action to mitigate the cost risks or address the budget overruns on the project.

According to the OIG report, the DCM project management oversight contractor reported that the first phase of the project

was over budget by \$115 million in 2011, and that it was likely to exceed the remaining \$87 million allocated for unanticipated costs.

The OIG states that as of February 2012, the FTA had not addressed safety issues brought to their attention back in March 2011, namely, the foundation's ability meet the design code requirement to resist lateral loads...and the foundation's ability to withstand the potential effects of corrosion from stray electrical currents.

According to MWAA, it originally planned on the first phase of the project costing \$2.6 billion. However, the project has gone over its allotted budget.

As of March 2012, the first phase of the project was 66 percent complete, according to the project's website.

AIRPORTS AUTHORITY BOARD, UNDER FIRE, STRUGGLES TO RIGHT ITSELF

Washington Post
August 12, 2012

The board in charge of Washington's most expensive transportation project in decades—the Metrorail line to Dulles International Airport—is dysfunctional, out of control and secretive, federal officials contend.

U.S. Transportation Secretary Ray LaHood, one of the board's most prominent critics, stepped in to smooth out the political bickering and last month assigned someone to keep tabs on the largely autonomous body.

"I have serious questions about how the board has operated," LaHood said Friday. "I want the people of the D.C. area to know that we don't agree with what they've been doing."

The authority says it is addressing a long list of potential improprieties identified by a federal inspector general, LaHood, mem-

bers of Congress and local elected officials.

[Rep. Frank R. Wolf] sent the Transportation Department's inspector general a list of issues that worried him. The 18-page report he got in response three months ago was a litany of concerns about the way the MWAA board did business.

Some were the kind that most concern lawmakers: weak oversight, lax ethics, conflicts of interest, no-bid contracts, a lack of transparency.

Others were the kind that infuriate taxpayers and drivers who worry about rising tolls in their daily commute. Some members of the unsalaried board were living large on expense accounts: two bottles of wine for \$238, three dinners for \$4,800, a \$9,200 airline ticket to a conference in Prague, a \$4,800 first-class ticket to Hawaii and Florida.

Board Chairman Michael A. Curto said he suspended all international board travel

after reading the inspector general's report and wants the board to give him authority to approve all trips. He said the board also will upgrade policies on ethics, conflicts of interest and hiring former board members.

"We hear you, IG. We hear you, Secretary LaHood. We understand the concerns," Curto said.

[John E. "Jack" Potter, president and chief executive of the authority, who took the helm a year ago] said he has eliminated the use of an exemption that allowed certain contracts to be awarded without competitive bidding. The inspector general's report found that the MWAA awarded more than \$220 million in contracts citing the exemption.

"I have a great deal of confidence in the executive director of MWAA," LaHood said. "He's trying to clean up a mess and I have confidence that he can carry off Phase 2 of the Line."

OIG IN THE NEWS

RAY LAHOOD TO AIRPORTS AUTHORITY: REFORM NOW

Washington Post
August 14, 2012

The agency that oversees the region's two largest airports and is building the multi-billion-dollar Metro extension to Dulles has lost the public's trust and must immediately implement reforms.

The unusually strong rebuke of the ethics and judgment of the Metropolitan Washington Airports Authority came in a letter to the board from Transportation Secretary Ray LaHood, Virginia Gov. Robert F. McDonnell, Maryland Gov. Martin O'Malley and D.C. Mayor Vincent C. Gray.

In the letter, the officials expressed concern that the authority "conducts much of its business behind closed doors, awards

many of its contracts on a sole-source basis, and is in desperate need of reform."

The letter comes as members of the agency's board are also questioning its practices. Three members have sent board Chairman Michael A. Curto a letter urging reforms.

[Curto] and Jack Potter, the authority's president and chief executive, said they have begun to institute the changes called for by LaHood.

But after issuing the statement, the board could not provide a list of contracts with ex-board members that it already had canceled or is canceling.

An interim report by the Transportation Department's inspector general released in May criticized the board for spending

lavishly on entertainment and travel and cited numerous instances of no-bid contract awards.

In response to the inspector general's report, Curto said he suspended all international travel for board members and wants the board to give him authority to approve all trips. He said that the board will vote next month on new ethics, conflict of interest and travel policies, as well as rules on hiring of former board members.

Potter said he has stopped the use of an exemption that allowed certain contracts to be awarded without competitive bidding. The inspector general's report found that the MWAA awarded more than \$220 million in contracts using the exemption.

LAHOOD, LOCAL LEADERS DEMAND REFORMS FROM AIRPORTS AUTHORITY

Washington Times
August 14, 2012

Elected leaders from the District, Maryland and Virginia joined the nation's top transportation official on Tuesday calling for immediate reforms at the Metropolitan Washington Airports Authority in the wake of recent reports that raise "serious doubts" about its effectiveness.

Transportation Secretary Ray LaHood sent a letter to the authority about charges of nepotism and conflicts of interest...that had been outlined in a draft report from his agency's inspector general in May and in recent news reports.

"We are gravely concerned with the lack of accountability, transparency and sound judgment that has come to light regarding the Board's recent activities," the letter to Chairman Michael A. Curto and board members said.

The scathing interim report from the transportation agency's inspector general

said the regional authority, which oversees one of the largest public works projects in the country, is rife with mismanagement, a glaring lack of transparency and lavish spending habits that have included thousand-dollar dinners and a \$9,200 plane ticket to Prague.

The wide-ranging audit report came after a yearlong investigation of the policies and effectiveness of the authority, which operates Ronald Reagan Washington National Airport and Dulles International Airport and is overseeing the \$6 billion Dulles rail project.

"Overall, the report depicts an organization that conducts much of its business behind closed doors, awards many of its contracts on a sole-source basis, and is in desperate need of reform," Mr. LaHood's letter said.

Inspector General Calvin L. Scovel III noted in the 16-page report that the authority has an ethics code for its board of direc-

tors but does not provide enough oversight and support to ensure that it's followed.

Mr. Scovel pointed out that MWAA has policies that approve travel and expenses for meetings and business events but that they do not provide suggested limits for travel expenses, which can lead to expenditures "that may appear excessive."

John "Jack" Potter, president and CEO of the airports authority, and Mr. Curto said in a joint statement Tuesday that the authority had made "significant progress" in addressing many of the concerns outlined in the letter.

The statement said the reforms would be discussed further at the board's Sept. 5 meeting and that the authority was "committed to restoring public trust wherever it is lost and to earning and assuring the confidence of the people we serve."

PEOPLE WE KNOW

(b)(6)

PEOPLE WE KNOW

(b)(6)

LAST PAGE

(b)(6)

COMINGS & GOINGS

There are no comings and goings this week.

Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

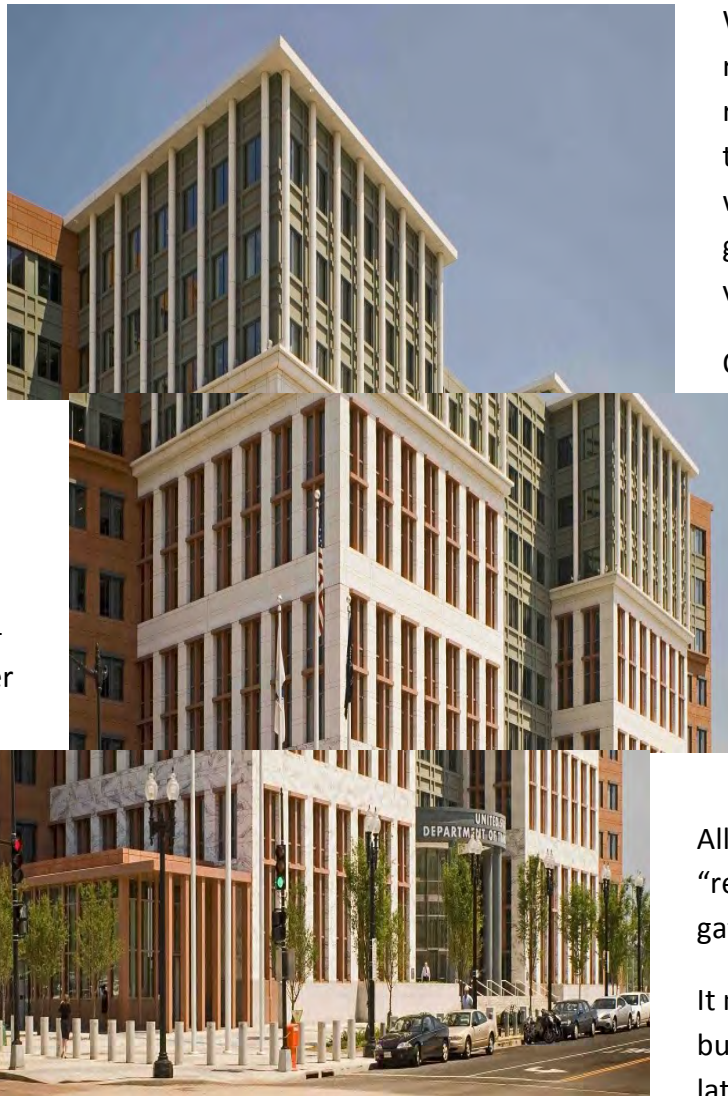
TIME TO SHAKE THINGS UP AGAIN

It's been a year since D.C. was hit with a rare 5.8 magnitude earthquake. The U.S. Geological Survey estimates that approximately one-third of the U.S. population could have felt the earthquake, with reports coming from southeastern Canada to Florida.

We're not predicting another quake, but we're certain OIG will be rocking over the next several months.

First, two testimonies are scheduled for September to give Congress updates on our NextGen audit work and on our household goods fraud investigations.

Following close on the heels of the testimonies, we will issue our final report on the Metropolitan Washington Airports Authority. Work on MWAA involves staff from JI, multiple JAs, and J-3.



The second issue of *Impact* magazine will come out this Fall, and will highlight our investigations on criminal activities with severe safety implications, including CDL fraud and the theft of copper wire from airport approach lighting.

Work on the semiannual report is under way. The report goes to the Secretary on October 31, and will be issued by the congressionally mandated November 30 deadline.

Our annual Top Management Challenges report is also in the pipeline, and the final report is due to OST on November 8. This year's report will likely garner extra attention, given that it's an election year.

All this is on top of our "regular" audits and investigations.

It may not be an earthquake, but when the dust settles in late November, many OIGers

may recall Brian Dettlebach's words about last August's big one: "It felt like I was walking in one of those old-fashioned carnival fun houses."

OIG WEEKLY CALENDAR

MON 9/3	TUE 9/4	WED 9/5	THU 9/6	FRI 9/7
HOLIDAY! <i>No TI this week</i>	Senior Leaders Meeting	Executive Committee		

NOTEWORTHY

NEW COURSE: MANAGING VIRTUAL TEAMS AND TELEWORK

Telework has many benefits, including emergency preparedness, workforce efficiency, and quality of work-life balance. Telework can also benefit our transportation infrastructure and the environment by keeping commuters at home. However, as Cal noted in last month's all hands, telework is first and foremost an arrangement to facilitate the accomplishment of our mission.

To help managers, supervisors, and team leaders ensure work objectives are met at least as effectively as they would be if staff were in the office, HRDC has developed "Managing Virtual Teams and Telework." The course helps these managers:

- Assess their readiness to manage geographically dispersed employees
- Develop management practices tailored to the needs of these employees
- Use new communication tools and techniques to stay connected
- Select the right tools, technology, and training to facilitate task management
- Develop and maintain trust with geographically dispersed employees
- Coach remote employees on performance and development
- Coordinate and sustain high-performance teams remotely
- Manage virtual employee's performance by focusing on results

Two offerings are scheduled for November (November 8 and 9, and November 28 and 29). If you have any question, please contact Sherry Reck, HRDC Program Manager.

HOW TO MANAGE REMOTELY

The following article appeared in Government Executive magazine.

Much has been written about getting managers on board with telework. They often are advised on how to handle requests to work from home, supervise employees who aren't in the office and engage teleworkers

with the rest of their team. But what if it is the manager who wants to work remotely while others stay put? Based on the literature that is available, supervising from afar can be a successful arrangement with the right plan-

ning, execution and small changes in leadership style.

Before deciding where to work, a manager should take an honest inventory of how the office is run-

(Continued on page 3)

NOTEWORTHY

(Continued from page 2)

ning. If the group already is struggling to remain energized, in synch and on task, or if morale is low, going remote might not be the best choice. It is incumbent on the manager to determine what will be best for the group, putting aside personal preferences and the conveniences that teleworking could offer. If the office is running smoothly and employees are displaying satisfaction and competence without excessive supervision, then managers have more options.

If you do decide to work remotely, make it a priority to be available to employees. Supervising from home might actually require greater effort to proactively stay engaged with employees, especially those facing issues.

Respond to emails quickly, make time for phone calls, and consider an interoffice instant messaging system that shows your availability and unavailability. If you will be out of contact for any significant chunk of time, let your employees know, or set up a temporary out of office message that says when you will get back. For managers who work almost exclusively from a desk, these things are all easy enough. But if your job has you in many

meetings, traveling or otherwise indisposed for large periods of time, you might consider setting up “office hours” a few times a week when your employees know you will be available to discuss ongoing issues.

If you will be working remotely all or almost all the time, it is crucial to establish regular meeting times with the entire team. Depending on the size of the group and the range of projects, monthly, weekly or even daily digital meetings might be appropriate. These meetings should be face to face whenever possible, or via videoconference. While most tasks can be achieved by phone and email, showing your face at regular intervals and seeing how employees are interacting is tremendously beneficial.

Remote managers also must stay especially organized. Managers always have to juggle large and small issues, but the small ones may be particularly easy to forget or put on the back burner when you are at home and won’t be running into employees who might jog your memory. Every request or issue brought to your attention must be put on a to-do list and dealt with in a timely manner, lest employees

feel they’re being ignored and forgotten while you work from home.

With communications primarily occurring by email and phone, it is important for teleworking managers to watch their tone. Employees put a lot of stock in being able to read your expressions and body language. Say only what you mean, with no sarcasm or innuendo, and be sure to be specific about expectations in all your communications.

It also is crucial to build recognition into your communications with employees. Informal pats on the back come naturally in an office setting, but employees can feel unsure of their performance or their manager’s satisfaction when they don’t receive those regular, casual encouragements. Each remote manager has his or her own style of reward and recognition -- whatever yours, make sure you provide feedback regularly enough that employees don’t suffer long periods of uncertainty.

Whether you are working from home, or leading a group scattered across the country, you can have success and manage a happy, productive team from afar with a few simple adjustments.

— Elizabeth Newell

NOTEWORTHY

LEADERSHIP EXCHANGE: CULTIVATING TRUST IN WORK RELATIONSHIPS

Last week, Ann held her fifth Leadership Development Exchange. The discussion focused on cultivating trust in work relationships, which is crucial to having a creative, productive team. Ann highlighted a number of building blocks for establishing trust:

- Attract and promote people who are capable of forming positive, trusting interpersonal relationships with people who report to them, to supervisory positions.
- Develop skills of all employees in interpersonal relationship building and effective interpersonal skills.
- Keep staff truthfully and professionally informed.
- Expect and demand that supervisors act with integrity and keep commitments.
- Confront hard issues in a timely fashion, but be mindful that the affected party may respond negatively and take as a sign of distrust;
- protect the interest of all employees in a work group—do not place blame, call names, or point fingers. Employees learn to trust when they know that they are not at risk for being

the subject of ridicule or indiscretion.

- Display competence in your work and responsibility.
- Take thoughtful risks to improve operations and encourage others to do so; there shouldn't be consequences when others have differing views or ideas.
- Recognize the work your colleague or team does and look for positive things to say on a daily basis—when constructive criticism must be given, do it in a manner that does not personally offend individuals or the team.

Mary Kay Langan-Feirson (JA-60) provided an overview of *Encouraging Creativity to Increase Productivity*—a presentation she delivered at the audit managers' meeting earlier this month. Mary Kay discussed the importance of providing employees freedom in deciding what to do or how to accomplish a task. Trust, open communication, and good program management produces people who feel a sense of control over their work and ideas. Mary Kay also spoke about creating an atmosphere where innovation is prized, and failure is not fatal. This

type of environment is fostered by valuing ideas positively rather than negatively and produces people who feel comfortable offering ideas and empowered to take initiative.

Michelle McVicker (JRI-5, Chicago) shared her experiences leading an office of investigators who tend to work as individuals but still need to come together as a team on certain tasks. She also asked for our thoughts on managing "problem employees." One participant suggested what not to do: isolate that person. While dealing with individual employees can present challenges, we all agreed that building trust is difficult and important.

Some thoughtful points offered by participants throughout the discussion included the value of building trust laterally among a team; analyzing a problem situation to determine "Is it me? Is it not me?"; noting the difference between trust and reliability; the importance of interpersonal skills and self awareness; and exhibiting empathy.

— Emily Norton (JA-40), James Ovelmen (JA-10)

NOTEWORTHY

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OIG IN THE NEWS

IOWA MAN SENTENCED FOR FALSE STATEMENTS TO THE FAA*Heartland Connection***August 23, 2012**

Fahad Nabeel Hussein Al-Daous, 33, from Waterloo, Iowa, appeared in federal court in Des Moines Wednesday to be sentenced after his plea of guilty on one count of making false statements to the Federal Aviation Administration.

Al-Daous was sentenced to a 4 year term of probation and required to pay a \$100 special assessment. The conditions of probation included a prohibition on applying for any pilot's licenses or piloting any aircraft.

In a plea agreement, Al-Daous admitted falsely inflating the number of flight hours listed on instrument-rated pilot's license applications he filed in Ottumwa, Iowa, on May 21 and May 27, 2011. Al-Daous also entered false information into his flight log, both before and after his May applications. The false statements in Al-Daous's flight log were uncovered when he applied for a commercial pilot training program in September 2011.

The case was investigated by the United States Department of Transportation Office of Inspector General and the Federal Bureau of Investigation, and prosecuted by the United States Attorney's Office for the Southern District of Iowa.

FAA'S BIRD STRIKE OVERSIGHT CRITICIZED*Newsday***August 25, 2012**

A new report says the Federal Aviation Administration has failed to adequately oversee and enforce policies to reduce bird strikes at U.S. airports.

The report, released Wednesday by the U.S. Department of Transportation, said the FAA lacked robust inspection practices and that most of its policies to monitor and mitigate hazards posed by wildlife are voluntary.

"It is imperative that the FAA improve its management processes by improving oversight and enforcement of [its wildlife mitigation program] regulations, making [wildlife] strike reporting mandatory, establishing performance metrics, and strengthening coordination with other governmental agencies," the report said.

The report said inspectors did not keep adequate records and sometimes failed to begin enforcement actions when airports were noncompliant.

Wildlife strikes nationally have increased from 1,770 in 1990 to 9,840 in 2011, in part because of increasing populations of Canada geese, pelicans, cranes, wild turkeys and bald eagles, the report said.

The DOT inspector general found that reporting varied widely, with one airport reporting 90 percent of recorded wildlife strikes in 2010 while another reported 11 percent. Incomplete data made it difficult to fully analyze the problem, the report said.

The FAA disagreed with a recommendation to require airports to submit quarterly wildlife strike reports. The FAA said that spot checks and annual reports were sufficient.

GOV'T AUDIT PROVES BIRD STRIKES ON RISE*Associated Press***August 27, 2012**

A government audit critical of the Federal Aviation Administration's efforts to monitor birds at the nation's airports is being welcomed by a group fighting construction of a garbage plant near [LaGuardia] airport.

The audit report by Assistant Inspector General Jeffrey B. Guzzetti last week cited a five-fold increase in bird strikes over the last two decades, from 1,770 reported in 1990 to 9,840 reported last year, due in part to growing bird populations.

"FAA has not developed robust inspection practices, and its inspectors do not have the technical expertise to effectively oversee the program," Guzzetti wrote in the audit, issued Wednesday.

Guzzetti's report was welcomed by Ken Paskar, president of Friends of LaGuardia Airport, which is trying to stop construction of a waste facility located 2,200 feet from the end of a LaGuardia runway.

"I feel so relieved that an independent federal government agency has reviewed what the FAA has done and has come out in support of everything that we've been saying all along," he said.

Guzzetti, in his report, portrayed an FAA that was passive about the bird strike danger, saying inspectors were not adequate recording inspections and were too reliant on interviews with airport personnel. He noted the FAA required one airport to develop a plan in 2003 but it still was not done.

He said the FAA did not always initiate enforcement actions against noncompliant airports and was hampered because its airport inspectors lacked wildlife hazard expertise.

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COMINGS & GOINGS

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Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

September 10, 2012

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAUTION AREA UNDER CONSTRUCTION

We're so busy making headlines (see pages 4—6) that we haven't had time to write a cover story for this week's issue. Cal testifies on the status of NextGen on Wednesday, and Ann will be touting our work at the Southeastern Intergovernmental Audit Forum on Thursday. Look for these stories next week.

In the meantime, please look inside for some time-critical information.

OIG WEEKLY CALENDAR

MON 9/10	TUE 9/11	WED 9/12	THU 9/13	FRI 9/14
	Senior Leaders Meeting	Cal: NextGen Hearing Ann: Southeastern Intergovernmental Audit Forum, Nashville	Executive Committee Meeting Ann: Southeastern Intergovernmental Audit Forum, Nashville	

NOTEWORTHY

ANNOUNCING FISCAL YEAR 2013 CORE CURRICULUMS AND IDPs!

HRDC is delighted to announce the release of the fiscal year 2013 JA, JI, and OHR core curriculums. To review your curriculum, go to the ***Core Curricula and Learning Plans*** section on the [Training SharePoint](#).

HRDC is also reintroducing the use of the IDP to assist with identifying and addressing individual and organizational developmental goals. These goals are based on a comparison of individual skills and abilities and those required by the individual's current position. Employees should begin identifying training needs based on their specific job requirements. Ultimately, IDPs create a partnership between employees and managers ensuring employees are given the opportunity to meet their goals and succeed in their current position.

IDP Benefits for the Agency

- Develops new leaders
- Provides skill sets
- Improve communication
- Improves morale
- Prepares for change
- Helps allocate resources
- Stays in compliance with EEO goals

IDP Benefits for Supervisors

- Supports helpful feedback
- Targets coaching
- Identifies common training needs
- Facilitates planning for training, project costs, and office coverage

IDP Benefits for employees

- Gives focus to current job duties
- Gives focus to future career plans
- Increases the chance of receiving training and developmental opportunities
- Maximizes the effect of training and developmental activities through coordination of both

IDPs are due in TMS by **October 15, 2012**. Your training coordinators and the HRDC staff are available to assist you on the IDP process, or you can direct your inquiries to TrainingHRDC@oig.dot.gov.

— HRDC Staff

TMS Tidbit

Do you know how to change your Supervisor in TMS?

- Log on to TMS
- Click the blue hyperlink of your name
- Click the edit (pencil) icon next to Employee Information
- Click the search (magnifying glass) icon
- Type in your supervisor's last name
- Click Search
- Click Select next to your supervisor's name
- Click Save

NOTEWORTHY

IMPORTANT GOVTRIP DATES

September

21

To be reimbursed for travel before September 30, 2012, all GovTrip authorizations, vouchers, and local vouchers must be processed and approved in GovTrip. Vouchers processed after September 21, 2012 will not be paid until GovTrip returns online in fiscal year 2013. If you have an outstanding (delinquent) travel voucher, please submit your voucher before the September 21, 2012 CUTOFF date

September

27

Travel bridging fiscal years 2012 and 2013 must be processed by September 27, 2012—the cutoff date for fiscal year 2012. GovTrip authorizations created for travel starting in fiscal year 2012 but ending in fiscal year 2013 must use fiscal year 2012 lines of accounting or project codes. However, when preparing your voucher in fiscal year 2013, you must allocate your expenses to the fiscal year in which the expense occurred.

For assistance, contact your Support Services Specialist or the GovTrip Help Desk at (405) 954-7900.

— Lorena Simpson, JM-10

TEAMMATE CHAMPIONS PROGRAM

It's been just over 2 months since the TeamMate champions for each office were trained, and the feedback has been overwhelmingly positive from the audit staff.

The champions have been troubleshooting problems in their offices, tracking solutions on a Champion SharePoint site, and preparing "how-tos" to share with all users.

This month, Dave McBride prepared a how-to on Outlook interference with TeamMate. A quick and easy read, check out how to

fix this problem permanently with his [solution](#).



Matt Williams also provided a how to this month on the Snip-

ping Tool. This [solution](#) is especially useful for users when they are seeking assistance with TeamMate.

Look forward to new how-to instructions each month from the TeamMate champions. Next month, we'll be posting directions for using Lync with TeamMate.

If you are interested in a particular how-to, please feel free to [contact](#) the TeamMate office.

— Amanda Barton, JA-2

OIG IN THE NEWS

LONG-DELAYED AIR-TRAFFIC UPGRADE NOW ON TRACK, FAA CHIEF SAYS*Bloomberg Businessweek***August 31, 2012**

A \$2.4 billion replacement of U.S. air-traffic control computers that's been plagued by delays and cost overruns will be completed within its revised budget and 2014 deadline, said Michael Huerta, acting chief of the Federal Aviation Administration.

Huerta said the [ERAM] project, led by Bethesda, Maryland-based Lockheed Martin Corp., has overcome early flaws that caused a three-year delay and a cost increase of more than \$300 million.

[But] Calvin Scovel, the Transportation Department's inspector general, is sticking with his view expressed last October that there may be more cost overruns and delays, his spokesman, David Wonnemberg, said in an interview.

Overruns may reach as high as \$500 million, or \$170 million more than the FAA previously announced, and the completion date may slip to 2016, two years later than the FAA's estimate, Scovel told a House committee at the time.

The software malfunctions resulted from weaknesses in the contract and the agency's program management, Scovel told the House aviation subcommittee in October. The FAA and Lockheed underestimated the project's complexity and ignored early warnings of trouble, and the agency didn't adequately test the system before deployment, Scovel said.

Lockheed received about \$150 million of incentive payments under the previous agreement, according to Scovel.

The company now doesn't get incentive payments unless ERAM meets individual performance targets.

TRANSFER STATION CRITICS TRUMPET NEW AUDIT*Queens Tribune***August 31, 2012**

A new audit from the U.S. Dept. of Transportation blasted the Federal Aviation Administration for failing to account for wildlife hazards near airports, possibly lending ammo to the opponents of a rising marine transfer station.

The audit, released last week by DOT Assistant Inspector General Jeffrey Guzzetti, found that the FAA's Wildlife Hazard Mitigation Program failed to adequately prepare airports for wildlife hazards.

"FAA's oversight and enforcement activities are not sufficient to ensure airports fully adhere to Program requirements or effectively implement their wildlife hazard management plans," stated the audit. "FAA has not developed robust inspection practices, and its inspectors do not have the technical expertise to effectively oversee the Program."

The audit knocked the FAA for failing to properly monitor its progress toward meeting the goal of reducing wildlife hazards at or near airports. The FAA must improve the quantity and quality of the data reported to its strike database, the audit said. It noted one particular airport reported only 11 percent of its bird strikes.

In the past two decades, according to the audit, wildlife strikes have steadily and dramatically increased from 1,770 reported in 1990 to 9,840 reported in 2011.

"This report finally validated everything we've been saying all along," said Ken Paskar, president of Friends of LaGuardia Airport Inc. "Our lawsuit attacks the FAA for being arbitrary and capricious."

REPORT: FAA SHOULD IMPROVE CONTROL OF BIRDS, WILDLIFE NEAR AIRPORTS*The Washington Post***September 2, 2012**

Birds and jet airplanes don't play well together....and collisions between them are happening five times more often than they did in 1990, a new federal report says, sometimes with deadly results.

[FAA] has spent \$458 million in the past five years to control birds and other wildlife around airports, but an inspector general's report says it should do a better job of dealing with the risk animals pose to passengers.

"[R]eported damaging strikes are down despite [the fact that] total reported strikes are increasing," the agency said in a statement. "This is attributed to the many professionally managed wildlife hazard mitigation programs in place at airports. The FAA has already adopted and completed a majority of the IG's recommendations, and will continue to make improvements to the wildlife hazard mitigation program."

Failure to do so carries a cost: an estimated \$625 million a year and at least 25 deaths and 235 injuries since 1988.

It is a problem that exemplifies the law of unintended consequences[—]birds that were endangered 50 years ago by the pesticide DDT have rebounded....

"All of which could cause catastrophic failure if ingested into an aircraft engine," said the report by the U.S. Department of Transportation's inspector general, which made 10 recommendations to the FAA. "Increases in the populations of hazardous wildlife species continue to challenge the airports' ability to provide a safe operating environment."

A federal aviation expert put it more bluntly: "It's definitely a real hazard."

OIG IN THE NEWS

FAA'S MODERNIZATION PROGRAM: CLEAR SKIES, OR STILL IN HEAVY TURBULENCE?*IEEE Spectrum*

September 6, 2012

[FAA's ERAM program] was scheduled to go into full operations last year. However, the modernization effort ran into major software and system difficulties as outlined by the Department of Transportation Inspector General Calvin Scovel in late 2010. To address the myriad of problems, the FAA decided...to add another US \$300 million and three years to the modernization effort...the low end of the range the IG said the effort might take; Scovel estimated it might need three additional years and another \$200 million more than what the FAA predicted.

With this difference in mind, I was struck by something in a recent Bloomberg News article[:] Michael Huerta, acting chief of the FAA, says that ERAM is now on schedule and budget....

Yet, there was also this statement in the article: "Even after Huerta's assessment, Calvin Scovel.. is sticking with his view expressed last October that there may be more cost overruns and delays...."

Huh?

Last October...Scovel outlined then-existing problems with ERAM that, if the FAA's...current assessments are to be believed, have been generally addressed. So why is Scovel still holding to his previous pessimistic opinion?

One clue might be found in an April 2012 IG report on the risks to NextGen that notes that Scovel has been performing a new audit of ERAM, to be published in the next few months. Perhaps Scovel's next depiction of the ERAM program won't be as pretty as the one the FAA [has] been painting.

AIRPORTS BOARD SEEKING TO REPAIR ITS IMAGE*The Washington Post*

September 4, 2012

The board of directors of the Metropolitan Washington Airports Authority meets Wednesday with one goal in mind: to repair an image battered by reports of insider contracts, lavish travel spending and other questionable dealings.

...Chairman Michael Curto said that if the board is to restore trust in its ability to manage the Silver Line Metrorail extension, it must change its practices.

For the first time in the authority's history, board trips must be approved by the board's chairman or vice chairman. While meals will be covered, board members who want to order a glass of wine or a cocktail will have to do so at their own expense.

"We're on a good path," said MWAA chief executive Jack Potter, who addressed some of the issues raised in an interim report released in May by the U.S. Transportation Department's inspector general.

Last month, the federal transportation secretary, the governors of Maryland and Virginia and the mayor of the District...issued an unusually sharp rebuke of the ethics and judgment.

The letter followed a series of reports critical of the authority and the way it does business.

The inspector general's report questioned board expenditures on travel, including \$9,200 spent on a [plane ticket to Prague]. The interim report also questioned the authority's contracting procedures, noting that \$6 million in contracts were awarded without board approval. In another instance, the authority awarded a no-bid contract to the law firm that employs Curto's wife, the report noted.

MAME REILEY TO LEAVE METROPOLITAN WASHINGTON AIRPORTS AUTHORITY POST*The Washington Post*

September 5, 2012

The embattled Metropolitan Washington Airports Authority on Wednesday severed ties with a former board member [Mame Reiley] whose \$180,000 job advising the authority's CEO had become emblematic of what critics see as a culture where officials make their own rules.

But even as they vowed more accountability and transparency, authority officials refused to make available copies of the ethics proposals that were being discussed at the public meeting.

At the news conference, Jack Potter, president and chief executive of the MWAA, said the agency is "trying to earn [back] whatever trust we have lost."

But it was clear from Wednesday's meeting that the board is far from unified. The nearly five-hour meeting included several terse exchanges and laid bare some of the tensions that have been brewing among the board members for weeks.

The meeting was the board's first since the MWAA was publicly chastised by the nation's top transportation official, the governors of Maryland and Virginia, and mayor of the District, who demanded that the board undertake reforms.

As part of the effort to improve accountability at the authority, Transportation Secretary Ray LaHood appointed a federal monitor for the MWAA.

The revamped travel policies, approved 11 to 1, come after members were criticized in an interim federal inspector general's report for taking expensive trips to far-flung destinations, including Hawaii and Prague.

OIG IN THE NEWS

TRUCKING COMPANY EXEC GETS PRISON TIME FOR VIOLATING OOS ORDER*Land Line Magazine*
September 6, 2012

Devasko Lewis was sentenced in U.S. District Court in Albany, GA, on Aug. 30 to spend six months in jail and 12 months of supervised release for operating a commercial motor vehicle in violation of an Imminent Hazard—Out of Service Order issued by the Federal Motor Carrier Safety Administration.

Lewis pleaded guilty to the charge in May.

Court documents showed Lewis made a false statement in an application for motor carrier authority for “DDL Transport” filed on July 12, 2011 with the U.S. DOT. Lewis stated he had not had a relationship with another motor carrier within the past three years.

In his initial court appearance, Lewis pleaded not guilty to both counts.

Lewis had previously operated Lewis Trucking Co., which had been ordered out of service based on safety violations that posed an “imminent safety hazard.” The order came after FMCSA conducted a compliance review of Lewis Trucking Co. after a fatal wreck in 2008.

Seven prison guards died in that wreck.

Lewis never took action to terminate or rescind the out-of-service order for Lewis Trucking Co.

By September 2011, just two months after being approved by FMCSA, court records show DDL Transport had amassed 129 violations during five roadside inspections, prompting FMCSA to order the carrier out of service.

The investigation was completed with the assistance of FMCSA and the Georgia Department of Public Safety.

PROGRAM TO ALLOW MEXICAN TRUCKS ON U.S. ROADS OFF TO SLOW START*CNN*
September 5, 2012

A year after Mexican trucks were first permitted to conduct long-haul operations in the United States, so few trucks have signed up for the pilot program that government auditors fear they won't be able to complete a congressionally mandated study of the program's safety.

Unless the number of participating trucks increases significantly, the Department of Transportation's inspector general says, the department will not have the data needed to determine whether Mexican trucks present a danger on U.S. highways.

The low participation seemingly belies critics of the North American Free Trade Agreement...who feared the agreement would unloose thousands of Mexican trucks on U.S. highways, displacing American trucks and endangering American lives.

But opponents of the program attribute the low participation to other factors [and] remain fearful that the program ultimately will hurt American trucking jobs.

Further, [Todd Spencer of the Owner-Operator Independent Drivers Association] said...“The Inspector Generals report pretty much has confirmed everything that our organization has contended....”

The report says FMCSA auditors allowed Mexican drivers to respond in Spanish to test questions, and that some Mexican drivers were unable to explain the meaning of signs labeled “Railroad Crossing” and “Wrong Way.” And one FMCSA auditor did not investigate why one Mexican trucking company submitted a report containing incomplete drug and alcohol tests.

The FMCSA said it has taken steps to address problems uncovered by the inspector general.

LOW PARTICIPATION, OVERSIGHT THREATEN...CROSS-BORDER PROGRAM*Land Line Magazine*
September 5, 2012

Oversight of the long-haul, cross-border trucking pilot program with Mexico... was criticized in an interim report issued by the Department of Transportation Office of Inspector General.

At the time the report was released on Aug. 16, there were only four motor carriers participating in the pilot program—with only one motor carrier venturing past the border states.

However, even with such minimal participation, the inspector general found five areas where the agency lacked oversight mechanisms...to ensure full compliance with the pilot program.

Two of three PASA [pre-authority safety audits] results reviewed as part of the audit showed that quality assurance personnel within FMCSA approved two PASA results before it verif[ied] that driver's license testing of 18 drivers had been completed.

According to the interim audit, the agency also made errors in determining whether one potential carrier complied with the drug and alcohol testing regulations.

The inspector general recommended the agency revise their quality assurance procedures for PASAs to ensure the accuracy of driver testing, drug and alcohol reports as well as the testing pools before approving the safety audits. The agency disagreed with the recommendation to alter its policies, but rather opted to ensure that current procedures are followed.

PEOPLE WE KNOW

(b)(6)

(b)(6)

COMINGS & GOINGS

There are no comings and goings this week.

Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL TESTIFIES ON NEXTGEN...AGAIN

Last Wednesday, Cal testified before the House Committee on Transportation and Infrastructure Subcommittee on Aviation on FAA's progress in advancing NextGen. Cal sat on the first of two panels with Deputy Secretary John D. Porcari, FAA Acting Administrator Michael P. Huerta, and GAO's Dr. Gerald Dillingham. The second panel included JetBlue CEO David Barger and other industry stakeholders.

In his opening statement, Chairman Mica referenced our report, noting that there was a lack of leadership in pushing NextGen forward. He also lamented how difficult it was to pass the FAA Reauthorization, pointing out it took 17 extensions.

Cal's statement focused on three challenges that continue to impact FAA's ability to realize NextGen's benefits: (1) implementing NextGen capabilities at congested airports; (2) resolving technical and program management problems with ERAM; and

(3) managing program costs and schedules in developing and implementing NextGen's transformational programs.

*We are not
in Jerusalem
yet...*

Porcari and Huerta presented a joint statement, highlighting NextGen successes, citing FAA's reorganization, implementation of ADS-B in the Gulf of Mexico for helicopters, Greener Skies Over Seattle, Optimization of Airspace and Procedures in the Metroplex, and recent development with ERAM's operation. They emphasized that NextGen is happening now and the benefits are being reaped now. Huerta also emphasized NextGen is a public, private partnership.

Dr. Dillingham said GAO has found that if aviation traffic grows as projected, airports will need more runways to meet the demand. He said it was both a planning and funding issue.

Mica questioned Porcari and Huerta very closely on why several mandates from the FAA Reauthorization had not been implemented yet—specifically, why the Head of JPDO had not be raised to the level of Associate Administrator position. Mica asked if the law provided all the tools and a proper blueprint for FAA to move forward on NextGen. He was clearly upset by the lack of progress asking questions of each panel member and then often cutting them off in mid response.

While Cal only fielded a few of questions, his written statement and our office's reports were the cited by the members in their statements and many of their questions. A particular concern was ERAM and the 900 high prior-

(Continued on page 2)

OIG WEEKLY CALENDAR

MON 9/17	TUE 9/18	WED 9/19	THU 9/20	FRI 9/21
			Tim testifies on HHG Fraud JA-40 All Hands	
			(b)(6)	

NOTEWORTHY

UPCOMING TRAINING ON MANAGING AUDIT PROJECTS

The Graduate School will conduct *Skills for Leading and Managing Audit Projects* October 9-11, 2012, which will be held at HRDC with VTC to the field offices.



Take advantage of this great opportunity to meet your 24-hour governmental auditing requirement at the beginning of the new 2-year training cycle.

Click on the link to register for the training, https://tms.nbc.gov/plateau/user/deeplink_redirect.jsp?linkId=REGISTRATION&scheduleID=22482. The training is targeted to GS-13s and above.

(Continued from page 1)

ity software errors, \$330 million cost overrun, and 4-year delay.

Mica referenced these OIG findings on ERAM and said if he was running a business and someone in his company had this kind of performance he would fire them.

Cal was asked if NextGen would be worth the money, he replied

“Come the promised land, when NextGen is in place, NextGen will be a good return on investment.” However we are not in Jerusalem yet.

The statement and prep was a collaborative effort among several teams in JA-10 and JA-60, led by Program Director Robin Koch and Project Manager Coletta

Treakle. This was Senior Analyst Ray Denmark’s last testimony; he is retiring on September 21. Aaron Rodgers stepped up to the plate and volunteered to do the Prep Book.

— James Ovelmen, JA-10

Editor’s note: When Ann first heard that Cal metaphorically referred to “The Promised Land” at the NextGen hearing, she thought he was channeling Springsteen, who played in concert Friday night at Nat’s Stadium and sang “The Promised Land.” Perhaps Bruce was channeling Cal.

OIG IN THE NEWS

AUDIT FINDS FAMILIAR SHORTCOMING IN CROSS-BORDER TRUCKING PROGRAM*Trucking Info***September 11, 2012**

It is hard to measure the safety performance of cross-border Mexican trucks because too few of them participate in the trade, says the Inspector General of the Department of Transportation.

The agency estimates it needs at least 46 Mexican carriers participating in order to reach its target of 4,100 inspections over three years. But the agency has approved just four applications for authority and completed just 89 inspections, said IG Joseph Come' in his August 16 report.

Come' said that...pending applications indicate that more carriers will join, but it is not clear whether even that will provide enough data.

The IG found that the program fell short in other respects, as well.

He said that agency staff did not properly test Mexican drivers for proficiency in English.

He also said that staff approved some Pre-Authorization Safety Audits before verifying that the carriers had complied with driver license requirements, and that the agency's plan did not include periodic reviews of data quality from the electronic devices it uses to monitor compliance.

The IG made four recommendations to the agency.

The IG's report drew the attention of the Owner-Operator Independent Drivers Association, which has opposed cross-border trucking ever since the U.S. and Mexico signed the North American Free Trade Agreement in 1994.

SAFETY TESTS OF LONG-HAUL MEXICAN TRUCKERS IN U.S. CRITICIZED BY FEDERAL AUDIT*San Diego Reader***September 7, 2012**

A pilot program to test the safety of allowing Mexican truckers to carry cargo long-haul across the United States has major faults and is seriously behind schedule, having enlisted only four out of the 46 carriers needed for an accurate sample, according to a recently released federal audit.

"At this point, no statistically reliable projections or estimates can be made on important safety characteristics, such as the number of crashes that could be expected from long-haul Mexico-domiciled carriers," the document says.

In addition, federal "quality assurance personnel approved [inspection] results for two of three Mexico-domiciled carriers before verifying that required driver's license testing had been completed, and made errors in determining whether one potential carrier complied with Federal drug and alcohol testing regulations."

The auditors say they found that "Mexico-domiciled drivers may not recognize all critical road signs. For example, drivers who did not pass the road sign test were often unable to explain the meaning of 'Railroad Crossing' and 'Wrong Way' signs in either language."

The document, released August 16 by the Department of Transportation's office of Inspector General, concludes that "The low participation in the pilot program puts [FMCSA] at risk of not meeting its goals for providing an adequate and representative sample of Mexico-domiciled carriers and inspections necessary to assess the impact on motor carrier safety."

LOCKHEED AIR-TRAFFIC UPGRADE ON TRACK, FAA CHIEF SAYS*Bloomberg News***September 9, 2012**

A \$2.4 billion replacement of US air-traffic control computers that has been plagued by delays and cost overruns will be completed within its revised budget and 2014 deadline, said Michael Huerta, acting chief of the Federal Aviation Administration.

The project, called En Route Automation Modernization, or ERAM, is supposed to almost double the number of planes air traffic control centers can track simultaneously. It forms the heart of NextGen, a \$40 billion effort to transform the US air traffic system from one relying on radar to one based on satellite technology.

Huerta said the project, led by Bethesda, Md.-based Lockheed Martin Corp., has overcome early flaws that caused a three-year delay and a cost increase of more than \$300 million. "I feel very good about where we are," he said.

Even after Huerta's assessment, Calvin Scovel, the Transportation Department's inspector general, is sticking with his view expressed last October that there may be more cost overruns and delays, said his spokesman, David Wonnenberg.

Overruns may reach as high as \$500 million, or \$170 million more than the FAA previously announced, and the completion date may slip to 2016, two years later than the FAA's estimate, Scovel told a House committee at the time.

OIG IN THE NEWS

NEXTGEN PROGRESS UNDER CONGRESS' SCRUTINY

Air Traffic Management

September 7, 2012

The management of the US Federal Aviation Administration's NextGen programme is once again to come under congressional scrutiny.

Committee members will no doubt base much of their questioning on a recent report from US Department of Transportation inspectors who conducted an audit on the programme.

It examined the near-term capabilities for NextGen and focused on the FAA's actions in response to recommendations from a government-industry Radio Technical Commission for Aeronautics (RTCA) task force on accelerating NextGen deployment....

It found that while FAA quickly incorporated the task force's recommendations into its NextGen strategic plans and budgets, its efforts are delayed in key areas, including its critical metroplex initiative. "Moreover, industry is concerned that the initiative does not yet include other related task force recommendations, such as better managing surface operations, and may not deliver all desired benefits," it concluded.

In addition, it said, the FAA has not yet resolved many of the barriers that will impede implementation of the task force recommendations, such as streamlining the process for deploying new flight procedures and training controllers on advanced procedures.

"We made seven recommendations to FAA to improve its implementation of the task force recommendations. However, FAA's response did not meet the intent of four of our recommendations, and we are requesting additional information from the Agency," it said

PROBLEMS DOGGING NEW HIGH-TECH AIR TRAFFIC SYSTEM

Bloomberg Businessweek

September 12, 2012

A high-tech overhaul to the nation's air traffic control system is mostly on track to completion, but has yet to produce the benefits that airlines and passengers were told to expect, federal investigators said.

Progress in moving from preparation to execution has been slow as the Federal Aviation Administration replaces its World War II-era radar technology with a GPS-based system, Transportation Department inspector general Calvin Scovel told a House subcommittee Wednesday.

After years of delays and cost overruns, the FAA has improved its handling of the modernization program, known as NextGen, Scovel said, and the investment will be worth the taxpayer cost in the long run.

But here's the rub: Planes must be equipped with new technology, such as navigational equipment, at a cost of hundreds of thousands of dollars per aircraft. NextGen, however, doesn't start yielding full benefits until a critical mass of planes have the new technology, so nobody wants to go first.

Most of the previous scrutiny of the modernization effort has focused on ERAM.... After a four-year delay and a cost overrun of \$330 million, the computer system is up and running in nine cities and on track to be used in all sites by 2014.

But software glitches persist, including some that send data to the wrong aircraft. In addition, the FAA hasn't updated essential policies needed for a smooth transition, investigators said.

A political squabble involving the FAA's leadership also has hamstrung the overhaul.

'CONSIDERABLE RISKS' REMAIN TO EASING FLIGHT CONGESTION, LAWMAKERS TOLD

Congressional Quarterly Today

September 12, 2012

Problems with organization and training, along with costly software problems with a flight-data processing program, threaten to stall progress on a modern, satellite-based air traffic control system, the Transportation Department's inspector general told lawmakers.

Inspector General Calvin L. Scovel III on Wednesday told the House Transportation and Infrastructure Aviation Subcommittee that the FAA has made progress in relieving air traffic congestion at major airports. But he said "considerable risks" remain to completing a shift to the NextGen system on time and under budget.

"FAA has not fully resolved key organization, policy and training barriers to implementing NextGen capabilities in the near term," Scovel testified.

Committee Chairman John L. Mica, R-Fla., expressed concern that a "lack of leadership and progress at the FAA" would delay the transition.

He said the agency has missed a deadline for reporting to Congress on the development of metrics to gauge NextGen's progress.

NextGen supporters also have expressed concern that Congress will not provide adequate funding for the program. Airlines remain wary about making costly investments in aircraft avionics until they are confident that NextGen will deliver the promised benefits.

Some industry insiders worry that implementation of NextGen could be slowed in order to lessen the blow to critical air traffic functions.

PEOPLE WE KNOW

(b)(6)

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COMINGS & GOINGS

(b)(6)

Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

TIM TESTIFIES ON HOUSEHOLD GOODS FRAUD

On Thursday, September 20, Tim testified before the Senate Committee on Commerce, Science, and Transportation about JI's efforts in the area of consumer and workforce protection—specifically, Household Goods fraud. Other witnesses included Anne Ferro, Administrator, FMCSA; Linda Bauer Darr, President and CEO, American Moving and Storage Association; and Jason Romrell, President and Chief Legal Counsel, Budget Van Lines.



Tim's [statement](#) focused on the numerous HHG criminal fraud investigations that JI agents from across the country have conducted. Several compelling stories of HHG carriers holding consumers' possessions hostage while demanding significantly larger sums of money than the broker or carrier originally quoted were also highlighted. These flagrant examples of criminal fraud emphasized the impact that JI's work has on the Nation's consumers.

Tim described for the Committee OIG's "Operation Boxed Up," a national fraud project to proac-

tively identify the most egregious consumer complaints involving hostage loads against HHG carriers. The project targets movers that illicitly engage in hostage fraud schemes in an effort to send a strong deterrent message to those who look at civil penalties as just a cost of doing business. As Committee Chairman Rockefeller said during the hearing, "It's when people go to jail that the signal gets delivered to the industry...going to jail is a big deal."

In closing his statement, Tim highlighted several options available

to consumers who believe they have been victimized by such schemes.

Tim's testimony is the first time that someone from the Office of Investigations has testified in well over a decade. This is also the first time since 2006 that JI's work has been the sole focus of OIG testimony, which is a credit to the continuing great work performed by our agents.

To see the full hearing, click [here](#).

— Bill Owens, Special Agent-in-Charge, JI-2

OIG WEEKLY CALENDAR

MON 9/24	TUE 9/25	WED 9/26	THU 9/27	FRI 9/28
	Reasonable Accommodation training, 1:30-3:30	Legal Update Training, 8:00-1:00 Leadership Brown Bag: Managing Stress, 12:00-1:30		

OIG IN THE NEWS

WHEELCHAIR HELD HOSTAGE AS MOVERS SAID TO BILK CUSTOMERS

By Bloomberg News, September 20

U.S. consumers are increasingly victims of moving and storage fraud, with their furniture and valuables held hostage by companies demanding thousands of dollars in extra fees, a Senate investigation found.

"These sketchy companies routinely jack up the price after they load customers' goods onto their trucks," Commerce Committee Chairman Jay Rockefeller, a West Virginia Democrat, said. "It's extortion."

Probes by the U.S. Department of Transportation's inspector general "have shown that the dishonest broker, with full knowledge, provides customers a low-ball estimate knowing the carrier will grossly inflate it once the goods are loaded," Timothy Barry, principal assistant inspector general for investigations, said in written testimony.

In one example described at the hearing, an elderly couple moving

from Colorado to Nevada was provided a \$1,340 estimate, then charged \$7,400. While the couple's goods were being held, the customer asked the company to release his wife's wheelchair.

The mover refused to give back the wheelchair or any other property, Barry said. The company owner was later found to be using the couple's computer and flat-screen television, he said.

Reana Kovalcik, a 28-year-old New York City resident, told lawmakers that an Internet broker's \$898 price mushroomed to \$2,434 after her move from Chicago. After months of negotiation, she paid the extra fees in return for a key to a storage unit in New Jersey.

The inspector general has 14 open investigations involving companies operating under 108 names, Barry said. That covers more than 3,800 potential victims and about \$1.9 million in damages, he said.

Lack of adequate oversight is one factor in the growing number of abuses, according to the committee. Until 1995, moving was regulated by the Interstate Commerce Commission, which no longer exists. Today, it's overseen by the Federal Motor Carrier Safety Administration.

The ICC had more than 100 inspectors dedicated to household-goods movers, while the FMCSA has 10, said Linda Bauer Darr, president and chief executive officer of the American Moving and Storage Association, which unsuccessfully sought more money for investigation and enforcement in the two-year highway bill Congress passed earlier this year.

There are 7,000 companies operating in the industry, completing about 800,000 moves a year, said Darr, whose group represents companies including Allied Van Lines Inc. and United Van Lines LLC.

NOTEWORTHY

ANN HIGHLIGHTS OIG'S ACCOMPLISHMENTS AND STRATEGIES AT SOUTHEASTERN INTERGOVERNMENTAL AUDIT FORUM CONFERENCE

On September 14, Ann spoke at a conference hosted by the Southeastern Intergovernmental Audit Forum on OIG's accomplishments.

The Intergovernmental Audit Forum is an association of audit executives from Federal, State, and local governments and representatives from State certified public accountant societies. The Forum's primary purpose is to promote communication, coordination, and cooperation among audit agencies and practicing CPAs to facilitate the effectiveness, efficiency, and usefulness of audits.

To set the context for her presentation, Ann provided an overview of our mission and organization, and our recent efforts to identify opportunities to improve safety and achieve savings in large programs—at an annualized return of over \$20 for every appropriated dollar in fiscal year 2012.

Highlighted work included NextGen risks, the use of unapproved parts in aircraft repairs,

FMCSA's oversight of passenger carriers, corruption among motor carrier safety inspectors, FRA's efforts to improve and expand intercity passenger rail, cyber security vulnerabilities, DBE and household goods fraud, and MWAA.

With this backdrop, Ann shared how we achieve these results—by focusing on our strategic goal to promote organization and workforce excellence.

- Focus on accountability, using executive coaching, establishing clear expectations linked to 360 performance, and leadership planning and collaboration.
- Develop leaders through leadership brown bags, speakers, and supervisor training series.
- Use mentoring to help staff become effective leaders and team players, manage their work environment, and develop their career.
- Manage performance by setting meaningful and attainable ex-

pectations; engaging staff in the process; providing staff with the tools, resources, and support needed to be successful; continually assessing and communicating progress; and rewarding solid performance.

- Create transparency through communication and outreach efforts, such as All Hands meetings, *The Inspector*, *Impact* magazine, field visits, and an open door policy.

Ann concluded her presentation by identifying effective leadership traits, including clear vision, commitment, collaborative, situational, emotional intelligence, and open to feedback.

Other Forum speakers included Brian Miller, Inspector General, GSA; Richard Hellman, Managing Director, Forensic Audits and Investigative Services, GAO; and David Cotton, Cotton & Company, LLP, who also spoke at the Mid Atlantic Intergovernmental Audit Forum in June.



**INTERGOVERNMENTAL
AUDIT FORUMS**

**COLLABORATION
PROFESSIONALISM
INTEGRITY**

NOTEWORTHY

AIG BEHM SPEAKS AT AASHTO CONFERENCE ...AND GETS HIS FILL OF SEAFOOD

Once a year the AASHTO Standing Committee on Rail Transportation hosts a conference where Federal, State, and private sector representatives in rail transportation get together to exchange ideas, discuss problems, and highlight accomplishments. This year, the committee planned an exceptional event in Portland, ME, and invited Assistant Inspector General Mitch Behm to speak.

The presentations over the 2 days covered a variety of interesting and relevant topics. Joe Szabo, FRA's Administrator, provided opening remarks, and several other officials gave an update on FRA's progress. Mitch spoke next on the role of the OIG and specifically, the audit work JA-50 has done this past year.

AMTRAK officials provided attendees with a comprehensive update focusing on significant increases in ridership, debt reductions, and improvements in on-time performance.

On the second day, FRA hosted a session coined "FRA Speed Dating," where State DOT officials each got several minutes to ask FRA officials anything they

wanted. Mitch fielded a few questions and several IG audits were the basis of many others.

There were some surprises. On the first day, just before Mitch was about to speak, the hotel fire alarm went off, and the 140 conference attendees evacuated the hotel. It all seemed a little *too* convenient—the alarm going off right before the AIG was about to speak. While Mitch and I stood outside positing how the fire alarm was activated (we still suspect it was an inside job orchestrated by someone at FRA), the local fire trucks pulled up with lights and deafening sirens in full effect. After the fire department gave us the okay to head back in, Mitch was on.



While in Portland, we also enjoyed lobster roll and a cup of authentic clam chowder at J's Oyster Bar, recommended by locals.

But we were ready to head back to Washington on Wednesday. Mitch's beeline to the airport Burger King for a chicken sandwich indicated his disdain for another seafood meal.

— Michael Day (JA-50)

(b)(6)

NOTEWORTHY

A TOUR OF THE CMC — DOT'S CRISIS MANAGEMENT CENTER

As part of [Security Education And Awareness Day](#), I took a tour of DOT's Crisis Management Center, located right next to the Cafeteria in the East building of DOT HQ.

The CMC is a windowless bunker that serves as the Department's nerve center. It is constantly staffed with at least three "watch officers" who collect and analyze transportation data to ensure that the nation's transportation infrastructure is functioning properly. Projected screens show real-time images of plane, train and ship traffic in the United States.

During a natural disaster or a transportation crisis, such as a train accident or a pipeline rupture, emergency coordinators from affected modes and from OST gather in the CMC to mount an appropriate response. The



CMC has workstations for emergency coordinators from every mode, including OIG. (Our own emergency coordinator is JI-2's Ron Wormsley.)

There are also a few, more secret rooms we couldn't see that are used for secure videoconferences and the viewing of classified material.



What time is it in Hawaii? Oh, right.

—Dan Burd, JI-3



A map in the CMC (left) and in the war room from *Dr. Strangelove* (right).

There is no fighting in the CMC, either.



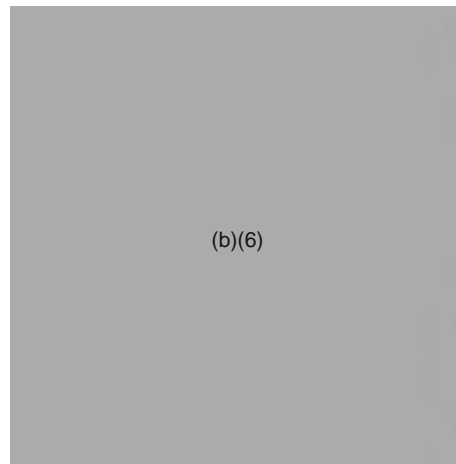
NOTEWORTHY

JI MAKES THE GRADE IN ITS PEER REVIEW

OIG's Office of Investigations successfully completed its mandatory Council of Inspectors General on Integrity and Efficiency (CIGIE) peer review, conducted by the U.S. Department of Treasury OIG in August 2012. The Treasury OIG assessed JI's performance as "compliant," meaning there were no material deficiencies or reportable findings identified during the review.

Federal peer reviews are conducted every 3 years to determine whether internal control systems are in place and operating effectively to provide reasonable assurance that professional standards are being followed. An agency's performance is deemed either "compliant" or "non-compliant." Compliant indicates that internal safeguards and management procedures are in accordance with

CIGIE standards. Non-compliant indicates deficiencies in policies, procedures, and practices that had a notable impact on operations.



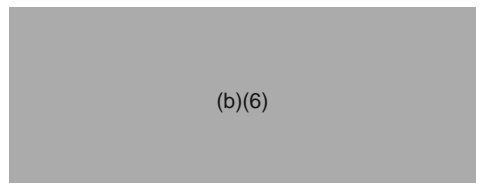
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Yes, we passed! No summer school.

Treasury's review of JI's administrative and investigative activity, which includes investigative case files and training requirements, was conducted at the Washington, DC, and New York Regional offices, as well as Headquarters.

The Department of Treasury OIG opined that the system of internal safeguards and management procedures for OIG's investigative function for the fiscal year ending 2012 comply with the quality standards established by CIGIE and Attorney General guidelines.

Treasury OIG highlighted our Investigative Operations' Contractor Performance Oversight, Professional Development Detail Program, and Special Agent Field Training Program as best practices.

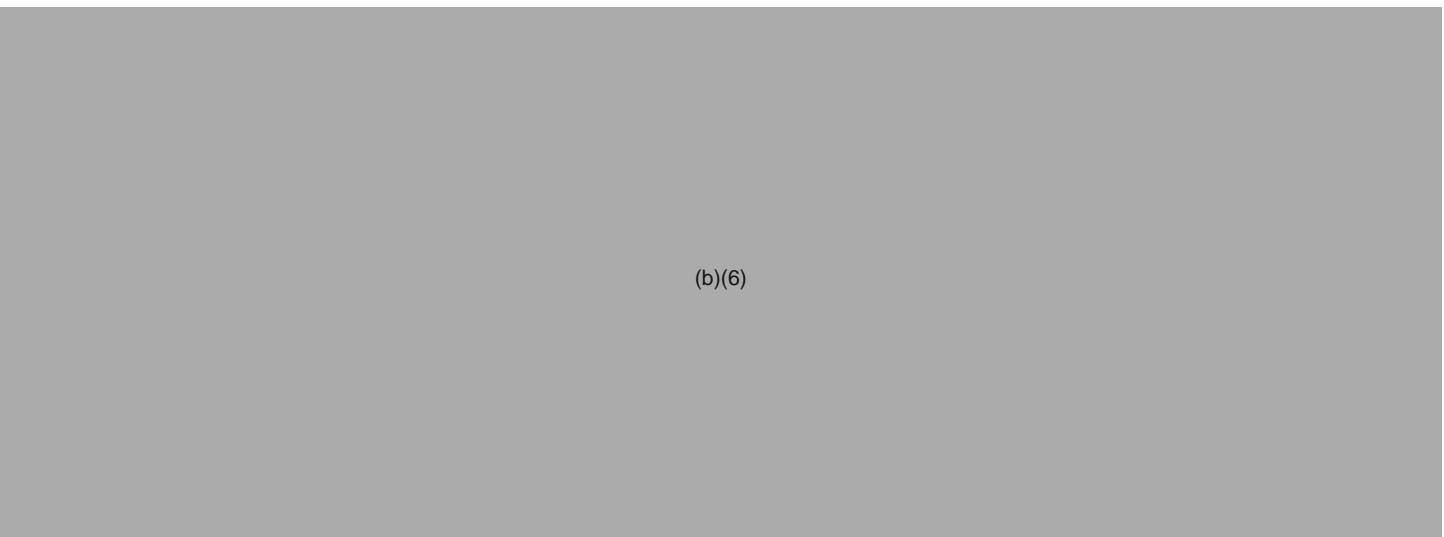


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are responsible for leading this effort. Congratulations JI on a job well done!



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NOTEWORTHY

CFC IS BACK!! 2012 NATIONAL CAPITAL AREA COMBINED FEDERAL CAMPAIGN KICKS OFF



Mark your calendars for two upcoming 2012 CFC kickoff events:

- **October 3** at 10:00 a.m. for the DOT CFC Kickoff in the West Atrium, HQ

Our DIG, Ann, and the OIG CFC Team and keyworkers will be manning OIG's table. Join us to test your skills at the Bean Bag Toss game—a real bargain with 3 tosses for a \$1—and to satisfy your sweet tooth with 3 cookies for a \$1. Yesss! It is **DOLLAR** day!!! The winner of the Bean Bag Toss game will get a picture with the Secretary.

- **October 4** at 9:00 a.m. for the OIG CFC Breakfast Kickoff, near the 7th floor West Atrium elevators

Join Ann and all of us for OIG's Breakfast kickoff. Enjoy the pre-event—an OIG CFC Carnival Tailgate with festive costumes—then enjoy a variety of breakfast items. Three items for \$5 and each extra item for \$1.

Stay tuned for a weekly series of fun and interesting fundraising events between October and December—there will be some old favorites and a few surprises!

OIG CFC TEAM

Vice-Chairs: Louis King (JA-20) and Mary Kay Langan-Feirson (JA-60)

Campaign Coordinators: Lissette Mercado (JA-20) and Tony Wysocki (JA-60)

OIG CFC KEYWORKERS

Keyworkers represent a cross-section of HQ offices and are organized into three teams:

TEAM RED	TEAM BLUE	TEAM GREEN
Tashaun Ross*	Jim Lonergan*	Jennifer Rivera*
Meredith Howell	Kevin Sanders	Roberto Pero* (OIG CFC Share Point Mgr)
Angela Hailes	Mike Day	Ron Weaver
Arnett Sanders	Ricky Bostian	Earnice Cox
Ben Huddle	Peter Barber	Jameel Bagby
Sean Woods	Alicia McNair	Pamela Castleberry
William Savage		Aaron Malinoff

*Team leader

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COMINGS & GOINGS

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Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

October 1, 2012

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

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OIG WEEKLY CALENDAR

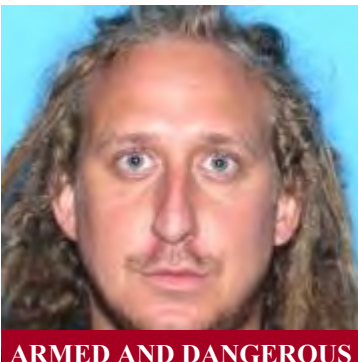
MON 10/1	TUE 10/2	WED 10/3	THU 10/4	FRI 10/5
HAPPY NEW FISCAL YEAR!!!	Senior Leaders 11:00 Cal: Seattle	OIG CFC Kickoff 9:00-10:30 Cal: Seattle	DOT CFC Kickoff 10:00-11:00 Cal: San Francisco	

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DOT-OIG WANTED LIST

As part of JI's "Operation Boxed Up," OIG now provides information relating to DOT-OIG fugitives on its [web-site](#). While all 30 listed fugitives (4 shown below) are wanted for moving fraud, JI may add fugitives related to other cases in the future. Have you seen any of the fugitives? Do not attempt to apprehend any of these individuals!

**ARMED AND DANGEROUS**[Eli Kaupp](#)

DOB: 02.23.1981
Height: 6' 1"
Weight: 176 lbs.

[Edmond Ben-Ami](#)

DOB: 03.05.1954
Height: 5' 8"
Weight: 190 lbs.

[Eddei Benita](#) AKA: Eddy

DOB: 10.08.1978
Height: 5' 7"
Weight: Unknown

[Adi Meirovitch](#) AKA: Julie Tal

DOB: 10.15.1980
Height: 5' 3"
Weight: Unknown

OIG IN THE NEWS

GOV'T REPORT: MORE FEES, LESS CHOICE AHEAD FOR PASSENGERS AS AIRLINE INDUSTRY TRENDS CONTINUE*Associated Press***September 25, 2012**

Airline passengers can expect fewer carriers to choose from, fewer flights to smaller cities and more baggage and other fees as the industry continues to grapple with high fuel prices and a weak economy, according to a government report released Tuesday.

The airline industry is still in transition after a tumultuous decade in which bankruptcies and mergers cut the number of airlines accounting for the bulk of domestic flights in half, to just five: American, Delta, Southwest, United and US Airways, the report by the Department of Transportation's inspector general said.

[H]igh fuel prices, the 2008 recession and a slow economic recovery have taken a toll, the report said.

Less competition has enabled airlines to try to offset higher costs by eliminating less profitable flights to smaller cities, the report said. Airlines cut the number of scheduled domestic flights by 14 percent between June 2007 and June 2012, the report said. As a result, flights have fewer empty seats and airlines have been able to increase fares, especially on short-haul flights.

Last year, the industry attempted 22 fare increases, of which 11 were successful, the report said. Airfare increases are considered successful if competitors also adopt an increase. If there's not widespread matching by other airlines, the result is usually a withdrawal of the original increase. So far this year airlines have attempted eight fare increases, four of which have been successful, the report said.

INSPECTOR GENERAL REPORT LAUDS U.S. AIRLINES' SURVIVAL SKILLS*Travel Weekly***September 26, 2012**

A new Department of Transportation Inspector General's report outlines the way high fuel prices and a stubborn recession are changing the fundamentals of the airline industry, and that these changes mark the industry's ability to adapt and survive.

And that's a good thing, because the airline industry is one of the most important in the U.S. economy, says the report.

The report said that to survive, the airline industry has had to adapt by charging fees for services once included in the cost of an airline ticket and by introducing new services and amenities and charging for them, as well.

One big reason for all of this—fuel. A surge in prices pushed fuel expenses to 35% of airline operating costs in 2011, near the all-time high of 40% in 2008, the IG's report said. Despite the rising cost of fuel, the airlines have successfully maintained non-fuel operating cost near their previous levels.

At the same time, airlines are dealing with decreased demand due to the recession. The report said that per capita income rose continuously for most of the last decade.

Fuel prices, the economy and competition have made life particularly tough for legacy carriers which, lost \$62.8 billion between 2000 and 2009. Low-cost carriers, in contrast, reported \$2.1 billion in profits.

The report concluded by saying "that some of the most significant trends of recent years...may continue for the foreseeable future as airlines further improve their adaptability to changing market forces."

AIRLINES 2.0: CROWDED PLANES, HIGHER FARES*U.S. News & World Report***September 27, 2012**

There's good news for the airline industry. Unfortunately, it means bad news for their customers.

Last year, major U.S. airlines posted their third consecutive year in which they took in more money than they spent, according to a report released this week by the Department of Transportation's Inspector General. That profitability, however, was hard-won: over much of the last decade, the industry rushed to deal with economic problems. Major carriers' accumulated losses mounted over much of the last decade, eventually hitting nearly \$63 billion in 2009. Revenues outstripped expenses at U.S. carriers as a whole as well, from 2001 to 2004, and again in 2008. That spurred airlines to get leaner. Available seat miles, a standard measure of capacity, have also dropped from a peak of over 744 million domestically in 2007 to 681 million in 2011, according to the Bureau of Transportation Statistics, and total seat miles, including international travel, also declined. Domestic passenger flights also fell by 13.9 percent from 2007 to 2012, according to the DOT report.

Cutting down on the number of seats, as well as the number of competitors offering those seats, may mean less of a race to the bottom in pricing. As the Inspector General's report points out, this is a marked departure from the 1980s, when airlines sold empty seats at discounts.

So what lies ahead for customers? Bet on tightly packed flights and fare hikes. More bankruptcies and mergers also could be on the horizon as airlines continue to work for greater profitability.

PEOPLE WE KNOW

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COMINGS & GOINGS

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

MANAGE STRESS, AVOID BURN OUT

On September 26, Ann held a leadership brown bag on managing stress. With ongoing demands—both career and personal—she explained that we all need to find day-to-day solutions and outlets to balance work and life.

Ann addressed the room of managers and asked a very simple question: “How many feel stressed out time to time?” I think everyone in the room raised their hand, some maybe both hands. Ann then asked the managers if they were aware of the cause of their stress. After a healthy discussion many stress triggers were shared. For example:

- Less resources to get tasks accomplished.
- Responsibility for an important resource that staff rely on.
- Organizational change.
- Problem employees.
- Multiple priorities.

- Packed work schedules, which can limit daily flexibility.

To help create a less stressful environment, Ann shared pointers from articles on the subject.



Mind Your Own Business Keep your nose out of other people’s business. Stay focused on your own work. Focus on productivity and excellence for your work responsibilities. Let other people look after their responsibilities.

Don’t Talk About Colleagues If you want to become unpopular and leave yourself open to constant criticism, gossip about your

colleagues. The average time for a piece of gossip to circulate within a small office is probably 36 hours. And guess what: the gossip always finds its way to the person you criticized.

Don’t Arrive Late For Work That extra 15 minutes in bed can ruin your day and make your workplace stress mount. Get up 15 minutes early. Get a good head start on your day. Be on time—as managers we need to set that example. Give yourself time to gear up for the day.

Take Care of Yourself Exercise, get enough rest, sleep well, maintain balance in your schedule. It is your responsibility to be fresh, alert, and ready to contribute when you arrive at work—and you should stay that way all day.

Be Well Prepared You were hired because of your talent, competence, and energy. Don’t let yourself down and fall into the work-

OIG WEEKLY CALENDAR

MON 10/15	TUE 10/16	WED 10/17	THU 10/18	FRI 10/19
2pm to 3pm: Community of Practice, DOT Media Room — “Bolstering Your Resiliency to Make the More Productive ‘You’”	CAL — 10:00AM CIGIE Awards Ceremony	CAL — 11:00AM Senior Leaders’ Meeting	CAL — 11:00 S2 Updates and 2:30 CFO Bi-weekly meeting	

NOTEWORTHY

(Continued from page 1)

place stress trap of being unprepared, of rushing to finish, and of doing poor work. Be prepared, plan, strategize, and do good work—the best you possibly can. You have to prioritize things.

Have Regular Breaks Our brains require refreshment more than our bodies. Try to build in something different—physically and cognitively—throughout the day. Get up and walk around; do 30 seconds of stretching; do attend

to a simple job to break the monotony of weightier work.

Plan Your Day and Work Load

One piece of research says that what attributes the most stress are unexpected visitors (who often outstay their welcome and steal our time) and unplanned tasks. Plan your day well. Don’t be rigid but set goals to achieve each day. Don’t take on more work than you can handle but ensure you can carry your load.

Build In Fun Organize events, activities, and other appropriate things to lighten the mood of your team and the office. It can’t be all work.

No one is expected to change overnight, but if you take one or two of these tips that you aren’t doing and start doing them, you’ll be surprised of the amount of stress you can relieve.

— Courtney Potter, JA-40

COMMUNITY OF PRACTICE **TODAY !**

The next Community of Practice event will be “Bolstering Your Resiliency to Make the Most Productive ‘You’” today, October 15, from 2:00 to 3:00 pm in the DOT Media Center.

JA-50 project managers Amanda Seese and Brendan Culley will discuss why resiliency—both in and out of the workplace—matters, the characteristics of resilient



C O P
Monday 10-15-12
2:00 to 3:00
DOT Media Center
1 CPE

people, and how we can improve our resiliency.

You can earn 1 CPE for attending. This event will be available by webcast, but we encourage those in headquarters to join us in the DOT Media Center to provide our presenters with a strong audience. We hope to see you there!

—Luke Brennan, JA-40

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NOTEWORTHY

CFC KICKS OFF!

Baked goods and beanbags were on the menu at the DOT-wide Combined Federal Campaign of the National Capital Area Kickoff event, courtesy of OIG's CFC coordinators and keyworkers. Amid a prosaic macadam of refrigerator magnets, bookmarks, and raffles, OIG's offering of sweet potato pie, cookies, brownies, and a beanbag toss game—with the opportunity to win a photo with Secretary LaHood—truly stood out among the crowd. After inspiring words from Brodi Fontenot, Assistant Secretary for



Administration and Jimmy Ortiz, DOT CFC Loaned Executive, the Kickoff kicked off. As throngs of participants milled about the

West atrium, OIG's sweet treats and a game of skill drew crowds of coworkers, employees of other modes, and passersby. The winners of the beanbag toss challenge were Ron Weaver (JM-40) and Aaron Malinoff (JA-60), both eagerly awaiting the opportunity to pose for a photo-op with Secretary LaHood.

On the first 2 days of the CFC, OIG collected \$735.29—approximately \$207 from the event.

We are off and running.....!!!!!!

Stay tuned for updates and news at [CFC's SharePoint site](#), and visit us at the OIG CFC events throughout this campaign season. Mark your calendars for these upcoming OIG CFC events.

Date	Event—from 11:00 to 1:00, unless otherwise noted
October 10	Game Tournament: Xbox, PS3, Wii, W71-101
October 23	Zumba, Line Dancing, Salsa Classes, West Atrium
October 24	Marksmanship Competition, W71-101, 9:00 a.m. to 3:00 p.m.
October 29–31	Silent Auction I — Ends October 31
October 31	Putt-Putt
November 7	Bingo and Deal/No Deal
November 14	International Potluck Cook-Off; "CFC Cook!ng with OIG" recipe book sale, \$10
November 26 – 28	Silent Auction II — Ends November 28
November 28	TBD
December 5	OIG Jeopardy!
December 12	OIG's Got Talent! (3 rounds)
December 13	Candy Jar Finale, Penny War Finale, and 50/50 Raffle

OIG IN THE NEWS

DOT REPORT SHOWS VALUE OF FAA CONTRACT TOWERS*AINonline*

October 2, 2012

Across the U.S., in all but four states, there are no fewer than 250 airport towers operated by non-FAA controllers employed by three private FAA contractors.

Is this a good thing? In his current report to the Aviation Subcommittee of the House Transportation and Infrastructure Committee, the DOT's Inspector General (IG) states that "Overall, we found little difference in the safety or quality of services provided by similar FAA and contract towers." In fact, the IG notes, "we have found that contract towers had a lower number and rate of reported safety incidents than similar FAA towers and that agency safety evaluations found fewer deficiencies with contract towers."

The IG [compared] the average cost and staffing differences between 30 contract towers and 30 comparable FAA towers. The analysis used several common factors to derive average air traffic density values, and found the two virtually equal. The FAA tower had a value of 15.55 while the contract tower's value was 15.34. The data also showed that the average number of air traffic personnel supporting FAA towers was 16, while the contract tower averaged six. Even more startling was the cost difference: FAA tower \$2,025,104, contract tower \$536,911.

In light of the expected future pressures on the FAA's operating budget, two small items in the IG's report give food for thought. The first notes that, due to previous experience, contract controller certification training "can take as little as 30 days." The second notes that the FAA generally hires controllers "with little or no air traffic experience," and training and certifying them is a process that can take "from one to five years."

REPORT: AIRLINES CUT SHORTER FLIGHTS*USA Today*

October 1, 2012

Five airlines now control about 85% of domestic flying as a result of mergers over the last decade, a new U.S. Department of Transportation report says.

In 2000, 10 airlines accounted for a little more than 90% of flying, the DOT's Office of Inspector General found.

If US Airways merges with American Airlines, as it is pushing for, that will leave the U.S. with four dominant carriers.

In its review of the aviation industry from 2008 to 2011, the Office of Inspector General says airlines are once again profitable after hitting a slump during the recession, partly because they've reduced the number of flights in order to increase demand.

In particular, airlines have cut back on the number of short flights. In June 2012, the number of domestic passenger flights of less than 250 miles was 24% lower than it was in June 2007.

The report predicts that "the changes in the number of airlines controlling the industry, fare increases, and capacity reductions that began in 2008 are not a brief phase, but rather are signs of a greater shift in the industry that will remain for years to come."

Although they are once again making profits, airlines still are dealing with higher fuel prices, the report noted. Fuel expenses accounted for 35% of operating costs in 2011, near the all-time high of 40% in 2008. Fuel was just 10% of operating costs in 2001.

The financial pressures have forced 51 U.S. passenger and cargo airlines to file for bankruptcy since 2000, 13 of them in 2008 alone.

DOT-IG RELEASES ERAM AUDIT*RotorNews*

October 2, 2012

The U.S. Department of Transportation's (DOT) inspector general (IG) released a report Oct. 1 (dated for Sept. 13) saying "weakness" in FAA's program and contract management of En Route Automation Modernization (ERAM), a key enabling technology for NextGen, is to blame for ERAM's schedule slips and cost overruns that could reach \$500 million.

That figure is based on a 2010 MITRE report with a cost overrun range between \$170 million and \$500 million; FAA's estimates sit at the midpoint of approx. \$300 million.

Though the IG notes that ERAM is "on a much stronger footing now than when we began our review," continuing delays in ERAM "pose significant risks to other critical NextGen initiatives." Aviation watchers know all too well that NextGen will be threatened too by sequestration, amplifying the importance of the audit.

"The FAA has a new strategy in place for ERAM that is advancing the technology to deliver it on time and on budget," an FAA spokesperson told POLITICO. "Over the last year, changes have been made to program oversight, contract management and the implementation approach that have delivered significant progress in deployment of this technology."

OIG IN THE NEWS

RECURRING SCAM LETTER TARGETS TRUCKERS AND CARRIERS*Land Line*

October 2, 2012

A recurring scam aimed at stealing identity and bank information continues to linger like a bad case of road rash. The latest round of letters, sent as faxes on or around Sept. 24, asks recipients to release bank account information to a "Senior Procurement Officer" with the U.S. Department of Transportation. Trouble is, it's not DOT at all, despite official-looking letterhead.

The DOT Office of Inspector General is dealing with the latest round of the scam by alerting the public of the agency's proper channels and providing a hotline to report cases of fraud.

The latest scam asks prospective DOT contractors receiving the letter to send an "Authorization to Release Financial Information" back to the sender. Similar scam letters date back to December 2005.

The real DOT Office of Inspector General says those who receive a procurement letter asking for bank information should call the agency's fraud hotline, local law enforcement and the regional U.S. Secret Service office.

"Please be aware that DOT does not require any financial information to be submitted in order to be eligible for procurement," the Office of Inspector General states.

Identity theft is serious business, and truckers should take precautions to protect themselves. Often, stolen identity information ends up overseas.

The Secret Service provides some online tips to protecting privacy and personal information including credit.

CLAMPING DOWN ON CROOKED MOVERS*Bloomberg Businessweek*

October 4, 2012

Reana Kovalcik says the \$898 estimate she got online from Able Moving ballooned to \$2,434 once the company brought her belongings from Chicago to New York. Able held her things until she agreed to pay up, she says. "The whole thing was devastating," says Kovalcik.

Furniture-nabbing by movers is on the rise and it's hard to stop. The 7,000 moving companies in the U.S. are monitored by only 10 federal inspectors. Now the U.S. Department of Transportation, which employs the inspectors, and the Senate Commerce Committee say they're going to step up monitoring and consumer protection. DOT Inspector General Calvin Scovel began trying to clamp down on moving-fraud schemes last year, and has 14 open investigations of companies operating under 108 names with roughly 3,800 supposed victims claiming \$1.9 million in total damages. At a Sept. 20 Senate Commerce Committee hearing, the inspector general's office reported identifying 36 victims with losses totaling roughly \$126,000. In one case, an elderly couple quoted \$1,340 for a move from Colorado to Nevada had their possessions held hostage, including the wife's wheelchair, until they forked over \$7,400. That mover has been indicted, according to the inspector general.

Until 1995 more than 170 inspectors at the now-defunct Interstate Commerce Commission watched over movers. Today movers are regulated by the DOT's Federal Motor Carrier Safety Administration (FMCSA). The FMCSA performs about 400 audits a year on household movers, according to administrator Anne Ferro.

SONVILLE MAN INDICTED FOR SHINING LASER AT POLICE HELICOPTER*Avionics Intelligence*

October 10, 2012

The following information was released by the United States Attorney's Office for the Middle District of Florida:

United States Attorney Robert E. O'Neill announces the unsealing of an indictment charging John Tyler Pennywitt (41, Jacksonville) with aiming a laser pointer at an aircraft. If convicted on all counts, Pennywitt faces a maximum penalty of up to 10 years in federal prison and a \$500,000 fine.

Pursuant to the indictment, Pennywitt is alleged to have shined a laser, during nighttime hours, into the cockpit of a Jacksonville Sheriff's Office patrol helicopter, first on June 3, 2012, and again on June 4, 2012. It is a criminal offense to knowingly aim a beam of a laser pointer into an aircraft. No one was reportedly injured during the alleged incidents.

This case was investigated by the United States Department of Transportation and the Jacksonville Sheriff's Office. It will be prosecuted by Assistant United States Attorney Jay Taylor.

On Feb. 14, President Barack Obama signed the FAA Modernization and Reform Act of 2012, which modernizes the nation's aviation system. This Act establishes a new criminal offense for aiming the beam of a laser pointer at an aircraft in the special aircraft jurisdiction of the United States, or at the flight path of such an aircraft. The statute was enacted in response to a growing number of incidents of pilots being distracted or even temporarily blinded by laser beams.

OIG IN THE NEWS

ATC SAFETY PROGRAM COMES UNDER SCRUTINY*AIOnline*

October 3, 2012

A program that lets air traffic controllers voluntarily report safety concerns without fear of reprisals has come under criticism from the Transportation Department's inspector general.

"We found that although the FAA completed [Air Traffic Safety Action Program] implementation at all ATC facilities in 2010, the agency will need to make significant improvements before ATSAP [can] effectively identify and address the root causes of safety risks," the report said.

"For example, due to ATSAP provisions designed to protect controller confidentiality, much of the ATSAP data that the FAA collects is not validated, raising questions about the effectiveness of these data for analyzing safety trends," the report said. "We also found that the FAA's oversight of ATSAP lacks effective management controls."

The FAA does not have a formal process to review the effectiveness of decisions made by the program's review committees to ensure that report acceptance criteria are followed rigorously and that conduct issues are dealt with appropriately. Failure to address potential deficiencies in transparency and accountability may lead to the perception that ATSAP is an amnesty program, the IG said.

The IG found that the [event review committee (ERC)] responsible for reviewing submitted ATSAP cases are accepting reports regarding controller conduct, rather than just operational errors.

In addition, the IG found that the ERCs do not always follow the requirements in the agreement between the FAA and National Air Traffic Controllers Association and that the FAA is not enforcing all parts of the agreement.

ERAM CONTINUES TO UNDERGO CRITICAL FAILURES*Fierce Government*

October 2, 2012

The \$2.4 billion En Route Automation Modernization air traffic control modernization software project has continued to experience critical system failures.

In a Transportation Department office of inspector general report dated Sept. 13, auditors say the FAA has made a "recent discovery of a previously unidentified serious hidden software defect" in ERAM that results in brief loss of air control.

The report says the FAA has "paused" with further deployment of the system. "A prudent decision," auditors say.

The system's persistent problem raises questions whether the design of functions related to tracking aircraft and displaying information are flawed, auditors say.

Auditors also cite other ERAM problems, including incorrect aircraft identification tags that cause air traffic controllers to manually re-key the data block on their display. Doing so increases risk of data entry errors--and "most importantly, takes the controller's focus away from the primary task of managing and separating aircraft," auditors note.

They also criticize FAA program management, stating that the agency and prime contractor...continued to add new capabilities while simultaneously fixing core functionality issues. That overlap ... increases the likelihood of introducing problems, or of re-introducing previous problems, they say.

A key milestone the FAA has used to measure ERAM progress is misleading, auditors add. Use of the ... metric gave FAA officials "a false sense of confidence in the maturity" of ERAM.

FHWA SHOULD STRENGTHEN STEWARDSHIP AND OVERSIGHT AGREEMENTS, DOT INSPECTOR GENERAL REPORT STATES*AASHTO Journal*

October 5, 2012

The Federal Highway Administration could improve its Stewardship and Oversight Agreements with the states for the use of American Recovery and Reinvestment Act (ARRA) and Federal-aid Highway Program funds, according to a report released Monday by the U.S. Department of Transportation Office of Inspector General (OIG).

OIG reports that FHWA was not fully implementing its statutory oversight responsibilities on about 600 of 2,500 interstate highway projects (which included roughly \$5 billion federal funding). Instead, FHWA was allowing states to take responsibility for project oversight, though FHWA is responsible by law.

Another issue OIG discusses in the report is the lack of specific elements in agreements. For example, FHWA's 2006 Guidance, which was used to develop the state agreements, mandates division offices address five elements in those agreements: environment, right-of-way, safety, systems operations and preservation, and design and construction. However, only 32 of the 55 agreements studied by OIG included all five elements.

"FHWA Headquarters has not provided sufficient guidance and oversight to division offices for the development and update of agreements to ensure that inconsistencies reflect valid differences among the states and to ensure that legal issues are identified," the report states.

In order to fix these issues, the report suggested several recommendations.

PEOPLE WE KNOW

ANOTHER SOFTBALL STORY: OIG'S *TRANSPORT THIS!* LANDS IN TOP 14

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COMINGS & GOINGS

There are no comings and goings this week.

Do you have news to share with the OIG community?

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THE INSPECTOR

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CIGIE HONORS THREE OIG TEAMS

At the 15th Annual Inspector General Community Awards ceremony last week, more than 85 individuals and groups, including 3 OIG teams, were recognized by the Council of the Inspectors General on Integrity and Efficiency for outstanding accomplishments.

AWARD FOR EXCELLENCE MULTIPLE DISCIPLINES

Air Carrier Pilot Training and Performance Audit and Testimony Teams

In recognition of outstanding collaboration between audit, investigations, and statisticians staff to ensure effective oversight of air carrier pilot training programs, flight and duty regulations, and the Airline Safety and FAA Extension Act.

Robert Romich, Program Director; Tina Nysted, Program Director; Travis Wiley, Project Manager; Francis Danielski, Project Manager; Angela McCallister, Project Manager; Kim Tieu, Project Manager; Marshall Jackson, Project Manager; Petra Swartzlander, Senior Statistician; Mary Hanson, Senior Investigator; Amitra Mamdouhi, Senior Auditor; Amy Thomas, Senior Analyst; Craig Owens, Senior Analyst; Curt Boettcher, Senior Analyst; Doneliya Deneva, Senior Auditor; Joyce Koivunen, Senior Auditor;



Stefanie McCans, Senior Analyst; Aaron Rodgers, Analyst; Aisha Gillespie, Analyst; Marshall Anderson, Analyst; My Phuong Le, Analyst

AWARD FOR EXCELLENCE MANAGEMENT

Vehicle Safety Defect Audit Team

In recognition of transforming the NHTSA's internal safety defect management processes to improve the effectiveness and transparency of investigations, enhance workforce training and increase international coordination.

Wendy Harris, Program Director; Kerry Barras, Program Director; Darrell Riegel, Project Manager; Petra Swartzlander, Senior Statistician; Anette Soto, Senior Analyst; Brian Chapman, Senior Analyst; Kimberly Bolding, Senior Auditor;

Marvin Tuxhorn, Senior Auditor; Maurice Toval, Senior Auditor; Patrick Conley, Senior Analyst; Sandra DeLost, Information Technology Specialist; Scott Williams, Analyst; Carlton Hamilton, Auditor; Farrin Tamaddon, Analyst; Harriet Lambert, Writer-Editor; William Savage, Information Technology Specialist

AWARD FOR EXCELLENCE INVESTIGATION

Minnesota Transit Constructors DBE Fraud Investigative/Prosecutive Team

In recognition of your tireless efforts during the Minnesota Transit Constructors DBE Investigation.

George Sullivan, Senior Investigator; Ann Bildtsen, Assistant United States Attorney; Daniel Fruchter, Trial Attorney; Nancy Ellen Zusman, Assistant Chief Counsel

OIG WEEKLY CALENDAR

MON 10/22	TUE 10/23	WED 10/24	THU 10/25	FRI 10/26
	(b)(6)			
	Ann's Leadership Exchange on Situational Leadership, Noon to 1:30			

NOTEWORTHY

LEADING REMOTE AND GEOGRAPHICALLY DISPERSED TEAMS

Teleworking offers a number of benefits to an organization, including improved employee safety and morale, as well as environmental benefits. However, it can also create challenges. Managers must remain acutely aware of the impact teleworking has on



their employees and create effective infrastructures that maximize the benefits of remote employment. HRDC has developed this course to help front-line managers and organizational leaders address these challenges:

- Assess virtual leadership and management practices you previously used and identify new practices you can use to promote successful experiences in the future
- Determine appropriate situations in which you can effectively use virtual teaming
- Develop team processes and specific artifacts that help your virtual team operate efficiently
- Identify the specific needs of your team members and devise strategies that help you consistently engage your employees
- Create communications systems that foster free communication and constant collaboration
- Implement sensible strategies, tools, and practices that help you evaluate your virtual employees and hold them accountable to team standards

To register for the November 7-8, 2012, session, go to https://tms.nbc.gov/plateau/user/deeplink_redirect.jsp?linkId=REGISTRATION&scheduleID=22340

To register for the November 28-29, 2012, session, go to https://tms.nbc.gov/plateau/user/deeplink_redirect.jsp?linkId=REGISTRATION&scheduleID=22341

If you have any questions, contact Sherry Reck.

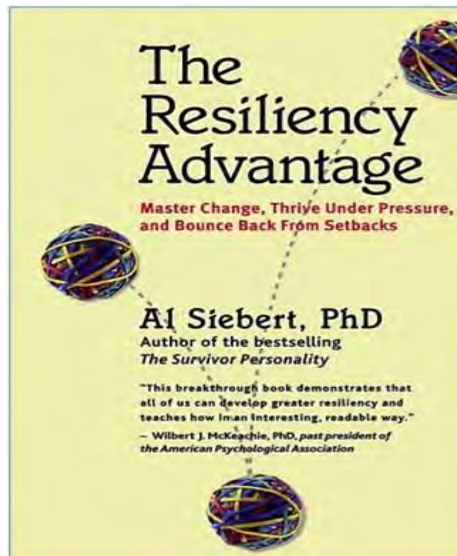
NOTEWORTHY

COP: HOW RESILIENT ARE YOU?

Last week's Community of Practice, hosted by Amanda Seese, Brendan Culley, and Luke Brennan, focused on the concept of "Resiliency." Amanda opened the program asking what made us feel stressed at work. MWAA? Sequestration? Transitioning to Teammate 9? Participants, both in the media center and connected from the field, added buyouts, tight travel budgets, and wedding planning.

To combat these stressors, we need to build up our resiliency—a concept explained in *The Resiliency Advantage* by Dr. Al Siebert. Being resilient can help us have better professional and personal outcomes. But what exactly is resiliency? Participants suggested qualities such as being flexible, adaptable, strong-willed, and motivated. We identified people who have these qualities, such as Thomas Edison, Bill Clinton, RG III, and even Martha Stuart.

Once we got a handle on what resiliency is, Brendan explained how our resiliency is attacked on a daily basis by "ANTs"—automatic negative thoughts. Brendan confessed he has had all nine ANTs Siebert identifies; he's probably not alone. ANTs include:



- Catastrophizing, assuming the worst and blowing a situation out of proportion.
- Selective abstraction, concentrating on the negatives while ignoring the positives.
- All or Nothing: A tendency to view things at the extremes with no middle ground.
- Mind reading, interpreting a co-worker's behavior to mean they are thinking negative thoughts about you.
- Blaming (just what you think it means).

Developing an action plan that includes physical, emotional, and meditative activities helps us combat ANTs. Brendan enjoys zip lining, while Amanda coaches softball. By making time in our schedule for these types of activities, we can refocus and better handle any ANT that may try to come creeping.

Overall, it was a great presentation with lots of in room and field participation. Remember to test your resiliency with the survey Amanda provided!

—James Ovelmen, JA-10

Links: [Video](#), [Presentation](#), [Quiz](#)

OIG IN THE NEWS

MARTIRE SAYS MWAA WAS 'PURE POLITICS'*Washington Post*
October 16, 2012

Labor official Dennis Martire said Tuesday that Virginia Gov. Robert F. McDonnell's campaign to oust him from the board of the Metropolitan Washington Airports Authority was "pure politics at play."

For months, Martire was involved in a costly legal battle after McDonnell (R) sought to remove him from the board. Last month, Martire returned to his seat on the dais. Then minutes later, as part of a confidential settlement, he announced he would step down after this month's meeting.

Martire said elected officials, including McDonnell, Rep. Frank R. Wolf (R-Va.) and U.S. Transportation Secretary Ray LaHood, have unnecessarily politicized a board that was created to be insulated from state and federal interference.

But some would say the board created its own problems.

During his tenure, Martire came under fire for what some, including a federal inspector general, saw as questionable travel expenses, including trips to Sardinia and Prague. The authority was also faulted for awarding no-bid contracts to former board members and for hiring one former board member, Mame Reiley, to a \$180,000-a-year job the day after she stepped down. Many board members said they were unaware that Reiley had been hired to work at the authority. Last month, she was let go from her job.

Martire defended his travel expenses as a necessary part of his work as a board member. He said the trips were in keeping with MWAA policy.

WATCHDOG GROUP: CTA OVERSTATED BUS MILEAGE REPORTS FOR DECADES*Chicago Sun-Times*
Oct 18, 2012

The CTA overstated bus mileage reports as far back as 1982, allowing it to receive up to \$150 million of additional federal taxpayer dollars, according to a Washington, D.C.-based watchdog group.

Cause of Action's report "A bus tour of Chicago-style fraud" alleges the CTA inflated the annual number of miles reported to the Federal Transit Administration for its in-service buses.

The group based its allegation on a 2007 audit in which it says the CTA overreported the miles, allowing it to receive between \$1 million and \$5 million in extra funding from the U.S. Department of Transportation that year.

CTA spokesman Brian Steele said the reason that CTA counted miles of buses traveling from garages to primary routes was so drivers could pick up passengers who flag them down at marked stops.

But "CTA did not include as revenue miles bus trips along non-service routes [along the Dan Ryan, or during non-service hours]," said Steele.

The report alleges that Calvin L. Scovel, the Department of Transportation inspector general, and the U.S. House of Representatives were informed of the "fraud" in 2009 and 2011 but did not begin a federal investigation.

The report says the "failure on the part of multiple government agencies to hold CTA accountable is particularly troubling in light of the fact that CTA's General Counsel from 2001-2004, Robert Rivkin, is the current General Counsel of the DOT, and Valerie Jarrett, Chair of the CTA from 1995 to 2003 is a Senior Adviser to President Obama."

CONGRESSMEN ASK DOT OIG TO AUDIT, EVALUATE CSA*The Trucker News Services*
10/16/2012

Witness testimony at a recent hearing raised concerns about effectiveness of CSA, two members of the House Subcommittee on Highways and Transit said.

The chairman of the House Subcommittee on Highways and Transit and its ranking member have asked the inspector general of the Department of Transportation to conduct an audit and evaluation of the Federal Motor Carrier Safety Administration's Compliance, Safety, Accountability (CSA) measurement system.

In a letter to Inspector General Calvin L. Scovel III, Rep. John J. Duncan, R-Tenn., and Rep. Peter A. DeFazio, D-Ore., pointed to a recent subcommittee hearing during which "data and mythology concerns were raised that may be undermining CSA's effectiveness."

Duncan and DeFazio said witnesses at the hearing raised concerns that a lack of adequate safety data, inappropriate weighting of violations and other scoring problems "are causing CSA to erroneously label safety performance."

The letter also noted that witnesses cited an analysis by the University of Michigan Transportation Research Institute that revealed that motor carriers' CSA scores in some categories did not bear a strong resemblance to crash risk.

"These and other concerns call into question whether CSA enables FMCSA to properly prioritize the least safe carriers for intervention," the letter said. "This is of concern since third parties that utilize CSA scores to evaluate carriers may be making ill-guided safety-based decisions."

LAST PAGE

CFC—LET THE GAMES BEGIN!

CFC is in full swing, with a host of fun activities planned to help OIG raise money for charity and meet our 2012 goal of \$48,000.

On Wednesday, October 10, game faces—and dance moves—were mandatory, as your CFC Team turned an ordinary Headquarters conference room into a video game parlor for several hours, raising \$87 for CFC in the process.

With the lights dimmed and controllers at the ready, OIG's elite cadre of recreational gamers



challenged each other to a variety of Nintendo Wii and Xbox 360 titles, including Wii Bowling, Mario Kart, and Dance Central. Your correspondent crushed the competition at the virtual bowling alley, while Lissette Mercado (JA-20), Louis King (JA-20), and Meredith Howell (JA-60) reveled in the glory of victory at Dance Central, Wii Tennis, and Mario Kart, respectively.

OIG's next CFC event will be Zumba, Salsa, and Line-dancing lessons in the West Atrium on October 23, followed by a marksmanship com-



petition on October 24, featuring JI's own firearm simulator. So put on your dancing shoes and steady your trigger finger, because these two events are not to be missed.

As always, if you have any questions about CFC or how you can contribute to a charity that matters to you, ask your CFC keyworkers—we're here to help!

— Aaron Malinoff, JA-60

COMINGS & GOINGS

(b)(6)

Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

GEARING UP FOR 2013, AS WE RECOGNIZE 2012 ACCOMPLISHMENTS

With the books closed on fiscal year 2012, it's time to look ahead to 2013--and that means I should get right to our budget. As we anticipated, we are operating under a Continuing Resolution, which began October 1 and runs through March 27, 2013. The CR funds us on a pro-rated basis at our fiscal year 2012 appropriation level with a 0.612 percent increase—or \$80.1 million. Our fiscal year 2013 appropriation remains uncertain. Even if we receive our full request of \$84.5 million, we will not receive it until well into the fiscal year, which could affect our budgets for fiscal year 2014 and beyond. We submitted our 2014 budget to OMB in September, but specifics cannot be discussed until the President's Budget is released, which is typically in February.

The status of our ARRA funding also remains uncertain. In January of this year, several OIGs submitted a request to OMB to extend ARRA funding to September 30,



2013. OMB provided the waiver request to the President on October 30, but the timing and outcome is still TBD.

Sequestration continues to be our biggest unknown. It is scheduled to take effect in January 2013 absent congressional action. If these automatic cuts materialize (estimated by CBO to be 8.2 percent) and if our fiscal year 2013 funding level is retained at the 2012 level, our budget will be reduced by about \$6.6 million, which will require furloughs. If the President and Congress have not

reached a resolution by early December, we will communicate at that time how we plan to implement furloughs. We'll have two objectives: maintain our ability to accomplish our mission and minimize the impact on staff. While we all hope sequestration will not take effect, we must plan ahead in case it becomes a reality—both as an organization and personally.

I feel confident that our proactive measures have prepared us to weather worst-case scenarios and avoid extreme measures, such as RIFs and field office closures—neither of which are in our plans. Through our continued hiring freeze, space consolidations, new comp time policy, and reduced operational budgets, we trimmed our operating costs by \$5.5 million in fiscal year 2012 (as compared to 2011). As a result of VERA and VSIP buy-outs and other recent staff departures, we are now at 403 FTEs, our target staffing level. Our focus is on funding

(Continued on page 2)

OIG WEEKLY CALENDAR

MON 11/5	TUE 11/6	WED 11/7	THU 11/8	FRI 11/9
		OMB Semiannual Budget Hearing, 1:00 – 3:00		

NOTEWORTHY

(Continued from page 1)

payroll costs and maintaining our FTE level, while supporting the most mission-critical items.

To help staff cope with fewer resources, we have taken several actions, including reprioritizing our work through JA tactical plans and JI priorities and reorganizing some staff and reporting lines in JA and JI. We also completed an administrative workforce assessment to identify options for employing this part of our workforce.

We also continue to implement work flexibilities, including telework and Maxiflex, to help staff manage their workloads. We extended the Maxiflex pilot and will make any needed changes before it's rolled out OIG-wide. Planned training includes how supervisors can monitor and track employee performance and take needed conduct- and performance-based actions, hold difficult conversations, and manage employee leave. We will offer training for all staff on core competencies for the

new performance standards and how to write a statement of accomplishments.

In times of financial uncertainty, it is even more critical that we continue our outreach efforts. I recently returned from the West Coast, and Ann or I plan to visit other field offices over the next year. We will continue to meet with the SES and their direct reports to gather honest and constructive feedback on work processes, leadership, human capital, and organizational health. We also plan to conduct another OIG survey to gather valuable input for improvements to our work processes and overall leadership and performance culture, and to measure progress. We expect our 2012 OPM Viewpoint results in December, and while we are pleased that our Viewpoint scores have continually improved since 2006, I want to conduct an internal survey to assess this progress and identify new and ongoing concerns.

Our office stands in the front rank of OIGs, thanks to your dedication

and the remarkable work that you continue to produce.

JI is putting the finishing touches on the second issue of *Impact* magazine. With articles like "Flying Under the Influence: Jail for United Express Pilot Who Co-Piloted Flight from Austin to Denver" and "Open Hand: Tennessee State Transportation Official Convicted of Kickback Scheme," this second issue will engage its readers and go far in promoting our investigative work. JI also recently unveiled a "Wanted Fugitives" link on OIG's external Web page that lists defendants charged with transportation-related crimes who have fled the court's jurisdiction and encourages the public to provide us with information that might help bring these fugitives to justice.

Our semiannual report closing out fiscal year 2012 will go to Congress at the end of this month, and we have much to be proud of. Our 2012 audits and investigations resulted in numerous recommendations and prosecutorial ac-

(Continued on page 3)

NOTEWORTHY

(Continued from page 2)

tions aimed at improving safety and stewardship of taxpayer dollars. Specifically, we issued 188 reports with more than 580 recommendations, including financial recommendations totaling nearly \$1.8 billion. Our investigative work resulted in nearly 150 indictments, over 90 convictions, and financial outcomes totaling over \$32 million. Our return on investment continued to be impressive: \$23 for every dollar spent.

We provided testimony at eight hearings on important congressional matters, with Tim, Lou, and Jeff representing our office for the first time.

Operation Boxed Up, which JI launched in 2011, currently accounts for half of our household goods fraud cases. Targeting the most egregious consumer complaints involving hostage loads sends a strong message to those who look at civil penalties as just a cost of doing business. As Committee Chairman Rockefeller said during a recent hearing on these schemes, "It's when people go to jail that the signal gets delivered to the industry."

Treasury OIG gave JI a clean bill of health in its peer review of our internal safeguards and management procedures and highlighted three best practices: Investigative Operations' Contractor Performance Oversight, Professional Development Detail Program, and Special Agent Field Training Program.

After the Presidential and congressional elections, our Top Management Challenges work, audit tactical plans, investigative priorities, and other proactive efforts will position us to respond quickly to the needs of the Secretary and Congress.

Given all these accomplishments—despite the significant constraints—it's fitting to begin the new fiscal year with our annual awards ceremony, which will be held November 16. I always look forward to this event, not just to recognize those employees whose efforts stand out, but to celebrate the hard work of all employees. Based on your input, we made some changes for this year, including:

- The number of awards has been reduced to no more than 18 percent of the OIG population, in order to emphasize the significance of the achievements recognized.
- The Meritorious Service Award, the second highest award, will recognize sustained records of exceptional performance.
- We've added a new award, the Exemplary Achievement Award, the third highest. This award is based on extraordinary contributions to OIG's mission within the most recent performance period.

I'm looking forward to tackling new challenges with you in 2013. The months to come will see spirited debate on key national issues, and the new Congress will look to us to provide undisputed facts and data. Our work will have impact and receive much public attention. As always, I thank you for your outstanding work and for making OIG a great place to work.



OIG Awards Ceremony

Friday, November 16, 2012, at 9:30 a.m. in the Atrium

View the ceremony live via Webcast

Reception immediately following ceremony, 7th floor

NOTEWORTHY

LEADERSHIP DEVELOPMENT EXCHANGE ON SITUATIONAL LEADERSHIP

Last month, Ann led an informative Leadership Development Exchange on situational leadership, a leadership style developed by Paul Hersey and Ken Blanchard. Successful leaders are those who adapt their style to the capacity of the individuals or groups they are leading and influencing. In situational leadership, there is no “best” style.

Ann noted that with situational leadership, one size does not fit all. It is important to be open-minded, flexible, and to understand the characteristics of the individual or group you are leading. Ann then asked participants, “How many believe people are born leaders?” The general consensus was that leadership can be learned.

Before delving further into the situational leadership model, Ann referenced an article she has had for “a long time”: *What Makes An Effective Leader*:

Be prepared for commitment.

Committing to leadership requires vision, planning, and practice; it is trial and error. Ann noted that leadership occurs at all levels.

Assess personal strengths and weaknesses. Great leaders recog-

nize areas that they can improve, understand their limitations, and delegate tasks that they feel may not be their strong suit. Good leaders hire people who complement them and can fill gaps.

Learn how people perceive you.

Understand how you are perceived and how you are being received; ask people what they think are your best and worst qualities.

Know traits that the group values in a leader.

Reach out to understand what qualities the group values, such as trust and creativity, and hone those qualities.

Develop a vision and solid goals.

Members of a group need to know what they are working toward. Step back and be strategic; your individual decisions need to lead to that vision.

Learn to communicate better.

Effective communications creates greater collaboration across divisions; it is not only important to communicate effectively but also to be a good listener. When giving speeches, practice what you are going to say, and practice on friends and family. Ann’s best audience is her daughter!

Make meetings work. Make them productive and ensure they lead

to concrete action. Have an agenda, send it out ahead of time, and note any action items and who is responsible for them.

Recognize and encourage employees. One of the biggest motivators is recognition for good work.

Build your team. An effective leader rarely works alone; innovate and take risks.

Learn from your mistakes. Do not let them paralyze you, learn from them and focus on how to improve.

Develop the leadership style that works with the team.

Ann asked us what we thought makes an effective leader. Responses included a sense of humor, good listening skills, setting the tone, being considerate, seeking feedback from employees, having a holistic view of what your employees are trying to achieve, compassion, and taking responsibility for the team. When providing feedback, use it effectively and never criticize in public.

Ann then transitioned to Hershey and Blanchard’s model and four leadership behavior types: telling,

(Continued on page 6)

NOTEWORTHY

CAL HITS THE WEST COAST TO RECONNECT WITH JA AND JI STAFF

Cal recently returned from the West Coast where he spent a few days reconnecting with staff at our Seattle, San Francisco, and Cerritos offices. Here's what we learned.

SEATTLE

Seattle audit and investigative staff greeted Cal with a smorgasbord of delectable delights, including a sampling of 9 of the 120 different apple varieties grown by Darren Murphy. Cal, however, showed his sweet tooth by going for the ice cream, brownies, and other confections—a creation perhaps only matched by Willy Wonka himself. Cal went on to brief the staff on the possible scenarios that would follow in the event of sequestration as well as answer staff questions.



During the meeting, Cal honored Gloria Muhammad, a long-time member of the OIG family, with a commemorative pin for 25 years of IG service. Over her career, Gloria has worked with four IGs, and four acting IGs, but Cal is the first to personally present an award to her for her years of service, an especially memorable moment. Gloria's career, like so many others, has taken her many places, including Hawaii, and allowed her to work on many interesting audits—her most memorable audit being Airline Customer Service Commitment, where she reviewed National Airlines based in Las Vegas. Thank you for the many years of dedicated service Gloria!

Once appetites were sated and staff briefed, audit staff briefed Cal on the progress of current projects.

The next day, Seattle's investigative team briefed the IG on current cases and initiatives, which turned into a meaningful exchange about the investigative side of the house with advice from Cal on responding to the challenges of criminal procedure.

While in Seattle, Cal enjoyed his first night out with the Seattle



staff at a local waterfront seafood restaurant, where we feasted on fresh caught Alaska salmon. On the second day, Cal and the investigation staff had a wonderful lunch at the Metropolitan Grill in downtown Seattle, where Cal found out why Steve Albino is so popular there.

The Seattle OIG team would like to thank Cal for his visit. We had a great time!

— Curtis Dow and Jason Foster

(Continued on page 6)

NOTEWORTHY

(Continued from page 5)

SAN FRANCISCO

We kicked off Cal's visit to the San Francisco office with a pot-luck breakfast, served on hand-made paper plates, cups, and utensils; along with delectable homemade seafood quiche, breads, and jams; homegrown organic strawberries from the OIG garden on the building's terrace; fresh brewed organic coffee with beans imported from Colombia; and freshly baked pastries from grandma's kitchen. Yum.

Breakfast was followed by an all hands (JA/JI) meeting where Cal

provided updates to, among other things, the OIG budget for FY 2013 and cost saving initiatives completed and planned to mitigate the need for furloughs and RIFs. A Q&A session completed the all hands where Cal got an ear full on the lack of staffing for the SF office.

This was followed by a short break where Cal took the time to regain his composure from the all hands before we all trekked over to the Rincon Center (gourmet organic food court) where we held a communal pray and luncheon.

The afternoon session with Cal included several one-on-ones with his favorite office staff followed by a breakout session with JA where audit teams provided Cal with a progress report on current audits. Cal then meet with JI staff where we know nothing about what happened during that session because JI would not divulge any information, as usual.

Oh, and I shouldn't forget. JI provided door to door limousine service from Cal's hotel to the office and back.

— Scott Macey

(Continued from page 4)

selling, participating, and delegating. The best type to use is often dictated by the group's willingness and ability to take on the tasks and achieve the goal.

Telling involves one-way communication and a direct approach—the leader provides the what, how, why, when, and where. This approach is used when a team is unable and unwilling.

Selling involves two-way communication and coaching to allow the group to buy into the process. This requires that you think about

who is on the receiving end, and is used when a team is willing, but unable.

Participating is the best scenario for collaboration and teamwork—there is shared decision making because the team is both willing and able.

Delegating is when the leader is still involved in decision making but takes on more of a monitoring and oversight role. This is used when a group is unwilling, but is able.

After identifying the four styles, Ann led a robust discussion of

when and how to apply each type, providing conditions and scenarios for each. Ann also noted that leaders should be mindful of leaning toward one style and there may be a need for balance and the use of a combination of leadership styles.

While some may thrive under a specific leadership style or a type of personality, Ann said that it is good to work on different teams and with different people to be exposed to different leadership styles.

— Doris Kwong , JA-40

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OIG IN THE NEWS

AUDIT CRITICIZES FEDERAL HANDLING OF ROAD FUNDS*Transport Topics***October 19, 2012**

Federal Highway Administration officials are not consistently meeting their congressionally mandated “stewardship and oversight” requirements to closely oversee billions of dollars in federal highway program grants to states, according to a new audit.

At stake are some of the \$27 billion in stimulus funding authorized by the American Recovery and Reinvestment Act of 2009 for 13,000 highway projects nationwide and \$40 billion in annual Federal-Aid Highway Program funds provided to the states annually for highway projects, the [Department of Transportation Inspector General] said.

In addition, the IG found that FHWA was not fully providing oversight on about 600 of 2,500 interstate highway system projects, or about \$5 billion in program funding.

IFHWA officials mostly concurred with the audit findings but said the IG did not accurately portray the agency’s oversight role in the agreements.

“With the general devolution of authority for the conduct of highway projects moving from the federal government to the states...these documents are intended to suit the needs of unique state circumstances and the FHWA division offices with which they interact,” FHWA Administrator Victor Mendez wrote in a letter to the IG.

The IG said that although FHWA delegates much of the oversight responsibility for highway projects to states, it is ultimately accountable for ensuring that projects meet established federal requirements.

CHICAGO AGENCY OVERBILLING U.S. TOLD TO CHANGE MILEAGE CLAIMS*Bloomberg***October 23, 2012**

The Chicago Transit Authority collected more federal aid than it should have after inflating mileage covered by its bus routes, the U.S. Transportation Department said.

The Federal Transit Administration in April ordered the Chicago system to revise its 2011 tally of revenue-producing miles, which helps determine U.S. funding, and to change the way it counts mileage from now on. Chicago’s public-transportation system is the third-largest in the U.S. by bus ridership.

Cause of Action, a Washington-based research organization, in a report last week suggested the federal government was slow to investigate “Chicago-style fraud” at the authority.

“What the FTA did not do was investigate whether there was wrongdoing in previous years,” [Cause of Action’s executive director, Daniel] Epstein said. “Their job is to refer these kinds of things to Inspector General Cal Scovel to investigate whether fraud occurred, and if fraud occurred, justice needs to be done.”

The Transportation Department’s inspector general is auditing the FTA’s oversight of the National Transportation Database, including the reporting of bus mileage, said David Wonnenberg, a spokesman for Scovel’s office.

The audit will examine FTA oversight “to ensure that submission from grant recipients and beneficiaries of these transit funds are complete, accurate and timely,” Wonnenberg said.

Wonnenberg declined to comment on whether the office is looking into fraud, citing a policy of not confirming or denying the existence of investigations.

CONTRACTOR SAYS EN ROUTE MODERNIZATION PROGRAM ON TARGET*AINonline***October 31, 2012**

The director of Lockheed Martin’s En-route Automation Modernization program has said the system’s deployment across the U.S. is on schedule and on budget since the FAA recalculated, or “re-baselined,” its cost and schedule in June last year.

However, in an audit report released on September 13, the Department of Transportation inspector general’s office said the FAA has not “fully resolved” critical software problems that have delayed the program. The IG reiterated a Mitre estimate that cost overruns could exceed \$500 million.

“A year or two before the re-baselining, the FAA commissioned Mitre to look at the program. That was their worst case,” Fran Hill, Lockheed Martin director of en-route, terminal and oceanic programs, told AIN. “We are under contract and, given the collaboration that we have in place right now, I don’t see any reason why we’re not going to hold to that \$330 million baseline.”

In testimony before the House Aviation subcommittee on September 12, DOT IG Calvin Scovel said controllers and technicians at the nine ARTCCs using ERAM have identified 900 “high-priority” software issues that need to be addressed. Hill said some 60 percent of software issues “end up being duplicates” across the sites. She said only 6 to 8 percent of reports represent new software problems.

Hill said improved governance of the program by the FAA, and better collaboration among all parties, including the National Air Traffic Controllers Association, gives her confidence that ERAM will meet its current targets.

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COMINGS & GOINGS

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Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

November 13, 2012

INSPECTOR

(b)(6)

OIG WEEKLY CALENDAR

MON 11/12	TUE 11/13	WED 11/14	THU 11/15	FRI 11/16
Holiday	Leadership Brown Bag		Secretary's Annual Awards Ceremony, 12:45-4:00, West Atrium	Cal testifies before the House Transportation and Infrastructure Committee, 9:00 2012 OIG Awards Ceremony, 9:30-11:30

NOTEWORTHY

COP: MARK YOUR CALENDARS FOR NOVEMBER 29!

Cal has invited The Honorable Brian D. Miller, Inspector General, U.S. General Services Administration, to participate in our COP-sponsored Noted Speakers Series. Mr. Miller will speak on "Fighting Fraud, Waste, and Abuse." The event will be held at the DOT Media Center on Thursday, November 29 from 1:30 to 2:30 EST and will be Webcast to headquarters and field locations. We hope that you will join us!

SUPERVISION III -- MANAGING SELF: LEADERSHIP PRESENCE

On October 23, 14 OIG managers attended OIG's Supervision III course—the follow on to SUP I, which focused on the nuts and bolts of being a Federal manager, and SUP II, which focused on leading teams.

SUP III focused on four overarching leadership strengths: Executing, Influencing, Relationship Building, and Strategic Thinking. Regardless of their strengths, leaders should capitalize on strengths that ensure employee needs are met. According to Gallup research, those needs can be boiled down to four: trust, stability, hope, and compassion.

The course's hands-on approach included an opportunity for each



member of the class to have a short presentation videotaped and then reviewed with a coach. There was also a section on relieving stress.

A highlight was an opportunity to speak with Phyllis K. Fong, Inspector General of the Department of Agriculture and Chair of CIGIE.

Her comments on her long career in the Inspector General community and thoughtful responses to questions were greatly appreciated by the class. Her leadership approach allowed the class an opportunity to apply the concepts we learned to a specific leader.

— Amy Berks

NOTEWORTHY

(b)(6)

REPRESENTATIVE WOLF APPRECIATES OIG'S MWAA WORK

On November 2, Congressman Frank Wolf (VA) sent Cal a letter showing his appreciation of our work on the Metropolitan Washington Airport Authority.

"This audit showed the type of independence and professionalism to which every inspector general should aspire," Wolf writes. High praise, indeed.

Congressman Wolf's letter is printed in full on the next page.



NOTEWORTHY

FRANK R. WOLF
10TH DISTRICT, VIRGINIA

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES:

CHAIRMAN—COMMERCE-JUSTICE-SCIENCE

TRANSPORTATION-HUD

STATE AND FOREIGN OPERATIONS

CO-CHAIR—TOM LANTOS
HUMAN RIGHTS COMMISSION



Congress of the United States
House of Representatives

November 2, 2012

241 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-4610
(202) 225-5136

13873 PARK CENTER ROAD
SUITE 130
HERNDON, VA 20171
(703) 709-5800
(800) 945-9653 (IN STATE)

110 NORTH CAMERON STREET
WINCHESTER, VA 22601
(540) 667-0990
(800) 850-3463 (IN STATE)

wolf.house.gov

Mr. Calvin Scovel
Inspector General
U.S. Department of Transportation
1200 New Jersey Ave SE 7th Fl
Washington DC 20590

Dear Mr. Scovel:

I want to thank you for the dedication you and your staff showed throughout your audit of the Metropolitan Washington Airport Authority.

Like you, I was surprised at the depth of issues and bad practices and, in some cases, potential criminal activity taking place among MWAA board members and staff. Had your audit team not spent over a year examining every facet of MWAA's operations and practices, the authority would likely have continued these practices, harming the federal assets under its control as well as the vitally important Dulles Rail project.

You and all those in your office who worked on this audit showed the type of independence and professionalism to which every inspector general should aspire. Despite the intense public interest in your audit, the interim and final reports reflect the caliber of the individuals on your staff and their ability to conduct an exhaustive and informative review of an agency badly in need of reform.

Your work is greatly appreciated by all who use and will use the airports under MWAA's control as well as the Dulles Toll Road and Dulles Rail.

Best wishes.

Sincerely,

Frank R. Wolf
Member of Congress

FRW

I thank you and your staff

NOTEWORTHY

BACK TO SCHOOL—CIGIE STYLE

On November 1, I helped instruct a day-long pilot course “Introduction to Suspension and Debarment for Auditors, Inspectors, and Evaluators” at the Commerce Department’s Headquarters in DC. Participants included the Inspectors General from the National Endowment for the Arts and the Architect of the Capitol and auditors and analysts from 17 Federal OIGs.

A 2011 CIGIE Investigation Committee’s Suspension and Debarment Work Group report recommended widespread training to familiarize Federal OIG employees with suspension and debarment.

When CIGIE’s Audit, Inspection, and Evaluation Academy contacted me to help develop and teach the course, I was excited for the opportunity to share lessons learned from OIG’s successful body of work on suspensions and debarments. Our accomplishments included a final audit report and Cal’s testimony before the House Oversight and Government Reform Committee hearing “Rewarding Bad Actors: Why Do Poor Performing Contractors Continue to Get Government Business?” in March 2010.

My training module addressed “How can auditors, inspectors, and evaluators improve the efficiency and effectiveness of their agency’s Suspension and Debarment Program?” I covered auditing methods and techniques, including scoping and survey tasks, audit report preparation, effective methods to work with agency officials, and results achieved by DOT.

Key takeaways included our use of a cross-functional team, comprised of Audit, Investigations, and Legal, to leverage our talents and develop findings and methods. Participants appreciated the methods we use to maintain continuous, open communications with the auditee—Cal’s “no surprises” concept. In our work on DOT’s Suspension and Debarment Program, this took many forms, including consulting frequently with DOT managers involved with suspensions and debarments to help develop realistic audit report recommendations.



My training module followed remarks by Allison Lerner, Inspector General at the National Science Foundation and Co-Chair of the CIGIE Suspension and Debarment Work Group. The Directors of the U.S. Environmental Protection Agency’s Office of Grants and Debarment and its OIG’s Forensic Audit group also presented modules on “Suspension and Debarment 101” concepts and principles.

I am pleased to report that our pilot course was well received in nearly all areas—participation is rated the quality of the instruction with 97 percent positive evaluations.

— Tony Wysocki, JA-60

NOTEWORTHY

CFC AUCTION BRINGS OUT THE BIDDERS. AND THE WINNERS ARE....

OIG's first CFC Auction was a great success. We auctioned off items of much greater value than those at Christie's: the time and generosity of our colleagues. Congratulations to our winners!

Anne-Marie Joseph and **Amy Berks** will be lunching with Susan Dailey winners with bids of \$20 and \$25, respectively.

Lillian Slodkowski and **Marguerite Nealon** will be lunching with Matt Hampton at Legal Sea Food, with their bids of \$35 and \$30.

Jennifer Hoffman and **Lillian Slodkowski** will be lunching with Cal with their bids of \$50 and \$45, respectively.



Gerald Steere, Jennifer Hoffman, Lillian Slodkowski, Lissette Mercado, and Michelle Starkey won a Pizza Party with Lou with bids of \$20, \$15, \$30, \$20, and \$20.

Brian Dettelbach, Jennifer Hoffman, Michelle Starkey, and Kevin Sanders won a tour of HQ's Mission Critical Facility Operations and Rooftop with Mary-Kay Lan-

gan-Feirson for bids of \$30, \$25, \$25, and \$25.

Michelle Starkey's \$30 bid won the "Garden Basket," courtesy of Amanda Barton.



Shirell Butcher was excited that her \$50 bid won the "Victoria Secret Basket," courtesy of Lissette Mercado.

Ellen Craig won the "Bath & Body Works Basket," courtesy Tom Yatsco, with a \$45 bid.

Lissette Mercado's \$60 bid won her an original Ceramika Artystyczna, courtesy of Ann.

Bob Westbrook won two pumpkin pies from the kitchen of Christina Lee, with his \$45 bid.

Ryan Sanders won "Make-up Services" for the OIG Holiday Party

from Lorena Simpson, with his \$50 bid.

Brian McNamara, Mike Day, and Mike Broadus will play golf with Mitch Behm at Lakewood Country Club, with their bids of \$50 each.

Adrienne Williams won two tickets to "Dreamgirls," courtesy of Louis King, with a bid of \$130.

Ellen Craig and **Fritz Swartzbaugh** will join Joe Come to a National's ball game next season for their bids of \$40 and \$50. The players are thrilled.



Shirell Butcher took home the Wizard Basketball autographed by Caron Butler," courtesy of Omer Poirier, with her \$45 bid.

And **Vlad Armasu** will be taking home the "The Pacific" DVD (6 discs), courtesy of Jeff Guzzetti, with his \$40 bid.

— Lissette Mercado, Supervisory Auditor, JA-20

NOTEWORTHY

CFC BINGO!

Last week, the OIG CFC team held a fun electronic game of “Bingo” to help raise funds for CFC. No – this wasn’t your ordinary game of Bingo that most of us remember playing with our grandparents, but a loud, electrifying game of interactive computerized bingo! OIG Headquarters was well represented from JA-50, JA-60, JA-40, JA-20 as well as the front-office! Thank you Maria!

After countless rounds of bingo with full bingo card number verification after each round, it came down to two finalists, Lissette Mercado (JA-20) and Kevin Sanders (JA-50). While both of them waited for the championship round, they re-loaded on their dry-eraser pens and selected a bingo card that included their favorite numbers. As the game clock



ticked to zero, they both grimaced at each other and began to scribble bingo numbers as they were announced. As the minutes rolled by, there was a sudden yell, “BINGO”! And there stood the winner, Kevin Sanders, with his card held high and proud, which

received a \$15 Starbucks’ gift card courtesy of Starbucks. On the other side of the table was Lissette, looking tired and defeated (needing some coffee), after going the distance for the longest round of bingo to date, 3 minutes, 27 seconds... Please help me congratulate both competitors as they were both winners for CFC!

Thank you again for joining us to have some fun and help this worthy cause. As a reminder, please donate through the CFC website or Employee Express. OIG’s CFC code is 4179000.

Thank you for your contributions, effort and time!

— Jim Lonergan, JA-50

There’s still time to make a pledge!

To make a donation, go to Employee Express (use code 4179000) or use a pledge form, which you can get from OIG’s CFC Keyworkers: Lissette Mercado, Tony Wysocki, Louis King, Mary Kay Langan-Feirson, Sean Woods, Ross Tashaun, Peter Barber, Jim Lonergan, and Jennifer Rivera. Keyworkers are also happy to answer any questions you may have.

And don’t forget our DVD and book sale!

PEOPLE WE KNOW

(b)(6)

LAST PAGE

(b)(6)

COMINGS & GOINGS

There are no comings or goings this week.

Do you have news to share with the OIG community?

Please email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

IG AND SECRETARY TESTIFY ON MWAA



The Committee on Transportation and Infrastructure's hearing last Friday may have been on MWAA and included witnesses Gerald Connolly and Secretary LaHood, but the focus was all on our November 1 report, as the hearing title indicated: "MWAA: A Review of the Department of Transportation Inspector General's Findings and Recommendations."

Cal's statement focused on key weaknesses related to MWAA's contract award and procurement practices, code of ethics, hiring and compensation practices, and Board of Director activities. Cal also highlighted actions MWAA has taken to address concerns we raised in our May interim letter.

Cal, the Secretary, and MWAA Chairman Michael Curto and CEO

Jack Potter agreed that recent changes to reform MWAA were encouraging. However, Chairman John Mica and other Committee members were not appeased. The comprehensive evidence amassed by the audit team made it difficult to shake the censorious tone.

A Washington Post headline—which ran before the hearing even ended—may have summed it up best: "House committee rebukes MWAA officials on 'corrupt practices.'" Within minutes after the hearing, WUSA.com similarly noted that Curto and Potter came under fire, especially for a \$100,000 sole-source contract that went to a law firm employing Curto's wife, and Potter's decision to create a \$180,000 a year job for a former board member.


Representative Jean Schmidt presided over most of the hearing and noted that she would be very liberal with time given the provocative discussion. In wrapping up the hearing, Representative Chip Cravaack asked Cal "How did it come to this?" Cal chose his words carefully: "The prioritization of personal agendas excluded consideration of the best interest of the Authority."

"The Board, as I stated in my opening statement, has a fiduciary responsibility to the Government of the United States, and to the taxpayer, and to the traveler to make sure that every dollar is expended properly and prudently."

A video of the hearing is posted on the Committee's Website.

— Karen Sloan, J-2

OIG WEEKLY CALENDAR

MON 11/19	TUE 11/20	WED 11/21	THU 11/22	FRI 11/23
			THANKSGIVING 	

NOTEWORTHY

SAVE THE DATE: GSA IG HEADLINES NOVEMBER 29 COP

Cal has invited The Honorable Brian D. Miller, Inspector General, U.S. General Services Administration, to participate in our COP-sponsored Noted Speakers Series. Mr. Miller will speak on “Fighting Fraud, Waste, and Abuse.” The event will be held at the DOT Media Center on Thursday, November 29 from 1:30 to 2:30 EST and will be Webcast to headquarters and field locations. We hope you will join us!

MARK YOUR CALENDAR: GROUP MENTORING BROWNBAG

On December 3 at noon EST in the IG Conference Room with VTC to the fields, OIG’s mentoring group will hold a brownbag on group mentoring. Hear from group mentors and mentees about lessons learned, ideas for the next cycle, and more! If you have any questions, contact one of the mentoring group members: Madeline Chulumovich, Michelle McVicker, Marshall Anderson, Cordelia Bostic, and Olivia Starr.

LEADERSHIP BROWNBAG FOCUSES ON TEAM BUILDING

Last Tuesday, Ann led a Leadership Brownbag on “Building Effective and High Functioning Teams.” The session came on the heels of a Leadership Development Exchange session on the same topic. To kick off the discussion, Ann asked attendees about experiences they have had with team-building, including any challenges and solutions. It was a robust dis-

cussion with attendees providing unique insights

After the open discussion, Ann walked us through Suzanne Willis Zoglio’s “7 Keys to Building Great Work Teams”: commitment, contribution, communication, cooperation, conflict management, change management and connections. At the conclusion of the dis-

cussion, several participants identified strategies for staff members to put these “keys” into practice.

The next Leadership Brownbag will be on “Planning and Executing Tasks,” which will be led by Joe Come. Watch for the next invite!

— Brendan Culley, JA-50

NOTEWORTHY

ANNUAL ETHICS TRAINING MUST BE COMPLETED BY DECEMBER 13

The annual ethics training, “Ethics 2012—The Amazing Race for Ethical Knowledge,” is now available on TMS. All GS employees and Special Government Employees—excluding SES and new employees who began employment with OIG in calendar year 2012—are required to com-

plete this training by Thursday, December 13.

The training should be on your “To-Do List” in TMS. To receive credit, you must click the banner certifications at the bottom of the screen for both the video and quiz.

If you have any TMS-related technical questions, email inquiries to TrainingHRDC@oig.dot.gov. If you need an accessible version for the hearing impaired or have a question about content or who needs to take the course, contact me.

— Fritz Swartzbaugh

MANAGING VIRTUAL TEAMS AND TELEWORK—NOVEMBER 28 AND 29

The first session of “Managing Virtual Teams and Telework” was held on November 7 and 8. The course was designed to help front-line managers and organizational leaders understand the benefits of teleworking and remote employment, as well as the impact on employees.

The session was a great success. Here are some comments from participants:

- Managers definitely benefit from open discussions among their peers on how they handle virtual teams.
- Geographically dispersed teams are now commonplace. and we must use technology, telework, etc. to manage and do our work.
- Team communication plans are key. I assumed we all knew how

we would communicate, but now I understand that’s not always clear.

- Accountability is a challenge. We all struggle even in face-to-face interactions to hold ourselves and staff accountable.
- Supervisors and non-managers also need to understand their roles in ensuring “virtual” teams succeed. They have to take ownership for communication, trust, accountability, etc. This course drives that home.
- A combination of SharePoint/ shared file, conference calling, instant messaging, phone, and email can all reinforce and enhance work productivity and efficiency. As working with teams in different regions becomes more the trend and norm, effective use of the communication

tools and the technology with which to implement them, can help make our work life easier.

- Anyone who works on or interacts with “virtual” teams would benefit from this course.

HRDC is offering one more session on November 28 and 29, 2012. To register go to: https://tms.nbc.gov/plateau/user/deeplink_redirect.jsp?linkId=REGISTRATION&scheduleID=22341

All managers are encouraged to take this training to gain a better understanding of managing virtual teams and to learn how to create effective infrastructures that maximize benefits.

If you have any questions, please contact Sherry Reck.

— Angie Thorpe

NOTEWORTHY

OIG HONORS ITS 2012 AWARD RECIPIENTS



Ann welcomes HQ staff to 2012 OIG Awards Ceremony



DOT Deputy Secretary Pocari addresses staff



Christina Lee, OIG's 2012 People's Choice



OIG's stellar HR staff who helped make it all happen



Bill Owens and Brian Dettlebach, two of three recipients of OIG's highest award (Matt Hampton was the third)

OIG IN THE NEWS

WASHINGTON AIRPORTS AUTHORITY: POSTER CHILD FOR CORRUPTION

**Committee Press Release
November 16, 2012**

Washington, DC – The Chairman of the House Transportation and Infrastructure Committee called the Metropolitan Washington Airports Authority (MWAA) a poster child for corruption, and called for significant steps to improve the Authority's management of D.C. area transportation systems.

Chairman John L. Mica (R-FL) conducted a hearing today on the Department of Transportation Inspector General's (DOT IG) recent audit highlighting problems with MWAA management policies, practices and programs.

"This is a sad chapter for Metropolitan Washington and advocates for good D.C. transportation," Mica said. "Information uncovered by the Inspector General revealed that MWAA has become a poster child for corrupt practices.

"The IG found problems with hiring practices, a lack of competition for contracts, and ethical violations," Mica continued. "For example, the Inspector General report highlighted cases where contractors provided MWAA employees with trips to golf tournaments, tickets to other sporting events and concerts, and tickets for the Super Bowl, travel and accommodations amounting to nearly \$5,000. MWAA senior officials were improperly filling vacancies, awarding excessive salaries, and providing unjustified hiring bonuses. MWAA also gave preferential treatment to friends and relatives of Board members."

Mica also cited a news report that MWAA employees had been sounding alarms years before the DOT IG investigation. According to the Washington Examiner, comments from an employee survey in 2010 urged changes to the

culture of management at MWAA by eliminating the "corruption," "favoritism," "nepotism," etc.

"People must be held accountable for this kind of corruption, and steps must be taken to thoroughly address the problems at MWAA," Mica added. "While some interim changes have been made, none of these have been fully implemented or independently reviewed."

"The DOT Inspector General's findings are alarming and raise many questions," said U.S. Rep. Tom Petri (R-WI), Chairman of the Aviation Subcommittee. "I am pleased to learn that both the Department and the Authority are taking steps to address the issues uncovered by the Inspector General, but we must remain vigilant to ensure that any steps taken resolve the problems."

MWAA is an independent public body established by Congress and responsible for managing some of the Washington, DC region's major transportation systems and projects, including Dulles International Airport, Ronald Reagan Washington National Airport, the Dulles Toll Road, and an ongoing extension of Metrorail to Dulles Airport.

At the request of Congressmen Frank Wolf (R-VA) and Tom Latham (R-IA), the DOT IG examined and found significant issues with MWAA's (1) contract award and procurement practices, including compliance with relevant laws, (2) code of ethics for employees, (3) hiring and compensation practices, and (4) accountability and transparency of its Board of Director activities.

Calvin L. Scovel, III, the Department's Inspector General, testified at today's hearing, in addition to the Department Secretary Ray LaHood and MWAA's

Chairman of the Board of Directors Michael Curto.

Scovel said in prepared testimony, "In summary, MWAA's policies and practices have not provided the controls needed to ensure accountability, transparency, and sound governance. MWAA's lack of internal controls has created a culture that allows questionable contracting practices by staff as well as its Board of Directors and senior officials—including initiating work before contract award, awarding sole source and limited competition contracts without proper justification, and providing non-public information that gives potential contractors an unfair advantage in competition. MWAA's code of ethics and related policies and procedures have similarly been insufficient to detect violations of anti-nepotism and gift provisions and identify potential conflicts of interest. Lacking a formal policy for filling vacancies or creating new positions has allowed senior officials to place candidates into new or existing positions without job descriptions, competition, or completed background checks. Finally, MWAA's policies and processes have not ensured accountability and transparency for activities conducted by its Board of Directors."

"While MWAA is taking positive steps to correct the deficiencies we identified, further actions are needed to fully address these deficiencies to ensure fiduciary and ethical responsibility and restore public trust in the soundness of its current and future activities," said Scovel.

NOTEWORTHY

HUNGRY STAFF LINE UP FOR CFC EVENT

On Wednesday, November 14, OIG staff showed up hungry and ready to sample 18 delectable dishes prepared by OIG employees for the CFC International Potluck and Cook-off!



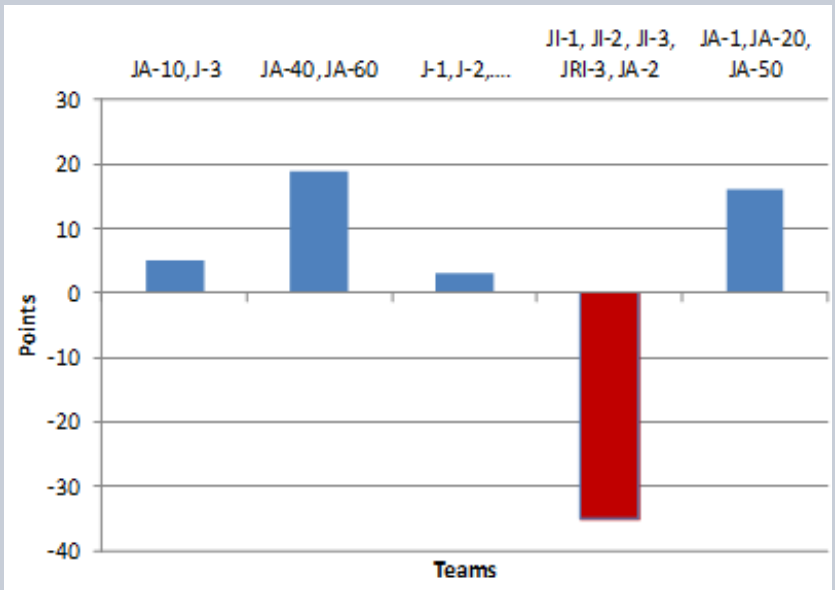
The competition was fierce with an array of international cuisine ranging from Lithuanian, Cuban, Persian, and Puerto Rican. As food became scarce, last minute votes came in, resulting in a tie between Pamela Castleberry's Persian Chicken and Deviled Eggs, and Jamila Mammadova's Stuffed Tomato and Green Pepper Dolma. Winners will receive a free "Cooking With OIG" cookbook.

Special thanks to everyone who donated to this year's Cook-Off event, and for making it the success the CFC hoped for by earning a total of \$517.07.

— Roberto Pero, JM-40

CFC PENNY WARS STANDINGS: JI'S GOT SOME CATCHING UP TO DO!

As of November 16, it's not looking so good for the JI, JA-2 team. But if you rule these units out, you're not from OIG.



Book, DVD Sales

**As of
November 16**

\$94.12

(b)(6)

COMINGS & GOINGS

There are no comings or goings this week.

Do you have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics to the email.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

MEET JA-20'S NEW PD IN BALTIMORE

George Banks, OIG's new Program Director for JA-20's Baltimore office, came to DOT OIG fresh out of college more than 28 years ago. "I guess I never felt the need to explore other work opportunities." George is familiar with the conceptual theory of the grass being greener on the other side of the fence. "Having inspected the grass on both sides of the fence in my [cattle] farming days, I can tell you there really is no difference."

George's toughest audit was of the Coast Guard's inventory at Curtis Bay. "We determined that CG was purchasing and holding more inventory than Economic Order Quantity theory recommends."

Disagreements over the audit's findings came down to one term of art. "The editors at the time did not like the term 'long supply,'" so it was changed to 'excess inventory' for reporting. The Coast Guard basically reaudited its inventory and came to the same conclusions the team reached 3 months before—but used the term long supply.



George's best audit was a 12-day real property verification of Coast Guard facilities from Los Angeles to Seattle. "We drove up the entire West Coast! We spent the night in Bodega Bay, CA, and I experienced a strange aversion to seagulls." George realized when he got home that that was where Hitchcock's *The Birds* was filmed.

On this audit, George was told—at 8:00 a.m. on a Sunday—that no one was available to meet him at the LORAN facility, which was surrounded by a 12-foot fence. "They said I would have to wait until Monday morning. I only needed to inspect the building from the outside and measure the dimensions, so I asked if there was any razor

wire on top of the fence. They were there to let me in 20 minutes later."

George is an avid traveler and outdoorsman. He's been to Europe, Africa, and almost every U.S. National Park with a mountain in it. "I climb mountains," George glibly tells us. George has climbed all of the 4,000 foot peaks in the Northeast, and a good number of the lesser peaks.

It's hard to believe that George was hit by a car when he was 30 and was seriously injured. "Broke everything from the waist down, spent 3 months in the hospital, bone grafting, external fixation, plates, all the good stuff."

George has been doing a lot of kayaking the past 4 years. "We don't have any real mountains in Maryland and the old body parts respond better to kayaking than pounding them silly on mountains."

Still, George says if he had 4 months of free time, "I would be off to Chomolungma—the Mother Goddess, Everest."

OIG WEEKLY CALENDAR

MON 11/26	TUE 11/27	WED 11/28	THU 11/29	FRI 11/30
		CFC Ice Cream Social!	COP: GSA IG , 1:30-2:30	
Ann TDY, Atlanta Tim TDY, Cerritos	Ann TDY, Atlanta Tim TDY, Cerritos	Ann TDY, Atlanta Tim TDY, Ft. Worth	Ann TDY, Ft. Worth Tim TDY, Ft. Worth	Ann TDY, Ft. Worth

NOTEWORTHY

COP'S NOTED SPEAKERS SERIES HOSTS GSA'S IG THIS THURSDAY



The Honorable Brian D. Miller, Inspector General, U.S. General Services Administration, will be discussing “Fighting Fraud, Waste and Abuse” this Thursday from 1:30 to 2:30 EST in the DOT Media Center. The event will be available via webcast; details will be provided the day of the event.

Miller has been GSA's Inspector General since July 2005, after working at the Department of Justice for 15 years, where he became an Assistant U.S. Attorney

concentrating on procurement, grant, and health care fraud cases.

In 2006, Miller was named Vice-Chair of the National Procurement Fraud Task Force, a task force of the Department of Justice, law enforcement offices, and several inspectors general. As co-chair of the committee, he played a key role in amending the Federal Acquisition Regulation to require contractors to report overpayments and crimes. He also was a principal author of a legislative and regulatory reform white paper, which resulted in legislation, regulation, and a national debate on important issues related to procurement fraud.

In 2008, he created a forensic auditing unit and sponsored Federal forums to promote forensic auditing as a tool to analyze databases and to detect fraud. In 2010, Miller established the Government Infrastructure Protection Initiative within his Office of Inves-

tigations to protect the Federal procurement process and supply chain from the dangers associated with counterfeit products.

As Inspector General, Miller leads over 300 auditors, special agents, lawyers, and support staff in conducting nationwide audits and investigations. Miller participates in the President's Financial Fraud Enforcement Task Force and partners with Federal, State, and local officials to share information to detect, investigate, and prevent procurement, Recovery Act, and grant fraud.

This year, Miller received the David M. Walker Excellence in Government Performance and Accountability Award, and was recognized in 2007 by *Ethisphere* magazine as the 12th “most influential person in business ethics.” Miller also received the Attorney General's Distinguished Service Award.

NOTEWORTHY

GROUP MENTORING NEXT MONDAY!

Learn first hand about the rewarding experiences and opportunities of group mentoring from OIG's Group Mentoring Team on Monday, December 3, from noon to 1:30 pm EST. Hear from group mentors and mentees about lessons learned, ideas for the next mentoring cycle, and more. This brown bag is open to all OIG employees. Join us:

- At Headquarters in the IG's Conference Room.
- From the regions via VTC. If you will be videoconferencing, send an email to ellen.craig@oig.dot.gov.
- By phone. The conference call number is 877-336-1274, access code: 3460949.

If you have any questions, please contact one of OIG's Mentoring Group members: Madeline Chulumovich, Michelle McVicker, Marshall Anderson, Cordelia Bostic, and Olivia Starr.



EVERYONE HAS SOMETHING TO LEARN AND SOMETHING TO CONTRIBUTE

OIG CFC SILENT AUCTION II STARTS THIS WEDNESDAY!

We're gearing up for our second and final CFC Silent Auction for 2012, which starts this Wednesday, November 28, and runs 1 week through Wednesday, December 5.

We collected \$1,100 from Silent Auction I, and we're hoping we can beat that with Silent Auction II. (We've given you a sneak peek of an item at right.)

We're still accepting items. Maybe a gift that you got that you already had. Or your own work of art or talent.

Let us know if you have any questions, and thanks in advance for participating!

— Lissette and Tony
OIG CFC Campaign Coordinators



OIG IN THE NEWS

DOT IG ENDORSES VALUE OF FAA CONTRACT TOWER PROGRAM

Aviation News Today
November 20, 2012

FAA contract towers continue to provide cost-effective and safe air traffic control services...DOT's Inspector General concluded in a new report.

Based on a review of 30 randomly selected contract and 30 FAA-operated towers with a comparable level of operations, a contract tower costs, on average, about \$1.5 million less to operate than a similar FAA tower, the IG concluded.

Contract towers experience a significantly lower number and rate of safety incidents compared with similar FAA-operated towers, the IG said. For example, the 240 contract towers included in the IG's review had 197 safety incidents in fiscal year 2010, compared with 362 at 92 similar FAA-operated towers. FAA safety evaluations also found fewer operational deficiencies with contract towers in areas such as improper radio communications by controllers.

The report said that the IG's office is making recommendations to improve FAA's internal controls and oversight of contractual and safety aspects of the contract tower program.

Spencer Dickerson, president-AAAE meetings and international and executive director of the U.S. Contract Tower Association, a AAAE affiliate, commented that, "Once again, the IG has validated the safety benefits and cost-effectiveness of FAA's Contract Tower Program. Since 1998, the IG has conducted five reviews of the contract tower program and, each time, has endorsed its safety benefits and the good value that it offers taxpayers and FAA. Airports that participate in this valuable program are strong advocates of the safety benefits it offers."

MWAA ETHICS CONCERNS AIRED AT CONGRESSIONAL HEARING

Fairfax Times
November 20, 2012

The House Committee on Transportation and Infrastructure grilled MWAA President and CEO John "Jack" Potter and Board of Directors Chairman Michael Curto about the issues raised in a recent report from the U.S. Department of Transportation Office of Inspector General.

[OIG] found MWAA to have lax contracting and hiring practices and insufficient ethics policies, leading to improper contracting processes, charges of nepotism and ethical lapses.

The inspector general's findings have been turned over to the FBI, which is investigating any possible criminal charges, according to Department of Transportation Inspector General Calvin Scovel III.

Some committee members seemed somewhat surprised to learn that two of the people cited for missteps, Potter and Curto, are also the ones leading the effort to restructure the authority.

The law firm where Curto's wife works was awarded a \$100,000 sole-source contract for legal consultation. Curto says his wife did not benefit from the contract but acknowledged the "appearance of a conflict of interest."

"In Washington, there is a lawyer on every corner," said Rep. Donna Edwards.

By all accounts, the authority has taken steps to improve its contracting and hiring practices and support more ethical practices within MWAA.

"The key will be implementation and enforcement," Scovel said.

Do you have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

Please send unformatted Word files and attach any photographs and graphics separately to the email.

The Inspector team thanks all staff for their articles, which have made OIG's newsletter so great!

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.



THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

SECOND ISSUE OF *IMPACT* HIGHLIGHTS JI WORK

I am pleased to announce that the second edition of *Impact* magazine is hot off the press. Last summer, JI built the inaugural edition of *Impact* magazine from the ground up, creating an innovative and eye-catching publication that highlights the remarkable stories behind some of OIG's most significant and compelling investigations.

Following tremendous positive feedback to the first edition, JI worked tirelessly to fill the next edition with new stories (11 in all), and some behind-the-scenes photos centered on the theme of corruption and our relentless fight against it.

(b)(6) in collaboration with the FBI, involves undercover agents, Russian and Chinese crimi-

Abetting")

(b)(6)

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(b)(6) Convicted of Receiving 'Tips' From Pilots"),

(b)(6)

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("Selling Safety" and "Electric Vehicle Promoters Line Pockets With Federal Grant Funds"),

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("Flying Under the Influence"), and

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("Stealing Copper").

Make sure to check out the Spotlight on OIG's Hotline Complaint Center on page 56 to read how even a single tip from a hotline complainant can help OIG unravel a pervasive fraud scheme.

You can pick up a copy of the latest *Impact* magazine at Staff Assistant Charmaine Newman's desk (W73-481). An electronic edition will also be made available on OIG's website.

— Christina Lee



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a 2-year veteran *Impact* contributor, earned top billing with his cover article "International Trucking: CDL Testing Schemes Uncovered." This thrilling case, led by

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nal organizations, and a whole lot of courtroom drama.

Other contributors to the second edition include

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("Open Hand" and "Aiding and

OIG WEEKLY CALENDAR

MON 12/3	TUE 12/4	WED 12/5	THU 12/6	FRI 12/7
				

GSA'S IG EMPHASIZES EMPLOYEES' ROLE IN COMBATting FRAUD

Last Thursday, the Honorable Brian D. Miller, GSA's Inspector General, spoke to OIG staff in HQ and the field about his experiences in combating fraud, waste, and abuse in the Federal Government.

In introducing Miller, Cal noted Brian's number 12 spot on *Ethisphere's* 2007 list of most influential people in business ethics. "I was curious about who else was on the list." Cal pointed out that Brian ranked well above other leaders—including Al Gore (29)—and other interesting mentions, such as "A mysterious employee" (59) and Wang Shouye's mistress (85). (If you're curious like Cal, the full list and details are at <http://ethisphere.com/influential/>.)

Miller opened with a quick run-down of the Federal IG's history, noting that the 1978 IG Act was prompted in part by scandal at GSA. Miller also highlighted the

recent scandal surrounding GSA's Western Regional conference, and showed clips from Jon Stewart's coverage of the story in "Moneygall" (<http://www.youtube.com/watch?v=91T0wHWBee8>). In another clip, GSA employees were shown earnestly denying any wrongdoing; one used squishy language like "legal culpability."

Despite the humor, Miller emphasized the gravity of not knowing problems exist. At a recent Homeland Security and Governmental Affairs Subcommittee hearing, Miller testified that "The first step in stopping waste is to identify it." Miller noted that employees need to be willing to come forward to identify questionable activities. In the month following his office's report, "the number of incoming hotline tips more than doubled."

Through regional town hall meetings, the IG and Acting GSA Administrator have reiterated "the

valuable role GSA employees have as the first line of defense against fraud, waste, and abuse."

Miller noted that some Federal employees do not look at fraud, waste, and abuse as stealing. To bring this point home, Miller played a clip from *Office Space* where Joanna asks Peter to explain how his scheme isn't stealing.

Miller ended his talk pointing out typical types and signs of fraud and tools to combat fraud.

Throughout, however, Miller emphasized that social media and emails have become a key source of evidence—as was the case with the Western Regional Conference scandal, when Neely's wife posted the now infamous bathtub photo on Facebook.

— Karen Sloan (J-2)

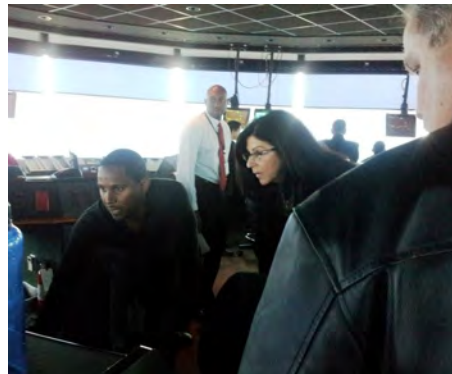
NOTEWORTHY

ANN HEADS SOUTH AND FACES HER FEAR OF HEIGHTS

Ann took a southern swing through OIG's Atlanta and Fort Worth regional offices last week.

At each location, Ann held 2-hour meetings with JA and JI staff to discuss the field office's unique contributions to OIG's work and update staff on several initiatives, the budget and possible sequestration, and the transition to the new Administration. Ann also recognized CIGIE, Secretarial, and OIG awardees. Ann spent the balance of her time in one-on-one meetings with staff.

At Atlanta, Ann was also taken on a VIP tour of the Hartsfield Jackson International Airport's new air traffic control tower—the tallest in the country. (Ironically, the team learned the evening before that Ann has a fear of heights when the audit managers took her to the rooftop restaurant of the Westin Peachtree, the tallest hotel in the Western Hemisphere.) While on the control tower's catwalk, "I kept my back against the interior wall," Ann said. But the experience allowed Ann and the team to learn a lot about air traffic operations at one of the world's busiest airports.



At Fort Worth, Ann also met separately with JI staff, along with Tim and Bob Westbrooks, who were also visiting the region.

In true Southern hospitality form, staff in both regions provided sustenance during the 2-hour meetings. Atlanta staff laid out the finest Italian fare, while Fort Worth welcomed Ann with a Texas-size potluck breakfast: Texas breakfast casserole with Nolan Ryan sausage and chipotle cheese; cowboy jalapeno and cheese grits; Southern fruitcake with Texas organic pecans; and assorted pastries of the apple, sweet potato, and pumpkin varieties.

One staff member noted, "We were all incredibly impressed with Ann's ability to maintain alertness after everything we had fed her that day."

— Marshall Jackson (JA-10, Atlanta), Kerry Barras (JA-40, Fort Worth), Karen Sloan (J-2)

NOTEWORTHY

(b)(6)

OIG CFC SILENT AUCTION II RUNS THROUGH WEDNESDAY!

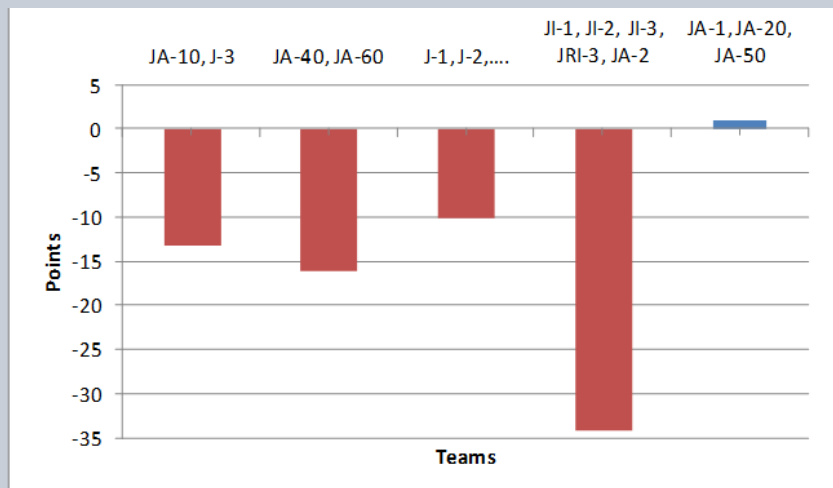
There's still a chance to snag a beautiful gift at the second and final CFC Silent Auction for 2012, which runs through Wednesday, December 5.

Items for bid include a trip to one of several great locations, a pizza party with Lou, beautiful teacups, vintage jewelry, a cool bear, games, and much more!

Be careful of those last-minute buyers!

PENNY WARS: V IS FOR VINDICTIVENESS

As of November 30, it's not so much a "penny war" as a "bill war" as the value of paper bills donated is almost double that of coinage. Could this be the first year that a winning team has negative points? We'll take that since it's raised \$242.64 so far!



OIG IN THE NEWS

DOT IG CRITICAL OF RECURRING FISMA SECURITY WEAKNESSES

Fierce Government IT
November 26, 2012

Despite a series of damning, yearly Federal Information Security Management Act compliance audits, the Transportation Department failed again in fiscal 2012 to remedy recurring weaknesses that expose the department to serious security threats, according to a Nov. 14 Office of Inspector General report (.pdf). Twenty-one of 35 open recommendations made since 2009 remain open, say report authors.

In 2009, the department's security program did not meet all federal requirements and the following year its lack of progress in other critical areas constituted a material weakness in internal controls. In 2011, DOT had not corrected weaknesses in its information security procedures, enterprise-level and system-level controls, and management of corrective actions.

"Overall, the department's information security system was still not effective," write report authors.

The OIG also called out three FISMA security program area problems that need the most attention. First, procedures for accepting and monitoring shared security controls have not been developed. Second, continuous monitoring procedures are in draft and require additional detail to guide operating administration personnel in the development of monitoring practices. And finally, capital planning and investment is lacking; procedures for managing security costs as part capital planning are not developed and there are no procedures for developing enterprise architecture, write report authors.

CONTRACT TOWERS CHEAPER, SAFER

AV Web
November 27, 2012

A recent report from the Transportation Department's Office of Inspector General found that contract towers are cheaper to operate than FAA towers. The contract towers also had a lower rate of safety incidents compared to similar FAA towers. "On average, a contract tower cost about \$1.5 million less to operate than a comparable FAA tower, mainly due to lower staffing and salary levels," according to the OIG. The OIG made several suggestions to the FAA to improve the program, including strengthening financial oversight and implementing voluntary safety reporting systems at the towers.

Contract towers are used at 250 low-activity U.S. airports that otherwise wouldn't have air traffic services. The OIG based its cost comparison on 30 randomly selected contract towers and 30 FAA towers with a comparable level of operations. For the safety study, the FAA reviewed 240 of the contract towers, which reported a total of 197 safety incidents, compared to 362 incidents at 92 similar FAA towers. The OIG said the FAA should include contract towers in voluntary reporting systems for safety incidents, such as the Air Traffic Safety Action Program currently in place at all FAA facilities.

NEXTGEN AIR SYSTEM JEOPARDIZED BY LAWMAKER INTERFERENCE

Bloomberg Business Week
November 27, 2012

Benefits from the planned \$42 billion investment in a new U.S. air-traffic control system depend on being able to combine and move hundreds of radar rooms.

That modernization effort is at risk because U.S. lawmakers have blocked several attempts to merge such Federal Aviation Administration facilities.

"You tell a congressman that you're pulling a center out of his or her district, you're going to have a gigantic scream," said George Donohue, a former FAA associate administrator.

More than half of those facilities [are] beyond their useful lifetime, according to a 2008 study by the Transportation Department's inspector general. An unspecified number are so old they can't accommodate the new NextGen equipment, it said.

A 2010 inspector general review of a proposal to move a radar room from Boise, Idaho, to Salt Lake City found cost estimates were "flawed and lacked transparency."

Though the FAA hasn't completed plans for relocating or merging facilities, the process could involve most of the U.S.'s more than 15,000 controllers, according to a July 17 inspector general's report. Preliminary plans to merge 51 TRACONS and en-route centers...from Illinois to Maine into four facilities would effect almost 3,000 controllers and more than 1,000 managers and technicians, according to the report.

Merging that many facilities presents many hurdles, according to the inspector general.

LAST PAGE

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COMINGS & GOINGS

(b)(6)

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THE INSPECTOR

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AIG BEHM TESTIFIES ON HSIPR

Last Thursday, AIG Mitch Behm testified before the House Transportation and Infrastructure Committee on FRA's implementation of the High Speed Intercity Passenger Rail program.

Committee Chairman John L. Mica started the hearing, noting that he has been called the biggest cheerleader of transportation, rail, and high-speed rail, and emphasizing that high-speed rail is at least 110 MPH on average. "Most of the money has been turned back," he noted, due to "bait and switch."

Kevin McCarthy and Susan Hahn, U.S. Representatives from California's 22nd and 36th Districts, respectively, sat on the first of three panels. McCarthy, who testified without a script, expressed skepticism: "If we build it, I don't know if they will come." Hahn disagreed: "The biggest mistake I think we've made so far is not building major transportation projects."

Secretary of Transportation LaHood sat on the second panel and highlighted accomplishments that

have been made over the past 4 years. "The first true high-speed rail is set to break ground this year"—a 220 MPH train system expected to carry passengers from Los Angeles to San Francisco in less than 3 hours. "For those of you who think we haven't moved fast enough—4 years ago there was no vision, 4 years ago we had not invested \$10 billion." Mitch followed the Secretary as the first witness on the third panel, which also included GAO's Director of Physical Infrastructure; the Secretaries of Transportation, from Washington State and Illinois; and the President and CEO of the Association of American Railroads.

Mitch discussed two key challenges FRA has faced in disbursing \$10.1 billion in grant funds: completing its grants management framework and stakeholder agreements. Mitch noted that while FRA established policies and procedures for administering grants, it has not developed sufficient guidance for FRA staff and grantees to efficiently and effectively navigate the complex grant lifecycle.

process. "FRA also lacks clear strategic and performance goals for assessing the grant program's progress and grantee performance." A lack of clear goals and performance makes it difficult to measure progress and identify risks. FRA's grants management framework also lacks a comprehensive training program—one that ensures staff understand the risks associated with large grant programs, such as conflicts of interest or false statements, claims, and certifications.

Finally, Mitch pointed out that all stakeholder agreements need to be completed in order for FRA to disburse obligated funds to project grantees. During the questions, Committee member Elijah E. Cummings asked Mitch to elaborate on this issue. "It's important that these agreements be met," Mitch said. "While we still are close to 5 years from the time the money needs to be disbursed, that time for these types of projects isn't all that much."

— Karen Sloan, J-2

OIG WEEKLY CALENDAR

MON 12/10	TUE 12/11	WED 12/12	THU 12/13	FRI 12/14
Tim TDY, JRI-4	Tim TDY, JRI-4	Tim TDY, JRI-4 Cal—Updates, 2:00	Ethics Training Dead- line (b)(6)	

NOTEWORTHY

THE AMAZING ETHICS RACE MUST BE RUN BY THIS THURSDAY!

If you haven't taken "The Amazing Race for Ethical Knowledge"—OIG's 2012 ethics course—time is running out! All staff must complete the course by Thursday, December 13.

The training is highly entertaining (thanks J-3 for again coming up with a fun way to satisfy this annual requirement) and thoroughly

prepares virtual participants for the short quiz.

In addition to learning about the Federal Government's complex ethics requirements, you get to see Aaron Rodgers run in slow motion, Dave Wonnenberg try to bribe an official, and Christina Lee singing a couple bars of "Let's Get Ethical," while Luke Brennan and

Tristin Jones anchor the group with a little sanity.

If you have any questions about the content, email Fritz Swartzbaugh or call him at 202-366-5511. If you have any TMS-related technical questions, please email your inquiries to the TrainingHRDC@oig.dot.gov mailbox.

HANDLING "FIERCE CONVERSATIONS"

HRDC has scheduled two sessions of "How to Handle Difficult Relationships and Conversations" for early January. The workshop uses the "Fierce Conversations"™ approach, which focuses on building relationships by addressing difficult issues early and often—before they become major problems. The interactive course offers participants an approach for surfacing and resolving new or recurring problems with difficult conversations and difficult people.

Participants reflect on what gets in their way of having such discussions. Working in pairs, partici-

pants practice having this discussion and receive feedback on what they did well, and ways that they can improve. Strategies for managing emotional triggers and defensiveness will also be discussed and practiced.

The course will help supervisors prepare for mid-year discussions with staff.

This is one of the last opportunities this year that we have to offer this class. The sessions are January 8, 2013, or January 9, 2013, from 10 am to 3:30 pm. Here are the registration links for each:



January 8: https://tms.nbc.gov/plateau/user/deeplink_redirect.jsp?linkId=SCHEDULED_OFFERING_DETAILS&scheduleID=22942
January 9: https://tms.nbc.gov/plateau/user/deeplink_redirect.jsp?linkId=SCHEDULED_OFFERING_DETAILS&scheduleID=22943

NOTEWORTHY

GROUP MENTORING BROWNBAG

On December 3, the mentoring group held a Group Mentoring brownbag for group mentor facilitators and mentees to share best practices and discuss what is next on the horizon. Representatives from five groups and several mentees contributed.

Cal and Ann kicked off the session, expressing their continued support for the OIG-wide mentoring program. The group of mentors and mentees shared some of the key topics that were addressed during the last 9 months, along with the benefit of having outside experts discuss certain topics during their meetings, such as

- managing stress and work-life balance,
- understanding OIG culture,
- bridging the distance between HQ and the field,
- managing group dynamics and peers,
- planning for long-term career goals,
- providing feedback and motivating and coaching employees,
- standing out among peers,
- branding yourself,

- developing leadership style, and
- handling being wrong and avoiding being blinded by individual judgment.

The group also discussed some group mentoring obstacles and ways to mitigate them. One of the most significant challenges focused on participating via VTC or teleconference. Most participants agreed that group mentoring through VTC and teleconferencing is not ideal, but it did not deter them from participating. Bottom line: you make it work.

Overall, the benefits of group mentoring outweighed the challenges. Some identified benefits included sharing different perspectives, the strong sense of trust within the group, diverse

membership (JI, JA, JM), and group collaboration on deciding topics.

We also wanted to spread the word within OIG to show those who did not participate during this last cycle that group mentoring has many benefits. The last mentoring cycle ended in November, so this was a way to wrap up another successful year. We will kick off the next cycle in February of 2013 so stay tuned.

Thanks to all who attended in person, via the telephone or VTC. For those who participated, we need your input on the program and ideas for moving forward for next cycle. Stay tuned for a survey in the next week. Thank you all.

— The Mentoring Group



OIG IN THE NEWS

NOT EVERYONE'S A FAN**CONTRACT TOWERS SAFER THAN FAA'S?****AVwebInsider, Paul Bertorelli
December 4, 2012**

When the government audits itself—say the GAO or an internal agency OIG—the results can be impressively self-critical or glaringly myopic. Unfortunately, with no independent data, you never know which you're getting.

I thought of that last week when reading the DOT's internal audit that—surprise—showed that contract towers are both cheaper and safer than FAA-staffed towers. While the cheaper part seems inarguable, the safer part—or more accurately, fewer safety-related issues—strikes me as questionable. Call me skeptical. But what I really question is the DOT OIG's claim that service and complaint resolution between FAA facilities and contract facilities is comparable. The OIG's report mentions this in passing, but it doesn't provide meaningful data on how the findings were determined.

And even for the cost accounting, the OIG concedes that when it did its previous report on the efficacy of control towers some 10 years ago, it concluded that it couldn't tell if the FAA was being billed for services not provided. Even the latest survey is flawed because the FAA doesn't have enough direct oversight to verify that hours billed by the contractors are legitimate. Indeed, the OIG report revealed that the FAA was unaware that in at least two towers, controllers were job sharing—splitting one position and sharing the pay on a pro-rata basis. There's nothing wrong with that, in my view, but the FAA ought

to be aware of it because if they don't know that, what else don't they know? The OIG also conceded that FAA towers have voluntary safety reporting programs, while contractors don't. How might that skew the results?

As for service level and complaint resolution, my experience is two-fold: fielding reader queries and my personal interaction with contract towers. We get a smattering of complaints or questions from readers about, if not poor ATC service, questionable procedures. When I follow up on these, they seem invariably connected to contract towers, not FAA facilities. I'll concede that this is anecdotal, but the pattern is noticeable. I'd like to see OIG publish hard data on it. Maybe I'm off base.

What isn't anecdotal is my personal incidents with towers. I wrote about this one earlier this year. The nutshell summary is that the Denton, Texas tower gave us a directive that would have caused us to violate FAR 91.119's minimum altitude requirements and probably wasn't safe to begin with, on second consideration. Thinking this would be an educable moment for both the facility and me—plus our readers—I duly filed an FOIA request to get the tapes. The contract tower acknowledged my letter, bumped the request up the FAA line, the agency got back to me and the wheels turned. A month later, I got a letter from the contract tower saying they had no record of the event in question ever occurring. So much for complaint resolution.

The second recent incident occurred with the contract tower at Fort Myers, Florida. I was flying with Steve Gustaf-

son in the backseat of the Collings Foundation's P-51. On a long final, we were treated to a controller's just obnoxious tongue lashing of a pilot having trouble finding the right taxiways. It bordered on abuse. When we got out of the airplane, we were both silent, but when I mentioned to Steve what we had heard, he turned out to be as pissed about it as I was. On the theory that uncorrected poor service begets more of the same, I made a note to fetch the tapes, but never got around to it.

The issue here may be that despite all the blather about private enterprise doing things better, the FAA contractor relationship has a fundamental flaw in it. Just because there are private companies involved, doesn't mean there's competitive pressure to provide better or even good service. We learned this when Lockheed Martin took over Flight Service. We heard a blizzard of initial complaints, but when we followed up on these with Lockmart, they often replied simply that they were meeting the terms of the contract. Very few offers to look into the details. In fairness, I think Lockheed Martin has improved their service and their handling of service complaints.

But the OIG's recent audit suggests that the FAA may lack the resources to even know what kind of job the contract facilities are doing. And with budget cuts looming, that's likely to get worse. I don't mean to damn all contract towers because I'm sure some of them—maybe most—do first-rate work. But in my view, there are enough that don't to cause me to raise a skeptical eye at the OIG's findings.

Editor's note: The blogger's use of loaded language—or appeal to emotion, a logic fallacy—weakens his argument.

NOTEWORTHY

OIG-ERS GET THEIR JUST DESSERTS AND SUPPORT CFC

OIG's November 28 Ice Cream Social drew a large crowd of staff from OIG and other DOT modes looking to satisfy their sweet tooth and support CFC.

Cal helped serve ice cream and led an impromptu "hotwash" with Ben Huddle (JA-10), Peter Barber (JA-40), and William Savage (JA-2) on serving techniques.



CFC CHILI DOG COOK OFF THIS WEDNESDAY!

Studies have shown that the rich mix of chili and spices and the camaraderie of your fellow OIG-ers can offer tremendous health benefits, including but not limited to improved memory and a boosted immune system.

Come check out the best chili that OIG has to offer. Can't decide on one? Try them all! Want a chili dog?

We'll have those too, and at bargain prices!

A variety of other foods will be available for purchase as well.

Witness guest judges will pick the winning chili.

Bon Appetit!

SECOND CFC AUCTION RAISES OVER \$3,500!!!

The tally for the second CFC auction was a whopping \$3,541! Two items—a trip to anywhere and dinner for six at Ann's—were the

big sellers. In fact, bidding was so fierce for dinner at Ann's, the silent auction went live. Ultimately, Ann generously offered to do two

dinners to allow both high bidding groups to win. The biggest winner? CFC!

LAST PAGE

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***The Inspector* will be on a holiday hiatus from
December 17 through January 7, 2013!**

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Please send unformatted Word files and attach any photographs and graphics separately to the email.

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

OIG STAFF CONTINUE TO BENEFIT FROM MENTORING PROGRAM

It is still the season for survey results, and we are thrilled to share what we heard from participants on our first full cycle of the OIG Mentoring Program. Thanks to the 74 percent of program participants who completed the survey—your feedback helps us steer the program the right direction.

More than 97 percent of respondents reported that they benefited from the program overall! Group mentoring participants were particularly enthusiastic—89 percent reported that they had excellent or good experiences with group mentoring. One group mentoring participant wrote that “the program was a great experience for me to talk with other colleagues throughout the country and exchange a set of ideas and talk about personal and business issues.”

Among individual mentoring participants, 79 percent reported that they had excellent or good experi-



ences. One individual mentee wrote: “I like the way that I can reach out to someone not related to whatever my issue or concern is and get unbiased feedback.”

The survey also revealed that a couple challenges continue to face the program: scheduling conflicts and building relationships between participants located in different offices. The Group Mentoring Brownbag we held in December also identified these challenges and others. We plan to address these challenges with additional training and guidance for those participating in the next mentoring cycle.

The survey results indicate that there will continue to be strong participation in the program’s next cycle, with 86 percent of participants reporting that they plan to continue in the program. We also expect new mentees and mentors to join the program, and the next cycle is scheduled to start in the next few months. Keep an eye out for emails that will describe the mentoring process and steps you can take to sign up.

Although this survey was an opportunity for mentoring program participants to provide anonymous feedback, we are always open to input from anyone interested in the program. If you have any questions, comments or suggestions, email us at mentoring@oig.dot.gov or speak with a member of our team: Marshall Anderson, Cordelia Bostic, Madeline Chulumovich, and Michelle McVicker.

OIG WEEKLY CALENDAR

MON 1/14	TUE /15	WED 1/16	THU 1/17	FRI 1/18
		SES Onsite Offsite		

NOTEWORTHY

2013 DOT OIG SES ONSITE ON THIS WEDNESDAY

Cal and Ann and all our Senior Executives will be meeting on Wednesday, right here in the DOT building, for a senior leaders planning meeting. This year's agenda includes updates on the budget, employee viewpoint survey re-

sults, Departmental transition, and legislative matters. Senior Leaders also plan to discuss proposed changes to external and internal processes, procedures, or protocols with an eye towards recommendations for change.

Also, the Principals will brief on their offices' 2013 work and operational priorities. Cal plans to close the day with his expectations for Senior Leaders and OIG in 2013. Stay tuned for a recap at Cal's next All Hands, TBD.

TI SURVEY COMING SOON!

It's been almost 3 years since our first issue of *The Inspector*. A lot has changed since that April 1, 2010, issue, but a lot has stayed the same.

We want to know what our readers like and don't like about their newsletter. The survey will be sent out to all staff in the next few weeks with an ample window to respond.

We look forward to hearing from you!

— TI Staff

APRIL 1, 2010

THE INSPECTOR

A WEEKLY NEWSLETTER FOR THE U.S. DEPARTMENT OF TRANSPORTATION OFFICE OF INSPECTOR GENERAL



A NOTE FROM THE OIG

We at DOT OIG are well-regarded for the excellent communication vehicles we produce to share our audit and investigation findings with our stakeholders. These external communication products include audit reports, Top Management Challenge reports, testimonies, and the Semi-Annual Report to Congress.

However, other than emails and quarterly all-hands meetings, we haven't had a regular vehicle for communicating with one another internally. This is what we're hoping *The Inspector* newsletter will provide.

Consider this newsletter an opportunity for all of you to share with us what you are doing, thinking and reading. I look forward to hearing about the interesting stories that go on behind the scenes, such as IA-10's eventful experience with a flight simulator in this week's issue.

Best Regards,

Cal Scovel

WELCOME TO THE FIRST ISSUE OF THE INSPECTOR!

When I first mentioned the idea of pulling together a weekly newsletter to our Communications Officer, Karen Sloan, I envisioned it as a place to collect nuggets of information that had no home and needed to be sent in dribs and drabs over email—news coverage of our work, upcoming events, new hires, Congressional updates, and so on. Through the hard work of a team led by Karen and Dan Raville, that vision has become a reality.

I am very happy to kick off this first issue of *The Inspector*, and I invite the entire OIG community—headquarters and regions; auditors, investigators, and support staff—to contribute regularly. It will allow us to recognize all of our hard work and keep us informed of what's going on in OIG.

I know it will be a huge time-saver for me to read our weekly highlights in one fell swoop rather than sift through individual emails in my inbox. My hope is that *The Inspector* will become a weekly "must-read" for you all as well.

In addition to Karen and Dan, I'd like to thank Heather Voda, Christina Lee, Courtney Scott, Nathan Richmond, and Dave Wonnemberg for getting the newsletter off the ground. Special thanks to Angela McCallister for stepping up as our first newsletter editor.

Ann Calvarcio-Barro

NOTEWORTHY

THE COUNCIL OF COUNSELS TO INSPECTORS GENERAL RECOGNIZES OIG'S BARBARA HINES

On December 19, 2012, Barbara Hines received an award by the Council of Counsels to Inspectors General for significant contributions made to the council and the Federal legal community. Congratulations, Barbara!

The White House

Office of the Press Secretary

For Immediate Release

December 31, 2012

Presidential Proclamation—National Mentoring Month, 2013

NATIONAL MENTORING MONTH, 2013

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Our American family is bound together by caring individuals who make it their mission to serve others. During National Mentoring Month, we pay special tribute to the men and women who enrich the lives of our young people and fortify the unbreakable bonds between one generation and the next.

Mentors know that helping a child unlock their full potential begins with care, guidance, and support -- which is why my Administration is proud to celebrate mentorship nationwide through programs that help young people see the strength within themselves. We created the Corporate Mentoring Challenge, which encourages businesses across our country to open or expand mentoring programs that equip our youth with the tools to achieve. We have connected young men and women in the Washington, D.C., area with mentors at the White House, and we have partnered with groups across the public, private, and nonprofit sectors to build pathways to summer job opportunities for low-income and disconnected youth. And since 2010, we have worked to build strong connections between children and responsible adults through our Fatherhood and Mentoring Initiative.

A supportive mentor can mean the difference between struggle and success. As we mark this important occasion, I encourage all Americans to spend time as a mentor and help lift our next generation toward their hopes and dreams. To learn more about how to get involved, visit www.Serve.gov/Mentor.

NOW, THEREFORE, I, BARACK OBAMA, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States, do hereby proclaim January 2013 as National Mentoring Month. I call upon public officials, business and community leaders, educators, and Americans across the country to observe this month with appropriate ceremonies, activities, and programs.

IN WITNESS WHEREOF, I have hereunto set my hand this thirty-first day of December, in the year of our Lord two thousand twelve, and of the Independence of the United States of America the two hundred and thirty-seventh.

BARACK OBAMA

OIG IN THE NEWS

TONY GRIFFIN APPOINTED TO MWAA BOARD*The Washington Post*
December 11, 2012

Former Fairfax County executive Tony Griffin is the newest member of the board of the Metropolitan Washington Airports Authority.

Griffin, 65, spent 23 years working in Fairfax government, including 13 years as county executive. He retired from that post this year. Griffin was appointed to the board by Virginia Gov. Robert F. McDonnell.

Griffin is one of six people who have joined the 17-member board of the airports authority over the past few months. MWAA was recently the topic of a scathing federal inspector general's report that detailed problems with contracting, nepotism and ethics. MWAA officials hope the new appointees, combined with revised ethics and travel policies, will help repair the authority's battered image.

Griffin is well-versed in the biggest of MWAA's projects: construction of the \$5.6 billion Dulles Rail extension. In 2011, he was among those at the table with Transportation Secretary Ray LaHood renegotiating funding to pay for the rail extension.

In addition to the rail extension, MWAA oversees Washington Dulles International and Reagan National airports as well as the Dulles Toll Road. Its 17-member board includes representatives from the District, Maryland, Virginia and the federal government.

Griffin is a part-time faculty member in George Mason University's department of Public and International Affairs.

AGENCY UNDER SCRUTINY FOR OVERSIGHT OF HIGHWAY MONEY*New York Times*
December 11, 2012

The Department of Transportation's inspector general is investigating whether the National Highway Traffic Safety Administration has been checking on whether \$601 million it gave to states for highway safety has been properly used.

The money was given to the states during the 2011 fiscal year for "a wide range of safety programs aimed at reducing fatalities, injuries and economic losses resulting from motor vehicle crashes," according to the inspector general's announcement Monday.

It said the inspector general wants to know whether NHTSA "provides sufficient guidance and monitoring" of how the money is spent.

Previously the inspector general has not had good luck with similar investigations because of what it considered poor record keeping.

In 2010—after about two years of work—investigators gave up trying to figure out whether \$900 million NHTSA distributed for research projects was well used.

One reason was "that financial and acquisitions management data on research projects was incomplete and not supported by a system of records."

In addition, more pressing investigations in other areas required investigators to be reassigned.

In an e-mail, an NHTSA spokeswoman, Karen Aldana, wrote that the safety agency would "provide any support or assistance that is needed" for the audit.

HIGHWAY PATROL EMPLOYEE APPEALS FEDERAL CONVICTION*Associated Press*
December 29, 2012

A former Mississippi Highway Patrol worker is appealing his conviction on federal ticket-fixing charges, saying the government has failed to prove how his actions violated federal law.

[James] Smith, who had worked for the Highway Patrol for 17 years and was director of driver records, was convicted in 2011 of four of seven counts of making or providing false or fraudulent statements to the government. Smith was sentenced to three years' probation.

Prosecutors said Smith altered three speeding tickets and falsely recorded that a commercial driver had attended a defensive driving school in 2008.

But Smith's attorneys challenge whether the allegations against Smith were a violation of federal law.

Smith had argued there were problems with the Highway Patrol computer system that resulted in improperly processed tickets being entered. Smith said his actions were to correct those errors.

"The nature of the information that was allegedly changed by Mr. Smith did not rise to the requisite level of materiality because the requisite, core information was not modified," Smith's attorneys said.

The lawyers said the law does not give the Federal Motor Carrier Safety Administration, which oversees the database, an "avenue to enforce traffic violations or suspensions.

"Accordingly, any of Mr. Smith's alleged false statements cannot be said to have caused a 'perversion' of the authorized functions of the FMCSA."

OIG IN THE NEWS

FEDS FAIL TO IMPLEMENT HUNDREDS OF FIXES THAT COULD SAVE BILLIONS OF TAX DOLLARS

Washington Guardian

December 26, 2012

The next time you hear government officials insist they're doing all they can to save federal money or ensure safety, consider this: the U.S. Transportation Department has yet to complete more than 600 action items, some dating back to 2004, that were recommended by its internal watchdog to help protect taxpayers.

That eye-popping statistic is contained in a little-noticed letter that DOT Inspector General Calvin L. Scovel III sent to the House Committee on Oversight and Government Reform over the Christmas holidays.

The "open recommendations"—as they are called in bureaucratic parlance—are fixes identified by the inspector general to improve safety or prevent hundreds of millions of dollars of future waste, fraud and abuse that have not been fully implemented and documented, or have been outright rejected by federal agencies.

At the Transportation Department, which spends between \$70 billion and \$100 billion a year on highways, bridges, railroads and airports, there are lots of fixes lined up on the tarmac waiting for takeoff. And the backlog has grown by about a third since the spring of 2011 alone.

"As of December 10, 2012, we identified a total of 637 open recommendations, which were included in 217 audit reports issued between September 2004 and November 2012," Scovel's office wrote the oversight committee chaired by Rep. Darrell Issa, R-Calif. "We considered several criteria in identifying the open recommendations as the highest priorities, including their impact on safety, economy, or efficiency; documented vulnerabilities; dollar implications; and the ability of the Department to effect change in these programs or areas."

Among the highest-priority fixes that have yet to be implemented are proposals to analyze pilot fatigue to prevent accidents like a 2009 commuter crash blamed on tired pilots, better coordination and planning for the \$1 billion next generation air safety system and improved auditing to identify and reclaim unused transportation grants.

Some fixes have huge potential benefits. For instance, a recent audit identified more than \$2 billion in DOT grant monies that were sitting on the books but had not been used. "These are idle funds that DOT agencies can use for other projects to improve transportation infrastructure and create jobs," Scovel's letter emphasized.

The dynamic at the Transportation Department is being repeated all across government.... In fact, inspectors general at various federal agencies have told Issa's committee about thousands of unresolved fixes since 2009 that could save taxpayers tens of billions of dollars over the next several years.

"The administration is asking Congress to raise taxes on the American people so they can spend more money while at the same time leaving tens of billions on the table already identified by nonpartisan government watchdogs," Issa told the *Washington Guardian*.

Congress created inspectors general at various federal agencies more than three decades ago to act as independent watchdogs to root out waste, fraud and abuse from government spending.

But as the size of federal spending has ballooned in an era of trillion-dollar annual deficits, the IGs' work hasn't always garnered the response it needs from top Cabinet agency officials, the White House or Congress.

For instance, there currently are vacancies at a half-dozen major federal agencies

that don't have a Senate-confirmed inspector general, either because Congress hasn't approved or President Barack Obama hasn't nominated them. The vacancies include such big-spending agencies as the Pentagon and the Interior Department, according to the IGNet.gov Web site.

And the backlog of pending solutions is also growing at some agencies.

Scovel reported to Issa in April 2011 that the number of open DOT recommendations stood at 425. A year later, the number had grown to 536 and this month to 637, an increase of about a third over 20 months. And the potential benefits to taxpayers if the overdue solutions were implemented were estimated 20 months ago at a total of \$2 billion at the Transportation Department alone.

Inspectors general at other federal agencies just issued their most recent semiannual reports to Congress identifying scores of other solutions that haven't been implemented, either.

Earl Devaney, a highly respected veteran inspector general who took over the accountability board that policed spending under President Obama's stimulus law starting in 2009, said the government's system of oversight only works when pressure is applied continually to the departments that spend the money.

"Inspectors general must constantly press their departments' senior leadership on fixes or nothing will get done. In this case, IG Scovel deserves credit for stepping up and keeping the pressure on his agency," said Devaney, who recently retired.

"Congress also can play a constructive role, using its oversight powers to further pressure agencies and using its confirmation power to ensure every Cabinet-level agency has a confirmed IG rather than an acting deputy with weakened stature."

NOTEWORTHY

2013 Congressional Calendar

Both chambers:

In session

In recess

One chamber in session:

Senate only

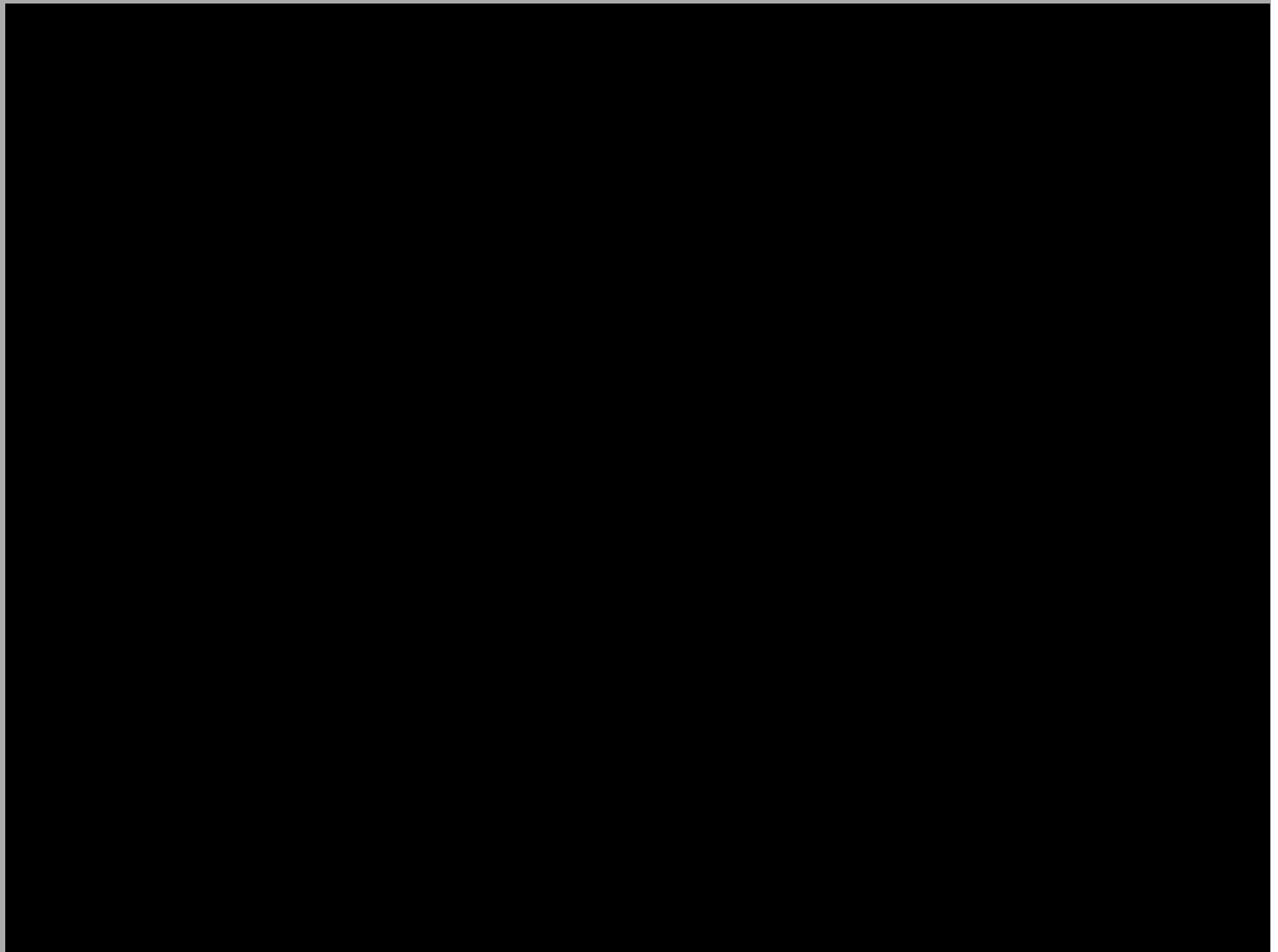
House in session, Senate uncertain



Dates in red are federal holidays; Jewish holidays begin and end at sundown

* Note Senate schedule uncertain after Nov. 11

The calendar is also available on [J-3's page of the OIG Intranet](#).



COMINGS & GOINGS

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The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

January 28, 2013

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

(b)(6)

OIG WEEKLY CALENDAR

MON 1/28	TUE 1/29	WED 1/30	THU 1/31	FRI 2/1
	Leadership Brown Bag, noon to 1:30			

NOTEWORTHY

MARK YOUR CALENDAR: ALL HANDS MEETING FEBRUARY 7

Cal's semiannual All Hands meeting will be held Thursday, **February 7 from 1:30 – 3:00** EST in the Media Center and will be webcast to the field offices. Please email questions that you would like addressed at the All Hands to Madeline Chulumovich, madeline.chulumovich@oig.dot.gov, by **COB, this Friday, February 1**.

ANNUAL CONFIDENTIAL FINANCIAL DISCLOSURE SEASON IS HERE

Most OIG employees are obligated to file a confidential financial disclosure form (OGE 450). The time period covered by this current report is January 1, 2012, through December 31, 2012 (the previous calendar year).

The purpose of the OGE 450 is to prevent conflicts of interest based on employees' financial or other private interests. It is a critical component of an agency ethics program.

All forms must be received on or before **Friday, February 15, 2013**. Periodic updates will be sent to senior staff.

For frequently asked questions, go to http://www.usoge.gov/forms/form_450_faqs/form_450_faqs.aspx. If you have any questions, please contact Fritz Swartzbaugh or Seth Kaufman.

CFC 2012: IT'S IN THE BANK!

OIG's final CFC deposit of \$1,963 put DOT over its \$1,500,400 goal!

Thanks for all of your help throughout this campaign. And thanks to the CFC team members for all their hard work: Lissette Mercado, Tony Wysocki, Sean Woods, Tashaun Ross, Jim Lonergan, Roberto Pero, and Jennifer Rivera.



NOTEWORTHY

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NOTEWORTHY

PREPARING TAX RETURNS FOR OTHERS: DOS AND DON'TS

With the deadline for Federal and State income tax returns approaching, your ethics officials wanted to share information about what Federal employees can and cannot do with respect to preparing income tax returns for others. As a Federal employee, it is (with limited exceptions) a crime under 18 U.S.C. §§ 203 and 205 to represent others—with or without compensation—in matters in which the United States is a party or has an interest. Please refer to U.S. Office of Government Ethics (OGE) [Advisory Opinion 85 x 3](#) and [Advisory Opinion 00 x 11](#) for more information.

YOU CAN...

- Assist in preparation of income tax returns for others for compensation or without charge.
- Sign income tax return as the preparer.
- Provide "behind-the-scenes" assistance.
- Make routine inquiries about the status of an "offer in compromise" (*but be careful that your inquiry does not devolve into advocacy or an attempt to influence*).
- Be listed as authorized party to receive tax information from IRS on IRS Form 8821 (which on its face indicates that it is not an authorization for representation).
- Answer direct factual questions such as which taxpayer records you used to compile the figures which appear on the return (**NOTE:** *If you are asked or anticipate being asked questions by the IRS, you should seek ethics counseling immediately.*

YOU CANNOT...

- Act as the individual's representative in an IRS audit or other Federal tax proceeding (which may include signing IRS Form 2848).
- Argue any theories or positions of why you used certain figures, decisions, interpretations before the IRS.
- Attempt to influence or advocate the taxpayer's position in any communications you have with the IRS.
- Correct any erroneous information in the file or discuss any matter that is an actual or potential controversy.
- Share in compensation from others' representation through a partnership fee distribution agreement - you must have a bookkeeping arrangement to ensure that you do not share in those fees - or make up those specific losses in another way.

In addition to these restrictions, you are subject to the general restrictions on outside activities, such as not using Government equipment or facilities for your outside activities. Similarly, you may not list your Government telephone number as a contact point for your business clients. In addition, if the individual or entity for which you are providing tax services has a DOT connection (e.g., a contractor, grantee, regulated entity), you should seek ethics advice concerning the potential conflict of interest, which would involve different criminal statutes and ethics regulations. If you need advice on this or other ethics question, please do not hesitate to contact your ethics officials.

OIG IN THE NEWS

FORMER AIRPORTS EXECUTIVE SUES DULLES RAIL AGENCY FOR \$10 MILLION

The Washington Examiner

January 22, 2013

A former executive at the agency that oversees the \$6 billion Dulles Rail project is suing the agency for defamation and seeking \$10 million in damages.

George Ellis, a former vice president at the Metropolitan Washington Airports Authority, is suing his old bosses for telling a federal inspector general that Ellis had been fired, when, according to a settlement Ellis reached with the authority, he actually retired with benefits.

The inspector general mentioned Ellis in a wide-ranging report on the authority that detailed bungled contracts and ethical lapses. Ellis and his staff accepted tickets to the Super Bowl, golf tournaments and other events -- gifts totaling at least \$12,000 over four years -- from authority contractors.

But Ellis claims in his lawsuit that he had not violated the authority's ethics code at the time because the old rules allowed employees to accept gifts at events sponsored by authority contractors.

"We believe George was made a scapegoat for the dysfunction of management and held out to deflect the criticism that has fallen on the authority," said Ellis' lawyer, Geoff Gitner.

Airports authority Executive Vice President and COO Margaret McKeough and its new president, Jack Potter, asked the court to dismiss Ellis' claim in February, the lawsuit alleges, citing the gifts he took as long ago as six years before.

Ellis fought an attempt to fire him but ultimately agreed to retire with full benefits, even though he felt that McKeough held a grudge against him. Ellis, who is black, also says in the lawsuit that McKeough wanted to "clean house" by removing "African-American managers" from the airports authority.

"For three years nobody raised an eyebrow at [the gifts] until new management came in and until new management came under new scrutiny from the inspector general's office," Gitner said.

Ellis had been offered a job with the city of Albany, N.Y., but the offer was rescinded after officials there learned of the inspector general's report.

When they reported to the press that George had been fired, we believe that this constitutes defamation, and we believe that this defamation cost George his reputation and career," Gitner said.

HIGHWAY FUNDING, CSA AND HOURS OF SERVICE ON T&I COMMITTEE WATCH LIST

Land Line Magazine

January 23, 2013

The House Transportation and Infrastructure Committee has announced its oversight plan for the 113th Congress. Of interest to truckers, the committee lists highway funding, the CSA program and hours of service among its top priorities for the Subcommittee on Highways and Transit to keep an eye on.

An ongoing program the committee has targeted for oversight is the Compliance, Safety, Accountability program. Known as CSA, the program was established to identify high-risk motor carriers and bus companies.

During a hearing in September 2012, the Subcommittee on Highways and Transit requested an audit of the CSA program by the Department of Transportation Office of Inspector General. That audit is on track to be completed later this year.

"As that audit moves forward and as other issues arise with CSA and its impact on the industry and especially the small-business segment of trucking, the committee looks ready to continue that oversight of the program," Bowley said.

"CSA is a prime example of issues that OOIDA members raised and then T&I members raised at the committee hearings. As a result, the inspector general is doing an audit, and that will be a tool that the agency can use to do further improvements within the program."

Another hot-button issue for the committee is the continued fight over hours-of-service regulations. Hours of service have been the subject of ongoing litigation since 2003, and that has led to a final rule scheduled to take effect in July of this year.

"While that case is moving in court, the committee is going to look at issues like the 34-hour restart and other provisions that are of concern to OOIDA and OOIDA members," Bowley said.

As part of its oversight of the current highway bill known as Moving Ahead for the 21st Century, or MAP-21, the committee plans to make much needed decisions about highway funding, according to the oversight plan.

"The committee is going to be spending a good amount of time on highway funding and solutions," said Bowley. "Fixing the Highway Trust Fund is going to be a priority for the committee as they look to reauthorize transportation programs in 2014."

“PEOPLE” WE KNOW

(b)(6)

COMINGS & GOINGS

(b)(6)

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

FROM STRATEGY TO ACTION

Last Tuesday, OIG managers gathered to discuss how to turn goals and strategies into specific actions as part of the Leadership Brownbag series. Usually moderated by Ann, this session was hosted by Joe Come, AIG for Highway and Transit Audits. To stimulate ideas, Joe had sent around a short article before the meeting summarizing the approach outlined in the book “The 4 Disciplines of Execution,” by McChesney, Covey, and Huling. While recognizing that the approach might be just the latest organizational fad, Joe provided several discussion questions to get OIG’s managers thinking about how the principles in the article relate to OIG’s current challenges.

“The 4 Disciplines of Execution,” focuses on what organizations can do to establish the discipline needed for executing broad strategies and goals. To translate strategy into action at all levels of the organization:

- *Focus on the “wildly” important.* Leaders need to be clear and fo-

cus on what matters most. A private sector example of this type of goal is Apple’s focus on a few high impact products like the iPhone, instead of a wider range of products.

- *Act on the lead measures.* Leading indicators are predictive and influence the accomplishment of an overall goal. For example, it may be more effective to focus on lead indicators such as calories per day or exercise than to focus solely on losing weight.
- *Keep a compelling scoreboard* that people understand and are committed to.
- *Create a cadence of accountability.* Team members should feel accountable not only to their supervisors, but to other team members.

These ideas provoked a thoughtful discussion among managers on how the principles could be applied to OIG’s work. Several managers shared a number of techniques used by teams to be sure results match up with our plans,

such as frequent meetings and breaking down and tracking smaller events leading to major milestones.

Regarding the scoreboard, Ann noted that having a simple expression of how we are doing provides a way for staff and management to discuss what is important to the organization and to get buy-in on how to measure success. In responding to a concern that this all seemed focused on putting pressure on staff to meet timelines, Joe pointed out that a key element of the approach is that you need to find points in the process where a small investment yields a large return. Leaders need to assess questions such as how training or better decisions at an early stage in the project would bring about improvements to the wildly important goals being pursued, such as reduced project times. Finally, the group agreed on the importance of highlighting and sharing success stories.

— Gary Middleton, Program Director, JA-40

OIG WEEKLY CALENDAR

MON 2/4	TUE 2/5	WED 2/6	THU 2/7	FRI 2/8
	Ann: CIGIE DIG Meeting, 10:00	Cal: Budget Meeting with Senate Appropriations, 2:00	Cal's All-Hands, 1:30 in the Media Center and VTC to the fields	Cal: RATB Meeting, 1:30

NOTEWORTHY

FIRST ALL HANDS OF 2013, THIS THURSDAY!

Cal's first all-hands of 2013—both for the fiscal and calendar year—is this Thursday, starting at 1:30, in DOT's Media Center and with VTC to the fields.

Cal will provide budget updates as well as highlight our many ac-

complishments since the last all-hands.

There will also be time for Q+As at the end of the meeting.



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NOTEWORTHY

2013 AUTO SHOW SAFETY EXHIBITS DRAW CONGRESSIONAL INTEREST

Last Thursday, Dave Wonnemberg and Eric Weems from our Congressional and Public Affairs Office attended the Public Policy preview event at the 2013 Washington Auto Show at the Washington, DC Convention Center.

The preview event was attended by congressional members, such as House Minority Whip Steny Hoyer (D-MD) (pictured behind Eric); Government officials, including current and former NHTSA executives Lynda Tran and Ron Medford; and numerous industry corporate officers.

Highlights from the show include the Lexus LFA, Chevy Hot

Wheels® Camaro, and the Jeep Grand Cherokee 4X4 model for 2014. A new technology featured in this year's show is the connected vehicle and rear view camera.

NHTSA's exhibition booth at the show is a 1973 Chevy Impala (pictured below), one the first cars to include what are now standard safety features, including driver and passenger airbags. The vehicle was also recently enhanced with eye-catching paint, including the DOT and safercar.gov logos, and updated with current safety technologies including three-point seat belts, 4-wheel disc brakes, protective



head rests, and child seat LATCH anchors.

The Washington Auto Show runs from runs through February 10.

—Eric Weems, Legal Assistant, J-3



OIG IN THE NEWS

FAA 787 INSPECTIONS REVEAL CHECKS WERE LEFT TO BOEING

Bloomberg**January 30, 2013**

When it came time for U.S. regulators to certify the safety of Boeing Co. (BA)'s 787 Dreamliner and its new technologies, they relied on the planemaker's engineers to oversee final tests and vouch for their company's work.

The Federal Aviation Administration has operated that way for many years, even as government audits have found those efforts were sometimes poorly overseen and led to errors. The agency in 2005 began allowing Boeing and other manufacturers to pick the engineers....

"I think everyone recognizes there is an inherent conflict there," Jim Hall, former chairman of the U.S. National Transportation Safety Board, said in an interview.

The FAA and NTSB are reviewing the Dreamliner's certification process, including tests used to approve Boeing's use of lithium-ion batteries, after two incidents nine days apart involving the power packs forced the worldwide grounding of the 787 two weeks ago. It was the first grounding of an entire plane model by the U.S. in 34 years.

The FAA doesn't have the budget to hire enough engineers to do all testing and certification itself, Hall said. Also, the agency in some cases doesn't have the necessary expertise to assess the latest designs, a former FAA manager and aviation engineers said in interviews.

Safety Enhanced

"We provide rigorous oversight," the agency said. "If the FAA sees any evidence that a delegation system is compromised, the agency will revoke the authority."

Most countries follow the FAA's lead in regulatory matters, though they do

their own certifications of new planes and can order additional tests or data.

Designated Engineers

Boeing employees known as designated engineering representatives oversaw tests to demonstrate the [Dreamliner's lithium battery] strength, according to a U.S. Government Accountability Office report in 2011.

FAA's engineering staff was responsible for overseeing the "more significant tests and documents" and took steps beyond what was required to oversee the new design, the GAO said.

45 Violations

Engineers designated by the FAA, including Boeing employees, have done an equivalent job to what the agency's own engineers would have done, Bret Jensen, a spokesman for the Chicago-based company, said in an interview.

"The 787 was certified following the most rigorous test program in Boeing's history and the most robust certification program ever conducted by the FAA," Jensen said.

The U.S. Transportation Department's inspector general, in a 2011 review of all FAA's aircraft certifications, found 45 instances in which non-agency engineers hadn't complied with the rules. The inspector general didn't name the companies involved.

Swissair Crash

One unidentified manufacturer couldn't show it had conducted "critical tests" on a new engine component, the inspector general found. Another manufacturer didn't follow rules for emergency oxygen supplies for passengers and crew, according to the report.

The FAA agreed to make changes, including keeping a database of approved outside engineers to ensure that any-

one with a history of performance issues would be barred from the program, according to the report.

The Transportation Safety Board of Canada pointed to engineering certification as a possible factor in the crash of Swissair Flight 111 off Nova Scotia on Sept. 2, 1998, that killed all 229 aboard.

Engineers at an aircraft maintenance company who were acting on the FAA's behalf signed off on an entertainment system that may have started a fire that brought down the plane, the Canadian safety board found. The engineers lacked sufficient knowledge of the Boeing MD-11's power grid to provide that certification, the board found.

The FAA in response reviewed the entertainment system's approval and found it was done correctly, according to an inspector general report in 2004.

Checks, Balances

The system has adequate checks and balances to ensure safety, Larry Timmons, president of Aircraft Engineering Specialists Inc. in Bellevue, Washington, said in an interview.

From 1998 to 2004, the FAA removed 770 designated engineers for poor performance, according to the 2004 GAO report. Some FAA employees felt that the agency should have acted in more cases, according to the report.

The 2011 inspector general's report didn't say how many removals have occurred since the program was changed, though it refers to one engineer whose authority was rescinded.

The threat of the FAA discovering an error keeps the vast majority of outside engineers honest, Timmons said.

"You build this reputation up," he said. "It's relatively easy to destroy. You don't get many chances to make a mistake."

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COMINGS & GOINGS

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Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

FIRST 2013 ALL HANDS BRINGS PROMISE...AND POETRY

Cal kicked off his first all hands of the year with a BLUF: bottom line up front. And the news on the budget was promising. With ongoing operational savings and a strong indication of a lower percentage for calculating potential sequestered funds, management feels confident that we can avoid furloughs.

While good news, Cal emphasized that we need to continue to work together to identify operational savings. Student loan repayments, executive development training, and performance-based awards and bonuses—long-range commitments that represent a couple FTEs—also remain off the table for now.

Cal noted that while we don't know who our new Secretary will be, we're prepared for the transition. Internally, Cal described recent staff reassignments in Seattle and San Francisco to JA-50, and the need to continue to examine our org chart.

Cal also highlighted OIG's accomplishments since the last all hands, noting that while much of our recent work continued to lay a foundation for tracking taxpayer dollars, we need to maintain a balance with our statutory mission for safety. In addition to calling out several high-profile audit reports, Cal noted two reports from 2008 and 2011 recently cited in the media. On the investigations side, Cal noted a number of cases JI has conducted in its four imperative areas (transportation safety, grant and procurement fraud, workforce and consumer protection, and employee integrity), and encouraged staff to check out JI's "[Wanted Fugitives](#)" link on our external website and read the [latest issue of Impact Magazine](#) (PDF).

(Continued on page 3)


ANN MEETS WITH FEDERAL DIGS

On Tuesday, February 5, I attended the quarterly meeting of OIG DIGs; this one was hosted by NASA. As always, it was an informative and collegial meeting.

In customary form, the host IG, Paul Martin, welcomed the DIGs. Paul underscored the value of these meetings—a sort of community of practice—where DIGs discuss items of common importance and share practices and lessons learned. The NASA DIG, Gail Robinson, chaired the remainder of the meeting but first ran a video on Curiosity's mission to Mars, "7 Minutes of Terror." The video depicts the amount of time it takes a signal to reach Earth, during which the craft will have already smashed into MARS or perfectly and gently landed down from a 21 foot tether. The logistics are numerous, scary, and prone to error, and watching the video is truly an edge of the seat experience. <http://www.jpl.nasa.gov/video/index.php?id=1090>

(Continued on page 3)

OIG WEEKLY CALENDAR

MON 2/11	TUE 2/12	WED 2/13	THU 2/14	FRI 2/15
SES: NTSB-OIG Meeting, 12-1:30		Cal: Senate Appropriations, NextGen, 11:30	Cal: SUP3, 3:00 	

NOTEWORTHY

FEBRUARY 28 MENTORING PANEL

March is Mentoring Month! To kick it off, Michelle McVicker will moderate a panel discussion, “Tips for Your Mentoring Toolbox,” on February 28, from 1:30-2:30 EST, in the Media Center and webcast to the field. Cal will join Ilona Birenbaum, Leadership Coach from the Wynhurst Group, and Madeline Chulumovich, Mentoring Program Co-Coordinator, to discuss their insights as mentees, mentors, and leaders. If you wish to participate as a mentee this cycle, or to join Cal in serving as a mentor, then plan on attending this event!

ATLANTA’S OIG JEOPARDY: AUDIT CRITERIA FOR \$1,000

Atlanta’s Review of FAA’s Oversight of European Union Repair Stations team used a Jeopardy! format as an innovative way to continue to train staff about core audit competencies, such as criteria.

Hostess Aiesha “Trebek” Gillespie challenged Project Manager Kevin George, Taniesha Willis, Stefanie McCans, and Nate Caldwell with clues relating to the new U.S.-European bilateral aviation safety agreement, which permits host nation aviation authorities in select EU countries to perform safety inspections of repair stations on FAA’s behalf.

The competition among the team members was fierce, but the winner of “nothing but the glory” was



Nate Caldwell, who cashed in with a whopping score of \$3,000!

Many thanks to Sara Gragg, who played a key role in the success of the team’s Jeopardy match as she channeled Vanna White to manage

the clues and scoreboards. But the real thanks goes to the great effort by Aiesha to research the clues and design the Jeopardy board.

— Aiesha Gillespie and Kevin George, JA-10, Atlanta

NOTEWORTHY

(Continued from page 1)

In going forward, Cal described a number of changes proposed at last month's SES offsite that affect our policies and protocols, such as

- using notices of findings and recommendations to keep auditees informed of audit findings throughout the audit,
- working with the Department to ensure timely agency responses, and
- JI outreach and education on the role of OIG's Whistleblower Ombudsman—a new role for all OIGs under the Whistleblower Enhancement and Protection Act of 2012.

Cal also talked about the importance of meeting mandatory training deadlines and new strategies for ensuring all staff meet these deadlines.

Cal also introduced “Meet-less Mondays” to provide to the extent possible interruption-free time to focus on our individual work and review time, and once per month as appropriate “PED-Free Weekends” to get a better work-life balance.

Cal also ran through OIG's scores from the Employee Viewpoint survey. While OIG's scores put us in the top 15 percent of 292 sub-components of larger agencies, there were some areas that we need continued focus on. To drill

down on these results, OIG will be conducting a survey at the end of the summer. A key area of interest is learning how our new performance management system is working.

Before opening the floor for questions, Cal read a poem penned by Seattle's Chuck Ward, whose muse spoke to him after he attended OIG's “Difficult Conversations” course.

To read Chuck's poem and the other all-hands slides, click [here](#). To view the full meeting, click on “Multimedia Center” on OIG's home page.

— Karen Sloan and Madeline Chulumovich, J-2

(Continued from page 1)

At the end of the video, Gail said, “That's NASA and that is some of what we audit.” We were all in awe as the true meaning of rocket science was now known!

With that as an opening, Gail provided an overview of the NASA IG structure, budget, challenges, and audit and investigations work and accomplishments ([click here for the slides](#)). The agenda items were largely ones submitted by us and included

- budget matters—sequestration, potential for furloughs and other operational impacts;
- transition strategies within IG departments and for external stakeholders; and
- implementation plans aligned to the new requirement to establish a whistle-blower ombudsman.

I walked away feeling confident that we are among the most pro-

active in communication to staff on potential budget impacts; that our strategy for transition was fully baked and we were ahead of schedule; and that JI's planned education and outreach approach for the ombudsman role is consistent with others.

— Ann

OIG IN THE NEWS

WATCHDOG: FAA BEHIND ON BOOSTING AIRLINE PILOT TRAINING

USA Today

February 4, 2013

The Federal Aviation Administration is long overdue in completing rules for better airline crew training in response to a fatal crash in 2009, according to a federal watchdog that says the agency must overcome industry opposition.

The deadline for a rule for better crew training was Oct. 1, 2011, and the deadline for a rule about pilot qualifications was Aug. 1, 2012, according to a report from Jeffrey Guzzetti, assistant inspector general for [DOT].

The 25-page report said the FAA made "considerable and important progress" in a variety of safety initiatives, but "poor communication between FAA and industry is impeding progress on several initiatives."

The rules at issue in the inspector-general's report were proposed in the aftermath of the Colgan Air crash on Feb. 12, 2009, which killed 50 people. Key findings from safety investigators blamed the crew for not knowing what to do as the plane iced up while approaching the Buffalo airport and stalled before crashing into a house.

In response, the FAA proposed to increase the minimum training for airline co-pilots from 250 flight hours to 1,500. Exceptions were made for military pilots with 750 hours of training or pilots with four-year degrees and 1,000 hours of flying.

The FAA now expects to complete the rule in August — one year late. But if the agency misses that deadline, the rule will go into effect without exceptions for pilots from the military and college graduates.

"FAA has not taken steps to ensure carriers and FAA inspectors are ready to transition to these new pilot qualification requirements," the inspector-general's report warned.

Regional airlines, for example, have warned that they could have trouble finding pilots with enough training. At two regional carriers visited by the inspector general, 75% of co-pilots didn't have the new certificate.

Another rule 15 months overdue "due to significant industry opposition" would require pilot training in simulators to work through emergencies such as the stall in the Colgan crash.

In a written response to the report, [FAA's director of audit and evaluation] said the FAA is continuing to develop policies as directed by Congress.

FAA LAGS ON REFORMS ENACTED AFTER FLIGHT 3407 TRAGEDY; INSPECTOR GENERAL CITES MISSED DEADLINES

The Buffalo News

February 5, 2013

The Federal Aviation Administration is missing deadlines and falling far behind where it should be in implementing the landmark aviation safety law that Congress passed after the crash of Continental Connection Flight 3407, which killed 50 people nearly four years ago in Clarence Center.

That's the conclusion reached by the Department of Transportation's inspector general after an investigation of the FAA's progress in implementing the 2010 law.

"While FAA has implemented many elements of the Act, the Agency and industry have not yet achieved the full measure of the Act's intended safety enhancements," the inspector general's report said.

The airline industry is objecting to many of the FAA's proposals on those rules, and that is slowing down the process, the inspector general said.

Some of the problems, though, appear to be the FAA's own doing.

"FAA has not provided sufficient management attention or assistance to smaller carriers for meeting new safety standards, or followed through on its commitment to help these carriers with safety program development and support," the inspector general said.

As a result, only 12 percent of small regional airlines have flight data recording programs that keep track of aircraft performance; 90 percent of major airlines do.

And the FAA has not done enough to ensure that regional airlines are ready for a requirement, set to take effect this August, that all its first officers have an air transport certificate — a higher grade of qualification that requires more experience.

As a result, at two regional airlines that the IG staff visited, 75 percent of co-pilots still don't have an air transport certificate.

While the Families of Continental Flight 3407 have been highlighting the missed deadlines for many months, the IG report ratchets up pressure on the FAA to get moving.

"Successful implementation of such rules depends on FAA's ability to address air carrier concerns and work through the regulatory process in a timely manner, which has presented challenges for the agency," the report said.

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COMINGS & GOINGS

There are no comings or goings this week.

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dot.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

OVERSEEING SANDY RECOVERY EFFORTS

Three months after Super-storm Sandy devastated coastal areas in the mid-Atlantic and northeastern United States, Congress passed the Disaster Relief Appropriations Act of 2013, also known as the Sandy Recovery Improvement Act.

Sandy's massive size, which approached nearly 1,000 miles in diameter, coupled with full moon tides created record breaking storm surges that caused substantial damage to transit infrastructure, especially in New York and New Jersey.

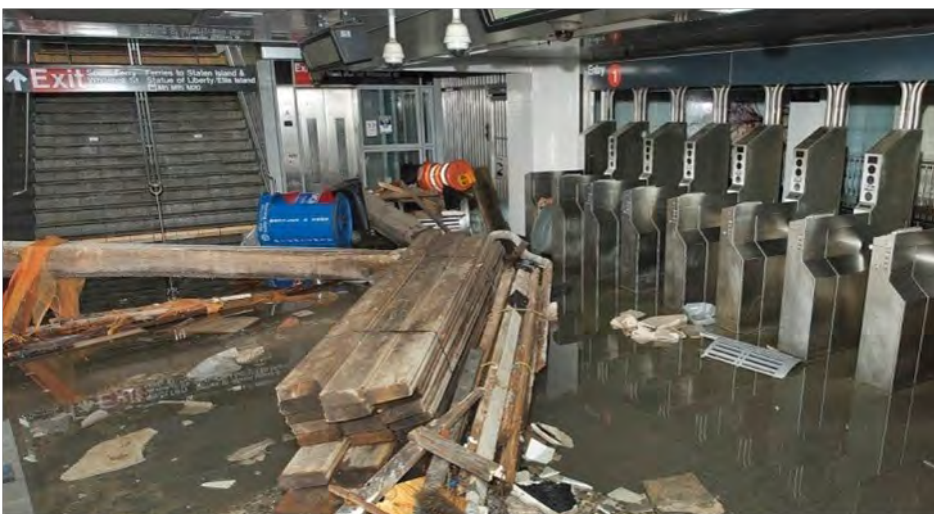
The Metropolitan Transportation Authority in New York City alone estimated damage of over \$5 billion, including costs to rebuild the South Ferry Subway Station, which was constructed with September 11 Recovery funds and opened in 2009.

DOT was allocated approximately \$13 billion—roughly one-quarter—of Sandy Recovery funds for infrastructure rehabilitation. OIG received \$6 million from FTA allocations, the largest provided, to support

oversight of FTA's Sandy Recovery activities.

To fulfill our responsibilities, OIG quickly rallied its J-3, JA-20, JA-40, and JA-60 resources to form the "Sandy Oversight Team." The team has convened weekly meetings to develop a Sandy Recovery oversight plan. These efforts resulted in a matrixed plan with overarching objectives to identify vulnerabilities and risks that could impede DOT's ability to (1) meet the requirements in the Sandy Recovery Improvement Act and (2) provide effective oversight of Federal funds allocated for Sandy relief efforts.

We plan to conduct a series of audits using a three-phase strategy. We are getting ready to kick off the first phase—a scan to assess FTA's readiness, processes, and procedures for meeting Sandy Recovery legislative and regulatory require-



MTA's South Ferry Subway Station Destroyed by the Hurricane

(Continued on page 3)

OIG WEEKLY CALENDAR

MON 2/25	TUE 2/26	WED 2/27	THU 2/28	FRI 3/1
OIG Briefing with FAA, 9:00 Cal: Government Accountability and Transparency Board Meeting, 1:00	OIG Briefing with NHTSA, 3:00	OIG Briefing with MA-RAD, 9:00 Ann and Lou: Meet and Greet with WAMATA IG, 1:00	Mentoring Panel, 1:30	Cal: S-2 Update, 10:00 OIG Briefing with FMCSA, 11:00

NOTEWORTHY

MENTORING PANEL DISCUSSION THIS THURSDAY!



Join Cal, Ilona Birenbaum, and Madeline Chulumovich this Thursday, February 28, at 1:30 p.m. in headquarters' Media Center and via webcast for a lively discussion on mentoring and OIG's mentoring program.

2013 MENTORING CYCLE KICK OFF

33 1/3 Tips for Your Mentoring Toolbox

Come fill your toolbox for the next mentoring cycle with a **panel discussion** featuring



-  **CAL SCOVEL** on fostering a successful mentoring relationship
-  **ILONA BIRENBAUM** on setting compelling career and personal goals
-  **MADELINE CHULUMOVICH** on making the most out of OIG's Mentoring Program

February 28, 2013 • 1:30PM EST • DOT Media Center

Participation also via webcast

MARCH 6 COP EVENT WILL HIGHLIGHT TRB'S 92ND ANNUAL MEETING

Next Wednesday, March 6, OIG staff will present topics of interest from this year's annual meeting of the Transportation Research Board in DOT's Media Center from 1:30 to 2:30 EST and will be webcast to headquarters and our field locations.

NOTEWORTHY

(Continued from page 1)

ments, including planning efforts to implement its new emergency relief program. The Sandy Oversight Team plans to issue a scan report in June 2013.

JI also developed a Sandy Strategic Investigative Plan designed to provide oversight focusing on two primary activities: Outreach and Criminal and

Mode	Program	Allocation (in millions)
FAA	For "Facilities And Equipment" derived from the Airport and Airway Trust Fund	\$ 30
FHWA	Emergency Relief Program	2,022
FRA	All for Amtrak with FRA oversight	118
FTA	Public Transportation Emergency Relief Program	10,900
Total		\$13,070

Civil Investigations and Prosecutions. You can find more Sandy-related documents on

the OIG Portal under Team Sandy.

— Tiffany Mostert, JA-40, NY

THE NATIONAL COMMITTEE FOR EMPLOYER SUPPORT OF THE GUARD AND RESERVE

RECOGNIZES

SAC Kathryn Jones
U.S. DOT-OIG
Office of Investigations
Washington Field Office
AS A



PATRIOTIC EMPLOYER

FOR CONTRIBUTING TO NATIONAL SECURITY AND PROTECTING
LIBERTY AND FREEDOM BY SUPPORTING EMPLOYEE PARTICIPATION
IN AMERICA'S NATIONAL GUARD AND RESERVE FORCE

RONALD G. YOUNG
NATIONAL EXECUTIVE DIRECTOR
EMPLOYER SUPPORT OF THE GUARD AND RESERVE

JAMES G. REBHOLZ
NATIONAL CHAIR
EMPLOYER SUPPORT OF THE GUARD AND RESERVE

NOTEWORTHY

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OIG IN THE NEWS

US DOT BLASTS MISSISSIPPI FOR DIVERTING DUI FUNDS TO SPEEDING TICKETS

theNewspaper.com

February 13, 2013

A report issued last week by the US Department of Transportation's inspector general chided the National Highway Traffic Safety Administration (NHTSA) for its lax administration of the "Section 154" grant program that failed to prevent the misuse of taxpayer money.

Between 2007 and 2010, NHTSA took \$20.8 million collected from motorists around the country in federal gasoline taxes and sent it to the Mississippi Office of Highway Safety (MOHS) for use in programs meant to thwart driving under the influence of alcohol (DUI). Mississippi poured another \$36.3 million in federal highway construction funding into the same DUI program.

"Although some local law enforcement agencies designated full-time DUI officers, these officers did not always concentrate on DUI-related activities—indicating that federal grant funds were used to supplant the costs of general law enforcement," the inspector general report found.

Auditors examined a sample of \$10.4 million in grants and concluded \$102,218 in claims were bogus, and, outside the sample, there was another \$232,981 in improper payments. From that, auditors estimate the total amount of fraudulent claims amounted to \$7.1 million.

The inspector general arrived at this conclusion by examining 2926 citations issued by 127 state and local police officers using the DUI grant money. The analysis found 73 percent of the officers issued no drunk-driving related citations at all. There were only 147 DUI arrests or citations, and the rest were for speeding, seat belt use or other minor infractions. This failed to meet the US Department of Transportation's unofficial DUI ticket quota.

"Lacking an established NHTSA standard or target, we used a reasonable baseline of one citation per 16 hours of duty time to test Section 154 compliance," the audit report explained. "NHTSA officials agreed that our baseline is reasonable as a calculation tool for our audit."

The report found only 21 officers met the quota. NHTSA agreed to the inspector general's recommendations to tighten compliance and demand the return of the improper payments.

NEW REPORT QUESTIONS FAA'S AIRLINE SAFETY PROMISE

Associated Press

February 16, 2013

Since a deadly airline crash in 2009, the government hasn't kept its promise to ensure that major airlines are holding their smaller partners to the same safety standards, a federal watchdog says.

The Transportation Department's inspector general faults the Federal Aviation Administration for not taking steps to encourage the big airlines "to consistently share safety information and best practices" with regional airlines that operate flights under contract for them.

More than half of all airline flights in the U.S. are operated by regional airlines using names such as United Express, Delta Connection, American Connection and US Airways Express under code-sharing arrangements.

A flight operated by regional carrier Colgan Air for Continental Airlines under the name Continental Express crashed in February 2009 near Buffalo, N.Y., killing 50 people. After that crash, officials at the department and the FAA said they would begin reviewing code-share contracts to see if they impinged on safety.

A National Transportation Safety Board investigation and congressional hearings after the Colgan crash pointed out the differences in safety cultures that sometimes occur between the two types of airlines.

The FAA, despite earlier promises, isn't reviewing any code-share contracts for their safety implications, and the Transportation Department reviews only a small share for their potential economic impact, not safety, the report said.

"As a result, most domestic code-share agreements go into effect without being reviewed by any (federal) regulatory entity," the report said.

The FAA also doesn't have procedures in place "to advance the agency's commitment to ensure the same level of safety between mainline air carriers and their code-share partners," the report said.

Scott Maurer, whose 30-year-old daughter, Lorin, died in the Colgan crash, said he was disappointed but not surprised by the inspector general's findings.

"These promises tend to end up becoming lip service," he said. "It sounds good at the time, but there is no follow through."

OIG IN THE NEWS

DOVER BRIDGE CONSTRUCTION SUPERINTENDENT SENTENCED

Hagadone News Network

February 21, 2013

The lead superintendent on construction to replace the Dover Bridge on U.S. Highway 2 was sentenced to three years of probation for trying to conceal substandard work on the new span.

Judge B. Lynn Winmill sentenced Kip David Harris in U.S. District Court in Coeur d'Alene on Tuesday, according to U.S. Attorney Wendy Olson. Winmill also ordered Harris to pay a \$750 fine.

Harris, a former Sletten Construction employee, was accused of directing laborers on the \$22 million bridge replacement project to modify non-conforming anchor bolts so it would appear to inspectors that the bolts were in compliance.

Since the project was largely funded through the American Recovery and Reinvestment Act of 2009, investigators from the U.S. Department of Transportation's Office of Inspector General and the FBI probed the allegations.

Harris was interviewed by agents in June 2011 and admitted that he directed workers to modify the bolts so they would pass inspection, according to court documents.

Harris, a 38-year-old from Boulder, Mont., was indicted last September on a charge of making a false statement regarding a federal-aid project. He pleaded guilty the following December.

Harris told investigators that he witnessed superintendents on two prior jobs encounter a similar problem, prompting them to attach small pieces of bolt to lengthen them.

An Office of Inspector General's report indicates Harris was deeply conflicted about his actions.

"Harris said there was a lot of pressure to get the job done on time and ahead of schedule and to not lose money," Special Agent Colby Britton said in his report.

As many as 28 bolts on the project were doctored.

Harris's misconduct amounted to a felony offense that's punishable by up to five years in prison and a \$250,000 fine.

The inspector general's report indicated that Harris' attempted cover-up created no serious safety issues.

A condition of Harris's probation requires him to conduct presentations at a local middle school and a high school to describe the circumstances of his case, his lapse in judgment and the consequences of his actions.

DES PLAINES COPS FACING SUSPENSIONS OVER PADDING HOURS TIED TO GRANT

Daily Herald

February 19, 2013

Several Des Plaines police officers are facing suspensions for violating department rules and policies related to "irregularities" with the reporting of hours worked on federally funded traffic safety campaigns, Police Chief William Kushner said Tuesday.

The Illinois Department of Transportation last spring suspended the federal grant awarded to Des Plaines for traffic safety campaigns due to the city's possible overreporting of DUI arrest numbers, according to documents.

The city looked into all DUI arrests between 2009 and 2012, reviewed all seat-belt violations since 2008, and looked into overtime pay for all the employees who worked on traffic safety campaigns funded by the grant.

After the nearly six-month investigation, Kushner determined suspensions for the officers involved best fit the violations. There will be no demotions, he said.

"I think it will send a resounding message to all the officers that this type of conduct will not be tolerated," Kushner said. "The one commander that was involved retired. He is the target of a federal investigation."

IDOT spokesman Mike Claffey said he could not comment on Des Plaines' audit, but he said the agency takes the integrity of its traffic safety grant programs seriously.

A federal investigation into Des Plaines' administering of the federally funded Sustained Traffic Enforcement Program is being conducted by the U.S. Department of Transportation's Inspector General's Office. A spokesman for the U.S. attorney's office would not confirm whether that agency is investigating the Des Plaines Police Department's handling of the grant.

It is unclear whether Des Plaines will be asked to return any portion of the grant funds used.

It is unclear whether Des Plaines can apply for future grants.

"We're going to have some conversation with U.S. Department of Transportation and other entities that we may apply to, to ensure that they are satisfied that we are doing our due diligence, and ensure that there is no more potential for problems," Kushner said.

OIG IN THE NEWS

LAWMAKER TROUBLED WITH CROSS-BORDER PILOT PROGRAM SHORTCOMINGS*Land Line Magazine*

February 20, 2013

A California lawmaker believes more congressional oversight and scrutiny may be in order given the lackluster performance of FMCSA in overseeing the cross-border trucking pilot program with Mexico.

Rep. Duncan Hunter, R-CA, outlined his continued concerns over the Federal Motor Carrier Safety Administration's cross-border pilot program in a letter to Rep. Bill Shuster, R-PA, chairman of the House Transportation and Infrastructure Committee.

The letter cites the results of a recently released report from the Department of Transportation Office of Inspector General. The report highlighted an overall lack of participation in the program. At the time the report was released there were only 17 trucks and 20 drivers participating in the program.

"Not only does this small number highlight the lack of enthusiasm for the program among Mexico-based motor carriers, but likely means that the FMCSA will need to extend the program's three-year time limit in order to obtain accurate data," Hunter wrote.

The report criticized the agency's oversight of the cross-border program in five areas: English proficiency testing; quality assurance; drug and alcohol testing; monitoring and cabotage.

That lack of oversight, Hunter says, poses a safety risk on U.S. roads.

"Allowing any foreign-based carrier to use our roadways without adhering to our safety standards not only give them a further competitive advantage, but endangers the lives of our drivers and the families who use our highway system."

Hunter went on to express his dissatisfaction with the use of Highway Trust Funds to pay for electronic on-board recorders installed in the Mexico-based trucks used in the program.

"At a time when nearly all federal agencies are reviewing fiscal outlays, it is surprising that the DOT deems it appropriate to take funds designated for the improvement of our nation's roadways and spend those dollars on technology upgrades for foreign operators," Hunter wrote.

"I firmly believe that under your leadership our committee can and will astutely address the important issues with which we are charged to handle," Hunter wrote in conclusion to Shuster.

LAWMAKER CALLS FOR EXTENSIVE REVIEW OF MEXICO TRUCK PROGRAM*TheTrucker.com*

February 22, 2013

A member of the House Transportation and Infrastructure Committee has asked the panel's chairman to initiate an extensive review of the U.S.-Mexico Pilot Program on NAFTA Long-Haul Trucking Provisions.

"While I acknowledge the important goals of the program, the results to this point have been less than desirable and should be cause for a more thorough review," Rep. Duncan Hunter, R-Calif., wrote in a letter to committee Chairman Bill Shuster, R-Penn.

Hunter cited an August 2012 report by the Department of Transportation Inspector General that revealed in the first 14 months of the program's inception, only 17 trucks and 20 drivers had been approved to operate on American roads.

Despite the lack of carriers and the low number of inspections performed, the FMCSA has repeatedly stated confidence it could successfully complete the project.

"One of my primary concerns is that a lack of proper oversight poses a safety risk on American roads," Hunter wrote. "The DOT report illustrates the FMCSA's own inability to clearly outline the application review process. Without clear guidelines, I question the agency's ability to ensure all carriers meet the safety standards we have worked so hard to rigorously implement on our nation's highways. My concern is further supported by the fact that the report identified five problem areas where the FMCSA failed to enact proper oversight measures to ensure safety compliance by the Mexican-based companies."

Duncan also cited a concern about the financial implications of the program.

"The program has been authorized to spend federal tax dollars from the Highway Trust Fund...," Hunter wrote. "At a time when nearly all federal agencies are reviewing fiscal outlays, it is surprising that the DOT deems it appropriate to take funds designated for the improvement of our nation's roadways and spend those dollars on technology upgrades for foreign operators."

"All of these factors combined lead me to conclude that the U.S.-Mexico Cross Border Trucking Pilot Program deserves an intensive review by the pertinent Congressional committees," Hunter wrote. "It is my hope that we can work with officials at FMCSA and other agencies to eliminate unsafe conditions on the road, maximize American competitiveness and create opportunity for the free trade and exchange of goods."

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COMINGS & GOINGS

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DUE TO THE UPCOMING TESTIMONIES, *THE INSPECTOR* WILL NOT BE PUBLISHED NEXT WEEK.

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

IG, DEP-SEC TESTIFY BEFORE HOUSE OVERSIGHT AND GOVERNMENT REFORM



Last Tuesday, Cal, Deputy Secretary Porcari, and Education's Deputy Secretary Tony Miller and Inspector General Kathleen Tighe testified before the House Committee on Oversight and Government Reform. While the focus of the hearing was on open recommendations, the witnesses faced many questions about its impact on Department programs and operations.

Of particular concern for DOT was the impact on air travel if controllers were furloughed. The Committee questioned furloughs that could result in delays up to 90 minutes during peak hours, given that the number of controllers has increased and the number of flights has decreased by more than 20

percent. Porcari pointed to the concentrated volume at airports with hub and spoke operations, citing Chicago-O'Hare as an example. Porcari concluded that the airport would need to take one of its two runways out of operation on furlough days. When asked for our read on this, Cal stated that we have a review under way to determine air traffic controller productivity.

Regarding sequestration and its impact, Cal noted that our early cost reduction measures to prepare for potential automatic funding cuts positioned OIG to avoid furloughs. However, he also noted that we are at the lowest strength level since the Inspector General Act was enacted in 1978. To dem-

onstrate the impact on our operations, Cal noted that in 2004, each OIG FTE was responsible for covering \$137 million in DOT budgetary resource; by 2012, that number jumped to \$192 million.

The Committee also asked about expenses related to conferences. Porcari pointed out that he has personally reviewed all expenses related to conferences and that a number of conferences involve training for DOT's safety experts, including FAA's air traffic controllers. Cal provided additional data on conferences expenses for fiscal years 2010, 2011, and 2013.

To view the 3-hour hearing, go to [House Committee on Oversight and Government Reform webcast](#).

OIG WEEKLY CALENDAR

MON 3/11	TUE 3/12	WED 3/13	THU 3/14	FRI 3/15
			Cal: TMC Hearing, 10:00	Cal: S2 Update, 10:00

NOTEWORTHY

TMS TIP: CLEAN UP YOUR TO-DO LIST!

Make it current—get rid of those old items you added in 2011—and complete your IDP. If there are any items you're unable to remove or items that should be in your History, not on your To-Do List, please let your Training Coordinator know and, together with HRDC, he or she will resolve the issue.

J-3 HOSTS 1ST FOIA BROWN BAG ANNIVERSARY

On March 4, J-3 hosted a Council of Counsels to Inspectors General brown bag on Freedom of Information Act issues as they relate to the IG community. The brown bag—organized by the OIG FOIA Working Group Committee consisting of Barbara Hines, Associate Counsel; Angel Simmons, FOIA/Privacy officer; and Christine Aizcorbe of SBA—was attended by over 30 FOIA professionals from 18 OIGs.

In her opening remarks, Ann provided a warm welcome and an earnest appreciation for the dedication and accomplishments of FOIA professionals in the IG community. Before Ann turned over the event to Barbara, Angel, and Christine, she briefly discussed the upcoming 6th Annual celebration of Freedom of Information Day (March 15) by quoting the Founding Father of Freedom of Information, James Madison.

The brown bag provided a forum for the IG community to discuss common issues and challenges. Attendees shared their experiences and discussed best practices for handling FOIA requests.

— Sebouh Kouyoumjian, J-3 Intern



NOTEWORTHY

“33 ¹/₃ MENTORING TIPS FOR YOUR TOOL KIT” PANEL DISCUSSION

Last month, Cal, Madeline Chulmovich, and contractor Ilona Birenbaum kicked off the third cycle of OIG’s mentoring program with a discussion on how to make the most out of the mentoring experience. Before introducing the panelists, Ann welcomed staff: “As a proud sponsor of OIG’s mentoring program, it goes without saying that I’m a strong advocate of mentoring and proud of the program’s many successes that we’ve had.” Ann called the program a win-win for the organization.

To start the discussion, Michelle McVicker, as panel moderator, asked Cal if the mentoring program is meeting his expectations. Cal agreed that the mentoring program has been a game changer for the organization’s climate by connecting staff—regardless of their grade level, role, or location—to gain different perspectives. The type of connection that mentoring brings is a tremendous benefit to an organization.

Cal mentioned that our survey results have been positive, as have his discussions with staff about their mentoring experiences. Cal said he hoped that mentees were seeing the bigger picture of who

we are and have gained perspective as to where they fit in, how they might perfect some of their skills, and where their personal path might lead them. For mentors, Cal said mentoring provides tremendous opportunity—it forces you to step back and think about your professional experience and how that can be translated and made relevant to an eager new hire who wants to know more about who we are and why we exist.

When asked about tips for mentors, Cal said, “Be yourself.” He also advised delivering the good, the bad, the ugly. Call it as you see it; if something is going right—say so; if something is just plain ugly, be straight with each other. He also said to make time for each other.

Ilona added these tips for mentors:

- Get clear on what mentees want from the experience—what they want to accomplish in 9 months.
- Make time. Agree on a schedule for conversations.
- Share your experiences and stories to help mentees learn and grow.

For mentees, Ilona advised:

- Think about what you want out of the mentoring experience.
- Show commitment and take action.
- Ask questions and ask for feedback.
- If the relationship isn’t clicking, don’t wait 9 months to tell mentoring program staff.

Madeline’s tips for sustaining a long-term mentoring relationship:

- Be committed—mentoring only requires 1 to 2 hours a month, but you have to make time for it. You have to care about the relationship.
- Be willing to get out of your comfort zone. You will be making goals and working with people you have never met before. Stretch yourself.
- Be comfortable in your relationship because you will be sharing your experiences and lessons learned. This takes time since it is based on trust.
- Be prepared to enter into a mentoring contract or agreement that includes goals, how

(Continued on page 4)

NOTEWORTHY

(Continued from page 3)

often you plan to meet, learning preferences, confidentiality, and other expectations.

- Celebrate your successes, no matter how small.

A few changes are in store with the mentoring program. For this

mentoring cycle, Madeline and Michelle plan to contact mentees and mentors within in the first 2 months to gauge how the relationship is going so that changes can occur, if needed. And Cal announced that he is willing to mentor two or three individuals—each for 3 months.

Catch the remaining mentoring tips by viewing the videocast at http://inside.oig.dot.gov/multimedia_center/video/OIG_Mentoring_Panel_02_28_2013.wmv.

DON'T FORGET TO SIGN UP BY THIS FRIDAY, MARCH 15!

March 15 is the deadline for signing up to become a mentee, mentor, or both in OIG's 2013 Mentoring Program. The program is open to everyone—all grade levels, all positions, and all locations.

If you haven't participated in the program in the past as a mentor or mentee and are interested in participating this year in individual, group, or flash mentoring, please complete the New Mentor and/or New Mentee Forms (links in box below).

For returning mentees and mentors, we just need you to edit your

profile by going to the "Returning Mentor Edit" and/or Returning Mentee Edit" forms (links below) and complete the section, "Areas in Which I Am Interested in Being a Mentor," which consists of selecting specific core competencies. (Feel free to also edit other portions of your profile.) Also, for returning mentees, if you would like to keep your mentor from last cycle, just check the appropriate box under the section, "I Would Prefer a Mentor From." If you were both a mentee and a mentor, you need to update both forms. Remember, you need to complete the form regardless of

the type of mentoring you are interested in—individual, group and/or flash mentoring.

All forms must be completed/updated by Friday, March 15. If you have any questions, please contact Michelle McVicker or Madeline Chulumovich.

For additional information on OIG's mentoring program, visit our intranet site: <http://portal.oig.dot.gov/mentoring>. Thank you for making this program a continued success.

— Mentoring Program Team

NEW MENTOR Form: <http://portal.oig.dot.gov/mentoring/MentorWiki/Mentor.aspx>

NEW MENTEE Form: <http://portal.oig.dot.gov/mentoring/MentorWiki/Mentee.aspx>

RETURNING MENTOR EDIT Form: <http://portal.oig.dot.gov/mentoring/Lists/MentorForm/MentorEdit.aspx>

RETURNING MENTEE EDIT Form: <http://portal.oig.dot.gov/mentoring/Lists/MenteeForm/MenteeEdit.aspx>

OIG IN THE NEWS

IGNORED IG RECOMMENDATIONS COST BILLIONS

FCW.com

March 5, 2013

According to a new report from the House Oversight and Government Reform Committee, the number of open and unimplemented recommendations made in various IG reports skyrocketed to an all-time high.... 16,906 in 2012.

If implemented, the recommendations could save taxpayers \$67 billion, the report stated.

In a March 5 House Oversight and Government Reform committee hearing, officials from the Transportation and Education department testified in the first of a planned series examining how agencies respond to IG recommendations.

Rep. Darrell Issa (R-Calif.), committee chairman [said], "We are joined by two widely-respected IGs who have spent years examining government programs, identifying areas of waste and know firsthand what recommendations could save taxpayers money."

Transportation Department Inspector General Calvin Scovel admitted that "longstanding weaknesses in grants management and IT procurement and security have limited DOT's ability to maximize its return on investment."

"In November 2011, we reported that idle funds from undelivered orders under inactive grants could free up approximately \$1.4 billion for DOT agencies to use for other transportation infrastructure improvement projects and create jobs," Scovel said. "For fiscal year 2013, DOT plans to issue a policy requiring agencies to perform quarterly reviews and annual certifications of obligation balances and train personnel who handle them. Implementing this recommendation will help the department begin correcting a persistent, systemic problem with unliquidated obligations."

He also said DOT is taking on IT challenges, another high-priority issue at the agency, but noted that it would need funding to fully address the problem.

"DOT spends approximately \$3 billion on its IT systems.... However, as we reported in April 2012, the Department lacks an [enterprise architecture] to align IT investments with its mission, reduce duplicative systems, effectively spend information security funds, and realize cost savings," Scovel stated in his testimony. "DOT concurred with our recommendation to develop or revise its EA policy and procedures, and plans to develop an overarching EA policy by May 2013."

REPUBLICANS BLAST WARNINGS OF FLIGHT DELAYS

USA Today

March 5, 2013

Furloughs of air-traffic controllers cannot be avoided, House members were told.

But some members of the House Oversight and Government Reform voiced deep skepticism at a hearing about flight delays or the need to cut so much personnel in a hearing where John Porcari, the Transportation Department's deputy secretary, was present.

"I flew this weekend and it didn't happen to me," said Rep. Jim Jordan, R-Ohio.

The chairman, Rep. Darrell Issa, R-Calif., noted there are 23% fewer flights for air-traffic controllers to direct than before 2001. A 30-year private pilot, Issa suggested staffing should be reduced at some control towers.

While there are fewer flights nationwide, Porcari said, the concentration of the big network airlines' hub-and-spoke flying system has made busy areas more congested.

But when pressed on how much of \$637 million being cut from FAA would be from personnel, Porcari couldn't say. "It's a moving target as we get further into the fiscal year," Porcari said.

Rep. Jason Chaffetz, R-Utah, asked why plans weren't more detailed for cuts originally adopted in 2011. "It doesn't sound like much of a plan," Chaffetz said.

Jordan repeated a Republican argument for cutting other parts of FAA's budget, such as \$500 million for contracts or \$200 million for travel and supplies.

FAA staffers attended 49 conferences for a total cost of \$12.8 million in fiscal year 2010; 23 conferences totaling \$3.4 million the next year; and 11 conferences totaling \$668,000 last year, according to Calvin Scovel III, the department's inspector general.

"That's the kind of stuff that just drives the American taxpayer nuts," Jordan said of the 2010 figure.

Porcari said FAA has already reviewed contracts and travel to reduce spending, but that widespread furloughs will be necessary. "We have already achieved the savings we think we can achieve on conferences," Porcari said.

OIG IN THE NEWS

COP ACCUSED OF PADDING DUI ARRESTS PLEADS NOT GUILTY

Chicago Tribune
February 27, 2013

The former Des Plaines police commander accused of padding DUI arrest records to obtain federal grant money pleaded not guilty in federal court today, authorities said.

Timothy Veit, 55, of Mount Prospect, appeared before Judge Samuel Der-Yeghiayan for an arraignment hearing, and was released on his own recognizance, said U.S. Attorney spokesman Randall Samborn.

Veit is expected to appear in court again on June 4 for a status hearing, Samborn said. Neither Veit nor his attorney were immediately available for comment.

Last week, federal authorities accused Veit of “knowingly and intentionally” inflating the number of DUI arrests made under a federally funded grant designed to curb drunk driving and seat belt violations.

Prosecutors said the grant required submitting the number of DUI arrests made and the blood-alcohol content of the person arrested. Authorities said the department was then reimbursed for officer overtime pay, mileage and equipment.

From 2009 to 2012, Veit allegedly falsely inflated DUI arrest numbers by 122, and provided fake blood-alcohol content levels for those “fictitious” arrests, authorities said.

Authorities claim that Veit’s false reports meant the department “fraudulently obtained” \$132,893 in federal grant money from Sustained Traffic Enforcement Program grants funded by the Department of Transportation’s National Highway Traffic Safety Administration.

Veit served as the department’s project director for the STEP program, authorities said, and his duties included certifying that the department complied with a grant requirement showing that an average of one DUI arrest is made for every 10 hours of overtime officers worked in STEP enforcement campaigns.

He retired last year after 31 years with Des Plaines police, according to authorities.

PASSENGER CARRIER ADMITS FALSIFYING DOCUMENTS

Land Line Magazine
March 5, 2013

A Connecticut motor carrier that provided passenger service has pleaded guilty to falsifying driver logbooks when federal investigators asked to inspect them.

According to the Department of Transportation Office of Inspector General, representatives of New Britain, CT-based Wisla Express LLC pleaded guilty in late February to presenting falsified documents to the Federal Motor Carrier Safety Administration. The plea was entered in U.S. District Court in Hartford, CT.

Dariusz Szteborowski, of Rocky Hill, CT, the company’s office manager, pleaded guilty Feb. 22 on a criminal charge related to the investigation.

“The investigation disclosed that Szteborowski often created and maintained false and fraudulent driver time records or caused others to create false and fraudulent driver logs in order to meet the prescribed reporting requirements and that Szteborowski submitted logs to the FMCSA that were not only false, but in many cases had not been created by the driver as required under the federal regulations,” the OIG announcement reads.

The OIG’s office said Szteborowski and others working with and for Szteborowski and Wisla routinely assigned drivers on trips knowing they would exceed federally regulated hours-of-service time.

In order to hide these violations from FMCSA inspectors, Szteborowski often instructed the drivers and/or other Wisla employees to record falsely in the logs that the driver was off-duty during those times before Szteborowski turned in the faked logbooks.

The company used time cards with accurate work-hours to pay its drivers before Szteborowski reportedly destroyed the true time cards.

The investigation was completed with assistance from FMCSA.

The Wisla case’s prosecution is noteworthy for its timing.

Beginning Tuesday, March 5, the Federal Motor Carrier Safety Administration is opening a comment period to seek public opinion regarding the paperwork burden posed by the continued requirement of motor carriers to maintain driver qualification files. The examination of the requirement is being carried out under the Paperwork Reduction Act.

OIG IN THE NEWS

AIR-TRAFFIC ERROR PROBES CUT AS U.S. CLOSE CALLS RISE

Bloomberg

March 4, 2013

U.S. aviation regulators don't have enough investigators to examine close calls in the skies, which have increased more than 50 percent since 2009, according to a report by the Transportation Department's Inspector General.

The Federal Aviation Administration has reduced the number of employees reviewing these safety cases even as air-traffic errors that bring planes too close together have jumped, and as new technology is expected to uncover more such incidents, the report found.

The report is the latest to examine the surge in errors that let planes get too close, also known as a "loss of separation." Those errors rose 53 percent in fiscal 2010 compared with 2009, to 1,887 from 1,234. There were 1,895 controller errors in 2011.

The FAA has maintained that most of the rise is due to improved reporting and not an actual increase in the risks of mid-air or runway collisions.

The report by Assistant Inspector General Jeffrey Guzzetti found that at least some of the increase is due to an actual rise in the number of incidents.

In January 2012, the FAA consolidated error investigations into three offices across the country with 16 people to do the reviews, according to the report.

The FAA faces "significant challenges" as a result of that decision, according to the report. Investigators in centralized locations may not understand each air-traffic facility's local practices, making reviews more difficult, it said.

The Inspector General's report also found evidence that more errors are occurring than the FAA has reported.

Many incidents that controllers voluntarily disclose aren't included in the agency's totals because of confidentiality rules, the report found.

The Inspector General also discovered that 157 incidents in Charlotte, North Carolina, weren't included in FAA totals.

"Until FAA takes action to determine the true magnitude of operational errors, assess their potential safety impacts, identify their root causes, and align adequate staffing for oversight, the risk of separation losses will remain a safety concern," the report said.

WATCHDOG: AIR-TRAFFIC ERRORS A 'MAJOR SAFETY CONCERN'

USA Today

March 5, 2013

A government watchdog says much of the jump in air-traffic control mistakes several years ago was caused by actual mistakes rather than just a new reporting system the Federal Aviation Administration adopted.

The FAA had blamed a 53% increase from 2009 to 2010 in planes getting too close together to the new Air Traffic Safety Action Program, which encouraged controllers to report mistakes without fear of punishment. The goal of the new reporting system was to prevent future mistakes.

Yet Jeffrey Guzzetti, the Department of Transportation's assistant inspector general for aviation, says that the FAA's automated system for detecting operational errors had a 39% increase at that time.

"This suggests that a portion of the overall increase is due to more errors actually occurring, rather than being attributable entirely to improved reporting," Guzzetti says in a report released on Monday.

He says that close encounters "continue to be a major air safety concern, particularly in light of dramatic increases in their occurrence."

Also of concern, the report says, are so-called near misses, including "a near mid-air collision" near New York City in January 2011 involving a jetliner and two military aircraft that flew within a mile of each other.

The previous jump in air-traffic control errors cited by the inspector general was startling. The 1,234 events in 2009 rose to 1,887 in 2010. The number remained steady at 1,895 in 2011. The amount reported last year hasn't been released yet.

Among regional control centers, Southern California accounted for 156 of the incidents in the increase from 2009 to 2010. The Dallas region had 59 incidents and the New York region had 35 of the incidents.

The California incidents included 147 landings that FAA reclassified as errors. That's after revoking a waiver that had allowed planes to land at the same time closer than normally allowed, according to the inspector general. Those incidents accounted for 23% of the increase over that time.

The FAA has 16 staffers in investigate the "high number" of mistakes, with plans to hire more, the report says. And that presents "staffing challenges," the report says.

OIG IN THE NEWS

FAA NEEDS TO DO BETTER IN TRACKING AND MITIGATE AIRCRAFT SEPARATION

AVStop.com

March 4, 2013

The Nation's air traffic controllers play an important role in maintaining the world's safest air transportation system. Yet, losses of standard separation [between] aircraft...remain a significant safety concern.

At any given time, there are roughly 7,000 aircraft occupying U.S. airspace. To help maintain safe distances between aircraft, while under the control of air traffic controllers, the FAA established minimum separation standards based on the aircraft's phase of flight and size. Controllers are responsible for providing instructions to pilots.

According to the Federal Aviation Administration (FAA) statistics, the number of reported operational errors increased by more than 50 percent between fiscal years 2009 and 2010.

According to the FAA, the dramatic increase in reported operational errors between fiscal years 2009 and 2010 was mostly due to increased reporting through programs such as the Air Traffic Safety Action Program (ATSAP) and the Traffic Analysis and Review Program (TARP), an automated system to detect losses of separation at air traffic terminal facilities.

OIG found that the increase in reported errors was linked, in part, to a rise in actual errors rather than increased reporting. For example, the FAA's air route traffic control centers (ARTCC) which have had an automated system in place for years to detect and investigate reported errors had a 39 percent increase in operational errors during the same period.

In addition, OIG identified other contributing factors to the rise in the number of operational errors. For example, almost one quarter of the increase is due to the revocation of a separation waiver at the Southern California Terminal Radar Approach Control (TRACON) that led to the reclassification of many routine approach and landings as operational errors.

FAA uses TARP to detect losses, then examines the risk of these losses, and identifies corrective actions. OIG found that the effectiveness of these procedures is limited by incomplete data and implementation challenges. Finally, the FAA has recently developed new corrective action plans to mitigate high-risk separation loss events.

In addition, the Agency's corrective action plans do not include all safety risks identified by the FAA and will not address all losses of separation that air traffic facility officials consider to be high risk.

FAA NEEDS TO BETTER MONITOR, ADDRESS AIRCRAFT FLYING TOO CLOSE TOGETHER

FierceGovernment

March 7, 2013

The reported number of times aircraft did not maintain a safe minimum distance from each other in the air, called a loss of standard separation, rose 50 percent between fiscal 2009 and 2010 and remains a major air safety concern, says the Transportation Department's office of inspector general.

In a Feb. 27 report auditors say the increase was due to a rise in actual errors and to increased reporting through Federal Aviation Administration programs such as the automated detection system called the Traffic Analysis and Review Program.

Auditors found that nearly 25 percent of the increase was due to revocation of a waiver that allowed simultaneously landing aircraft in the sphere of the Southern California Terminal Radar Approach Control to be closer than normal. Otherwise safe landings that occurred during the waiver period were reclassified as errors and added to the total.

But the report notes that the FAA's air route traffic control centers have had an automated detection and reporting system in place with constant parameters for years and that it recorded a 39 percent increase in operational errors between fiscal 2009 and 2010.

The report says that many attempts to recover from losses also made the situations worse, and that 87 percent of the most severe risk events involved poor air traffic control recovery. Auditors say this could be addressed by proper training.

The report says that FAA has developed new policies to collect, investigate and review losses but these procedures are limited by incomplete data and implementation. For example, auditors say FAA uses TARP to review losses and identify corrective actions, but it only reviews a portion of all TARP alerts.

Another FAA reporting system has 50 percent of its loss incident reports classified as unknown, say auditors, "and therefore, unknown to the air traffic facility management. Any losses of separation included in these unknown reports may not be in FAA's official count."

The report recommends that FAA include all losses of separation in every system in their official count; determine staff training needs to properly investigate losses and audit data; and work to mitigate identified circumstances such as losses of separation due to on-the-job training issues.

OIG IN THE NEWS

INSPECTORS GENERAL DRAGGED INTO SEQUESTRATION DEBATE

Government Executive

March 5, 2013

Two agency deputies and their inspectors general on Tuesday were pulled into Congress' politicized debate over finding alternatives to the automatic spending cuts now unfolding under sequestration.

House Oversight and Government Reform Committee Chairman Darrell Issa, R-Calif., called the hearing to counter what he dismissed as mere "stories" from the Obama administration about the dire effects of the sequester, mocking recently reported "tales of massive teacher layoffs, pay cuts for Capitol janitors and security guards and other cuts that seem to defy common sense."

In launching what will be a series of hearings, Issa said he hoped to find "real savings" of as much as \$67 billion in the open and unimplemented recommendations from inspectors general, which have grown, he said, from 10,894 in 2009 to 16,906 today.

The result was a routine review of the ongoing oversight agendas by inspectors general from the Transportation and Education departments, coupled with new agency warnings about

harm from sequestration and continuing disputes among lawmakers.

"The irony is that we are holding a hearing today on IG recommendations to make these two agencies more effective and efficient, but it will be more difficult for these agencies to implement these recommendations while their budgets are being cut and their employees are being furloughed," said ranking committee member Rep. Elijah Cummings, D-Md. "Even IG offices themselves will feel the negative effects of sequestration, hindering their ability to conduct the very oversight work we are praising them for today."

Transportation IG Calvin L. Scovel III offered a...review of agency responsiveness to his team's audits in such areas as managing infrastructure spending and gathering safety data.

"Some recommendations, however, remain open for an extended period for various reasons, such as the complexity and magnitude of the recommendation and the number of actions required to implement the recommendation," he said. "In some cases, recommendations remain open because the department or agency does not concur with our recommended actions. In these cases, we work with the department or agency to seek alternative actions that meet the intent of our recommendation."

COMINGS & GOINGS

(b)(6)

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dog.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dog.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL TESTIFIES ON DOT CHALLENGES

On March 14, Cal testified before the House Committee on Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies on the top management challenges facing DOT.

The hearing room was small, and Cal and the witnesses from HUD OIG and GAO sat directly across from the Members at one large conference table. Although unique, Cal found the setting to be more personal—promoting more conversation and dialogue on the many important issues covered.

Chairman Latham opened the questioning by thanking OIG for its superb work on the Metropolitan Washington Airport Authority audit report. Cal noted that it was truly an “all hand’s on deck” effort and that the Authority has been making progress on addressing our recommendations. Cal was next asked about ongoing work on LAX revenue diversion, NextGen, and the potential \$500 million cost overruns on ERAM.

Ranking Member Pastor stated that a common theme across all the witnesses’ statements was data collection and validity and asked about the risks. Cal responded that because FHWA could not trace Federal dollars to deficient bridges, it could not determine where the need is. Cal also pointed to our work on pilot fatigue after the Colgan air crash, and that we asked FAA to collect pilot commuting information.

Congressman Cole asked about contract tower closures in his district due to sequestration, and Cal responded with details regarding FAA’s criteria for closure and the total number of towers closed nationwide. Pastor asked about what impact sequestration might have on FAA safety, particularly as it relates to the work of safety inspectors. Cal responded that our work has shown that FAA still has work to do to improve the reliability of its staffing model for inspectors and noted that FAA could do a better job overall by targeting its safety oversight resources based

on risk, citing repair station oversight as an example.

Congressman Quigley highlighted the growing importance of cybersecurity across the Federal government and asked a question about underutilization of FRA Railroad Rehabilitation and Improvement Financing. Cal cited our newly announced audit on the RRIF loan program and described our 10-month milestone process for producing audits.

Congressman Ryan asked how sequestration was impacting OIGs. Cal was able to respond that due to careful management of our spending, and with the hiring freeze since August 2011, we will not have to furlough staff.

After the hearing, Committee staff sent a nice thank you note, commending the IG and all the staff on our participation and preparation for the hearing. At the hot-wash, Cal conveyed thanks to all who helped make this year’s TMC hearing a resounding success.

— Mary Kay Langan-Feirson

OIG WEEKLY CALENDAR

MON 3/18	TUE 3/19	WED 3/20	THU 3/21	FRI 3/22
Cal on leave through Wednesday	Ann: SUP I Kickoff, 8:30	Ann: Leadership Brown Bag, GS-14s, -15s, SES, noon to 1:30 Jeff: Aviation Safety Hearing, 2:30		

NOTEWORTHY

REMINDER: LEADERSHIP BROWN BAG FOCUSES ON FEEDBACK

Ann's Leadership Brown Bag for SES, GS-15s, and -14s this Wednesday from noon to 1:30 will focus on "Providing Effective Feedback." Please join Ann for what is sure to be an informative and lively discussion.

SUPERVISION III FOCUSES ON LEADERSHIP PRESENCE

In mid-February, I attended the third and final installment of OIG's supervision series, Supervision III, "Managing Self: Leadership Presence."

Where SUP I and SUP II focused on managing others, SUP III focused on "self." Over the 3 days, HRDC Staff members Debra Alexander and Michele Ginnerty led discussions on emotional intelligence; stress management; leadership presence; influence and impact; and leading, managing, and sustaining change.

On the first day, participants presented a 1-minute statement about a personal role model, noting what they admire about their role model, needs that are met, and the practices they adopted.

Role models included family members and historical figures.

A highlight was learning about leadership strengths and competencies. Using a "Strengths Finder" assessment tool completed before the course, participants segmented their strengths into four areas—Executing, Influencing, Relationship Building, and Strategic Thinking—then focused on how we can use our strengths at OIG. The material emphasized that the most potential for growth as a leader is to build on our strengths. While it can be hard to accept, we cannot be anything we want to be, but we can be a lot more of what we already are.

During the Stress Management module, we analyzed our Stress

Profiles, also completed in advance of the course, and learned about some specific techniques to manage stress.

To develop our Leadership Presence, Influence, and Impact skills, half of the group was tasked with convincing the other half to try a "new" product: buttermilk. While our group of persuaders started with good intentions by focusing on Influence, we quickly learned that our audience was tough, particularly Chief Counsel Omer Poirier. So our group's spokesman, Assistant Special Agent in Charge Dan Helzner, attempted to convince the other team to taste the buttermilk. Eventually, two col-

(Continued on page 5)

NOTEWORTHY

MANAGING CHAOS AND CONFLICT IN THE WORKPLACE

Did you know that a little chaos and conflict can promote organizational change? And that conflict resolution is essential to any effective organization?

During last month's Leadership Development Exchange, Ann led a lively exchange on the types of conflict we have experienced or witnessed, including deadlines, personal issues, work styles, and generational gaps—a topic covered almost 2 years ago at a leadership brown bag.

Ann shared 10 conflict resolution strategies to help us manage these and other conflicts:

- Learn how to be neutral, stay calm, quell the storm.
- Try not to take things personally.
- Let people know when and if they have disrespected you; do so in a helpful way.
- Remember that hurt people often hurt people.
- Ask for what you need.
- Be part of the solution by offering suggestions.
- Suspend judgment and be professionally honest.
- Attack the problem, not the person.
- Recognize that people do the best they can with what they know.
- Simplicity is best, practice the golden rule: Treat others as you want to be treated.

There are a variety of reasons why conflict occurs in any organization. We should remember that communication and leadership, with or without authority, is the key to managing and resolving conflict and chaos. So, how do you manage conflict? See five styles below.

— Leslie Mitchell, Senior Auditor,
JA-50

FIVE CONFLICT MANAGEMENT STYLES

Collaborating	<i>win/win</i>	Partnering with others to achieve the goals of everyone. This style builds trust but may require a lot of time and effort to get everyone on board.
Compromising	<i>win some/lose some</i>	Winning something while losing something is okay and may be appropriate when both sides have equally important goals.
Accommodating	<i>I lose/you win</i>	The issue isn't as important as the relationship with the person. This approach is effective when the other party is the expert or has a better solution.
Competing	<i>win/lose approach</i>	When you are assertive in achieving goals without seeking the cooperation of the other party. May be appropriate when a quick decision is needed.
Avoiding	<i>no winners/no losers</i>	Simply avoid the issue. You don't help others reach their goals and are not pursuing your own.

NOTEWORTHY

ATLANTA UAS TEAM DOES THE SOUTHWEST SWING

In early February, the Unmanned Aircraft System audit team ventured into the arid Southwest, braving rattlesnakes, dust storms, and Elvis impersonators to conduct interviews and gather information on the challenges FAA and other stakeholders integrating UAS into the National Airspace System.

The first of three locations visited was Creech Air Force Base in Indian Springs, NV, which houses a major UAS testing site in addition to operating Predator and Reaper UAS that engage in missions in Afghanistan. The team learned about the technical challenges facing UAS and how those challenges would affect the NAS as FAA moves from a policy of accommodation to integration. The team also got “up close and personal” with Predator and Reaper



drones in the base’s hanger. Curt Boettcher even got to demonstrate the benefits of his latest workout routine.

Mark Perrill, Andrew Farnsworth, and Curt also got to use the base’s UAS simulator, piloting a Predator that destroyed an enemy Humvee



and successfully landing the aircraft!

Meanwhile, Robin Koch and Marshall Jackson, along with FAA and industry representatives, were getting a first-hand introduction to the Global Hawk aircraft at

(Continued on page 5)



NOTEWORTHY

(Continued from page 4)

Beale Air Force Base in California. Though an unmanned “spy plane,” Global Hawk is an impressive aircraft, with a wingspan greater than that of Boeing 757. After briefings on Global Hawk’s mission profile, the group visited a ground control station where Global Hawk pilots operate missions around the world.



The team interviewed controllers and managers at the FAA’s Air Traffic Control Center in Albuquerque, NM. The team learned about the issues of unreliability that UAS can pose to controllers, particularly the possibility of ‘lost links’ between the pilot on the ground and the elevated aircraft. The team also visited New Mexico State University in Las Cruces.

NMSU houses the only operational testing site for UAS in the NAS (whereas military bases are located in restricted airspace).

The Southwest Swing ended with the team flying out of El Paso back to Atlanta. While fatigued from the time change and extensive desert travel, the team obtained a great deal of information about

the many issues confronting regulators and policymakers as they seek to integrate UAS into the NAS.

— Andrew Farnsworth, Analyst,
JA-10, Atlanta

(Continued from page 2)

leagues buckled under the pressure, but Omer wouldn’t budge.

On the last day, Kathleen Tighe, Inspector General, U.S. Department of Education, and Cal provided insights on leadership. During Tighe’s presentation, we engaged in a leadership benchmarking exercise, connecting her remarks to the leadership areas we discussed during the week: Lead-

ership Strengths and Competencies, Emotional Intelligence, Stress Management, and Power Relationship Management. The final exercise was a 30-second “elevator speech” that each of us made to Cal. We were given great latitude regarding what we chose to discuss and, in the end, we were appreciative to be given the opportunity to comment on a variety of topics and pitch some new ideas to Cal.

At the conclusion of the course, participants were given feedback on their leadership styles and presence during their 1-minute presentations, which were videotaped.

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OIG IN THE NEWS

OIG CONSIDERS COMPLETION OF A NATIONAL RAIL PLAN AND STATE ABILITY TO IMPROVE BRIDGES TOP USDOT PRIORITIES

AASHTO Journal
March 8, 2013

State Ability to Improve Bridges Top USDOT Priorities The U.S. Department of Transportation should focus its efforts heavily on completing a National Rail Plan (NRP) and reporting to stakeholders how effective states are in their efforts to improve deficient bridges across the nation, according to the Office of the Inspector General (OIG) of the USDOT. The recommendations were outlined in a report identifying OIG's top 10 recommendations for the department in the current year.

OIG outlined the completion of an NRP as a high priority due to its ability to save money, gain additional support for rail projects, and help identify where money is best spent.

"The Passenger Rail Investment and Improvement Act of 2008 calls for the Federal Railroad Administration to develop an NRP to provide a framework for the integration of passenger and freight rail across the country so that public and private stakeholders understand their roles in developing services and can invest with certainty," according to the report. "When complete, the NRP will also identify specific interstate corridor goals and measures of success. Delays in establishing the NRP could result in FRA investing billions of dollars in federal grant funds without assurance that these efforts support national policy goals, and stakeholders could remain reluctant to commit."

Another major priority OIG identified was that of oversight and performance measures for states in fixing deficient

bridges. This gained even more momentum with the passage of MAP-21, which stressed the importance of addressing these bridges.

"Given the limited funding to address these deficiencies, we have reported since 2006 the need to improve the quality of inspection data and implement data-driven, risk-based oversight of states' bridge programs," according to the report. "In January 2010, we recommended that Federal Highway Administration report regularly to internal and external stakeholders on the effectiveness of states' efforts to improve the condition of the nation's deficient bridges... Such action will also be critical to help FHWA meet new requirements for more performance-based management of highway bridges in MAP-21."

NEXTGEN, SAFETY DATA TOP DOT PRIORITIES

RotorNews
March 14, 2013

In a hearing of the U.S. House of Representatives Committee on Oversight and Government Reform, the Department of Transportation Inspector General (DOT-IG) identified the implementation of NextGen as among its top ten focus areas.

The IG recommended that the Federal Aviation Administration (FAA) establish a master schedule for the changeover, and ensure that cost estimates for the

billion-dollar-a-year program are "comprehensive and regularly updated."

Related to air safety, DOT needs to "fine-tune how it collects, verifies, and uses safety data" as well as beef up its oversight of aircraft maintenance and pilot training. The IG has previously recommended that the FAA collect and analyze data on pilots' "commuting" time – many pilots travel across country before starting their workday – to find ways to reduce pilot fatigue.

The IG told the committee it compiled the list with a focus on projects that would improve safety quickly, with largest impact per dollar spent. Rather than identifying a traditional top ten, however, the report outlines five long-term and five short-term needs.

PEOPLE WE KNOW

(b)(6)

COMINGS & GOINGS

(b)(6)

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

EFFECTIVE PERFORMANCE FEEDBACK

On March 20, Ann facilitated a Leadership Brown Bag session for SES, GS-15, and GS-14 managers focusing on best practices for providing effective performance feedback. Specifically, we discussed what performance feedback is and why it is important, shared feedback experiences, assessed best practices, provided advice and guidance to one another, and ended with key takeaways.

The meeting was informative and engaging and involved a lively exchange of information from all who attended in person and via telephone and VTC.

Ann kicked off the discussion by defining performance feedback as an exchange of information, usually between managers and employees. It involves both discussing performance expectations and reflecting on performance that has been demonstrated. Performance feedback can go beyond managers and include co-workers, customers, and stakeholders to assess how others feel about our work and to gauge what we are

doing right as well as identify opportunities for improvement.

For the purpose of our discussion, we focused on managers providing effective feedback to staff, and on two types of performance feedback: *formal*, as required in midpoint and annual reviews; and *informal*, routine or regular feedback. If done well, formal and informal feedback avoids year-end surprises.

Ann stated that performance feedback is important because it helps workplace productivity and enables employees to understand the agency's or unit's expectations of them. Ann emphasized that with clear expectations and feedback, employees have the information necessary to improve their job performance and, most importantly, to stay motivated.

Constructive feedback helps employees understand where they stand in relation to what's expected of them, and what they need to do to improve. Ann emphasized that it's also important to recognize when staff work to

close this performance gap. When we know what is expected, how we are doing, and what is still needed, we rise to the occasion. In this way, recognition serves as a powerful motivator, fosters more of the behaviors and performance leaders seek, and ultimately makes everyone's job easier.

A number of key takeaways and best practices from the brown bag included:

Management—goes beyond management: provide effective feedback, model the behavior you desire, and create a positive work environment.

Recognition—As leaders, don't lose sight of this important feedback mechanism; come full circle and give recognition when due.

Structure—Good performance management is proactive. Don't wait until the situation is out of hand—make sure employees know you are watching and that you care, and keep it frequent.

(Continued on page 3)

OIG WEEKLY CALENDAR

MON 3/25	TUE 3/26	WED 3/27	THU 3/28	FRI 3/29
	Noon CFC Keyworker Lunch, Cal, Ann	10:00 GATB Cal	1:30 COP: OIG Perspectives on TRB	

NOTEWORTHY

TMS SPRING CLEANING!

This is the perfect time to do a little spring cleaning in TMS. On March 4, HRDC advised all staff that over 1,200 courses in the SkillSoft Catalog in TMS would no longer be available after April 4, 2013. All courses listed in the direct link below will be deactivated and will sit on your plan until you remove it. Therefore, if you have any of these courses on your To-Do List, you must either delete or complete the courses by April 4. For your convenience, we have created the direct link below so that you can refer back to the list of courses. If you need any additional assistance with this matter please contact HRDC by phone at (202) 260-8560 or via email at Training-HRDC@oig.dot.gov.



Find the list of soon-to-be-deactivated courses here: <http://portal.oig.dot.gov/JM1/JM20T/Training%20Documents/SkillSoft%20courses%20no%20longer%20supported%20040313.xlsx>

COP ON TRB THIS THURSDAY!

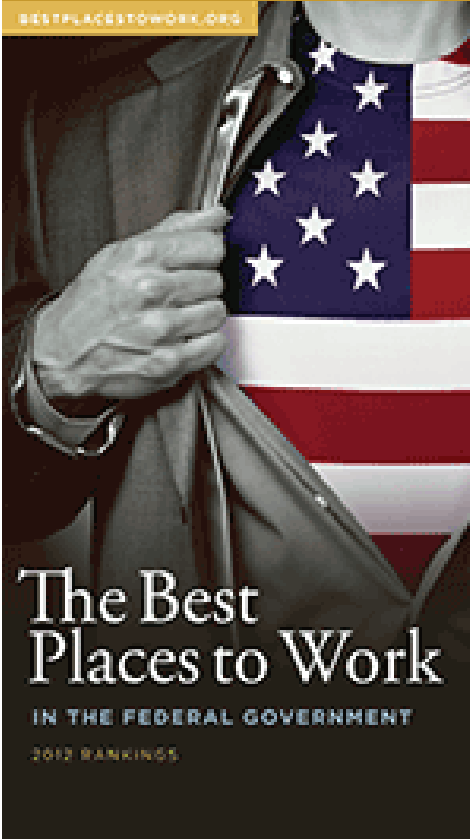
Thursday's Community of Practice event will focus on **OIG's perspectives on the Transportation Research Board's 92nd Annual Meeting**. Representatives from JA-10, JA-40, and JA-50 will share highlights from the recent weeklong conference they attended—described by TRB as “the largest transportation conference in the world”—and will discuss how it could affect our work going forward.

The session will be from 1:30 – 2:30 pm EDT in the DOT Media Center and via webcast; webcast details will be provided on the day of the event.

To receive one CPE credit, please register in advance in TMS whether you plan to attend in person or via webcast at this link: https://tms.nbc.gov/plateau/user/deeplink_redirect.jsp?linkId=REGISTRATION&scheduleID=23726. **If you registered for this event when it was scheduled for March 6, please do so again. All registrations were cleared in TMS when the event was rescheduled for March 28.** On the day of the event, please also make sure that you sign in on the sheet provided to your training coordinator or, if you are attending in person, at the DOT Media Center. You must register in TMS and sign an attendance sheet to receive credit.

NOTEWORTHY

BESTPLACETOWORK.ORG



OIG RANKS HIGH AMONG SUBCOMPONENTS

Rank*	Category	Score
4	Effective Leadership—Senior Leaders	68.7
16	Effective Leadership	67.9
17	Effective Leadership—Fairness	66.1
17	Support for Diversity	69.1
22	Work-Life Balance	71.3
24	Performance-Based Rewards and Advancement	56.1
26	Strategic Management	64.2
29	Training and Development	69.8
31	Effective Leadership—Empowerment	57.9
36	Pay	68.0
37	Effective Leadership—Supervisors	73.0
43	Teamwork	72.5
58	Employee Skills/Mission Match	80.2

*Out of 290

As Cal mentioned at our last all hands, OIG overall ranked 44th out of 292 Federal subcomponents in OPM's 2012 viewpoint survey, and an impressive 4th in senior leadership. Since the all hands, the Partnership for Public Service has jazzed up the online presentations of the survey results and rankings. To see how we're featured online, go to <http://www.bestplacetowork.org/BPTW/rankings/detail/TD12>.

(Continued from page 1)

Confidentiality—a must. Once trust is broken, it's hard to get it back, and you lose respect.

Timing—Make feedback a day-to-day practice. Know what you are going to say, make sure you're in a private location, take notes, don't rush, and make time for dialogue.

Specificity—Focus on the behavior—not the person—but don't overload with examples.

Sincerity—The best feedback is sincere and honest. People know when it isn't.

Before closing our session, Steve Jones from our San Francisco office provided one of the highlights with an impersonation of Oprah Winfrey's closing remarks: "Do you see me, do you hear me, and does what I say matter?"—a strategy he uses as a best practice for providing effective feedback. Steve said he always asks his em-

ployees these questions at the end of a meeting, and if the employee acknowledges in the affirmative then he concludes that effective feedback has been established.

We look forward to sharing our next Leadership Brown Bag topic, and thanks to everyone for participating.

— Kevin Dorsey, Program Director, JA-10

OIG IN THE NEWS

SEQUESTER ENSNARES GOVERNMENT WATCHDOGS

Federal Times
March 18, 2013

As lawmakers clamp down on federal spending, they aren't sparing the government's watchdogs.

Like the agencies they oversee, many inspectors general are absorbing steep across-the-board budget cuts officially known as the sequester.

And some are warning their oversight work is suffering as a result.

"We're already turning down cases," Kathleen Tighe, the Education Department's inspector general, told a House panel March 5. "We're shifting priorities. We're telling our criminal investigators in the field that they can only open the highest-priority things, and they'd better, you know, watch what they do."

Among other cost-cutting steps, Tighe plans to furlough her entire staff of about 270—including herself—for up to 11 days.

Furloughs won't be needed at the Transportation Department's inspector general, both because of aggressive cost-cutting and because the office gets special funding stemming from the 2009 stimulus act and Superstorm Sandy, according to IG Calvin Scovel. But the size of the agency's workforce, fewer than 400 employees, is the smallest since passage of the 1978 Inspector General Act, Scovel said at the same hearing of the House Oversight and Government Reform Committee.

How many of the other 71 IG offices are drafting furlough plans is unclear, but representatives at several said they are cutting back on hiring, travel and other expenses. While the Department of Homeland Security's inspector general hopes to avoid unpaid time off for its 740 employees, "we haven't made any

decisions," spokesman Bill Hillburg said last week.

Throughout government, the sequester is costing IG offices more than \$100 million this year, said Scott Amey, general counsel for the Project on Government Oversight, a nonprofit watchdog group, in an email. Considering the billions of dollars in potential savings that IGs identify, Amey said, the government "is looking a penny-wise and a pound-foolish."

David Kotz, a former Securities and Exchange Commission IG now with Berkeley Research Group, a consulting firm, said the cuts will likely undermine needed government oversight. "Many IG offices are very leanly staffed. If you start furloughing people or cutting contracts, it could definitely have an impact on their ability to conduct oversight," he said.

The IGs are not the only government watchdogs suffering from the sequester. While the Government Accountability Office, an arm of Congress, hopes to avoid furloughs, its workforce of fewer than 3,000 is at its lowest level since 1935, and sequestration will require further reductions, Comptroller General Gene Dodaro said at a separate congressional hearing last month.

The cuts will hurt GAO's work "at a time when Congress needs us most, given the federal government's fiscal position," he said.

Because IGs continually monitor their agencies and can also undertake criminal investigations, they provide a critical line of defense against waste and abuse of taxpayer money.

In fiscal 2011, the last year for which complete numbers are available, judgments, recoveries and voluntary repayments resulting from the IG community's work amounted to more than \$9.1

billion, according a report from an umbrella council for the inspectors general. Governmentwide, agencies could save or recoup some \$67 billion if they fully implemented all of the pending recommendations from their IGs, the House oversight panel found in a separate review released this month. That figure is more than twice the 2009 total.

Not all IGs are affected. Because lawmakers exempted the Veterans Affairs Department from the cuts, the VA inspector general's office is operating at normal funding levels, a spokeswoman said.

Some IGs have also sought to temper the bite by getting a head start.

Beginning in August 2011, Scovel's office froze hiring and has also stopped paying bonuses, dropped rental space and withdrawn from a student loan repayment program for employees. "Across the board, we have sought to cut every single expense we possibly could," he said.

Because of previous funding cuts, the Health and Human Services Department IG froze hiring in February 2012 and also used \$25,000 buyouts and an early retirement offer to cut employment from 1,800 to 1,660, with more reductions ahead, a spokesman said.

Since early 2012, the General Services Administration's IG office, which gained fame last April with its audit of GSA's 2010 Western Regions Conference in Las Vegas, has been hiring only one employee for every four who leave, spokeswoman Sarah Breen said. As a result, the IG's workforce is down approximately 15 percent to 275.

"If this were to continue," she said, "it would impact our mission to provide oversight of GSA's programs and activities."

OIG IN THE NEWS

DOT HIGHLIGHTS SAFETY AS TOP MANAGEMENT CHALLENGE*AIRNonline***March 18, 2013**

Enhancing aviation and surface safety remains the top priority for the U.S. Department of Transportation, concluded the department's Inspector General in a recent report of the agency's top management challenges. The IG acknowledges, however, that while the DOT has made progress on safety, "it is faced with challenges to fine-tune how it collects, verifies and uses safety data, and to bolster its industry oversight with respect to aircraft maintenance, inspector resources and pilot performance and training." It also raised similar concerns about data collection and analysis at the FAA.

The IG believes that the DOT has moved in the right direction by "meeting new airline safety requirements to advance voluntary safety programs at air carriers and improve pilot rest requirements," but believes the department has not done enough "to maximize [the use of] existing data to identify trends and root causes of safety issues, enhance risk-based oversight at carriers and repair stations and mitigate air traffic controller fatigue."

Another concern yet to be addressed is how to mitigate the rising number of operational errors made by air traffic controllers. The IG said while the total number of operational errors has remained at 2009-2010 levels, the most serious mistakes have continued to rise in number.

DOT PLANS CODESHARE-RULE PROBE OF LARGE TRAVEL AGENCIES*Travel Weekly***March 21, 2013**

The Department of Transportation (DOT) is planning to make "secret shopper" test calls to major travel agencies and some airlines over the next three months to assess their compliance with disclosure rules about booking airline codeshare flights.

The DOT's plan stems from a commitment it recently made to its inspector general to more closely monitor travel agency compliance with the disclosure rule.

The DOT's aviation enforcement unit told the inspector general last month that it was preparing a round of spot checks or test calls "to the top 10 brick-and-mortar travel agencies by revenue."

The disclosure rule generally requires travel sellers to disclose to consumers the name of the transporting carrier on codeshare flights, and to do so before the booking is made.

The DOT initiative was triggered by a report from the inspector general regarding regulatory oversight of domestic codesharing, including consumer disclosure issues. The report was requested by Congress in the aftermath of the crash of a Colgan Air flight near Buffalo in 2009.

That flight was operated as a Continental Connection flight, and the subsequent investigation raised questions about the degree to which codeshare partners have different operating standards.

In the course of its review, the inspector general found that the DOT "does not actively survey traditional travel agents for compliance with code-share disclosure regulations, although they account

for about \$60 billion of total air travel sales."

As an initial assessment of the situation, the inspector general made test calls of its own and reported that "14 of 16 travel agents we randomly contacted failed to disclose or properly identify the operator of codeshare flights—even after being asked to identify the name of the actual operating carrier."

"In most of those cases, the travel agents...provided incorrect information regarding which carrier was operating the flight."

The inspector general's report also criticized airline websites and online agencies, in general, for using differing and confusing methods to make the required disclosures on display screens.

"Current variation among websites can make it difficult for consumers to locate and/or understand the disclosure of which carrier is operating their flight," the report stated.

The inspector general noted that [DOT] is working on a rule "to codify website disclosure of codeshare operations."

In addition to recommending more oversight of travel agents, the inspector general suggested that the DOT "take a more active role in reviewing domestic codeshare agreements."

It also suggested reforms to the DOT's monthly report of consumer complaints, to more accurately identify the name of the responsible carrier when a complaint concerns a code-share flight.

In conjunction with the FAA, the inspector general said the DOT should review major airline contracts with regional airlines regarding such matters as "financial incentives for on-time performance, to ensure they do not have unanticipated or adverse impacts on safety."

PEOPLE WE KNOW

(b)(6)

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COMINGS & GOINGS

(b)(6)

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April 8, 2013

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

(b)(6)

OIG WEEKLY CALENDAR

MON 4/8	TUE 4/9	WED 4/10	THU 4/11	FRI 4/12
			Cal: S-2 Update, 10:00	

NOTEWORTHY

PLAIN LANGUAGE ONLINE TRAINING

Pursuant to law writ in the Plain Writing Act of 2010 (P.L. 111-274), Federal agencies are henceforth required to provide training to each and every one of their employees that teaches those employees how to write in a plain manner, which is defined in the Act as writing that is clearly and concisely composed by the writer, as well as organized in an manner that is appropriate to the subject matter at hand and the audience to whom the author intends to reach.

I wrote the silly paragraph above to prove a point: Plain writing matters. So much so, that the

President signed a law on it, and Secretary LaHood is requiring all DOT employees to complete an online plain writing course.

Plain writing is nothing new to OIG staff. OIG policies and guidance call for plain writing, and our internal reviews aim to ensure our external products are not only factual, analytic, and comprehensive, but are easy to understand.

While the Act and the training primarily focus on communicating information the public must understand, such as how to complete tax forms, the writing principles covered in the training apply to our everyday work. And the

principles are consistent with OIG's writing guidance and training.

The course is short. Barring interruption, it takes about 30 minutes to complete. It's also entertaining, with a clip from "The Honey-mooners" and (my favorite) a look at familiar song titles written in the passive voice, such as "The Sheriff Was Shot by Me, but the Deputy Was Not Shot by Me."

The mandatory online Plain Language Training must be completed no later than May 31, 2013.

— Karen Sloan, J-2

THE INSPECTOR NEEDS YOU! SURVEY CLOSES THIS FRIDAY

As of Friday, we've gotten over 100 responses to *The Inspector* survey. While the responses we've received so far will help us gauge how well we're doing, we hope staff who have not responded yet will take a few minutes to tell us what you think.

Please complete the survey by Friday, April 12: <https://www.surveymonkey.com/s/2T2K5C9>.

And many thanks to those who have already responded!



NOTEWORTHY

MARCH MENTORING MADNESS UPDATE



The OIG Mentoring Team worked diligently in March to ensure robust mentor-mentee matches for individual mentoring. We have heard back from some mentees that they have contacted their mentors and in several instances have already met with them!

As promised, Cal was matched with two randomly selected mentees: Aaron Malinoff, Analyst, JA-60, and Allison LeVay, Analyst, JA-

20, Baltimore. Both mentees said that they are excited and honored to have this opportunity and look forward to learning from Cal.

In addition to offering one-to-one mentoring, we are offering all staff group mentoring. Group mentoring is an opportunity to learn from your peers and is a way to explore specific development issues in an ongoing, dynamic environment. The monthly peer-to-peer discussions are facilitated by

group mentors whose role is to guide your learning and growing and to share their insights and experiences with you along the way.

All GS-12s and below, GS-13s, GS-14s, and GS-15s should have received an email from your respective group mentors inviting you to the first group mentoring meeting—scheduled in April. Coming to the kick-off meeting does not mean you are committing to every meeting, which occur about every month, as we all have conflicts from time to time. But the first meeting is important to attend since group rules are developed, expectations are agreed upon, discussion topics are identified and future meeting dates are set.

We hope you enjoy your mentoring experience, one-to-one, group or both!

— OIG Mentoring Team

This Cycle's Mentoring Group Leaders

Up to GS-12

Barry DeWeese and Amanda Seese

GS-13

Max Smith and Brendan Culley

GS-14

Jeff Guzzetti and Amy Berks

OIG IN THE NEWS

DOT USED TECHSTAT SESSIONS IN LIEU OF IT INVESTMENT OVERSIGHT, SAYS IG

FierceGovernmentIT

April 1, 2013

The Transportation Department lacks strategic oversight of its information technology investments, according to a March 27 office of inspector general report. Instead of holding investment review board meetings to oversee its \$2.2 billion IT portfolio, DOT relied solely on TechStat sessions. TechStat sessions focus only on a department's most troubled programs, and since March 2011 DOT only reviewed 9 of its 44 major IT programs using TechStat.

When DOT finally held an IRB meeting on Dec. 14, 2012--its first since February 2011--it didn't even review the department's IT portfolio, write report authors.

"The OCIO did not schedule the next IRB meeting or establish action items to finalize the IT governance framework and IRB Charter," add auditors.

Officials from the OCIO told auditors they "placed the IRB process in 'hibernation'" because meetings were ineffective and board members often delegated attendance to lower ranking officials. As a result, the IRB couldn't make meaningful decisions.

The Federal Aviation Administration's joint resources council also lacks oversight of IT investments because program offices do not always submit requirements, cost and schedule estimates to the council. And JRC doesn't maintain a complete repository of investment information, find auditors. As a result the department has only reviewed two FAA programs in the past 2 years.

The OIG's report makes eight recommendations to improve IT governance at DOT.

PHONY LETTERS BEING SENT TO MOTOR CARRIERS

Truckinginfo

April 1, 2013

Another round of fraudulent U.S. DOT letters is being distributed, largely by fax, to motor carrier officials in an attempt to obtain banking information from the targeted carriers, warn the Federal Motor Carrier Safety Administration and the U.S. Transportation Department's Office of Inspector General.

They are dated March 12, 2013, and appear to be from the U.S. Department of Transportation Procurement Office.

The DOT IG says any direct communication from DOT should always be accompanied with detailed contact information. In addition, DOT procurement representatives will only request financial information in reference to specific contracts awarded. DOT does not request financial information from prospective contractors wishing to submit a bid proposal or quote.

If you would like to report a fraudulent request for information to DOT, you can contact the Office of Inspector General Hotline here, or by calling (800) 424-9071. The OIG may also provide your information to the U.S. Secret Service office.

Other versions of a similar letter have been sent out to contractors purporting to be from Equifax and other companies. The DOT IG says these letters are also a fraudulent means to obtain financial information. For more information on the letters from Equifax you can visit their website. If you have already responded to such a request, the office advises you contact your financial institution immediately and contact the OIG Hotline.

FAA SHOULD SHUT MOST AIR-TRAFFIC RADAR ROOMS, STUDY SAYS

Bloomberg

April 3, 2013

The U.S. Federal Aviation Administration could save \$1.7 billion up front and about \$1 billion more annually by closing 187 air-traffic radar rooms and building consolidated centers to control flights over large regions, a study found.

Most of the U.S. centers and regional approach control facilities "can and should be shut down," wrote the report authors, who included Robert Poole, transportation director for the Reason Foundation, and Michael Harrison, the FAA's former director of architectural and systems engineering.

The \$1 billion in annual savings, which the report said can be gained in productivity, equipment and facility maintenance, amounts to about 6 percent of the agency's annual budget.

A planned \$42 billion redesign of the U.S. air-traffic control system could help consolidate many of the FAA's 561 staffed facilities by upgrading technology so controllers won't need to work below the airspace they manage, the Reason report said.

The authors didn't calculate the costs of building new facilities to replace the closed ones or address the obstacles to uprooting employees including unionized controllers.

The Transportation Department inspector general, in a July report, said "many" FAA air-traffic control facilities are "deteriorating and outdated," especially considering the technology upgrades being done as part of NextGen. It called on the agency to speed up its 20-year facility consolidation plan.

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PEOPLE WE KNOW

OIG TOASTS ITS 2012 CFC KEYWORKERS

On March 26, we held a pizza lunch to recognize the hard work and significant contributions of our 2012 CFC Campaign Keyworkers. Cal applauded the volunteers for their good work, and they were provided much deserved time-off awards for their service, which helped OIG attain its campaign goal. At the March 27 Departmental CFC Awards and Recognition Closing Ceremony, Secretary LaHood and Brodi Fontenot, Assistant Secretary for Administration, presented OIG an Honor Award for “exemplary support of individuals and communities in need through the Combined Federal Campaign of the National Capital Area.”

— Tony Wysocki, JA-60

(b)(6)

**OIG’s 2012 CFC
KEYWORKERS**

Peter Barber
Jameel Bagby
Ricky Bostian
Pamela Castleberry
Earnice Cox
Mike Day
Jennifer Gale
Angela Hailes
Meredith Howell
Ben Huddle
Jim Lonergan
Aaron Malinoff
Alicia McNair
Roberto Pero
Tashaun Ross
Kevin Sanders
Arnett Sanders
William Savage
Ron Weaver
Sean Woods

COMINGS & GOINGS

(b)(6)

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

JA-50's "MATH MEN" ON HTF SOLVENCY

Since the 1950s, the Highway Trust Fund has helped finance highway and public transportation projects—beginning with the construction of the Interstate Highway System. However, in recent years the excise tax receipts used to fund the account have fallen significantly short of HTF outlays. With roughly \$82 billion in congressional appropriations, including \$36 billion in ARRA funding, the fund has thus far managed to avoid an actual cash shortfall.

An insolvent HTF could result in States suspending highway projects and public transportation services. In March 2012, we reported that FHWA and FTA could enhance the accuracy of their shortfall estimates by improving their outlay projections. Given the magnitude of the revenues (approximately \$32-\$35 billion annually) and outlays (approximately \$37-\$41 billion annually) involved, even small variances from projections can significantly impact the timing of cash shortfalls.

Yet the outlay rate tables used by FHWA and FTA to project fund



Ribbon-cutting ceremony along the first portion of Interstate highway to be completed in Wisconsin on September 4, 1958—I-94 in the Waukesha area. (Photo courtesy Wisconsin Historical Society Archives.)

outlays had not been updated to account for short-term variations due to incremental ARRA funding and States' and transit agencies' hesitancy to pursue new capital projects in the current fiscal environment. In response to our recommendations, FHWA and FTA adjusted their rate tables to account for these recent outlay trends.

As shown in the chart (on page 3), FHWA's revised outlay rate table projects a 21 percent decline in outlays over years 1 and 2, but increased outlays in years 3, 4 and 5 as States ramp up execution of their HTF funded projects.

Cumulatively, the adjustments resulted in reduced fiscal year 2013

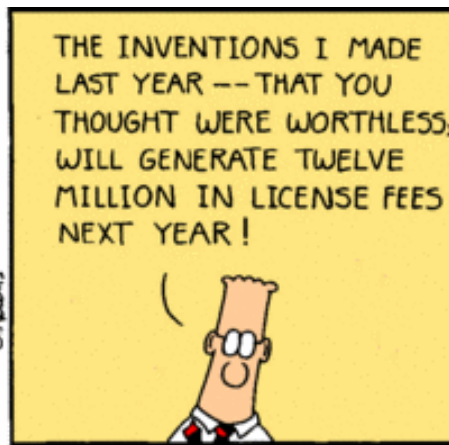
(Continued on page 3)

OIG WEEKLY CALENDAR

MON 4/15	TUE 4/16	WED 4/17	THU 4/18	FRI 4/19
	Ann: CIGIE Meeting, 10:00 Jeff: Aviation Safety Hearing, 2:30		Cal: FAA Budget Hear- ing, 10:00	

NOTEWORTHY

WRITING “SMART” SELF-ASSESSMENTS TO ENHANCE YOUR REVIEW



HRDC is offering three sessions this month on how to write effective performance-related achievements in their self-assessments, and communicate these achievements to their first-line supervisors during performance discussions. Led by Ben Alexander and April Lane, the workshop discusses the importance of establishing links between self-

assessments, performance, and performance elements and standards.

Participants will learn how to write statements of accomplishments that are “SMART”—that is, *Specific, Measurable Achievements* (that are) *Relevant* (and) *Time bound*—and understand how concise and objective self-

assessments can encourage discussion with their supervisors.

The sessions are offered on April 22, 23, and 24; all sessions are from 8:30 a.m. to 1:00 p.m. at 409 3rd Street.

If you have any questions, email shannon.jarvis@oig.dot.gov or call Shannon at (202) 260-8533.

NOTEWORTHY

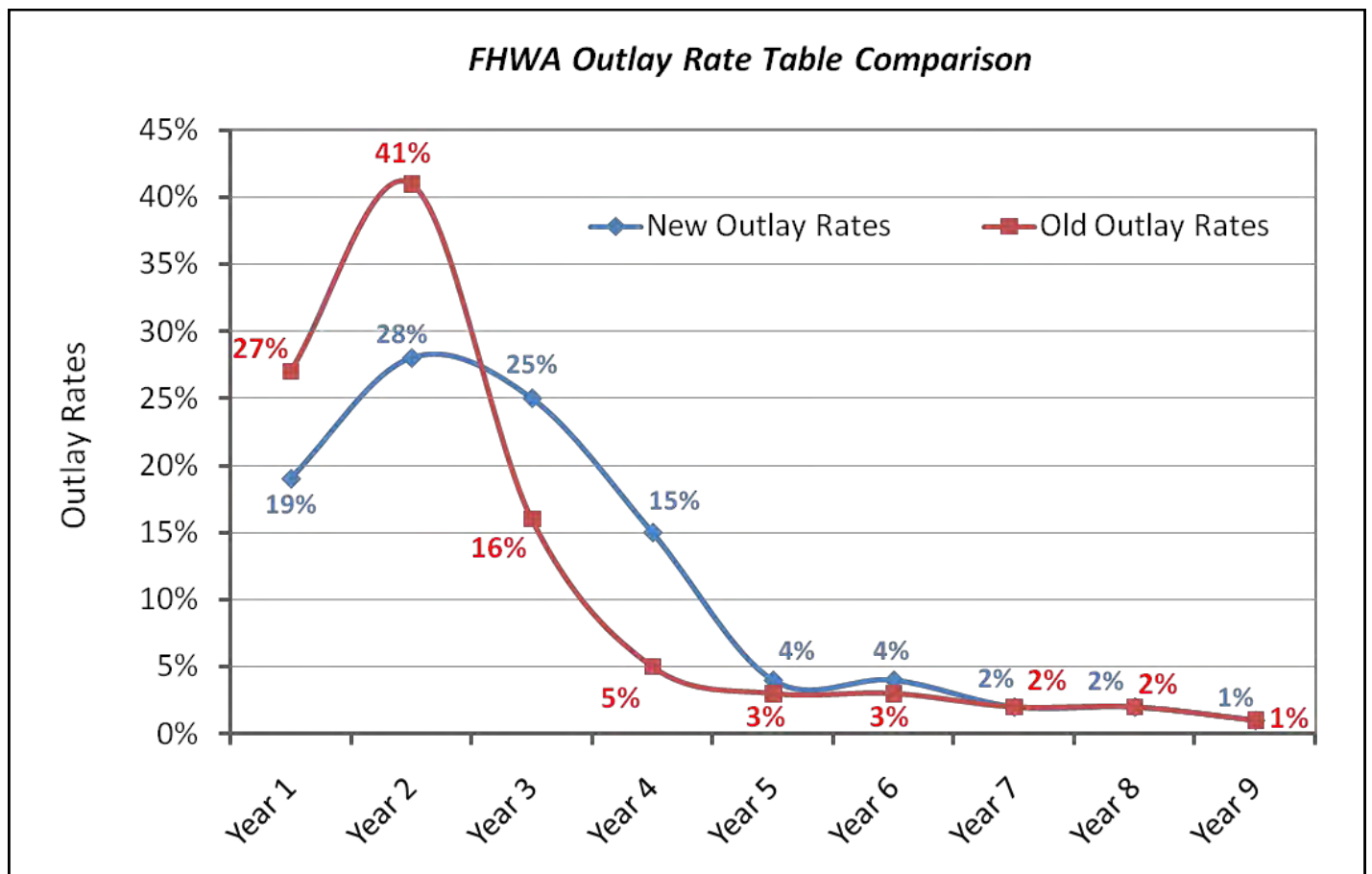
(Continued from page 1)

outlay projections of \$600 million. Additionally, both OAs acknowledged that using their revised outlay rate tables would have led to more precise outlay projections for fiscal year 2012.

While the \$600 million reduction is not a direct cost saving, the reduction allows for more accurate predictions of the magnitude and timing of future outlays and, more importantly, the timing of future HTF cash shortfalls.

For more on HTF and shortfall forecasts, see <http://www.oig.dot.gov/sites/dot/files/HTF%20Solvency%20Audit%20Report%5E3-6-12.pdf>.

— Jay Borwankar, Jim Lonergan,
JA-50



OIG IN THE NEWS

FEDS: HUNDREDS OF TRUCK DRIVERS MAY BE A DANGER TO ALL

New York Daily News
April 11, 2013

Hundreds of drivers who obtained commercial driver's licenses from a Brooklyn school that helped students cheat, have not been re-tested—a potential hazard to public safety, officials said.

The drivers had passed the commercial license test with the help of the school's owner Philip Ng, who fed them the correct answers—but only 93 of 375 of them have actually passed the retest, court papers show.

The rest either failed the re-test, gave up their license or failed to appear.

"(Ng) deprived the DMV of the ability to discern whether or not a cheating commercial driver's license applicant had the requisite knowledge of how to maintain and operate a commercial vehicle ... creating a real threat to the public," Assistant U.S. Attorney Paul Tuchman wrote.

Investigator Robert Lopez stated that a driver's knowledge of how to use a vehicle's engine brakes in an emergency—known as "jake brakes"—is covered only on the written test.

"If the service brakes fail altogether, it would not be an overstatement to say

that the engine brake could potentially be the difference between a life and death situation," Lopez stated.

Ng and his wife Pui Ng pleaded guilty last year and are scheduled to be sentenced Thursday. They face up to 27 months in prison and have agreed to close the driving school.

Defense lawyer Zachary Margulis-Ohnuma said the feds are exaggerating the risk to public safety.

Before taking the written exam, Ng gave the applicants a jacket equipped with a minicamera in the sleeve. The applicant beamed each question to a video monitor inside Ng's van parked outside the DMV office.

COMINGS & GOINGS

There are no comings or goings this week.

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

A MOMENT OF REFLECTION FROM BOSTON

Most law enforcement professionals have a passion for truth and justice—individuals who run toward problems to help fix them, in an attempt to protect the fabric of our society.

On April 15, less than an hour after the Boston Marathon bombing—which killed 3 and injured over 175, some severely—and a few hours before President Obama “directed the full resources of the Federal Government to help State and local authorities protect our people...and investigate what happened,” JRI-1 Special Agents expressed their interest in assisting the FBI and other law enforcement agencies with the investigation.

Over the following week, JRI-1 agents worked long hours, assisting the FBI and others as the investigation progressed, often on live TV. JRI-1 agents conducted interviews, prepared interview reports, and collected hundreds of pieces of digital video and photo evidence from numerous sources.

Intended or not, the bombing occurred on a significant Massachusetts holiday—Patriots’ Day—a day we honor the early battles of the American Revolution, which started in and around Boston. We run or watch the race, and the Red

area to find those responsible. In the end, four innocent people lost their lives, including the MIT Police Officer who was on watch a few blocks from where our offices are located. Officer Collier’s memorial service—attended by 10,000 in the

law enforcement community from across the U.S. and other countries—was both emotional and awe-inspiring.

As a sense of normalcy returns to Boston, JRI-1 continues its law enforcement work investigating transportation safety, grant fraud, and employee integrity cases. Collectively, we

wanted to take a moment to

express our gratitude to OIG for all the compassionate calls and emails from across the country. We especially appreciate OIG’s senior leadership in supporting our role in the investigation.

All this serves as a humbling reminder of why we entered this profession.



Sox play a rare early morning baseball game. As the Fenway faithful leave the ballpark, Boston’s already crowded streets are packed as runners finish the marathon. It’s a day that in some ways defines a lot of what we are about. Governor Deval Patrick said, “Massachusetts invented America.” That may seem provincial to some, but that same provincialism turns to resolve and ultimately resulted in shutting down the Boston

OIG WEEKLY CALENDAR

MON 4/29	TUE 4/30	WED 5/1	THU 5/2	FRI 5/3
		Leadership Exchange, noon to 1:30		

NOTEWORTHY

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NOTEWORTHY

VANQUISHING CYBER GREMLINS

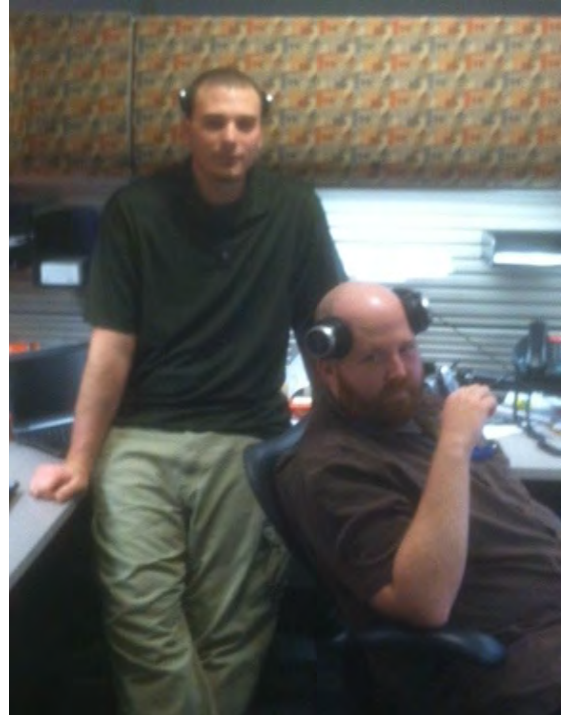
Chris Collins and Fred Cooper were caught listening for gremlins in the servers—or so they told Brian Dettelbach, who snapped this pic on his iPhone. It made us curious: What's a typical day in the life of our IT professionals?

On average, about 17 calls come into the Help Desk each day. "Tier 1 and Tier 2 handle most of the calls from our end users," Chris told us. Fred is a member of the Tier 2 team, which handles advanced issues that Tier 1 escalates. "Fred also handles many enterprise services like our data backups and fills in for Tier 3 where needed because he's awesome," Chris said.

Chris is a member of the Infrastructure/Tier 3 team, which maintains OIG's many servers and enterprise applications that OIG users interact with daily, like e-mail, storage, TeamMate, Alerts, SharePoint, software deployment, and computer imaging. "It's a full-time job considering OIG has over 80 servers." Tier 3's customers consist of all OIG employees as well as the other support tiers within JM-40. "Servers serving servers is a funny way to think about it."

Most of the servers are virtualized, meaning many Microsoft server operating systems can be run with only a few physical servers in the datacenter. The ratio can be as high as 20 virtual servers to every physical server. Virtualization was one of the biggest projects JM-40 has completed and has yielded benefits. It allows us to run a greener datacenter, as it uses less power and cooling. It also provides redundancy—if a physical server breaks, all of its virtual servers can be immediately restarted and continue running on another physical server. Virtual servers also provide OIG the data infrastructure needed to implement newer technologies, such as Lync instant messaging, Windows 7, wireless access, and iPhones. "I was lucky enough to be the lead on that project, but it was a team effort and I couldn't have done it without them," Chris said.

Chris is currently working on migrating OIG's configuration management services to the latest release from Microsoft, which requires a lot of planning and testing so staff are not negatively impacted. "Configuration management allows us to centrally manage OIG servers and laptops, maintain all laptops with the latest software security updates, and to silently install and maintain software on all of OIG's 500 plus laptops." A few months ago, the Java application made it into the news due to a major security flaw, and U.S. consumers were urged to update the software. "With configuration management, we were able to update the Java application to an acceptable level on 75 percent of OIG laptops within a few hours."



Fred Cooper and Chris Collins pause for this photo op.

— Chris Collins, IT Specialist, JM-40

NOTEWORTHY

WMATA AUDITORS APPLAUD OIG'S WRITING PROCESS

DOT-OIG invited auditors from the Washington Metropolitan Area Transit Authority OIG to participate in the *Effectively Managing the Writing Process* course held for OIG Audit Managers. We were in good hands with instructors Dan Raville and Andrea Nosaman who presented the course materials on OIG's writing process. All of the WMATA auditors attending appreciated the opportunity to participate, and everyone benefited from the instruction.

Especially useful for WMATA auditors were the class participative exercises and interaction with the DOT auditors. The focus on developing the auditor's message was a highlight of the instruction as it

reinforced the criticality of threading a consistent message across the objectives, findings, and recommendations. Stressing the active voice and how to avoid common writing mistakes were good topics for us to hear as it reinforced skills that, for some of us, have softened over time.

OIG's Checklist for Reviewing Reports that was included in our packet of training materials is quickly finding use here at WMATA, and we thank you for sharing that with us. And it was comforting to hear from the DOT auditors that many of the report writing challenges WMATA auditors experience are similar to those that challenge DOT auditors.

The open and candid discussions during the exercises were greatly appreciated and really underscored our common bond.

We thank DOT OIG for extending the invitation to us. Andrea and Dan exhibited a high level of professionalism and expertise that made the instruction valuable for our auditors and our time well-spent. In opening your doors to us, you have enriched our relationship, which in the long term will benefit both organizations as we continue to work together to improve the transportation needs of the general public.

—Larry C. Visos, Senior Auditor,
WMATA OIG

OIG IN THE NEWS

On April 16 and 18, OIG was on the Hill giving testimony on our FAA work. The first, held by the Senate Commerce, Science, and Transportation Committee, focused on aviation safety, with Jeff sitting at the witness table with Michael Huerta, FAA Administrator; Deborah Hersman, NTSB Chairman; and Gerald Dillingham GAO Director of Civil Aviation Issues. The second hearing, held by the Senate Appropriations Subcommittee on Transportation and Housing and Urban Development, focused on FAA's 2014 budget, with Cal and Huerta as witnesses. As always, the media were on top of the hearings and our work.



SAFETY INCIDENTS IN FLIGHT SURGE AS U.S. CHANGES COUNTING

Bloomberg
April 16, 2013

Errors that allowed planes to get too close in U.S. airspace rose 32 percent

last year, according to preliminary numbers released during a Senate hearing today.

The incidents that were considered the nearest misses increased fivefold, from 55 in 2011 to an estimated 275 last year, according to written testimony by Jeffrey Guzzetti, assistant Transportation Department inspector general. The number of close calls on runways also rose last year, according to Guzzetti.

It's not clear if the numbers show increased risk because the Federal Aviation Administration last year broadened its definition of such incidents and began more automated error detection and reporting, actions that may have raised the reported figures, according to Guzzetti.

"The reason these increases occurred is unknown," Guzzetti wrote in a report prepared for the Senate Commerce, Science and Transportation Committee hearing.

The FAA said the higher numbers stem from its efforts to increase reporting and don't reflect more incidents, according to Guzzetti's testimony.

Runway incidents that came closest to a collision rose from seven in 2011 to 18 last year, as the number of flights decreased 1 percent, Guzzetti said.

Starting last year, the FAA began tracking all cases in which planes came too close together. Previously, its count included only those in which a controller's error had caused such incidents, according to Guzzetti.

The FAA needs to do a better job of collecting data on such incidents, Guzzetti said. In some cases, incidents are reported anonymously under an FAA program and aren't included in error totals, he said.



PLANES ON THE SAME RUNWAY MORE OFTEN, WATCHDOG WARNS

USA TODAY
April 18, 2013

Airline passenger planes are being reported on the same runway with

other planes and vehicles—and sometimes narrowly avoiding collisions—hundreds of times more each year, the Transportation Department's inspector general warned Thursday.

The number of serious airport runway incidents, when a collision is barely avoided, rose in the past year, Inspector General Calvin Scovel told the Senate Appropriations subcommittee on transportation.

Scovel said the number of serious incidents grew to 18 in the federal fiscal year 2012 after a steep decline since 2007 when the Federal Aviation Administration focused efforts on reducing them. The 31 serious incidents reported in fiscal year 2006 dropped to six in fiscal year 2010.

At the same time, Scovel said, the total number of runway incursions, which had been hovering for 3 years around the 954 reported in fiscal year 2011, jumped to 1,150 last year.

Planes aren't ever supposed to be on the same runway as another plane or vehicle. Sen. Susan Collins, R-Maine, called the rising numbers an "alarming increase."

FAA Administrator Michael Huerta told the subcommittee...the 1,150 incidents last year resulted from better reporting by people and electronics, and "the total number is very, very small."

Scovel, the department's internal watchdog, said he thought the agency wasn't emphasizing some of the safety measures in the same fashion it had back when it focused on incursions in 2007.

We believe that the agency's attention has drifted off some of those safety measures after the initial success of that 2007 call to action," he said. "We encourage the agency to persist."

OIG IN THE NEWS

NEW IG REPORT KNOCKS FAA ON RULE DELAYS

Politico Pro

April 16, 2013

A new report from the DOT's inspector general on Tuesday delivered a black eye to the FAA for missing new rule deadlines and a troubling increase in close calls for airplanes on the ground.

Some of the sharpest criticisms from the IG report, issued in conjunction with a Senate Commerce Committee hearing, took aim at several rulemakings—many of them mandated by Congress—that have gotten bogged down at FAA.

[T]he IG said the FAA is significantly delayed on other key rules, including one that would tighten training standards for commercial airline pilots. At present, the FAA is scheduled to issue that rule in August, a year late.

The report also knocks the FAA for being nearly two years late in meeting a timeline for proposing a rule requiring air carriers to establish pilot mentoring practices.

The IG said potential ground collisions require “heightened attention at all levels” of the FAA, particularly since the frequency of those incidents has increased over the past few years.

“More concerning is that this increase occurred during a period when total air-traffic operations declined by 1 percent,” the report notes. The IG says it plans to open another review of the matter.

The report also sounds a cautionary note about whether the national airspace is ready to handle the onslaught of unmanned aerial vehicles. By FAA estimates, there will be some 10,000 operating inside U.S. borders in the next five years. The concern noted by the IG is...drones have “limited ability to detect, sense and avoid other air traffic.”

DOT IG: FAA NEEDS BETTER SAFETY DATA SOURCES

AIOnline

April 22, 2013

Although the U.S. Department of Transportation's Office of the Inspector General (IG) believes the FAA has made progress on safety issues, it says the agency must expand and enhance the reliability of its key data sources. A DOT report issued last week says, for example, that the FAA faces challenges with establishing an effective risk-based oversight system for repair stations and aircraft manufacturers.

To target its surveillance to the highest-risk areas, the FAA needs to determine more accurately the number of inspectors it needs and where to place them, and ensure risk assessments are performed.

Also, despite progress on implementing some elements of the Airline Safety and FAA Extension Act of 2010, the FAA continues to be challenged with meeting provisions for improved pilot training, qualification and screening requirements, as well as advancing safety initiatives at smaller carriers. The IG report points to the air traffic safety analysis program as another example. Atsap is a controller-focused version of the more general Aviation Safety Reporting System reports pilots use. By the end of last year, the Atsap program had gathered 58,000 reports system-wide. But the agency's data analysis provided answers that were too general, according to the IG, to be of much use to identify any causes, much less develop specific actions to mitigate the problems identified.

CONTRACTORS SENTENCED FOR PAYING BRIBES

The 7th Space

April 26, 2013

Wifredo A Ferrer, U.S. Attorney for the Southern District of Florida; Michael B Steinbach, Special Agent in Charge, FBI, Miami Field Office; Jose A Gonzalez, Special Agent in Charge, Internal Revenue Service, Criminal Investigation; and Marlies T Gonzalez, Special Agent in Charge, U.S. Department of Transportation, Office of Inspector General, announced that Anthoneel Allen...and James Hashim...were sentenced today for conspiracy to commit bribery in programs receiving federal funds, highway fraud, mail fraud, extortion under color of official right, and tax fraud. Allen received a sentence of 60 months' imprisonment, 3 years of supervised release...and a forfeiture judgment of \$3,000,000. Allen has already paid \$814,000 to the government. Hashim received a sentence of 36 months' imprisonment, 3 years of supervised release...and a forfeiture judgment of \$3,000,000.

Allen and Hashim...paid bribes to Jihad El Eid, who was the Director of Traffic Engineering in the Division of Public Works in Broward County [to help] them secure approximately \$26,000,000 in contracts from Broward County in which they obtained approximately \$6,500,000 in benefits. Hashim and Allen admitted...they provided to Jihad El Eid more than \$150,000 in cash [to] obtain work on multi-million-dollar projects [including] the Advanced Transportation Management System, a federally funded project.

Mr Ferrer commended the investigative efforts of the FBI, IRS-CI, and the United States Department of Transportation, Office of Inspector General in connection with the investigation of this matter.

PEOPLE WE KNOW

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(b)(6)

COMINGS & GOINGS

(b)(6)

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAPITALIZING ON LEADERSHIP OPPORTUNITIES

Two weeks ago, Ann hosted a Leadership Development Exchange on “Capitalizing on Leadership Opportunities.” As a starting point we discussed the article “Micro-Leadership—How to Lead When You’re Not the Leader” by Bryant Nielson. He says that leadership is possible no matter what your position. People in management had to start somewhere, and most proved themselves as leaders before they were placed in a leadership position.

Before the meeting, Ann asked participants to think about our personal roadmap to becoming a leader. Henning Thiel, JA-50, responded with some great leadership insight saying that everyone brings something to the table, no matter what grade, so don’t be afraid to raise your hand and offer

your input. Also, stand up for what you believe is right and own your decisions.

Ann shared how she showed leadership qualities before becoming a supervisor. She demonstrated to managers that she was ready for the next level in her career and garnered their support. Some important tips:

- Demonstrate that you can work at the next level.
- Put yourself in your manager’s shoes, and ask yourself what would you do?
- Keep your supervisors in the loop and share your accomplishments.
- Show intellectual curiosity and take training to learn about a new subject area.

- Look at what your organization values, and walk the talk.

- Self evaluate.

Personally, as a criminal investigator, I capitalize on leadership opportunities when working in teams with people from outside the organization, such as attorneys and other investigators. As a lead case agent, I can affect the pace of an investigation and pursue a wide range of criminal, civil, and administrative remedies. Furthermore, as the lead on a search warrant I am accountable for the safety of others and the success of the mission, making leadership critical.

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5 Ways Non-supervisors Can Demonstrate Leadership

— Bryant Nielson

1. Volunteer for additional responsibilities.
2. Coach and mentor others.
3. Exceed the standards that are set for you.
4. Build your expertise and take the time to learn about what other people do in the organization.
5. Choose leadership: act with integrity, drive for results, and negotiate consensus.

OIG WEEKLY CALENDAR

MON 5/13	TUE 5/14	WED 5/15	THU 5/16	FRI 5/17
		Shadow Program Focus Groups, 10:30 and 1:30	Cal, S2 Update, 1:00 S1 Portrait Unveiling, 4:00	

NOTEWORTHY

JOB SHADOW PROGRAM NEEDS YOUR INPUT

Two focus group meetings are scheduled for this **Wednesday, May 15, at 10:30 and 1:30 EDT** to gather staff ideas about a job shadow program. The sessions are open to everyone in the field and HQ. Our goal is to have a program that fits OIG's culture and is responsive to your career development needs. Your input will help us design OIG's program.

Please email ellen.craig@oig.dot.gov by **Tuesday, May 14** to let her know which session you plan to attend. For those in HQ, you can attend in person in Conference Room 71-101. Remote staff can attend via VTC or telecon: 1-877-336-1274 Access Code: 3460949.



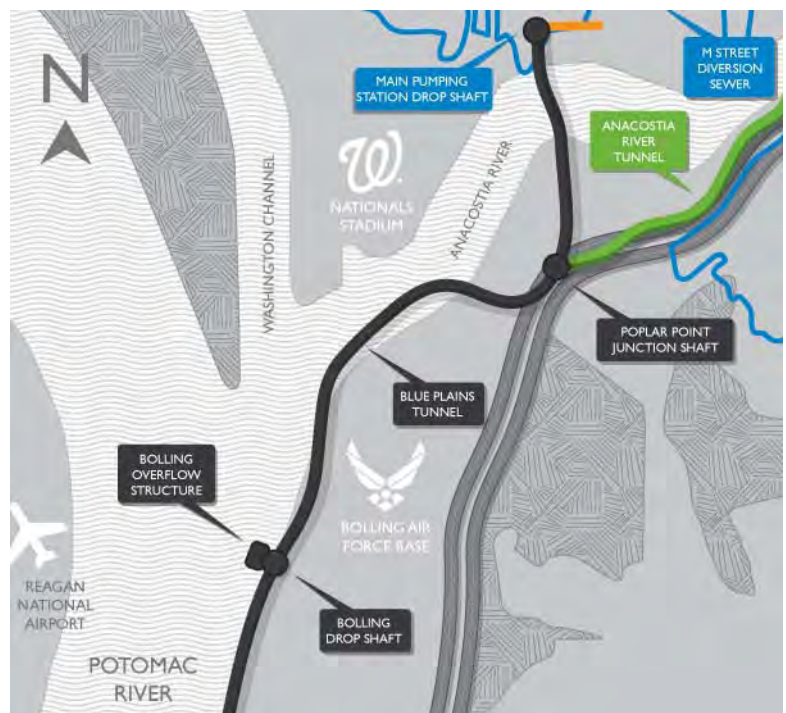
— OIG's Mentoring Team

WHAT'S SHAKIN'?! IT'S BORING

Some HQ staff have mentioned that they have felt tremors and were wondering if we were experiencing another earthquake.

Turns out it's construction related to the Clean Rivers Project. Between our building and the Anacostia River, a 55-foot diameter drop shaft is being dug at the Main Pumping Station to serve as terminus point for the Blue Plains Tunnel construction.

For more on the project, go to http://www.dewater.com/workzones/projects/pdfs/blueplains_tunnel.pdf.



NOTEWORTHY

JA-60 TEACHES OIG A THING OR TWO ABOUT ACQUISITION AT COP

While Acquisition “Jeopardy!” was on the agenda, last Wednesday’s Community of Practice participants were not in jeopardy of leaving without a better understanding of the mission and terminology suffusing the Office of Acquisition and Procurement Audits—OIG’s newest JA (est. in 2007).

The COP kicked off with a brief presentation of JA-60’s organizational structure, including the creation of a Senior Acquisition Advisor position and the addition of our colleagues in the Seattle office, our mission to audit the Department’s contracting and grant programs, and our role within OIG to provide acquisition-related assistance to other JAs and JI. The presentation also discussed JA-60’s recent audit and testimony products and their relevance in today’s budget and policy environment, as well as acquisition resources available to all OIG employees. Technical difficulties prevented us from playing our anthem, composed by JA-60 Project Manager and Poet Laureate Chuck Ward, Seattle; but you can view a dramatic reading of our anthem here: [\[video\]](#).

Following this riveting presentation (all rivets were purchased according to FAR Part 12, Acquisition of Commercial Items), JA-60’s Meredith Howell played Jeopardy! host and presided over a competitive bout of the acquisition-themed game show. Contestants Jim Mullen (JA-20), Fritz Swartzbaugh (J-3), Dan Burd (JI-3), and Emily Norton (JA-40) (shown left to right in top photo) may not live and breathe acquisition, but that didn’t stop them from fighting to be the first to buzz in and answer clues in the form of a question—though this proved a challenge at times. While the spirited competition stayed close to the end, Fritz emerged as the winner after Final Jeopardy. Congratulations to the contestants and to JA-60 for educating and entertaining OIG!



— Aaron Malinoff, Analyst, JA-60; photos by Aisha Evans, Project Manager, JA-60

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NOTEWORTHY

CAL INVOKES HIS MORNING AMBUSH STRATEGY FOR PSRW

As the sun was rising last Wednesday, Cal greeted OIG staff as they stepped off the elevator arriving to work. Last week was Public Service Recognition Week, and Cal wanted to thank staff for their service as well as remind them that as Federal employees, they need to complete the governmentwide mandatory security awareness training by August 16. Cal presented staff with temporary certificates of non-completion.



OIG IN THE NEWS

AIR CONTROLLERS REALLY ARE MAKING MORE MISTAKES*About.com US Government Info*
April 29, 2013

Federal investigators have confirmed that air traffic controllers really are making significantly more procedural mistakes, contradicting claims by the Federal Aviation Administration (FAA) that the increase was due to better incident reporting.

In a report to Congress, the inspector general for the U.S. Department of Transportation found that "the increase in reported errors was linked, in part, to a rise in actual errors rather than increased reporting."

To illustrate the point, the inspector general's report cited a 39% increase in controller errors from fiscal year 2009 to 2010 occurring at air traffic control centers which have had automated controller error detection and reporting systems in place for years.

While the number of flights handled decreased by more than a million, the number of air traffic controller errors jumped from 1,234 during fiscal year 2009 to a record high of 1,887 in 2010, the report showed.

According to the report, there are about 7,000 commercial and private aircraft in U.S. airspace at any given time.

"FAA's new policies and procedures for collecting, investigating, and reporting separation losses have the potential to reduce losses and improve reporting, but their effectiveness is limited by incomplete data and implementation challenges," stated the inspector general's

WHO IS CONTRACTOR A?*Bacon's Rebellion*
April 29, 2013

An audit of MWAA management practices found that a mysterious "Contractor A" charged more than other contractors for the same work—and kept getting business. Who is this company? Who got the money? And why doesn't anyone seem to care?

[T]he Office of the Inspector General of the U.S. Department of Transportation audited the management of the Metropolitan Washington Airports Authority last year. On November 1, 2012, the Inspector General issued the final report on its audit. The title said it all: "MWAA's Weak Policies and Procedures Have Led to Questionable Procurement Practices, Mismanagement, and a Lack of Overall Accountability."

Not only were high-priced contracts awarded improperly, the auditors found, but one particular contractor was winning an inordinate number of contracts despite the fact that it charged much more than other contractors.

The report goes on to discuss an unidentified "Contractor A" that won a disproportionate number of contracts even though it charged more for its services.

[T]he inspector general's report estimates that there was about \$108 million in improper contracting...and that Contractor A benefited from eight years of contracts billed at a rate that the report typifies as 1.28 to 3.34 times what other contractors charged for the same work.

It appears that Contractor A has simply been forgotten.

The news media never says a single word about Contractor A, preferring to dwell instead upon past MWAA Board and Officer nepotism and travel costs.

SILVER LINE FIGURES DON'T ADD UP*The Examiner, Local Editorial*
April 30, 2013

Last week, the Metropolitan Washington Airports Authority opened five design-build bids for construction of the second phase of the Silver Line Metro-rail extension. The contract award, to be announced in May, will likely go to the lowest bidder: Capital Rail Constructors...which offered to build 11.4 miles of track and six stations for \$1.177 billion. Phase 1 winner, Bechtel Transit Partners, came in second at \$1.19 billion.

Both bids were considerably lower than MWAA's own inflated estimates. Bob Bruhns, an electrical engineer from Herndon who has been warning for years that the Silver Line is "massively overpriced," believes that MWAA built huge price escalations into its estimates so that it can later claim that the overpriced project came in "on budget."

That explains why the estimated cost of Metro parking garages in suburban Northern Virginia is nearly twice the national average, Bruhns told The Washington Examiner.

This is clearly a shell game intended to hide the real costs of this transit boondoggle from the public.

MWAA has played this game before. In its final audit released in November, the U.S. Department of Transportation's inspector general made special note of MWAA's failure to properly manage contracts. Since 2004, MWAA has awarded up to 90 percent of supposedly competitive contracts to just one preferred vendor (the mysterious "Contractor A") — which then turned around and charged "between 28 and 234 percent" more than its competitors. Expect more of the same when construction finally begins.

OIG IN THE NEWS

FAA SAFETY OVERSIGHT OF REPAIR STATIONS SERVICING US AIRLINES IS INEFFECTIVE

Associated Press

May 6, 2013

The government's oversight of hundreds of domestic and overseas repair stations that service U.S. airliners is ineffective and doesn't target the factors most likely to present safety risks, the Department of Transportation's inspector general said Monday.

The Federal Aviation Administration's supposedly risk-based safety inspection system "falls short of being truly risk-based," especially for foreign repair stations, the report said. Among the inspector general's criticisms is that the FAA's oversight lacks the rigor needed to identify safety deficiencies and verify that problems are corrected once identified.

"The FAA's ability to conduct effective and consistent inspections of foreign and domestic repair stations is hindered by a lack of standardized inspection processes."

For example, FAA inspectors are supposed to use web-based spreadsheets and other risk-assessment tools. But nearly all the inspectors interviewed by auditors said they were not trained how to use the tools, did not recall the training or regarded it as poor.

"We also found that inspectors continued to perform inspections in areas of repair station operations where little or no risk was previously detected," the report said.

Auditors also found deficiencies in 57 of 119 work orders for repair or major maintenance to airliners that they analyzed. Deficiencies included mechanics with insufficient training, tools whose calibrations were outdated, and inaccurate documentation of work orders.

AIRPORTS STRIKE BACK AT ANGRY BIRDS

AIRNonline

May 7, 2013

When the Transportation Department inspector general conducted a self-initiated audit of the FAA Wildlife Hazard Mitigation Program last year, the office concluded that the agency's oversight and enforcement activities were not sufficient to ensure that airports fully adhere to program requirements or effectively implement their wildlife hazard plans.

According to the DOT IG, wildlife strikes have resulted in at least 24 deaths and 235 injuries in the U.S., and 229 deaths worldwide, since 1988. They also have caused nearly 600,000 hours of aircraft downtime and \$625 million in damages annually.

The DOT IG said the FAA's policies and guidance for monitoring, reporting and mitigating wildlife hazards are mostly voluntary. For example, the FAA recommends but does not mandate that airports and aircraft operators report all wildlife strikes to the FAA's strike database. As a result, the FAA's strike data are incomplete, which effects the agency's ability to evaluate the effectiveness of the program in reducing wildlife hazards.

Under the wildlife hazard program, the agency requires airports to create and implement wildlife hazard management plans to assess and minimize the risk of future strikes. But according to the IG, the FAA's oversight and enforcement activities are not sufficient to ensure airports adhere to program requirements.

Now, airports across the U.S. are initiating new or renewing existing wildlife hazards assessments per FAA guidance.

FORMER NTSB MANAGING DIRECTOR DISCUSSES IG REPORT ON FAA OVERSIGHT

Fox Business Willis Report

May 7, 2013

[http://dot.bulletinnews.com/index.aspx?d=130508#\\$15SUB28](http://dot.bulletinnews.com/index.aspx?d=130508#$15SUB28)

[Link to video](#)



LAST PAGE

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COMINGS & GOINGS

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

YOU LIKE US! YOU REALLY LIKE US!*

Last month, *The Inspector* sent out a short survey to OIG staff to get a sense of how we're doing. Roughly one-third responded.

Almost 78 percent of respondents read at least most issues, and approximately two-thirds would like to see TI continue issuing weekly or every other week.

A large majority would like TI to continue reporting the current types of information reported, ranging from almost 72 percent (conference articles) to over 92 percent (cover story).

Forty-nine respondents provided additional comments; 21 were positive, including:

- *I look forward to seeing The Inspector weekly :)*
- *It's been helpful for me to better understand the OIG people and culture.*
- *Great job! Excellent way of keeping everyone updated of what's*



going on within the organization.

- *Great in-house resource, especially for field personnel.*
- *I always look forward to reading The Inspector. It gives me a perspective on what is going on within the organization, and it makes me feel connected to the people.*
- *It does help the field stay connected to HQ. Keep up the good work!*
- *Love it!*
- *Discontinue parts about people's personal lives and charity work—too fluffy.*
- *I would like to see more articles on work travel, personal travel, and life interests of fellow employees.*
- *The articles should be shorter—quick and to the point.*
- *Editorial staff needs to be more editorial. Some articles just have no business being in The Inspector, and others need to be edited for content.*

(Continued on page 3)

**When Sally Field accepted her Best Actress Oscar in 1984 for Places of the Heart, she bubbled over, "I can't deny the fact. You like me! Right now, you like me!"*

OIG WEEKLY CALENDAR

MON 5/20	TUE 5/21	WED 5/22	THU 5/23	FRI 5/24
	Cal: CIGIE conference Ann, Tim: JRI-2 In-Service	Cal: CIGIE conference Ann, Tim: JRI-2 In-Service		

NOTEWORTHY

OLIVER WENDELL HOLMES' MAY 30, 1884, ADDRESS RELEVANT TODAY

To the indifferent inquirer who asks why Memorial Day is still kept up we may answer, it celebrates and solemnly reaffirms from year to year a national act of enthusiasm and faith. It embodies in the most impressive form our belief that to act with enthusiasm and faith is the condition of acting greatly. To fight out a war, you must believe something and want something with all your might. So



must you do to carry anything else to an end worth reaching. More than that, you must be willing to commit yourself to a course, perhaps a long and hard one, without

being able to foresee exactly where you will come out. All that is required of you is that you should go some whither as hard as ever you can. The rest belongs to fate. One may fall at the beginning of the charge or at the top of the earthworks; but in no other way can he reach the rewards of victory.

EXPAND YOUR LEARNING THROUGH ACE CREDIT

In the very near future, you will have the ability to access American Council on Education (ACE) accredited courses in TMS. The American Council on Education's College Credit Recommendation Service (CREDIT) connects workplace learning with colleges and universities by helping adults gain access to academic credit for formal courses and examinations taken outside traditional degree programs. SkillSoft

joins a select group of organizations that have ACE CREDIT approved curricula in TMS. The cred-



its may be applied toward a degree in various programs as determined by the institution if ac-

cepted for transfer by a cooperating college or university.

The list of SkillSoft ACE accredited courses will be available on the TMS news page for all DOT employees to view. For your convenience, outlined instructions for locating accredited courses in TMS will be included as part of the listing.

NOTEWORTHY

FOIA THIS! J-3 RESPONDS TO REQUESTS FOR OIG INFORMATION

This has been a very busy year for FOIA. So far, fiscal year 2013 has continued with the governmentwide trend of increasing numbers of FOIA requests. By the end of the second quarter of 2013, our office received 64 requests. By the same time last year, we received 57 requests. While an increase of only 7 may seem small, of the 110 requests we received in fiscal year 2012, this amounts to nearly a month's worth of requests.

After we receive a request, we log them and send a search request to the appropriate office. When

we receive the records, we closely review and redact items pursuant to the nine exemptions provided by Congress in the Freedom of Information Act.

In addition to receiving an increasing number of requests, the requests are increasing in complexity. For example, we have had several big requests for documents such as the request for all issues of *The Inspector*. After a lengthy multi-layered review, we released nearly 700 pages of the redacted newsletter to the requester. On April 1, the requester posted the documents to his website, Gov-

ernment Attic: [http://www.governmentattic.org/7docs/DOT-OIG-Newsletter 2010-2012.pdf](http://www.governmentattic.org/7docs/DOT-OIG-Newsletter%202010-2012.pdf)

This is a good example of the types of things our FOIA shop redacts in the majority of our responses. Note that while images and names associated with our daily work remain, personal photos and photos and names of non-government employees were withheld. We also withheld employee and intern profiles.

— Angel Simmons, FOIA Specialist

(Continued from page 1)

- *The editors need to let staff write their own copy and not edit it so much that it loses the "feel" of it.*

The TI team is working to implement several changes in an effort to respond to comments in a way that is consistent with other operational needs and requirements.

Finally, a couple respondents provided story ideas for TI:

- *Perhaps a column with JM Administrative announcements and/or upcoming deadlines?*

- *Maybe run a series on a transportation topics impacting the department, the IG office or the IG community in general.*

Remember, *The Inspector* is OIG's newsletter. If you have stories you'd like to see, please submit them to Karen Sloan or one of the other TI team members: Madeline Chulumovich, Dan Burd, Audre Azuolas, Angel Simmons, and Katy Novicky. We also have TI liaisons in most field offices (see last page), and we are reaching out to the remaining offices to fill empty spots.

I want to thank staff who took time to respond to the survey. Your input let's us know that we're on the right track and that we're achieving the vision that I laid out in the very first issue—a place to collect nuggets of information that had no home and needed to be sent in dribs and drabs over email, such as news coverage of our work, upcoming events, and congressional updates. Or as Cal noted: "A regular vehicle for communicating with one another internally."

— Ann

OIG IN THE NEWS

FORMER PRESIDENT OF PORT ARTHUR COMPANY GUILTY OF FEDERAL CRIMES RELATED TO EMPLOYEE DEATHS

Department of Justice Press Release
May 9, 2012

Matthew Lawrence Bowman, 41, of Houston, pleaded guilty to violating the Occupational Safety and Health Act and making a false statement. Bowman admitted to not properly protecting [Port Arthur Chemical and Environmental Services] employees from exposure to hydrogen sulfide, a poisonous gas resulting in the death of [a] truck driver. In addition, Bowman admitted to directing employees to falsify transportation documents to conceal that the wastewater was coming from PACES after a disposal facility put a moratorium on all wastewater shipments from PACES.

"The plea agreement reached today sends a strong signal to all who would illegally transport hazardous materials," said Max Smith, regional Special Agent-in-Charge, U.S. Department of Transportation, Office of Inspector General. "Working with our law enforcement and prosecutorial colleagues, we will continue our efforts to ensure safety in the transport of these materials and vigorously pursue those who violate the law."

"Laws regarding the safe and legal handling of hazardous materials are in place for a reason—to save lives," said Ivan Vikin, Special Agent in Charge of the U.S. Environmental Protection Agency's criminal enforcement program in Texas. "This plea demonstrates that EPA and its partner agencies, the Texas Commission on Environmental Quality's Environmental Crimes Unit and the Department of Transportation's Office of the Inspector General, will prosecute anyone whose actions place the public at risk."

MORE STIMULUS WASTE: THREE STATES MISSPENT HIGHWAY REPAIR MONEY

Washington Guardian
May 15, 2013

Investigators inside the Transportation Department offer the latest example of problematic Recovery Act spending from three states that misspent about \$125 million in highway repair money—roughly 12 percent of the \$1 billion that Pennsylvania, Florida, and Michigan received.

Instead of having a unified oversight system "FHWA allows each of its Division Offices to determine the type, scope, and consistency of project inspections and the extent of supervision needed," the inspector general said.

"As a result, FHWA Division Offices rarely prepared written plans to identify which construction activities would be inspected, did not fully document oversight procedures performed or justify why they excluded some Federal requirements and the related risk areas from their review," the IG concluded.

The Transportation Department investigators said FHWA needs to set clear expectations for reviews, and make sure all officials are following a single set of guidelines for oversight.

The inspector general said they found several instances where contractors were paid without state officials making sure that work was actually being completed.

For example, investigators found one project in Pennsylvania paid a trucking firm almost \$11,000 without any documentation that work had been done. In another instance, also in Pennsylvania, state officials paid out more than \$285,000 based solely on a consultant's verbal statement that the price was reasonable.

DEPARTMENT OF TRANSPORTATION MISSPENT OVER \$100 MILLION ON ROAD REPAIR

CBS 21 News
May 15, 2013

When a driver falls asleep at the wheel the outcome is usually predictable.

But if the Federal Highway Administration falls asleep at the wheel, it ends up costing taxpayers tens of millions of dollars.

A new report finds the Department of Transportation misspent more than \$125 million on road repairs in three states, one of which was Pennsylvania.

In some cases, contractors were paid before ensuring the work was completed.

The Office of Inspector General also found instances where contractors were paid without sufficient proof of what work was performed.

What measures will the Federal Highway Administration take to correct for poor oversight? Learn more by clicking on the link to the Washington Guardian.

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Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

LOU'S PHOTO OP WITH AL



It wasn't exactly a chance encounter since Lou knew former Vice President Al Gore would be speaking at this year's Excellence in Government conference, held in mid-May. But she didn't expect she'd have the opportunity to speak with him and have a photo snapped of them together. The photographer only captured the lower half of the VP's face, but it's clearly Al.

As the keynote speaker of the conference's 20th anniversary, Gore reflected back on the Clinton Administration's "Reinventing Government" initiative, which Gore led. "The people who work in the Federal Government know better than anyone else what is wrong and how to fix it," he said. "I have never lost faith in you [despite] all the curveballs thrown in front of you." Gore noted, however, that employees must be empowered to pursue excellence and innovation. "If you are not making mistakes, you aren't trying hard enough." A difficult tack to take given the intense scrutiny of Federal spending. "During this turbulent time," Gore said, the Government will require "the kind of leadership that civil servants of the last century can barely imagine."

Other topics discussed at the conference included:

- *The Secret to Leveraging Data for Better Decision-Making:* To find what works and ways to reduce costs in program execution and daily operations, leveraging the massive amount of performance data to forecast future decisions is quickly becoming the new standard.

(Continued on page 7)

OIG STAFF ENCOUNTER NOTABLE POLITICANS

As public servants, we're used to seeing politicians on the Hill and around town.



However, over the past few weeks, OIG staff have run into several political figures, including the President, and had the opportunity to speak with them and get their picture.

Chance encounters with politicians and other influential people can leave us momentarily discomposed, even tongue-tied. I remember boarding a flight from Boston to DC and seeing Senator Ted Kennedy in first class as I found my way back to coach. I didn't say anything, but I was still impressed and excited.

That got me wondering: What chance encounters have you had with a notable person? Send your stories in 250 words or less, along with photos if you have them, to karen.sloan@oig.dot.gov by Wednesday, June 19, and we'll share them in an upcoming issue.

Cal

OIG WEEKLY CALENDAR

MON 6/3	TUE 6/4	WED 6/5	THU 6/6	FRI 6/7

NOTEWORTHY

NEW GUIDANCE FOR WRITING AUDIT REPORT WEB SUMMARIES

Guidance for audit report Web summaries has been posted to the Intranet (see “Web Summary Guidance” at this link: <http://portal.oig.dot.gov/Employee%20Resources/Audit%20Process%20-%20Report%20Writing.aspx>). When developing web summaries for audit reports, consider the following:

- A Web write-up is essentially a distillation of a report’s RIB or a testimony’s or correspondence’s summary, preceded by a short set-up with a hook.
- Because the date, title, and the requester (if relevant) precede the summary paragraphs, do not include them in the summary. (Note: A “Requested by” field has been added for new audit postings.)
- A best practice is to involve your writer to develop or review the summary.

June 16, 2010

Timely Actions Needed to Advance the Next Generation Air Transportation System

Requested by the Chairmen and Ranking Members of the House Committee on Transportation and Infrastructure and its Subcommittee on Aviation

Project ID: AV-2010-068

Summary

The National Airspace System handles almost 50,000 flights per day and more than 700 million passengers per year. FAA expects NextGen to handle up to three times more air traffic than the current ground-based air traffic control system and reduce operating costs. Ongoing cost and schedule risks and operational and management issues prompted us to identify NextGen as one of the Department’s top management challenges.

Several critical actions are needed for FAA to successfully implement NextGen. Among them—and perhaps most important in the near term—is setting realistic mid-term expectations and requirements for key programs and assessing associated risks. In addition, Congress mandated a multi-agency approach to develop NextGen, but most of FAA’s partner agencies have not adjusted their budgets accordingly. FAA also has not fully leveraged partner agencies’ research and development. While FAA has begun working with the private sector to develop NextGen and shape related policies, it must better define the role of the NextGen Institute—an FAA resource for engaging private sector expertise, tools, and facilities for NextGen activities—and ensure demonstration projects are more outcome-focused. We recommended a number of actions to help FAA reduce implementation risks, strengthen the multi-agency approach, and improve coordination with the private sector. FAA concurred with all of our recommendations and proposed appropriate action plans.

NOTEWORTHY

WEATHERING THE SEQUESTER

In early April, Senator Jeanne Shaheen asked Federal IGs to comment on sequestration's potential impact on their oversight. Our [May 15 letter](#) highlights the cost-cutting actions we took prior to and following the enactment of the Budget Control Act in August 2011, the oversight challenges we now face, and the expected long-term impact on our ability to maximize our return on investment. The media have reported extensively on the IGs' responses. Below is excerpted from the *Federal Times*' May 20, 2013, coverage.

SEQUESTER DOESN'T ADD UP FOR IGs: BILLIONS COULD BE LOST DUE TO CUTS

The inspector general for the General Services Administration expects to lose out on more than a quarter-billion dollars in potential government savings next year, as the sequester-related budget cuts force the agency to scale back on efforts to uncover waste and fraud.

The estimate...provides some hard numbers to an emerging concern in the IG community: that short-term sequester IG budget cuts will lead to long-term losses for agencies.

"The inspectors general response to my inquiry overwhelmingly confirms that the sequester is doing more harm than good," [Sen. Jeanne] Shaheen said.

Federal IGs uncovered more than \$93 billion in potential savings in fiscal 2011, resulting in a \$35 return for every \$1 invested in IG operations, according to the latest annual report by the interagency Council for Inspectors General.

Eric Feldman, former IG for the National Reconnaissance Office, said it is more important now to maintain a robust IG presence to keep an eye on federal activities and contractors.

"The one thing people aren't talking about is the impact of sequestration on ethical behavior," he said. "Contractors are scared and hungry and the competition is going to increase and the dollars are decreasing....and that pushes people closer and closer to the ethical line in order to capture business."

The result: "There are going to be more and more allegations of wrongdoing," Feldman predicted.

Indeed, of particular concern to [GSA IG Brian] Miller is the fact that fewer auditors will be available to work on contract audits and internal audits to help the Justice Department on False Claims Act investigations involving federal contractors.

Miller told Shaheen that the sequester comes at a bad time as GSA is wrapping up numerous Recovery Act-funded construction projects. As a result, his office's workload in construction claims filed by contractors stemming from disputed costs is expected to skyrocket, he said.

Like the GSA IG, the Small Business Administration's watchdog office has oversight of contracts across government, overseeing SBA's small and disadvantaged set-aside program. Small and disadvantaged firms received \$91.5 billion in federal contracts in 2011, according to SBA.

SBA IG Peggy Gustafson...said there are no metrics to gauge how much money will not be recovered as a result of the sequester. But, she said, the value of each employee "cannot be overemphasized," noting that one criminal investigator in her office helped untangle a conspiracy involving SBA-backed loans valued at more than \$100 million.

In another example, Education Department IG Kathleen Tighe told Shaheen that the sequester has forced her office to

cancel contractor support on analytical tools that help better target audit and investigative work. Staff and resource reductions will force investigators to be more selective about the types and locations of cases the IG opens. The lack of money also would leave the IG less nimble to handle unplanned work requested by lawmakers.

In his letter to Shaheen, EPA IG Arthur Elkins Jr. projected \$9.5 million could be lost through missed savings, fines, penalties, civil judgments and other costs.

Transportation IG Calvin Scovel III told Shaheen that his office is curtailing or delaying several audits, including oversight of \$300 million in motor carrier safety grants. Other delayed audits include reviews of cockpit automation issues and the Federal Aviation Administration's implementation of its Next Generation Air Transportation System modernization program.

Scovel also said from October 2011 to March 2013 his office has seen a 47 percent decline in the number of new investigations, with a big drop in financial recoveries, too.

Agriculture Department IG Phyllis Fong told a Senate appropriations panel May 9 that her office is operating at its lowest staffing since 1963. "The availability of staff and travel resources has become a key consideration in determining which audit and investigative matters OIG can undertake," she said.

NOTEWORTHY



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NOTEWORTHY

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OIG IN THE NEWS

LOWNDES TRUCKING COMPANY OWNER UNDER FEDERAL INDICTMENT*WALB10News (ABC Affiliate)*

May 17, 2013

Michael J. Moore, United States Attorney for the Middle District of Georgia, announced that Devasko Dewayne Lewis, age 34, of Lowndes County, Georgia, was indicted by a Federal Grand Jury...for two counts of making False Statements in a matter within the jurisdiction of a Federal agency...as well as Conspiracy to Continue Operations After Imposition of an Out-of-Service Order.

The indictment alleges that Mr. Lewis and his prior company, Lewis Trucking, was the subject of an Imminent Hazard Operations Out-of-Service Order issued by the Department of Transportation, Federal Motor Carrier Safety Administration, which was served on Mr. Lewis on October 6, 2008 and has remained in effect since.

Mr. Lewis violated the Order by continuing to operate commercial motor vehicles and concealing his true involvement by filing the applications for Department of Transportation Motor Carrier Numbers under names other than his own.

If convicted, Mr. Lewis faces imprisonment up to five (5) years, a fine of up to \$250,000, and up to three (3) years supervised release, a mandatory assessment fee of \$100.00 as to each of the false statement counts.

The case was investigated by United States Department of Transportation, Office of Inspector General and the United States Department of Transportation, Federal Motor Carrier Safety Administration. The case is being prosecuted by Assistant United States Attorney Robert D. McCullers.

OLD FRIENDS WERE AT CENTER OF A NETWORK OF PUBLIC CONTRACTS*The Washington Post*

May 21, 2013

Arl Williams and Clarence Brown became fast friends more than 25 years ago when they lived and worked in Durham, N.C.

Williams and Brown eventually moved north to the Washington area and got government jobs. Williams became vice president of human resources for the Metropolitan Washington Airports Authority, the agency that oversees Reagan National and Dulles International airports and the Dulles Toll Road.

While they held their high-level administrative positions, more than \$1.5 million in public money flowed between the men, their families and their friends.

News of the Williams-Brown relationship comes as authority officials are trying to repair their image over lapses in ethics. The lapses, outlined in an audit by the U.S. Transportation Department's inspector general, have prompted congressional inquiries and reprimands from federal officials and the states that fund the agency. The authority ultimately changed several policies, including its ethics rules.

While subcontracting at the authority, Williams's wife was paid about \$90,000 over 18 months in 2005 and 2006, according to invoices. Their daughter was paid nearly \$85,000 over 16 months in 2005 and 2006.

Darrin Sobin, director of government ethics for the D.C. Board of Ethics and Government Accountability, said agency heads are allowed to work as subcontractors for other agencies.

"It's fine," Sobin said. "Our rules require that your outside work not interfere or overlap with your ability to do your District job."

WEAK AND SPLINTERED MANAGEMENT OF DBE PROGRAM LEAVES IT "EXPOSED TO BILLIONS OF DOLLARS IN FRAUD, WASTE AND ABUSE"*National Law Review*

May 21, 2013

The Office of the Inspector General of the U.S. Department of Transportation has issued a stinging report [on] DOT's management of the multibillion-dollar Disadvantaged Business Enterprise program.

The report reached an unequivocal conclusion: DOT does not provide effective program management for the DBE program. "As a result...the DBE program is exposed to significant risk of fraud, waste and abuse." The OIG faulted both the failure to issue comprehensive, standardized DBE guidance and to provide sufficient training to recipients responsible for implementing the program.

One glaring shortfall...was the failure "to ensure that DBEs complete the work...according to contract terms." This particular criticism is double-edged: highlighting projects where DBEs attempted, but failed, to adequately perform the work contracted to them, as well as the less benign problem...of non-DBE firms doing the federally-funded work that was intended for DBE[s].

[T]he OIG report estimates that, in fiscal year 2009 alone, at least \$124 million of the \$4.1 billion in DBE funds distributed across 52 U.S. states and territories that year were wasted on firms that did not meet DBE certification criteria and had been incorrectly certified by the state certifying agency.

[T]he OIG warns that "[i]f the Department does not provide more comprehensive guidance and training or strengthen its program management, the DBE program may continue to be exposed to billions of dollars in fraud, waste and abuse."

NOTEWORTHY

(Continued from page 1)

- *How Mission-Motivated Teams Get Results:* As government lurches from one budget crisis to the next, it's important that managers communicate with employees to provide direction about key priorities. Likewise, it's vital that they keep employees motivated and productive.
- *Building Tomorrow's Workforce Today:* As managers operate under an imperative to squeeze the most out of their budgets and teams, they also face the challenge of adjusting to an exodus of older employees, providing opportunities for strong performers to move up quickly through the ranks, and creating a culture where high performance is the norm.



- *The Cost-Saving Imperative:* The Obama Administration has advocated less reliance on contractors, issued a new directive on strategic sourcing, and taken other steps toward procurement reform. At the same time, budget pressures may dictate more reliance on contractors instead of full-time staff.

For more on the conference (and to learn the significance of the framed hammer and where the black velvet came from), go to <http://www.cvent.com/events/excellence-in-government-2013/event-summary-69a9c136f92b4f99a6c837a94a21f9dc.aspx>.

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PEOPLE WE KNOW

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PEOPLE WE KNOW

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

OIG'S JOLTIN' JOE ON FED NEWS RADIO

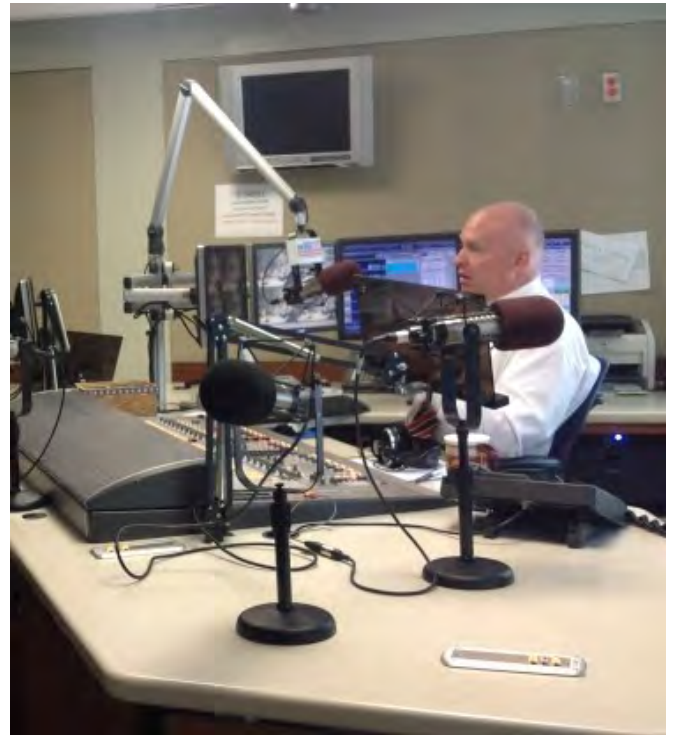
On May 23, Francis Rose interviewed Joe Come on Federal News Radio about our work on the Federal Highway Administration's oversight of about \$28 billion granted by American Recovery and Reinvestment Act for highway projects. Specifically, Rose focused on our recently released report, *Lessons Learned From ARRA Could Improve the Federal Highway Administration's Use of Full Oversight*. As *In Depth's* Rose pointed out, we reported that some of the agency's oversight goals are falling short.

In response to Rose's questions, Joe described the scope of audit—that we looked at 1,200 of 15,000 projects that received ARRA funding, specifically those that got full oversight compliance—and highlighted our findings:

- Staff did not routinely get accurate and complete documentation on progress payments made to contractors in three States, which statistically translates to \$125 million, or 12 percent, across those States.
- FHWA guidance does not adequately define full oversight. Rather, FHWA allows each of its Division Offices to determine the type, scope, and consistency of project inspections and the extent of supervision when performing full oversight inspections in these States. As a result, FHWA Division Offices rarely prepared written plans and did not fully document procedures performed or justify why they excluded some Federal requirements and related risk areas from review. Further, contrary to guidance, FHWA inspection reports had limited evidence of supervisory review.

Joe said, “We we’re pleased with the response of the Department in that they have promised to issue new inspection review guidance..., promised to develop a spot check program to address some of the project specific problems we found, they want to set up a team to put more uniform inspections.” But he also noted that as auditors, we’re paid to be skeptical and we’ll be checking periodically on FHWA’s progress.

To listen to the interview, go to <http://www.federalnewsradio.com/86/3333998/In-Depth-Show-Blog---May-23-2013>.



OIG WEEKLY CALENDAR

MON 6/10	TUE 6/11	WED 6/12	THU 6/13	FRI 6/14
Ann, Tim: JRI-4 In Service	Ann, Tim: JRI-4 In Service			

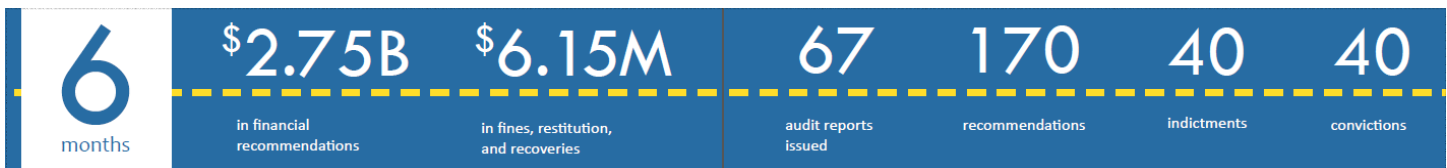
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NOTEWORTHY

FIRST 2013 SAR: EXTREME MAKEOVER EDITION



Clockwise from top left: Cover of the redesigned Semiannual Report; two-page spread from the In Focus article on “Tracking OIG Recommendations”; infographic from Cal’s letter highlighting our accomplishments in the last 6 months.



At the end of May, we issued our Semiannual Report for the first half of fiscal year 2013. The report highlights the impressive audit and investigative work we accomplished between October 1, 2012, and March 31, 2013.

In the past 6 months, we issued 67 audit reports with a total of 170 recommendations, including financial recommendations totaling over \$2.75 billion. Our investigative work resulted in 40 indictments, 40 convictions, and a total of almost \$6.15 million in fines, restitution, and recoveries.

The SAR features three new In Focus articles covering our household fraud investigations (“Combating Household Goods Fraud”), audit of the Metropolitan Washington Airport Authority (“Overseeing MWAA’s Governance”), and response to the Chairman of the House Committee on Oversight and Government Reform on our highest priority open recommendations (“Tracking OIG Recommendations”).

Also new this year: We kept design and typesetting in-house rather than contracting it out to the Department’s Office of Print-

ing and Graphics, as we’ve done in the past. The shift to in-house production not only streamlined the design and typesetting process, it also allowed us to leverage the incredible design talents of Christina Lee. As you can see above, Christina created a punchier and more modern layout that is eye-catching and easy to read.

To read the latest SAR, visit our [Web site](#).

— Madeline Chulumovich, Chief of Staff

OIG IN THE NEWS

WATCHDOG: MILLIONS LOST ANNUALLY BY PROGRAM FOR DISADVANTAGED SMALL BUSINESSES

The Examiner
May 30, 2013

At least \$124 million was lost to waste, fraud and abuse in a single year because Department of Transportation officials haven't "established a single line of accountability" for a program intended to help disadvantaged small businesses, according to a report.

The Disadvantaged Business Enterprise program, which received \$4 billion in 2009 and \$3 billion in 2010, was created to help socially and economically struggling small business owners to contract with the DOT, according to the department's inspector general.

The department has difficulty determining if the DBE program achieves its objectives and if it communicates properly with state and local recipients of the money it distributes, with a result that billions of dollars in annual spending cannot be accounted for, the IG said.

According to the report, it took weeks for the IG to obtain award and payment data for the years 2007 through 2010 from the Federal Aviation Administration, the Federal Highway Administration and the Federal Transit Administration (all recipients of DBE funds). Ineligible business have also been allowed to receive funds due to poor certification processes.

Without increasing guidance and training of its management, the DBE program will continue to be exposed to billions of dollars in waste and abuse, the report said.

AIR-TRAFFIC UPGRADE OVER BUDGET, FACING DELAYS

Bloomberg News
May 31, 2013

A \$438 million replacement of U.S. air-traffic computers, a component of the \$42 billion shift to satellite-based navigation, is going over budget and faces "significant risks" of missed deadlines, a report said.

The system...is expected to cost \$270 million more than current estimates, a 62 percent increase, the Transportation Department's inspector general said in a report today.

Risks of delays are growing because the Federal Aviation Administration hasn't completed technical requirements or followed its own rules for setting completion schedules, the inspector general found.

"It remains unclear how and when FAA will accomplish all the tasks necessary," the report said.

The program's first phase is supposed to install an updated version of a system known as Standard Terminal Automation Replacement System, or STARS, at 11 metropolitan regions by 2017.

Seven of the 11 facilities are the busiest in the U.S., including Southern California and New York, according to the report by Jeffrey Guzzetti, assistant inspector general for aviation audits.

A separate computer system that allows controllers to track aircraft at higher altitudes, Lockheed's \$2.4 billion En Route Automation Modernization project...is also over budget and marred by technical breakdowns, according to Inspector General Calvin Scovel.

The system, which is \$300 million over budget, could cost an additional \$200 million and be delayed as much as two years...Scovel testified before the House aviation subcommittee on Sept. 12.

TRIMET SAYS IT WELCOMES AUDIT

Portland Tribune
June 6, 2013

[Oregon] State Rep. Chris Gorsek (D-Troutdale) has sponsored an amendment to House Bill 3316 which calls for the Secretary of State to conduct a performance audit of TriMet.

"Audits are conducted on a regular basis, and we welcome this review by the Secretary of State's Office," said General Manager Neil McFarlane. "It's another opportunity to have a third party provide an unbiased assessment of TriMet's finances and operations. My staff and I will assist in any way possible. We believe this will be constructive for TriMet and the community we serve."

TriMet undergoes a multitude of federal and state external audits and reviews. TriMet has never had an external audit conducted by the Secretary of State's office, but the State requires that we have an annual financial audit, which is currently performed by Moss Adams – an independent third party audit firm, and we do submit our annual externally audited financial statements to the Secretary of State's office. The last audit of compliance with Oregon Municipal Standards dated June 30, 2012.

We receive federal funds for our light rail construction project as well as for other programs throughout the agency, which requires us to have audits by Federal Railroad Administration (FRA), Transportation Security Administration (TSA), Federal Transit Administration (FTA), the Oregon Department of Transportation (ODOT) and the Federal Office of the Inspector General (OIG). Last year, for example we were audited more than 10 times by federal agencies including the FTA and the federal OIG.

The amendment requires that the Secretary's Office complete the audit by January 2014.

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PEOPLE WE KNOW

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COMINGS & GOINGS

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Have news to share with the OIG community?

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Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

MATT HAMPTON REPRESENTS AT RTCA

Matt Hampton, Deputy AIG for Aviation Audits, participated in RTCA's 2013 Global Aviation Symposium, where aviation leaders and experts from around the world met at the Walter E. Washington Convention Center on June 5 and 6. The symposium focused on the Next Generation Air Transportation System—FAA's multibillion-dollar program intended to fundamentally change how U.S. air traffic is managed—and the steps needed to advance new technologies in the next 2 years.

Key participants included Michael Huerta, FAA Administrator; Tom Petri, Member of the House Transportation and Infrastructure Committee and former Chairman of the Aviation Subcommittee; Bill Ayer, Chairman, Alaska Air Group; and Marillyn A. Hewson, CEO and President, Lockheed Martin.

Matt participated on a panel entitled "Key Policy Issues for FAA's NextGen" with industry officials and the National Air Traffic Controllers Association's Vice President for Safety. Industry and RTCA leaders recognized our office's NexGen work



THE GOLD STANDARD FOR AVIATION SINCE 1935

and solicited Matt's views on how FAA can move NextGen forward more quickly. Questions focused on vexing policy issues, including the impact of sequestration, and U.S. leadership in the aviation world.

Matt noted that FAA Administrator Huerta continues to show commitment to moving forward with performance-based navigation initiatives and focusing on operational benefits. How-

ever, Matt added that tension between airspace users and FAA about NextGen's overall direction has also created delays. For example, airlines are seeking benefits from the technology already on aircraft at key locations. Meanwhile, FAA has longer term plans for large acquisition programs, such as DataComm and ADS-B. While promising and potentially game changers for air traffic, these technologies will not provide benefits until 2020 or later.

Matt also provided perspective on consolidating FAA's vast network of air traffic control facilities—a controversial issue. Matt said the effort needs to address how FAA will reduce the high cost of running the national airspace system, and that a consolidation plan needs to show how controller productivity

(Continued on page 2)

OIG WEEKLY CALENDAR

MON 6/17	TUE 6/18	WED 6/19	THU 6/20	FRI 6/21
	Ann: CIGIE Meeting, 10:00		Ann, Tim: Leadership Development Ex- change: Improving Team Effectiveness, 12:00	

NOTEWORTHY

REMINDER: WHAT'S YOUR BRUSH WITH FAME?

What chance encounters have you had with a notable person?

Send your stories in 250 words or less, along with photos if you have them, to karen.sloan@oig.dot.gov by this Wednesday, June 19, and we'll share them next week!



(Continued from page 1)

ity will be enhanced. The key is finding ways to handle more traffic with fewer or the same number of controllers.

Finally, the panel turned to questions about privatizing U.S. air traffic services, as other countries have done with success. All panelists agreed that it was time to start such a debate. Matt stated that privati-

zation is a policy issue for Congress and the Administration and will need a champion. However, a fundamental question needs to be resolved: how would safety be impacted? This issue was at the center of past debates about the merits of privatization.

Matt demonstrated that OIG plays a critical role in holding all players accountable and trans-

parent. He and other key speakers emphasized that prioritization, collaboration, and expectation are needed to achieve transformation.

When asked for concluding remarks on NextGen, Matt said, "It's time for execution, execution, and execution."

—Claudia Estrada, Aviation Analyst, JA-10

NOTEWORTHY

ASSESSING OIG'S QUALITY ASSURANCE REVIEW PROGRAM

The Office of Quality Assurance Reviews and Internal Affairs conducted its first Quality Assurance Review Program Continuous Improvement Survey to assess JA, JI, and JM managers' and supervisors' perceptions of QAR&IA's impact on their operations as well as identify specific areas of improvement.

OIG's internal QAR program aims to ensure an objective, timely, and comprehensive appraisal of operations. The internal QARs are conducted by individuals not directly involved in the activity or unit being reviewed and who do not report to the immediate supervisor of that activity or unit. The same professional care is taken with quality assurance reviews as with other OIG efforts, including adequately planning the review, documenting findings, developing supportable recommendations, and soliciting comments from the supervisor of the activity or unit reviewed.

Forty-five managers and supervisors (40 percent) responded to the short survey. Overall, the results of the survey were positive, with at least 75 percent of respondents reporting favorably on the QAR program's usefulness and timeliness.

The survey also asked for suggestions to improve quality, with 12 respondents. A theme expressed by many respondents was that there are opportunities to improve the communication of summarized results and educate managers and supervisors on how our results are used. We will incorporate that theme as well as the results of the other ratings into our plans for fiscal year 2013 and beyond.

Given the positive results, QAR&IA's key challenge will be to sustain and improve upon this level of performance. Please feel free to send any comments on these survey findings or additional feedback or comments about QAR&IA's performance to Allan Reid, Rhonda Caver-Holmes, or me.

Overall, how would you rate the usefulness of the quality assurance review program in preparing you for external reviews (e.g., CIGIE peer review, A-123, etc)?

	Response Percent	Response Count
Excellent	31.1%	14
Good	44.4%	20
Adequate	13.3%	6
Unacceptable	0.0%	0
N/A	11.1%	5

To what extent has the quality assurance review results led to operational improvements in your office?

Greatly	22.2%	10
To some extent	62.2%	28
Not at all	6.7%	3
N/A	8.9%	4

How satisfied are you with the timeliness of the written results of your office's quality assurance review?

Very satisfied	26.7%	12
Satisfied	60.0%	27
Not satisfied	2.2%	1
N/A	11.1%	5

— Len Meade, Director, Quality Assurance Reviews and Internal Affairs

NOTEWORTHY

DC AREA MUSEUMS: TRAVEL THROUGH TIME

It's summer time. Kids are out of school. You're looking for something to occupy their time. If you're in or planning to travel to DC, say for a family vacation, you may want to consider taking in the American History Museum's transportation exhibit "[America on the Move](#)." Learn about the bet that precipitated the first successful automobile trip across the country. Your kids like Thomas the Train? Show 'em the tools that kept Thomas and his friends running in their (much) younger days. If that's not enough to keep dad's attention, then maybe a trip out near Dulles Airport and the [Udvar-Hazy Museum](http://airandspace.si.edu/udvarhazy/) (<http://airandspace.si.edu/udvarhazy/>) to see the jaw-dropping SR-71, the space shuttle Discovery, or even an IMAX movie.

— Dave Wonnenberg, Congressional and Public Affairs Officer, J-3



America on the Move: Auto race between Henry Ford and Alexander Winton



Udvar-Hazy Museum: SR-71 Blackbird

OIG IN THE NEWS

CONFLICT OF INTEREST IN \$4 BILLION GOVERNMENT MINORITY PROGRAM

Washington Times
June 9, 2013

A \$4 billion minority contracting program that places advocates for minority businesses in charge of regulating them is a clear conflict of interest, federal and state audits found.

The conflict in the federal Department of Transportation's program, which is administered by each of the states, occurs because civil rights personnel with an ex-

plicit mission to expand the number of minority contractors and the amount of taxpayer dollars awarded to them are the same people tasked with policing and banishing the bad actors.

As a Transportation Department inspector general's report put it last month, states "place more emphasis on getting firms certified as" disadvantaged rather than keeping track of the work they do. The report said the Office of Civil Rights is responsible for certification, appeals and coordination of enforcement.

The federal report said the civil rights offices regularly failed to sanction wrongdo-

ers—which critics noted would have put egg on their faces as those firms' early advocates.

Faced with questions about oversight and enforcement in what the federal report faulted for being a "fragmented" program that lacked accountability, [Maryland's] Office of Minority Affairs passed the buck to the MBE office, which in turn said it was merely following the bidding of the state Legislature — which found rampant problems with the office's workforce in two separate audits over the last decade.

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COMINGS & GOINGS

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Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

TIM LEADS DISCUSSION WITH FUTURE LEADERS ON BUILDING STRONG TEAMS

Last Thursday, PAIGI, Tim Barry, led a Leadership Development Exchange on how to improve team effectiveness. Prior to the session, Tim sent out Lynda Gratton and Tamara J. Erickson's *"Eight Ways to Build Collaborative Teams"* as food for thought. The attendees came well armed with questions and suggestions for ways to improve teams.

Tim identified two true team characteristics—communication and collaboration—then asked for thoughts on the characteristics of a great team. Responses included understanding the project's plan and individual expectations; having team members with complementary skills; and working cohesively. Tim stressed the importance of supervisors and team leaders understanding the team's skill sets to ensure all team members contribute and feel they add value. For individuals to add

value, they must have skills and experience and the willingness to share them with others. Tim proposed that a good supervisor should ask team members to stretch themselves at times in or-



der to learn and grow.

One essential component of a great team is trust. Tim stressed that trust can be built by getting to know team members and developing good work relationships—one that allows free discussion about skills and abilities. All agreed that a lack of trust can diminish team morale, leading to

less productive or lopsided teams, with some members covering for or doing the work of others. Tim encouraged everyone to take the opportunity to talk with co-workers and get to know them as

a way of building trust and creating informal networks, which are essential in all areas of a career path. It's a proven fact that we work with and interact better with those we know.

Tim also discussed competition among team members, noting that competition could be a real challenge

for managers. While a little competition is good, too much can be detrimental and people can lose sight of the main objective—the organization's goals. When asked what management could do to assist in building effective teams, it was agreed that managers should assess how teams are per-

(Continued on page 2)

OIG WEEKLY CALENDAR

MON 6/24	TUE 6/25	WED 6/26	THU 6/27	FRI 6/28

NOTEWORTHY

(Continued from page 1)

forming, and if they're not effective, change the components of the team. If managers "took care of the people, the people would take care of the mission." However, when asked if they would be willing to discuss negative issues with managers, most agreed they would not. Reasons ranged from not wanting to be seen as stirring the pot to fear of being seen as a non-team player. All agreed that it was imperative to understand the political aspect of the organization before raising issues and that some supervisors weren't open to hearing anything negative.

Tim stressed that it was important that supervisors listen to complaints with no preconceived beliefs and be willing to take action to fix the problem. Sometimes bringing issues into the open helped, if nothing more than to create awareness. But staff should try to think as a leader and look for plausible solutions—not just talk about issues. Great expecta-

tions should go both ways in the chain of command—if Tim has great expectations for staff performance, they should have great expectations of him.

The group also noted that regular meetings and face time is important, but most felt that regular face time with executives would be inhibitive, like having your parents there when you're hanging with your "besties." Tim agreed that as an executive, he liked to offer face time, but he kept interactions brief, letting people know he was accessible without being intrusive; his goal is for staff to know he has their best interests at heart without micromanaging.

Most agreed that asking for a one-on-one meeting with supervisors to express concerns was probably best. But the group was somewhat divided on whether staff should take up the cause for others. Tim stressed that at times it was necessary to speak up for others, that this was leadership—

a willingness to take a chance and put yourself out there.

When asked if they felt a sense of community in overall organizational success, most said they felt pride in learning of awards or accolades being given to any component within OIG.

Tim then asked the group to name the qualities and characteristics of a good team leader. Responses included consistency; knowledge and understanding of a team's dynamics; understanding the team's strengths and skill sets; and avoiding micromanaging.

Finally, Tim asked if it was important for the leader to provide honest feedback. The general consensus was yes, but only if done in the right way. A leader should be encouraging and not overly critical when providing feedback.

— Sharon Smith, JI-1

NOTEWORTHY

OORAH! OIG'S LAW CLERKS GO TO BOOT CAMP



On June 11, the Council of Councils of Inspectors General hosted a Law Clerk Boot Camp at DOT's Conference Center. The CCIG summer law clerk program acquaints IG law clerks and attorneys from across Federal agencies. Attendees included over 30 legal interns from OIGs in the Washington, DC, area. Represented agencies included the Federal Reserve Bank, U.S. Department of Health and Human Services, Securities and Exchange Commission, U.S. Department of the Interior, and DOT.

The afternoon's speakers, which included General and Associate Counsels to the Inspectors General, covered a range of topics

from disclosure laws and procedures to investigations and audits.

- Brian Dettelbach, AIG for Legal, Legislative and External Affairs, welcomed the law clerks and other attendees.
- NASA OIG Counsel Frank LaRocca provided a humorous rendition of the Do's and Don'ts for summer law clerks; he also detailed the importance of not stealing moon rocks from NASA.
- Three Associate Counsels, including DOT OIG's Nicole Angarella, presented an A to Z breakdown of OIG issues.
- Attorneys from the U.S. Department of Homeland Security and

the National Science Foundation provided an overview of FOIA and the Privacy Act.

- Nuclear Regulatory Commission Counsel Maryann Lawrence Grodin and National Reconnaissance Counsel Kirt West discussed OIG history and responsibilities.
- Last, Chief Counsel Omer Poirier broke down the investigative authorities and techniques used by Inspectors General.

Overall, the afternoon was enlightening for all those in attendance.

— Laura Aboulhosn, Law Clerk, and Cody Bannon, Law Clerk, J-3

NOTEWORTHY

2013 “FEDS FEED FAMILIES” FOOD DRIVE IS UNDER WAY!

This year’s goal for the *Feds Feed Families* annual food drive:

2 million pounds of food

In the DC metropolitan area, donor contributions benefit the Capital Area Food Bank, which distributes food to nearly half a million people. Did you know:

- 47% of the CAFB’s clients are children?
- 56% of households served by CAFB include working adults?
- 40% of CAFB clients must choose between paying for food and paying their rent or mortgage?

Here’s a handy personal checklist for how you’d like to support the *Feds Feed Families* food drive:

**How much do I plan to give?**

- ☐ I’m giving 6 cans of fruits and 3 cans of vegetables.
- ☐ I’m giving 4 bags of white rice and 4 bottles of juice—today. Tomorrow, I’m doubling that!
- ☐ Costco, I’m on my way! Load up my minivan with cereal, baking goods, soups, paper products and household items!

Who am I going to call?

- ☐ I’m calling Amy Berks to volunteer for Feds Feed Families events—including the July 25 Can Castle Building competition (see inspirations below).
- ☐ I’m calling Sharon Oby for assistance in coordinating food donations at my field office.



PEOPLE WE KNOW (ABOUT)

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PEOPLE WE KNOW (ABOUT)

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PEOPLE WE KNOW (ABOUT)

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PEOPLE WE KNOW (ABOUT)

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OIG IN THE NEWS

TEXAS COMPANY LIED ABOUT STRENGTH OF PRECAST CONCRETE

Land Line Magazine

June 17, 2013

According to a news release from the U.S. Department of Transportation Office of Inspector General, Hanson Pipe & Precast LLC, a subsidiary of Lehigh Hanson Inc., has agreed to pay the United States government \$500,000 to settle claims that its concrete end walls and catch basins didn't meet federal specifications.

Hanson Pipe & Precast submitted false claims for payment to the U.S. for products used on a road project in Tennessee, the U.S. Attorney's Office for the Middle District of Tennessee said in a news release. The company repeatedly certified that its products were in compliance with federal standards, although an investigation found the strength and placement of rebar didn't meet those standards.

Marlies Gonzalez, the regional special agent in charge, said the DOT Office of Inspector General remained committed to investigating and prosecuting waste, fraud and abuse.

"The settlement announced today is a strong message to those that would seek to substitute inferior products in transportation-related projects that we will leave no stone unturned to ensure the safety of the Nation's transportation system," Gonzalez said, according to the release.

The U.S. Attorney's Office release said the U.S. DOT and the FHWA may take further steps to "require Hanson to adopt compliance measures to reduce the likelihood of future violations of the False Claims Act."

COMINGS & GOINGS

There are no comings or goings this week.

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THE INSPECTOR

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MEET SECRETARY FOXX

Last Tuesday, Anthony R. Foxx was sworn in as our new Secretary following unanimous Senate confirmation. To assist him and his staff during this transition, OIG compiled a [briefing book](#) on our office. The materials outline DOT's top management challenges that we identified last November, as well as our mission, fiscal year 2012 accomplishments, and budget. We also provided an overview of our audit and investigation processes, recent audits and testimonies, and investigative priorities and statistics.

Prior to his confirmation, Foxx served two terms as mayor of Charlotte, NC. As mayor, he worked to reinforce Charlotte's role as an energy industry hub and oversaw transportation investments including extending the LYNX light rail system, expanding Charlotte-Douglas International Airport, and starting the Charlotte Streetcar project. Foxx pushed for changes to the city's small business loan program and led a delegation of Charlotte business leaders to press senior White House officials for several economic recovery spending measures.

Early in his political career, Foxx gained a reputation as a quick study of local policy and led a number of initiatives on the Charlotte City Council, including developing policies to enhance job creation in Charlotte's urban core, environmental efforts that led to a single stream recycling program and greenhouse gas reduction policies, and acceleration of the region's transit plan.

Foxx spent his first full day as Secretary meeting employees and holding meetings on issues facing the Department, including safety and hurricane and severe weather preparedness. In a message to employees, Foxx underscored his commitment: "Safety will remain our top priority at DOT. At the same time, I will work to improve the efficiency and performance of our current transportation system while building the infrastructure we need for future generations. In doing so, I look forward to bringing my 'on the ground' experiences as a mayor, while embracing the tremendous knowledge, skill, and ingenuity of the DOT workforce and our many stakeholders."

Secretary Foxx was born on April 30, 1971, in Charlotte, NC. Foxx received a law degree from New York University's School of Law as a Root-Tilden Scholar, the University's prestigious public service scholarship. He also earned a bachelor's degree in History from Davidson College, where he was the first African American student body president. Foxx is married to Samara Ryder, also an attorney; they have two children.

OIG WEEKLY CALENDAR

MON 7/8	TUE 7/9	WED 7/10	THU 7/11	FRI 7/12
				Secretary Foxx visits OIG: Cal, senior leaders meet and greet, 10:00, followed by walk around HQ offices

NOTEWORTHY

MARK YOUR CALENDARS: NEXT ALL HANDS, JULY 31, 1:30 TO 3:30

Cal's next semiannual All Hands meeting will be held Wednesday, July 31, from 1:30 – 3:00 EST in the Media Center and will be webcast to the field offices. Please email questions that you would like addressed at the All Hands to madeline.chulumovich@oig.dot.gov, by COB, Friday, July 19.

NEW HRDC SHAREPOINT SITE IS EASIER TO USE!

HRDC's SharePoint site has been updated to be smoother and simpler for all to navigate through the site with ease. If there is anything that you believe should be added to the site or any suggestions on the redesign of the site email me at derek.cooper@oig.dot.gov

SUMMER 2013
V-A-C-A-T-I-O-N

What's your summer fun? If you'd like to share a cool moment with OIG staff, please send in **one** photo that captures that moment, along with a caption (less than 20 words) to karen.sloan@oig.dot.gov.

Please submit your photo and caption by August 15, 2013, and we'll print them in the next issue.

Thanks to BJ Leary, JA-10, Atlanta for the idea!



NOTEWORTHY

DC “TRANSPORTATION YOU” SUMMIT

I recently participated in the second annual summit of Transportation YOU—a partnership between USDOT and Women’s Transportation Seminar that pairs young women with mentors to encourage them to consider science, technology, engineering, and math careers in transportation.

On day 1, we visited DOT’s Crisis Command Center, where the Department tracks aviation, freight, and weather to monitor for emergencies and manage system-wide impacts. Afterward Secretary LaHood greeted everyone for breakfast—it was his last public engagement before giving his farewell address. The Secretary has been a strong supporter of the program and was happy to meet the young women. He also made sure to put in a final plug about distracted driving.

After breakfast, we took a trip to Reagan National Airport, where we learned what it takes to be an air traffic controller and an aviation operations technician. We toured the control tower and a flight simulator.

Then it was on to Union Station, where we went on a transportation scavenger hunt and spoke with an Amtrak conductor, a locomotive engineer, the K-9 unit, and a customer service representative. We had a surprise visit from Amtrak’s President, who was at the station to check on a new locomotive dedicated to U.S. veterans. Amtrak announced at the dedication that 25 percent of new hires would be veterans by 2015.

On day 2, we visited NTSB, where we saw a presentation about fatigue and distraction, and heard

from Mary Schiavo, a former DOT Inspector General and an outspoken aviation safety advocate. She talked about her personal career trajectory and mentioned the important work of the IG’s office—in particular their work during her tenure in the 1990s. One highlight of her time at OIG was holding Eastern Airlines accountable for falsifying maintenance records.

Not only did the summit change the lives of the young women, it inspired all participants as we saw the mentees learn, grow, and discover all kinds of previously unimagined careers in transportation. Hopefully, we’ll see some of them at DOT soon!

— Emily Norton, JA-40



14 mentees with Secretary LaHood and DOT Senior Executives
Source: WTS

NOTEWORTHY

ENVIRONMENTALISTS: GET YOUR GOAT...NOT YOUR LAWNMOWER

Airports are thinking outside the box when it comes to clearing brush in environmentally sensitive areas, as this July 5, 2013, AP article by Scott Mayerowitz, "Here, only goats can prevent airport fires" explains.

Last month, officials at San Francisco International Airport hired a herd of part-time employees to toil on the west side of the property and engage in an unusual—but environmentally friendly—form of fire prevention.

Anyone looking down from a plane departing the airport may have wondered, What's with the goats?

For two weeks in June, Mr. Fuzzy, Cookie, Mable, Alice and nearly 400 other goats chomped on the brush in a remote corner of the airport. The area needs to be cleared each spring to protect nearby homes from potential fires. But machines or humans can't be used because two endangered species — the San Francisco garter snake and the California red-legged frog — live there.

It's not exactly the type of job you advertise in the local classifieds. So, for the past five years officials have turned to Goats R Us, a small brush-removal company run by Terri Oyarzun, her husband Egon and their son Zephyr.

The airport paid \$14,900 for the service this year.



The goats travel 30 miles each spring from their home in Orinda, Calif. to the airport in a 16-wheel truck that Oyarzun calls her "livestock limo." They come with a goat herder and a Border Collie named Toddy Lynn. The goats spend two weeks cutting away a 20-foot firebreak on the west side of the airport.

"When passengers take off and fly over the goats, I'm sure that's a thrill," Oyarzun says.

Whatever the emotion, it isn't reserved for air travelers. When Oyarzun's goats aren't clearing brush at the airport, they're munching away on the side of California's freeways, at state parks, under long-distance electric lines and anywhere else with overgrown vegetation. The family has

about 4,000 total active goats on its payroll.

Working at an airport does come with its own set of challenges, namely loud, frightening jets constantly taking off.

"There was an adjustment period," Oyarzun said. "But they have a lot of confidence in their herder."

The goats did their job. "We're pleased with our organic process for weed abatement," said airport spokesman Doug Yakel.

At least one other airport has taken note. Chicago's O'Hare International Airport has requested bids for goats to clear brush in an out of the way area of the airport's 7,000-acre property and expects them to be at the airport sometime this summer.

When goats become too old to work, they are typically sold for meat. But fear not, Mr. Fuzzy, Cookie, Mable, Alice won't end up at the slaughterhouse. The Oyarzun family lets its goats peacefully retire at its farm.

At least one part of air travel is still humane.

NOTEWORTHY

HENNING THIEL TAKES THE TEMPORARY I-5 BRIDGE

A temporary bridge over the Skagit River north of Seattle opened less than a month after a portion of the bridge collapsed on May 23. According to a preliminary NTSB report, the collapse occurred after a tractor-trailer's load hit the truss structure when the truck moved over to accommodate another tractor-trailer that was passing. According to *The Seattle Times*, the 160-foot temporary section is narrower than the old bridge

The temporary span and a permanent replacement, which is due

this fall, will cost nearly \$18 million. DOT is paying for all but about \$1 million of the work, according to the *Times*.

The *Times* also notes that the 58-year-old bridge is being restored not replaced. It will still be rated as "functionally obsolete" because it was not designed to handle today's traffic volume and big trucks. It's also "Fracture critical," meaning that if a single, vital component is compromised, the bridge can crumple again.

KHUS.com sums up: Open or not, when it comes to traveling over the new bridge, some are still a little squeamish.

"Good luck to the first person over it, I'll be taking the back road until the permanent one is up," said one driver.

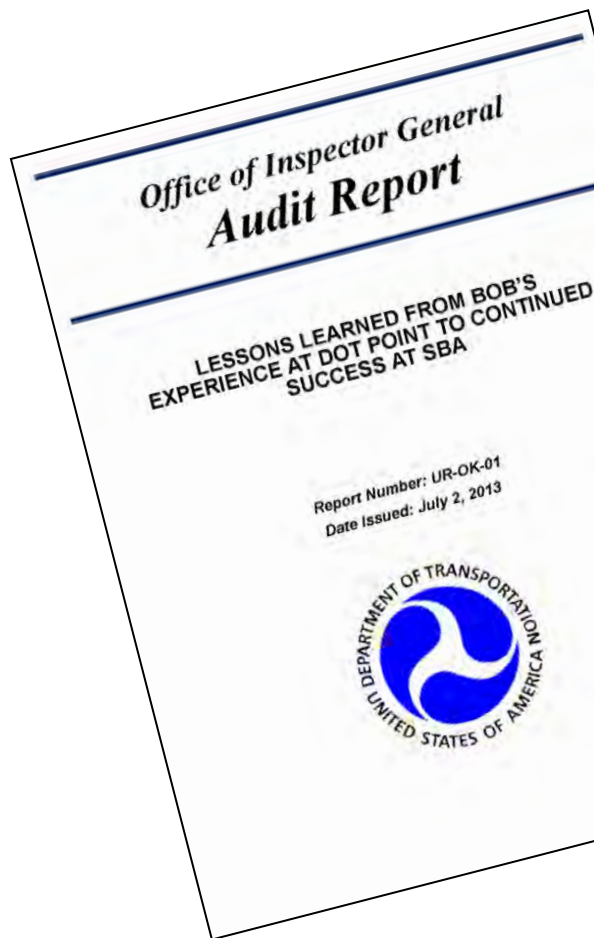
But that didn't stop Henning Thiel who braved the temporary bridge and got the "after" shots.

— Karen Sloan, J-2, and Henning Thiel, JA-50, Seattle



(b)(6)

NOTEWORTHY



U.S. Department of
Transportation
Office of the Secretary
of Transportation
Office of Inspector General

Memorandum

Subject: ACTION: Wish Bob Good Luck and
Best Wishes at SBA!!!

Date: July 2, 2013

From: Your Friends in Audit

Reply to
Attn of: JA

To: Bob Westbrook

Our objective was to determine whether differences between auditors and investigators would impede Bob's future job at SBA.

Results in Brief

There are differences between auditors and investigators, but less than you might think.

- We both like donuts, auditors just like to get theirs for free.
- We both drive cars, auditors just have to pay for them.
- We both are obsessive about the details of our work, auditors just obsess on GAGAS (see Rod's depiction in exhibit A)

However, our work concluded that auditors and investigators both value talent and integrity, so we see no impediments to Bob's future success, in fact, we guarantee it.

We recommend you have a great time at SBA and you do even more good stuff in service of your Government.

OIG IN THE NEWS

HUBTEC PRESIDENT YOUNG KIM GETS 2 YEARS PROBATION FOR DEFRAUDING U.S. DOT ON BOTCHED ROUTE 2 REPAIR PROJECT

Pacific News Center, Guam News
July 1, 2013

The U.S. Attorney's Office has announced that HubTec President Young Kim has received a sentence of 2 years probation for defrauding the U.S. Department of Transportation over the botched Route 2 culvert repair project.

On October 29th last year, Kim pleaded guilty to two counts of making false statements in connection with the highway project. He must also pay a \$200 dollar special assessment fee and he has also been de-barred from bidding on federally funded projects for 3 years, unless an exception is granted.

Kim was sentenced last Thursday, June 27th in Guam District Court by designated Judge Ramona Manglona. His company, Hubtec, will be sentenced separately on August 14th.

The funds for the project came from a 2009 ARRA grant award. The contract required that all steel and iron that was used be made in the U.S.

According to a release from the U.S. Attorney, "Kim and Hubtec falsely represented that they used U.S.-made reinforcement steel bars for the project, when in fact, the defendants knew they incorporated Korean-made reinforcement steel bars which were not in compliance with applicable Buy America requirements."

OIG IN THE NEWS

U.S. PILOT REGISTRY HAS ERRORS HINDERING TERROR CHECKS*Bloomberg News*

July 1, 2013

The Transportation Department's inspector general found about half of foreign-owned aircraft registered with the Federal Aviation Administration didn't list required information such as the owners.

Pilot registrations often contain incomplete addresses, making it difficult for the U.S. Transportation Security Administration to locate people for required security screening, the report found.

"These data weaknesses largely stem from FAA's lack of formal quality control procedures to regularly reassess the integrity of the registry's data and information systems," Louis King, assistant inspector general for financial and information technology audits, said in the report.

Auditors found 130 cases in which planes were registered multiple times to different entities, making it difficult to identify the owner.

"While this is a small number of discrepancies, the impact is potentially significant if a serious incident occurs and FAA is unable to identify the aircraft's owner in a timely manner," King said in the report.

If non-U.S. citizens register aircraft with the FAA under a trust, they must identify the owner of the trust and the operator of the aircraft.

Auditors estimated that 5,600 of 10,292 foreign-owned aircraft in the FAA registry...lacked that type of information. That has led to cases in which the FAA couldn't identify an aircraft's owner after an accident or incident in another country.

The FAA granted pilot licenses to more than 43,000 people who didn't provide a permanent address, the report found.

WHO'S REALLY FLYING AIRCRAFT ON U.S. REGISTRY? DOT IG FINDS SAFETY AND SECURITY HOLES*Forbes*

July 2, 2013

Worried about who's flying US aircraft? Most Americans since 9/11 certainly are. And it seems you should be. [T]he DOT Inspector General found significant holes in the FAA's system for registering civil aircraft which could compromise safety and security.

FAA regulations [have] a loophole that allows...aircraft to be owned by a trust and if the trust is a US trust with an American trustee, the actual owner (beneficiary) can be of any nationality.

According to the IG's report, the FAA's aircraft registry "lacks accurate and complete information needed for aviation safety and security measures. The Registry lacks information on registered aircraft, owners—including non-U.S. citizens—and their compliance with FAA regulations."

The Inspector General further found "incomplete registrations for about 5,600 aircraft, or 54 percent, owned under trusts for non-U.S. citizens. As a result, FAA has been unable to provide information on these aircraft to foreign authorities upon request when U.S. registered aircraft are involved in accidents or incidents in foreign countries."

The FAA stated that it...had fixed the problem in policy guidance it issued last week. That policy guidance basically suggests a two-day time-period for American trustees to provide the FAA with current and accurate information on who is actually operating the aircraft.

The IG scoffed at the FAA's latest policy stating: "For the Registry to meet this purpose, FAA must collect this information as part of the registration process so that is available to users when they need it."

FAA REGISTRY OF PILOTS' DATA AT RISK OF DATA BREACH*Fierce Government*

July 3, 2013

Personally identifiable information kept within the Federal Aviation Administration's Civil Aviation Registry is at risk for breach, says the Transportation Department office of inspector general.

For a June 27 report, auditors examined the registry's system configuration and account management, finding that they don't adequately protect pilots' information, which includes particularly sensitive elements such as their Social Security numbers and medical information.

The registry isn't encrypted, and doesn't require multifactor authentication for registry users to log on to the system. FAA officials told auditors that they use digital signatures to authenticate users, but auditors say they found that not to be the case.

The agency doesn't have in place agreements with third parties that receive registry information to ensure they, in turn, safeguard the personally identifiable information, auditors say.

Auditors also found lax patch management --70 percent of the 42 servers storing registry information had at least one high-risk or critical vulnerability. "Seven servers were missing update patches from 2007 and subsequent years," they say, adding that two of the servers were running operating systems past manufacturer lifecycle support.

FAA officials said annual user account validation and multifactor authentication aren't necessary. The risk of abuse from user accounts is extremely low, they said. Agency officials also said they won't encrypt all the registry data since the registry has legacy components that make it impractical.

OIG IN THE NEWS

IG FINDS FAA FLIGHT SAFETY INSPECTOR MODEL FAULTY*RotorNews*

June 24, 2013

According to a Department of Transportation (DOT) Inspector General (IG) report, the FAA's new staffing model for flight safety inspectors and the number required has some serious flaws reminiscent of the old system.

The new system was instituted in 2009 following the recommendations of a 2006 National Research Council study mandated by Congress. The IG found that the problems with the FAA's new model are rooted in its "failure to fully address all aspects" of the NRC report, including identifying performance measures. The IG called the new model "faulty," containing incomplete, inaccurate, and outdated data, and said it cannot be relied on for its intended purpose.

The FAA concurred with six of the IG's seven recommendations for strengthening the program and said it fully understands the limitations of its program and has been working to address them. The FAA noted that the model the IG reviewed was only an initial effort and was intended to be refined as the project matured.

MWAA MAY GET PERMANENT FEDERAL OVERSIGHT*Washington Post*

June 27, 2013

An effort to create a permanent inspector general to oversee operations at the Metropolitan Washington Airports Authority may be closer to reality.

Virginia Rep. Frank Wolf's (R) office said the measure has been included in the fiscal 2014 transportation appropriations bill, which was approved by the appropriations committee on Thursday.

"I'm pleased with the progress MWAA has made in implementing the recommendations of the IG report, but the creation of a permanent IG will prevent future missteps and abuses by MWAA," Wolf said.

Since 2010, Wolf has pushed for more oversight of MWAA, which manages Reagan National and Dulles International airports as well as the Dulles Toll Road. In addition, the airports authority is overseeing construction of the \$5.6 billion Silver Line rail project, which will link Dulles Airport with the Metro system.

But MWAA has been beset by a series of ethical and contracting scandals. In February 2011, Wolf asked the U.S. Department of Transportation's inspector general to conduct a review of MWAA's operations. The final report, completed in November 2012, was scathing. Among the findings: MWAA officials had hired friends and family to jobs at the authority and had accepted gifts from contractors doing business with MWAA.

MWAA officials have worked...to remake their image, passing strict ethics rules and reforming its contracting process.

In July 2012, Transportation Secretary Ray LaHood appointed an interim inspector general to oversee operations at the authority. Wolf's legislation would make the inspector general a permanent fixture at MWAA.

AIR FORCE: BIRD STRIKE MAY HAVE CAUSED ARIZONA CRASH OF F-16 FIGHTER JET*Associated Press*

June 27

The pilots flying an F-16 fighter jet that went down near Luke Air Force Base in suburban Phoenix reported hitting a bird shortly after takeoff, the Air Force general who commands their base said Thursday.

The base, 15 miles west of Phoenix in Glendale, is the world's largest F-16 pilot training base and had 138 F-16s before Wednesday's crash. An instructor and a student were flying the jet that crashed.

The base is getting ready to transition to the military's new F-35 fighter. The Air Force announced Thursday it would receive three additional squadrons, bringing the total to 144 within about 10 years. The first plane is set to arrive next spring.

Witnesses said they heard the jet's engine sputtering and popping just before the plane went down. Photos posted on Twitter showed civilians helping two male pilots alongside a freshly plowed field.

Bird strikes can severely damage jet engines. US Airways Flight 1549 lost both engines shortly after takeoff from LaGuardia Airport after hitting birds in January 2009 but landed safely on the Hudson River.

An inspector general's audit last year criticized the Federal Aviation Administration for not doing enough to stop bird strikes. The report cited a five-fold increase in bird strikes over the last two decades, from 1,770 reported in 1990 to 9,840 reported in 2011, due in part to growing bird populations. The strikes have led to at least 24 deaths and 235 injuries in the United States since 1988.

PEOPLE WE KNOW

END SHOT

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COMINGS & GOINGS

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The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL TESTIFIES ON NEXTGEN DELAYS

Last Wednesday, Cal testified alongside FAA Administrator Michael Heurta on NextGen delays before the House Committee on Transportation and Infrastructure, Subcommittee on Aviation.

In his opening statement, Chairman Frank LoBiondo wanted to be clear: “I support the NextGen program,” and noted that newly deployed technologies in the National Airspace System contributed to the survival of so many passengers aboard Asiana Flight 214. However, he also noted that “there are serious concerns regarding the FAA’s ability to effectively and efficiently implement NextGen,” and pointed to problems identified in our testimony. “This report provides an opportunity for us all to hit the reset button and make sure we are headed in the right direction, in the most efficient and effective way, and with the best outcome.”

Ranking Member Rick Larken began his opening statement by stating that reading Cal’s and Heurta’s written testimonies brought to mind the Rashomon effect, as the two statements provided very dif-

ferent conclusions about what happened. He also noted that in Akira Kurosawa’s movie, from which the term was coined, the effect led to an existential question of what is truth and what is the meaning of truth. “I hope we don’t get to that point in this hearing on NextGen.”

Cal’s testimony focused on three priorities for FAA: (1) addressing underlying causes for difficulties

in advancing NextGen, (2) maximizing near-term benefits of new performance-based navigation routes and procedures, and (3) keeping the implementation of critical automation systems on track.

While a majority of the follow-up questions were posed to Huerta, most centered around our findings and how FAA would address the concerns we raised. One question Larken posed to Cal concerned how proposed funding levels would affect NextGen.

Cal responded that FAA would be required to curtail its efforts and would be limited to sustaining current NAS operations. Cal also noted that “It’s time for FAA, working closely with industry, to look at what’s realistic in the near term.”

To watch the hearing, go to <http://transportation.house.gov/hearing/causes-delays-faas-nextgen-program>.



OIG WEEKLY CALENDAR

MON 7/22	TUE 7/23	WED 7/24	THU 7/25	FRI 7/26
	Cal: S1/S2 Update	SES Onsite		

NOTEWORTHY

KEEPING ON TOP OF TRAINING

We know (and agree) that the amount of mandatory training assigned to all DOT employees, plus the requirements for every auditor, analyst, and investigator is mind-boggling! With that said, mandatory training IS mandatory and therefore something we have no control over as long as we are DOT employees.

The HRDC team is here to assist you with meeting YOUR mandatory training requirements. Some friendly suggestions:

- Complete all mandatory training on your TMS To-Do List.
- Complete outstanding follow-up evaluations.
- Make sure your To-Do List is current and up to date. Remove outdated items.

Your Training Coordinator is your first and primary link to all training-related issues. Over the past few years, TCs have taken on new and challenging responsibilities to assist staff with identifying training needs, recording training completions, and obtaining certificates. They are doing an incredible job at keeping communications open between HRDC and you. The HRDC team is fortunate and grateful to have their vital assistance.

Below are HRDC contacts. A complete list of areas of responsibility is located on the HRDC SharePoint site.

Angie Thorpe—Director, HRD

Sherry Reck— Program Support Specialist

Yolanda Perry— Human Resources Specialist (HRD)

Shannon Jarvis— Program Support Specialist

Joyce Mayeda— Human Resources Specialist (HRD)

Derek Cooper— Office Automation Clerk



NOTEWORTHY



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OIG IN THE NEWS

**DOT IG: FAA AVIATION
REGISTRY LACKS ACCU-
RACY, COMPLETENESS***AIRNonline*

July 12, 2013

A recently completed audit by the Transportation Department's inspector general has found that the FAA's Civil Aviation Registry does not provide all of the information needed for aviation safety and security measures. According to the DOT IG, the FAA lacks the information it needs on the identity of noncitizen aircraft owners and has incomplete information on pilot certifications.

FAA regulations require owners to update or correct the information in their registry records periodically, but the agency does not check these reregistrations against the original records to ensure accuracy and regulatory compliance.

"We found incomplete registrations for about 5,600 aircraft, or 54 percent, owned under trusts for non-U.S. citizens," the audit report said. "As a result, the FAA has been unable to provide information on these aircraft to foreign authorities upon request when U.S.-registered aircraft are involved in accidents or incidents in foreign lands, as required by the Convention on International Aviation."

Similarly, the registry lacks complete information on pilot certifications, which makes it difficult for law enforcement officials to use the registry to conduct security screenings required by the Intelligence Reform and Terrorism Prevention Act of 2004, or to detect pilots who provide false information.

**DOT SCAM LETTER TARGETS
TRUCKERS AND CARRIERS***Land Line Magazine*

July 15, 2013

Scammers who claim to be from the U.S. Department of Transportation Procurement Office continue to pester trucking businesses to give up private financial information, including the name of their bank and their account number. The aim is to steal identity with an official-looking letter.

It's an old scam, perpetrated by faxed letters. The latest round, faxed on or around July 10, asks recipients to release bank account information to a "Senior Procurement Officer" with the U.S. Department of Transportation. Of course, it's not DOT at all.

The scam asks prospective DOT contractors receiving the letter to send an "Authorization to Release Financial Information" back to the sender. The recent scam letters are signed by a "Julie Weynel" or some variation claiming to be a senior procurement officer. Similar scam letters date back to December 2005.

The real DOT Office of Inspector General says those who receive a procurement letter asking for bank information should call the agency's fraud hotline at 800-424-9071, local law enforcement, and the regional U.S. Secret Service office.

"Please be aware that DOT does not require any financial information to be submitted in order to be eligible for procurement," the Office of Inspector General states in a detailed warning.

The alert states that any direct communication from DOT should always be accompanied with detailed contact information. In addition, DOT procurement representatives will request financial information only in reference to specific contracts awarded. DOT does not request financial information from prospective contractors wishing to submit a bid proposal or quote.

**TOO CLOSE FOR COMFORT:
FAA SAYS NEAR ACCIDENTS
HAVE SPIKED***Washington Times*

July 15, 2013

Aircraft collisions that are "barely avoided" have increased more than 600 percent in the past four years, according to data from the Federal Aviation Administration, potentially putting thousands of passengers' lives at risk.

Although the agency's internal watchdog said the U.S. still has the safest air transportation system in the world, investigators don't know what is causing the rise in near accidents.

Air travel has faced a difficult few months, first with a debate in Congress over furloughing air traffic controllers as part of budget cuts. On July 6, Asiana Airlines Flight 214 crashed at San Francisco International Airport, killing three. Investigators are uncertain what caused the crash, the first fatal crash of a large jet in the United States in more than a decade.

The San Francisco crash and its aftermath have renewed a focus on the FAA's safety record and the findings of a little-noticed internal survey of the agency's track record released this spring. The agency last week announced new training mandates for pilots, requiring first officers on U.S. passenger and cargo planes to have 1,500 hours of flight time — the same as captains — rather than the current 250 hours.

The "serious errors" are caused by air traffic controllers not leaving enough distance, or "separation," between planes, Jeffrey Guzzetti, the Transportation Department assistant inspector general, told Congress in April. There were 37 reported near collisions in 2009, but that number skyrocketed to an estimated 275 in 2012, investigators said.

OIG IN THE NEWS

AIR-TRAFFIC UPGRADE HARMED BY U.S. BUDGET CUTS: FAA CHIEF

Bloomberg News

July 17, 2013

The proposed 2014 budget for FAA would force the agency to delay NextGen funding to keep the current system operating, FAA Administrator Michael Huerta said at a House aviation subcommittee hearing today.

“Our understanding is at those funding levels, the agency would be required to constrain its efforts greatly in regards to NextGen,” Calvin Scovel, the Transportation Department’s inspector general, said at the hearing.

Sequestration cuts imposed this year have already stalled improvements to flight routes in some large U.S. metro areas...Huerta and Scovel told the committee.

Work on that NextGen component, known as the Metroplex initiative, has been pushed back due to the forced cuts, Scovel said.

Scovel told the committee that the FAA’s NextGen efforts were also being slowed by the agency’s lack of planning and technology programs that have been delayed.

At six busy airports...only 3 percent of eligible flights are making use of new precision-flight routes, Scovel said.

It’s been difficult for controllers to assign aircraft the new routes when they are mixed in with planes that aren’t equipped to fly them, he said. In some cases, controllers need new technology before they can clear planes to fly the routes, he said.

In some cases, airlines have grown frustrated that they paid to install equipment on their planes that they can’t use, Scovel said.

NEXTGEN PACE THREATENED BY SEQUESTER-DRIVEN UN- CERTAINTY

National Business Aviation Association

July 19, 2013

Continued work on high-priority Next Generation (NextGen) aviation system modernization efforts could face further challenges, and possible delays, as a result of the uncertain fiscal environment that may require the Federal Aviation Administration (FAA) to make more difficult choices, members of a House aviation subcommittee learned at a July 17 hearing.

FAA Administrator Michael Huerta and Department of Transportation Inspector General Calvin Scovel both described the challenges that are expected as a result of mandatory federal budget cuts under the sequester in testimony before a hearing focusing on the progress of NextGen efforts, which was held by the House Transportation and Infrastructure Committee’s Aviation Subcommittee.

“The sequester and future funding unpredictability requires the FAA to make sizeable budget cuts that affect our operations and our future,” Huerta said in written remarks. “Without a predictable funding source, our ability to confidently develop long-range plans is compromised.”

Scovel acknowledged that funding uncertainty jeopardizes both near- and long-term capital investments to build the NextGen system. Such unpredictability “forces us to make tradeoffs” between imperatives like continued maintenance of the existing systems and NextGen improvements, he said.

In response to the sequester-driven cuts, Huerta is working with stakeholders, including industry, to prioritize the timing of NextGen projects. He noted it would be better to focus on doing fewer things, and doing them well, versus the implementa-

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COMINGS & GOINGS

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

ALL HANDS: HIGH FIVES ALL AROUND

At the July 31 all-hands meeting, Cal brought staff up to date on OIG happenings. As with past all-hands, Cal covered the budget. Our fiscal year 2014 budget has yet to be determined, and several uncertainties—such as sequestration and a continuing resolution—will influence our budget level.

For fiscal year 2014, the President's request and Senate mark hover around \$86 million. The House mark is over \$79 million, and that's where we expect we'll be. Based on this amount, Cal presented several scenarios and their implications:

- If there is no CR or sequestration, we will be able to begin hiring again.
- If we continue to operate under a CR and 5 percent sequestration, which is expected, we would still be able to bring on a few staff and avoid furloughs.

While we don't expect sequestration reductions to go above 5 percent, we need to understand how this would impact us if they do. So



Cal provided two additional scenarios to show how our budget would be impacted with sequestration at 7 percent and 10 percent. And the news would not be so good under these scenarios—hiring would remain frozen, and we would likely have to implement some furlough days.

Cal thanked everyone for bearing up under these trying circumstances and for your ideas on how to achieve additional savings.

After running down the latest on our budget, Cal discussed OIG's recent accomplishments, including J-3's lead in outlining sequestration's impact on our operations

and activities, and JM's ongoing efforts to minimize these impacts.

Investigations continued to focus on its four imperative areas: transportation safety, employee integrity, grant and procurement fraud, and workforce and consumer protection. Since February, JI has racked up some impressive numbers: 81 investigations opened, 118 closed, 43 indictments, 32 convictions, and \$70.4 million in fines and recoveries.

Jl also continued to reach out to modal and State partners and the accountability community, providing briefings on fraud awareness and prevention as well as our Computer Crimes Unit's approach for triaging electronic evidence.

On the audit side, we issued 71 reports; testified 5 times; and made a total of 175 recommendations, including financial recommendations totaling over \$294 million.

JA-10 focused on FAA's efforts to modernize terminals and air traffic

(Continued on page 3)

OIG WEEKLY CALENDAR

MON 8/5	TUE 8/6	WED 8/7	THU 8/8	FRI 8/9
	Audit Managers Meeting → Cal: S1, S2 updates, 3:00			
				Cal: RATB Meeting, 1:30

NOTEWORTHY

JDZIEWECZYNSKI@FMPCONSULTING—2013 OIG EMPLOYEE SURVEY

It's not spam! It's an email from our contractor sending you a link to our 2013 OIG employee survey. Periodic surveys help us stay on the right track and better target resources for needed changes and improvements by drilling down on the governmentwide Employee Viewpoint survey. Your participation in the 2013 survey will allow us to identify key strengths and challenges of OIG, while also providing you an opportunity to anonymously voice your thoughts about your work environment.

The survey is being collected and analyzed by Federal Management Partners, an independent consultant, and only overall results and trends will be reported to OIG. Your answers are completely confidential and individual respondents will not be identified. So double check your inbox (or trash) for an email from JDzieweczynski@fmpconsulting.com. The survey takes approximately 30 minutes to complete and will close on August 23.

ANNUAL FEDS FEED FAMILIES CAMPAIGN ENDS THIS MONTH

In the past 4 years, Federal employees have donated over 15 million pounds of food through the national Feds Feed Families campaign. USDA, in partnership with the Chief Human Capital Officers Council, is leading this year's effort to gather 2 million pounds of food this summer from Federal employees for the Capital Area Food Bank to distribute throughout our region. The Capital Area Food Bank serves nearly half a million people each year through 700 nonprofit partners.



We need your donations! So far, OIG has collected just over 100 pounds of food. Please put non-perishable food, hygiene items, paper products, and cleaning supplies in one of the Capital Area Food Bank collection boxes in HQ located near the West Elevator Lobby and in the pantries. Pet food and school supplies are also accepted. The final collection box pick-up is scheduled for August 23.

Field activities are welcome to participate in this effort. Contact Sharon Oby at 202-366-1495 or sharon.oby@oig.dot.gov for assistance in setting up a local food drive. To learn more, visit www.FedsFeedFamilies.gov.

NOTEWORTHY

(Continued from page 1)

control, implement a risk-based approach for repair station oversight, and track and mitigate air traffic losses of separation.

JA- 20 has been working with other agencies to develop governmentwide information security metrics, which OIGs will use in conducting fiscal 2014 information security program audits.

JA-40 is matrixing with JA-20 and JA-60 on oversight of Hurricane Sandy relief, and is in the process of addressing a sweeping new request from Congress to look at bridge safety in the wake of the Washington State bridge collapse.

JA-50 issued audit reports on Amtrak's Cost Accounting System and on FRA's Implementation of the Rail Safety Improvement Act. Both reports had significant impact and were issued at or near OIG's 10-month goal!

JA-60's report on DOT's DBE Program received a lot of Department and media attention. JA-60 staff also provided outreach and training within OIG and the larger Federal accountability community, including chairing FAEC's 1-day Procurement Audit Training Conference.

Cal then focused on quality assurance, continuous improvement, and staff development.

Lou plans to issue more memos on new guidance that result from the work of the Process Standardization Workgroup. In May, Lou issued two such memos on new templates for announcement letters, draft and final reports, and general correspondence.

Regarding delays in agency responses, Cal noted that we're working with the Department and trying to find the best approach on how to minimize—if not eliminate—delays.

J-3 is working with JA and JI to revise our audit and investigative DOT orders to have them reflect current OIG practices.

OIG's Office of Quality Assurance Reviews and Internal Affairs has set the stage for successful peer reviews. Most recently, JA received a peer review rating of pass (the highest rating) from DOD.

Although budget constraints have curtailed training, Cal remains committed to investing in staff and hopes to start a pilot Job Shadow Program early 2014. The program will have two components: executive job shadowing, and peer job shadowing.

After a summer hiatus, leadership brown bags and exchanges, which are part of our mentoring program, will start back up. We also plan to offer short workshops on staff-requested topics and led by staff with special skills in those areas. Workshops might include interviewing techniques and how to scope an audit.

To keep the momentum of our Speakers' Series going, Cal challenged the AIGs, Lou, Tim, Brian, and Susan to solicit input from staff and identify good candidates that we can bring in.

Cal confirmed that by January, staff located at Third Street will be moving into the Headquarters building, as our rent at Third Street was going to double.

Cal also announced OIG's 2013 survey, which was sent out on Monday morning.

Cal wrapped up the all hands with a reminder of why our work is important, and how it can take an unexpected turn—as was the case for JRI-1 when investigators volunteered to help out with the Boston Marathon bombing investigation.

NOTEWORTHY

HUMAN-POWERED HELICOPTER WINS ELUSIVE SIKORSKY PRIZE

After more than 30 years, the Sikorsky Prize has a champion: Aerovelo's human-powered helo, Atlas. The rules of the Igor I. Sikorsky Human Powered Helicopter Challenge, established in 1980, specify that the craft must fly for 60 seconds, rise to an altitude of at least 3 meters (about 10 feet), and remain within a horizontal area no bigger than 10 meters by 10 meters (33 feet by 33 feet). The actual flight lasted 64 seconds and reached an altitude of 3.3 meters.

Aerovelo, an aeronautical engineering startup founded by Canadians Todd Reichert and Cameron Robertson, announced on July 11 that the Federation d'Aviation Internationale (FAI)—the governing body of international aeronautical prizes—certified the flight that Reichert piloted on June 13 met the qualifications for the \$250,000 prize.

The prize-winning flight came at the end of 5 days of test flights, after which the space would have to be vacated for an evening soccer practice. On two earlier flights, Reichert piloted Atlas to heights of 2 meters and 2.5 meters. Reichert managed to squeeze in one last flight before the team would have to vacate the stadium. Within 10 seconds a horn sounded signaling that he had exceeded the 3-meter mark.

At that point, Reichert knew that the challenge was to keep supplying enough power through his legs to keep the craft from descending too quickly. On two previous flights, Reichert had descended too abruptly and fallen afoul of a phenomenon called vortex ring state, in which a helicopter essentially gets sucked down by its own downwash. Both times Atlas had been wrecked. This time, Reichert spent the balance of the flight easing the craft down gently to the ground.

To see this historic flight, go to <http://www.youtube.com/watch?v=LEPrYsN1wY>.

OIG IN THE NEWS

FEDS INVESTIGATING TAX-FUNDED PITTSBURGH PROJECTS*wpxi.com*

July 22, 2013

Federal auditors and a congressional committee are investigating taxpayer-funded transportation and parks projects in Pittsburgh and other Pennsylvania cities.

At the end of the review, the state may be ordered to repay some or all of the \$6.1 million in question, federal stimulus dollars to jump-start the economy during the Great Recession.

Auditors from the U.S. Department of Transportation are probing whether the state properly spent the money.

The projects include more than \$450,000 for renovating Southside Riverfront Park, landscaping in front of the Lawrence Convention Center and money to replace two Pittsburgh bridges, according to internal federal documents.

Pennsylvania's Department of Transportation, PennDOT, says the stimulus funds were not misspent and that incomplete forms are what prompted the federal audit.

"It simply means the auditors were unsure about the validity of the costs," Federal Highway Administration spokesman Neil Gaffney said in an emailed statement. "Historically ... only 10 percent of these questioned costs have merit and require actual recovery of federal funds."

Pennsylvania may also have to answer inquiries about the money from the powerful oversight committee in the U.S. House of Representatives.

The money given to Pennsylvania was on a list of almost \$5 billion in potentially refundable projects given to the committee by the Transportation Department's inspector general last month.

DOT EMPLOYEES MADE \$58 MILLION IN IMPROPER PURCHASE CARD CHARGES, IG SAYS*Fierce Government*

July 31, 2013

Nearly a quarter of all Transportation Department employee purchase card transactions in fiscal 2010 and 2011 did not comply with DOT rules for employee spending, a departmental inspector general report says.

Offenses ranged from not receiving approval prior to card use, receiving approval for purchases from officials that were not authorized to approve the purchases and not verifying fund availability prior to purchases.

In the sample, about \$93,000 in improper charges were made due to not getting preapproval for a purchase. About \$65,000 came from the wrong person approving the purchase. And \$47,000 came from purchases made without checking if the funds were available, the report says.

The report also found that Federal Aviation Administration employees did not always enter the property they acquired with purchase cards into the DOT tracking system in accordance with policy. About 32 percent of the property we reviewed was either not promptly recorded or not recorded at all, the report says.

Based on statistical sampling, the DOT IG estimated that around \$246,000 of \$878,000 worth of Dell computers purchased by cardholders in fiscal 2010 and 2010, were not recorded in the inventory system within 30 days of receipt, as required by FAA property policy.

The auditors also reviewed the purchase of 525 digital cameras and found that more than 350 were not recorded in FAA's property system, the report says.

DOT AND FAA: BUDGET CUTS COULD STYMIE NEXTGEN*AIRNonline*

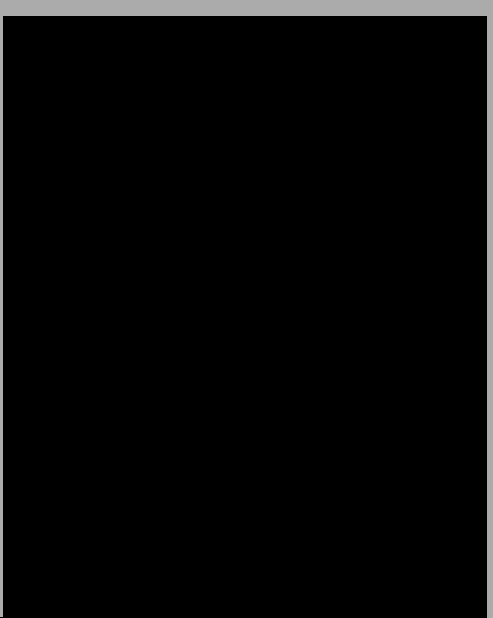
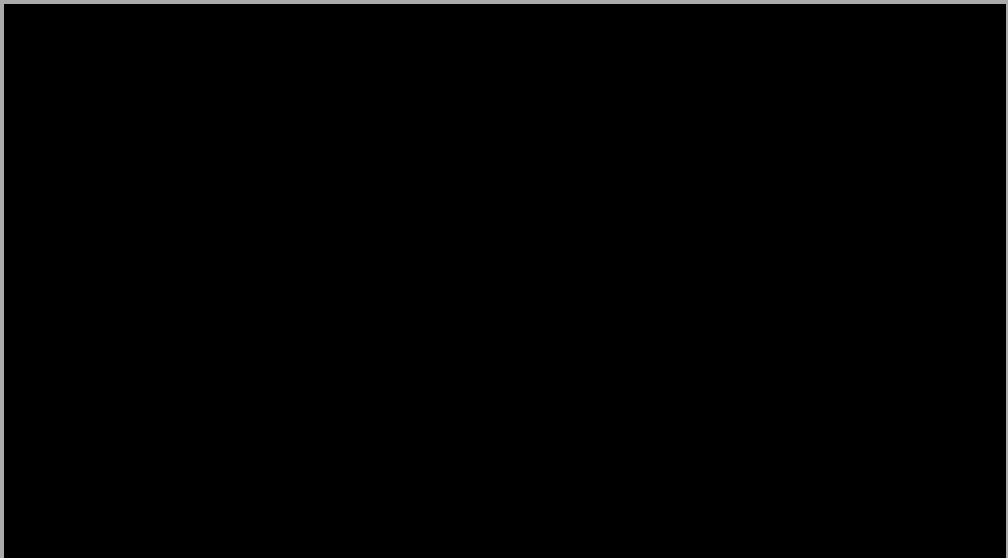
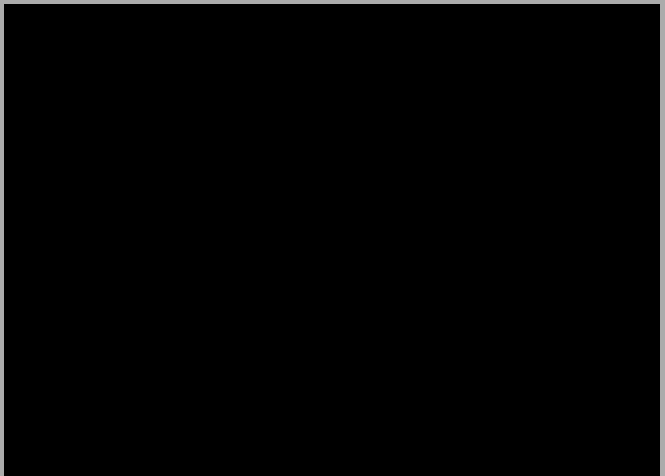
August 1, 2013

The FAA's NextGen ATC modernization program faces long-term technical risks and still uncertain acceptance by airspace users. But after a decade in development, NextGen could be stalled by a nearer-term threat: substantially reduced funding from Congress. In June, the House appropriations committee released transportation funding legislation for Fiscal Year 2014 that would reduce the FAA's capital funding account, which supports NextGen programs, to its lowest level since 2000.

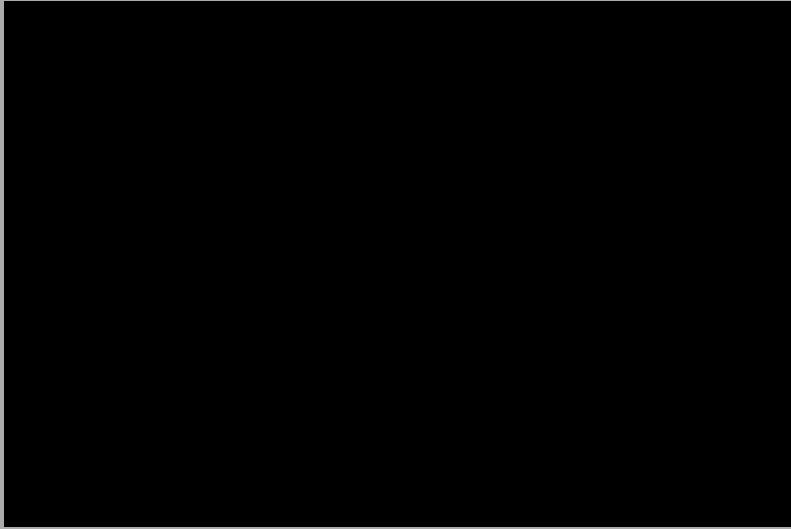
[At] a House aviation subcommittee hearing on July 17, [Rep. Rick Larsen] asked Department of Transportation Inspector General Calvin Scovel and FAA Administrator Michael Huerta to comment on the potential impact of the proposed legislation on NextGen. "Our understanding is that at those funding levels, the agency would be required to constrain its efforts greatly in regard to NextGen and, in fact, would have to devote all of its attention and much of its funding permitted by Congress to simply sustaining the current system," Scovel said. Huerta concurred.

The funding issue distracted from the DOT IG's latest report on NextGen's progress, which found that the FAA is falling short of expectations for the program due to "several underlying programmatic and organizational weaknesses."

"NextGen's success depends in part on obtaining buy-in from key stakeholders, particularly airspace users, who elect to purchase and install costly NextGen avionics in their aircraft to achieve NextGen capabilities," the IG said. "Without widespread equipage, the FAA will be unable to markedly increase capacity or save fuel through NextGen systems."



LAST PAGE



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WHAT'S YOUR BEST SUMMER SHOT?



We plan to print your best summer photos on August 19—2 weeks from today. While we originally asked for your best summer vacation shot, we've gotten some other interesting summer photos to share.

Please submit one photo with a brief caption to karen.sloan@oig.dot.gov by cob Wednesday, August 14.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

JA MANAGERS: BACK TO THE FUTURE

The 2013 Audit Managers' Meeting—held at SIGTARP space downtown—took us back to the future. Specifically, we got back to the basics, reemphasizing some of the most important tenants of our work, such as quality, controls, and timeliness.

Throughout the week, we learned about Yellow Book updates, courtesy of a GAO expert; discussed improvements to our independence processes, led by Marshall Anderson; and brainstormed opportunities to expand alternative reporting strategies. We also received a thorough rundown of our recent peer review, which earned us a “pass” rating, from our trusted QAR stewards Len Meade and Alan Reid, who also provided tips on how we can further strengthen our processes moving forward.

In *Back to the Future*, Doc asks Marty, “Why are things so heavy in the future?” Indeed, the

amount of legal, regulatory, and management information one must know to navigate the future and avoid pitfalls was at times heavy. But thanks to Omer Poirier



and Nick “200 words a minute” Coates, who provided training on litigation and workpapers; Amy Berks and Seth Kaufman, who discussed issues concerning access and cooperation; Ann, who presented strategies for performance management; and Deb and Ben Alexander, who conducted training on tracking, monitoring, and assessing performance, we made it through the dense matter.

Also thanks to Jeff Guzetti—or should we say Jeff *Trebek*—we

had plenty of opportunities to keep it light. Each morning started with a rousing rendition of JA-Jeopardy, challenging contestants’ (and sometimes the host’s)

knowledge of OIG’s audit policies and key personnel. This year’s format included two preliminary rounds and a final. JA-60’s Aisha Evans won the title beating out Lisette Mercado (JA-20) and OIG’s chief cheerleader, Scott Macey (JA-10).

While none of the presenters built a time machine out of a DeLorean, several *did* transport us to the possibilities of the future, with presentations on how to use available technological resources to maximize audit efficiency. JA-50’s Keith Klindworth and Kevin Sanders were among the most popular presenters of the week, discussing how audit teams can use Sharepoint to complement Team-mate. Keith described how his

(Continued on page 3)

OIG WEEKLY CALENDAR

MON 8/19	TUE 8/20	WED 8/21	THU 8/22	FRI 8/23
	Cal: CIGIE, 10:00 Cal: S1/S2, 4:00			Last day to complete OIG Employee Survey

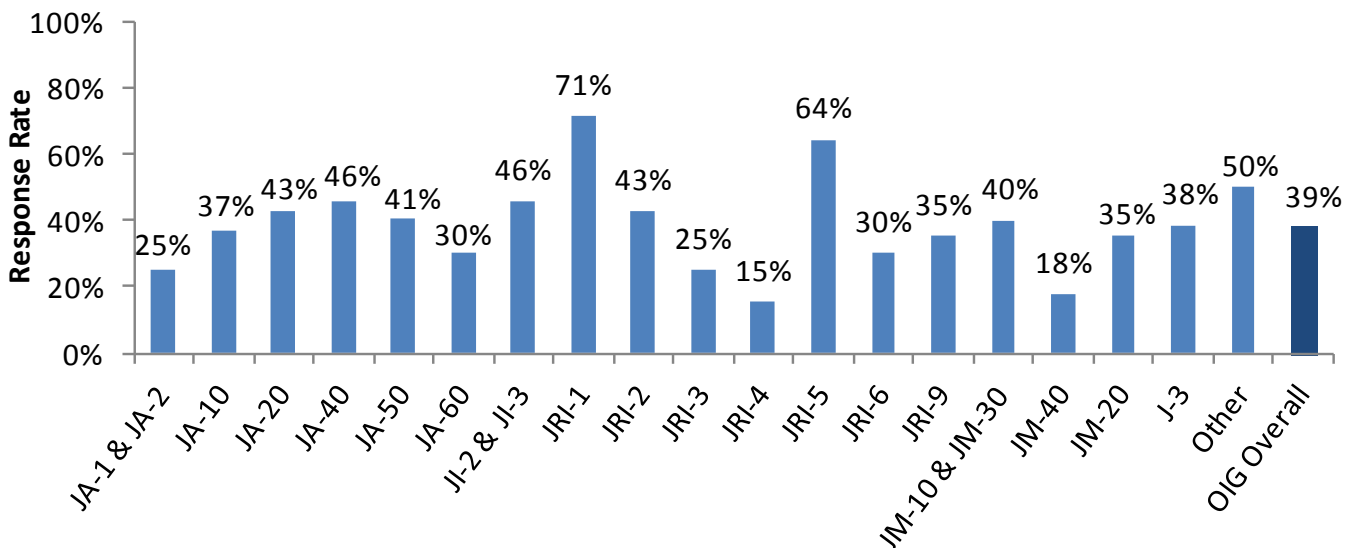
NOTEWORTHY

2013 OIG EMPLOYEE SURVEY UPDATE AND REMINDER: 1 WEEK LEFT!

The 2013 OIG Employee Survey, which opened a couple weeks ago, will close this Friday. A total of 154 employees (39 percent) have participated in the survey thus far. Thank you very much to all who have participated thus far. If you have not yet completed the survey and plan to do so, you have until Friday, August 23.

This anonymous survey takes less than 30 minutes to complete and will provide leadership with information for improving OIG's work environment. Particularly if you work in an organization that has had a low response rate so far (see chart below), please consider taking the survey to ensure your organization's strengths and challenges are represented in the overall OIG results.

Your opinion matters! The results and feedback from the survey will have a direct impact on action plans for individual units and OIG overall. If you have any questions about the survey, please contact Jessica Dziejewczynski at jdziejewczynski@fmpconsulting.com.

Response Rate by Organization

NOTEWORTHY

(Continued from page 1)

current audit team uses its site to collaborate across regions and how his manager uses a blog to communicate with the team. Kevin displayed time tracking tools his audit team created to determine compliance with milestones. By the end of the week, Lou was interested in learning about how she could set up her own blog! Amanda Barton, our most technically adept manager, further explained the new Team-Mate suite's capabilities.

The week always offers the chance to hear from senior leaders across OIG regarding their plans and vision for the future, as well as thoughtful reflection on

where we've been as an organization. From Susan Dailey and Angie Thorpe to Brian Dettlebach and Michelle McVicker, we learned about JM and JI's recent and ongoing initiatives.

Our Senior Executives rounded out the week describing accomplishments from the previous year and how they see the OIG evolving to address resource constraints in the coming fiscal year. Lou, Ann, and Cal continued to remind us that despite the challenges that remain ahead, we are fortunate to be in a forward-thinking organization that has not only *planned* for the future—we have *operated* as if the future is upon us NOW.

Their continuous leadership throughout the week—along with that of our entire management team—wraps us up with perhaps the most appropriate *Back to the Future* reference of them all. In Part III, Marty says, “Hey Doc, where you going? Back to the future?” Doc replies, “Nope, already been there.” Though the theme of our meeting this year was back to the future, after a week of learning and sharing, it's quite clear to us: We're fortunate to be working in an organization that has been not only planning for but living in the future for some time.

— Amanda Seese, Brendan Culley,
JA-50

FEDS FEED FAMILIES DRIVE ENDS THIS FRIDAY! DON'T PANIC, WE'RE HERE TO HELP

Can't find the time to go to the grocery store and pick something up for the Feds Feed Families campaign? Can't swing the logistics to bring those food items into the office? Too much to carry on the Metro?

Look no further, a small group of volunteers has offered to help. Reach out to one of the volunteers listed below by Wednesday, August 21!

Collections for Feds Feed Families will end Friday, August 23! If you've already donated items, thank you! If not, we'd be happy to help!

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VOLUNTEERS

- Sharon Oby, JM-10, W71-314, 6-1495
- Amy Berks, J-3, W73-321, 6-7165
- Ricky Bostian, JI-2, W73-491, 6-0339
- Jennifer Hoffman, JA-10, W76-474, 6-4130

NOTEWORTHY

JA-40'S INTREPID MAJOR PROJECTS TEAM FACES BIG BERTHA

JA-40s intrepid major projects team recently headed out to Seattle to review FHWA's oversight of the Alaskan Way Viaduct Tunnel Replacement project. This multi-billion dollar project is digging the largest single bore tunnel (57 feet in diameter with stacked lanes) in the world right underneath the city. Big Bertha, as she is affectionately called, will bore 36 feet a day beneath historic buildings and roads while allowing existing traffic to continue to use the viaduct. This project, which is slated for completion in 2016, will completely transform Seattle's central waterfront, reuniting it with the rest of the city.

Together our team—Tony Zakel, Peter Babachicos, Anne-Marie Joseph, and Kristi-Jo Preston—took



Big Bertha before boring



Big Bertha while boring

and dirt kick up into the air as the bore began her slow but steady revolutions into the ground.

When we weren't asking the auditees difficult questions, the team could be found at one of Seattle's many fine seafood restaurants in relentless search of the city's best salmon. And Tony and Peter took advantage of our time in Seattle by cross-matrixing with Darren Murphy and Chuck Ward at the Seattle Field Office.

By the end of the week we were happy to return to home base, but we all left a little envious of the Seattle Office. Well, at least when it's not raining.

— Kristi-Jo Preston, JA-40, Cambridge



Tony Zakel at the project site.

on "unenviable" task of spending a week in Seattle when it doesn't rain. With laptops, notebooks, and pens in hand, we conducted hours of meetings and made seemingly countless document requests. But before all was said and done, the project team took us to the construction site where we got to see Big Bertha during her second day of tunneling! The entire project site was excited to see the clay



Kristi-Jo Preston and Peter Babachicos at the project site

OIG IN THE NEWS

ALASKA'S HARBOR OF WASTE...PORT PROJECT BEHIND SCHEDULE, BADLY OVER BUDGET

The Washington Times
August 6, 2013

What happens when your project drags on eight years after its deadline and costs nearly five times its original budget? If you're the Transportation Department's Maritime Administration (MARAD), you get rewarded with more projects.

[A] modernization project for the Port of Anchorage in Alaska, which was begun in 2003...is still unfinished and has ballooned in cost from its original \$211 million tab to more than \$1 billion.

"There have been significant setbacks, including construction problems and schedule delays," the Transportation Department's inspector general wrote in a report.

Now, the department's internal watchdog is worried that similar problems could plague two other MARAD projects: ports in Hawaii and Guam.

"Until MARAD strengthens its planning, oversight and contracting processes, ongoing and future port projects will continue to be at risk of cost overruns

and schedule delays," the inspector general said.

The problem, investigators say, is that MARAD largely washed its hands of the construction, relying instead on local authorities to complete the work. For instance, MARAD officials at the Anchorage project didn't have a method to track ongoing work and spending, and were unable to tell investigators just how much money had been given to contractors.

The lead contractor for the project, Integrated Concepts and Research Corp., wound up suing the government for delayed work and shifting contract requirements. MARAD settled the case, costing taxpayers \$11.3 million more.

Paul Jaenichen, the acting maritime administrator, agreed with the inspector general's findings and said there were problems with the port's modernization. But, he said, the agency is making major changes to make sure such waste doesn't happen again.

Investigators agreed that MARAD was starting to change and implementing new practices, but said that until port

infrastructure program is in place, the potential for waste remains high.

The inspector general noted that it took the agency seven years to develop a risk-management approach to the Anchorage port, a common business practice to plan for the unforeseen and to mitigate emergencies. Meanwhile, the project in Hawaii, started in 2005, still doesn't have a risk-management plan.

Other stakeholders that would benefit from the port, such as the state of Alaska, were also expected to pitch in funds for the port, but MARAD officials failed to get written agreements from them, the inspector general said. The stakeholders did pay, but investigators said a lack of written agreements was an unnecessary risk.

Now attention has shifted to whether similar mismanagement will occur at the agency's other projects in Hawaii and Guam. The \$117 port modernization in Guam is considered especially important because of a planned relocation of U.S. Marine Corps forces from Japan to the island territory.

The president's budget proposal for the 2014 fiscal year is requesting \$365 million for MARAD. The office also oversaw more than \$100 million in Recovery Act funds to help improve the nation's infrastructure and create jobs. It also receives some money from its fellow federal agencies.

"To date, MARAD has received over \$263 million in federal funding for port infrastructure development projects from agencies such as the Department of Defense, the Federal Transit Administration and the Federal Highway Administration," the inspector general noted.

Management team of MARAD OIG's ports audit proudly shows off the front page, above the fold article in *The Washington Times*



OIG IN THE NEWS

AUDIT OUTLINES ANCHORAGE PORT EXPANSION PROBLEMS*The Associated Press***August 9, 2013**

The federal agency that agreed to manage expansion of the Port of Anchorage did not provide effective oversight of the project whose costs have more than quadrupled, according to a U.S. Department of Transportation [inspector general] review.

Anchorage Mayor Dan Sullivan laid the blame for port problems on the federal agency rather than port officials who once suggested the port could be expanded for under \$300 million.

The audit, however, suggests problems beyond the agency...which signed an agreement with former Mayor George Wuerch to oversee port expansion in March 2003. Ineffective management led to construction problems, schedule delays, and cost growth, the audit said.

Between 2003 and 2011, the project's cost grew from \$211 million to \$1 billion. A possible completion date is not known.

"According to MARAD officials, the Port estimated the project costs and deliberately underreported them to ensure that funding for the project would be approved," the audit said.

MARAD acknowledged that it "abdicated programmatic and technical control to local port officials" and said its role was to control federal earmark money.

Port officials, including the director, former Gov. Bill Sheffield, advocated an unconventional, patented design called Open Cell Sheet Pile.

MARAD allowed the technology without justification, the audit concluded. PND Engineers Inc., which owns the patents, was the only company to bid on design work.

SULLIVAN: ANCHORAGE TO DIRECTLY HIRE PORT EXPANSION CONTRACTORS*ktuu.com***August 9, 2013**

Anchorage Mayor Dan Sullivan says the city will take over the hiring process for contractors to resume a troubled Port of Anchorage expansion project, blaming its problems on a federal agency.

"MARAD did not establish effective oversight mechanisms when it initiated its port responsibilities," said the Mayor.

Sullivan said the city has put out requests for proposals on the project. The move follows an audit of the U.S. Department of Transportation's Maritime Administration, which managed the expansion project beginning in 2003, by the department's Office of Inspector General.

"MARAD did not effectively manage its port project contracts," OIG officials wrote in the audit. "Between 2003 and 2011, the Port of Anchorage project's cost estimate grew over four and a half times from \$211 to \$1 billion, with scheduled completion slipping 8 years."

According to OIG, MARAD's leadership exhibited several specific deficiencies.

"We found that the Port of Anchorage project also had significant contracting problems stemming from MARAD's inadequate planning, lack of reliable cost estimates, and noncompliance with Federal contracting requirements when awarding and administering the port contracts," OIG officials wrote.

In a Friday statement, MARAD called the Anchorage project's management inconsistent with its current policy, which has changed since it initially oversaw the port expansion.

AUDIT: FEDERAL MARAD MISMANAGED PORT EXPANSION PROJECT*KTVA CBS 11***August 10, 2013**

Taxpayers have sunk millions of dollars and a decade of work into the city's port expansion project. With the end nowhere in sight, Mayor Dan Sullivan on Friday pointed to a new audit that lays the blame on the federal Maritime Administration, or MARAD.

The federal Department of Transportation released the audit a week ago. At a press conference...Sullivan said the audit proves MARAD is the reason the project has been mismanaged, over-budget, and behind deadline.

When asked if the port itself was blameless, Sullivan said the responsibility is on the group managing the project; in this case, MARAD.

Not everyone agreed that the city was blameless. "Pretending that we the city had no part in the failures of this project is disingenuous," said Anchorage Assemblyman Patrick Flynn.

"[The audit] points out that, unfortunately, some municipal officials appear to have been complicit in directing some work to the firm that was ill equipped, from an agency that didn't really understand what it was doing," Flynn said.

Flynn's referring to violations by MARAD that steered contracts to preferred firms. The audit found the initial contract for the port project was awarded to Koniag Services Inc., a subsidiary of an Alaska Native corporation, [was awarded] without competition. The contract was eventually handed to Integrated Concepts & Research Corp., which did not meet the requirements for no-bid contracting.

PEOPLE WE KNOW

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COMINGS & GOINGS

There are no comings and goings this week.

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August 26, 2013

INSPECTOR

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OIG WEEKLY CALENDAR

MON 8/26	TUE 8/27	WED 8/28	THU 8/29	FRI 8/30
	<p>Effectively Managing the Writing Process, 8:30-4:00, 3rd Street</p> <p>Dan Burd's wedding celebration, noon, W71-101</p>			

NOTEWORTHY

TRAINING: EFFECTIVELY MANAGING THE WRITING PROCESS

OIG is offering a session of this course tomorrow for GS-15s and below. The 1-day course offers practical advice on how to develop clear and concise messages for audit reports by focusing on:

- Key report components: Intro, RIB, background, findings, conclusions, and recommendations.
- The elements of a finding—condition, criteria, cause, and effect.
- The effective use of graphics.
- Common writing mistakes and how to avoid them.
- How to review draft reports.

Dan Raville and Andrea Nossaman will lead the course and encourage participants to engage in some lively exercises and discussion.

OOPS...

Sometimes quick turnaround reporting results in some interesting mistakes. That was the case with Avionics Magazine's upcoming article on NextGen, which stated, *"The initial problems came to light in Congressional testimony in November 2011 by the U.S. Department of Transportation's Government Accountability Office and, separately, by the DoT Inspector General."* The article is excerpted on page 4 under OIG in the News.



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NOTEWORTHY

NEWS ARTICLE SUMS UP BRIDGE WORK AHEAD FOR JA-40

The following excerpts "Audits Target FHWA's Bridge Programs," an article that appeared in, of all places, *PaintSquare* last Friday. The article highlights our past, present, and future bridge work.

Bridge safety across the United States is getting renewed federal attention with a series of audits aimed at examining the Federal Highway Administration's management of measures to ensure bridge safety.

The initial audit, in a planned series of audits, will assess FHWA's actions in response to deficiencies identified in three prior reports that recommended improvements to the FHWA's oversight of bridge programs, as well as bridge safety provisions in Moving Ahead for Progress in the 21st Century (MAP-21), the Office of Inspector General announced.

The audit was requested by Rep. Nick Rahall (D-WV), the ranking member of the House Committee on Transportation and Infrastructure, after a bridge over the Skagit River in Washington collapsed in May.



"Thousands of bridges across the country are carrying loads that they were not designed to accommodate and are in use well beyond their life expectancy," Rahall said.

'Renewed Attention' to Bridge Safety

The four-lane bridge collapsed into the Skagit River on May 23 after an 18-wheeler carrying an oversized load collided with the overhead structure of the bridge. No fatalities were reported, but the collapse "brought renewed attention

to the safety and conditions of the Nation's bridges," the OIG said.

Between 2006 and 2010, the OIG issued three reports on FHWA's bridge oversight; these reports will be the target of the new audit.

[T]he previous reports found that:

- "Inaccurate or outdated maximum weight limit calculations and posting entries were recorded in bridge databases of the state transportation departments and in the National Bridge Inventory";
- FHWA made "limited progress implementing data-driven, risk-based bridge oversight" and "did not incorporate routinely a systematic data-driven approach to identifying, prioritizing, and remediating nationwide bridge safety risks in coordination with states"; and
- "FHWA lacks sufficient data to evaluate states' use of [Highway Bridge Program] HBP funds because the agency is unable to link expenditures of HBP funds to improvements made to deficient bridges."



MAP-21, the second focus of the initial audit, was the first long-term highway authorization enacted since 2005. Presi-

dent Barack Obama signed it into law in July 2012, giving over \$105 billion to funding surface transportation programs for fiscal years 2013 and 2014.

MAP-21 is intended to create a streamlined and performance-based surface transportation program.

Summer of Infrastructure Bills

In June, Rahall introduced the Strengthen and Fortify Existing (SAFE) Bridges Act to provide dedicated funding for states "to start to reduce the backlog of more than 150,000 bridges...that have reached or are nearing the end of their expected lifespan."

In May, Sen. Rand Paul (R-KY) proposed a bill to fix deteriorating roads and bridges by using tax dividends from overseas corporations with shareholders in the U.S. The bill, S.911, "A bill to establish an emergency transportation safety fund, and for other purposes," has not made any progress since it was introduced.

Meanwhile, two versions of the "Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2014," has seen little action this month. The House decided on July 30 to leave their version of the bill, H.R. 2610, "as unfinished business." The Senate's last action on their version, S.1243, was a decision not to invoke cloture on the measure by a yeay-nay vote of 54-43.

Last month, the White House showed strong opposition to the House version of THUD, stating that if the bill was presented to President Obama, his senior advisors would recommend that he veto it.

OIG IN THE NEWS

IG SLAMS DOT FOR OVERUSE OF RISKY CONTRACTS

Federal Computer Week

August 20, 2013

The Transportation Department relies too heavily on cost-reimbursement contracts and needs more high-level input to guide it away from using those riskier vehicles, according to a report from the DOT inspector general.

The White House [has] been urging federal agencies to reduce the use of potentially more expensive cost-reimbursement contracts in which a contractor is paid for all of its allowed expenses up to a set limit, plus additional payment to allow for a profit.

In response to the report, DOT officials said the agency is applying more “rigor” to its procurement practices. But they also defended the use of the contracts in some instances in which the outcome can be uncertain.

Despite a growing emphasis on reducing the use of cost-reimbursement contracts, DOT’s IG said in the Aug. 5 report that...from fiscal 2009 to fiscal 2012, DOT’s obligations under cost-reimbursement contracts rose from \$322 million to \$506 million, or from 18 percent to 22 percent of all DOT contracts.

The dollar amounts of DOT cost-reimbursement contracts are so high, ranging into the hundreds of millions, the IG said even “minimal steps” toward improving the use and management of the contracts could produce substantial savings.

The IG concluded that...six agencies did not fully comply with revised Federal Acquisition Regulation (FAR) requirements and attributed the noncompliance to a lack of internal guidance and oversight from DOT’s Office of the Senior Procurement Executive.

THE ROAD TO NEXTGEN

Avionics Today

September 1, 2013

Despite glitches to some programs and the ongoing threat of budget cuts from sequestration, NextGen is proceeding in stages toward its full implementation around 2025.

However, the challenges are many for this multi-billion-dollar program. Department of Transportation Inspector General (DoT IG) Calvin Scovel III testified before a House committee in July that the lack of an executable plan and unresolved critical design decisions are delaying the advancement of NextGen.

“While FAA has taken important steps to improve NextGen’s management, such as establishing a new program management office, the agency had made little progress in shifting from planning to implementation and delivering benefits to airspace users,” Scovel testified.

“Despite recent progress with ERAM, considerable work remains to complete the effort in 2014 as planned,” DoT Inspector General Scovel testified in July. He added as the program is deployed to the nation’s busiest airports, namely those in New York and Washington, is expected to identify new programs that could impact cost and schedule.

According to Scovel, FAA is currently spending about \$12 million a month on the ERAM contract. “If the current contract burn rate does not decline significantly, the agency will need additional funds to complete this stage of the program,” he added.

Earlier this year, DOT IG’s office said FAA faces significant cost, schedule and technical risks to modernize these facilities. Specifically, FAA has yet to identify and finalize all software and hardware requirements that are needed to fully replace the existing automation system.

REDDING WOMAN ACCUSED OF FALSIFYING DRIVERS’ DRUG TEST RESULTS

Sacramento Bee

August 22, 2013

A federal grand jury in Sacramento has returned a 25-count indictment, accusing a Redding woman of falsifying commercial drivers’ drug test results.

Demetri Dearth, 56, is charged with mail fraud and false statements to a government agency, according to a federal Department of Justice news release.

According to the indictment, Dearth was the owner and operator of Advanced Substance Abuse Programs based in Redding. Dearth purported to assist employers of commercial drivers in complying with federal Department of Transportation regulations requiring pre-employment and random drug test of commercial drivers.

Instead of sending specimens collected from drivers to laboratories and doctors for testing and review, Dearth allegedly created false and fraudulent documents purportedly signed by doctors indicating that the drug tests had come back negative, according to the indictment. Dearth then billed her clients for these tests.

“Department of Transportation regulations requiring that commercial drivers be tested for drugs are in place to keep our roads and highways safe,” U.S. Attorney Benjamin B. Wagner said in a written statement. “We will prosecute those who put public safety at risk by disregarding these regulations for their own personal gain.”

The case is the result of an investigation by the U.S. Department of Transportation—Office of Inspector General.

PEOPLE WE KNOW

(b)(6)

The Inspector is on holiday next week!

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September 9, 2013

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL



As mentioned at the last OIG All Hands, our Washington, DC, field staff will be relocating to DOT Headquarters. Originally, we thought this would happen around the end of the year, but we've moved things up a little and expect staff to be moved this month on the following dates:

- **HRDC (JM-20):** Monday, September 16
- **CCU (JI-2):** Tuesday, September 17
- **JRI-3:** Wednesday, September 18

JM-10 will email the new room and phone numbers for these staff soon. DOT and OIG directories will be updated on September 13, 2013.

Welcome back!

OIG WEEKLY CALENDAR

MON 9/9	TUE 9/10	WED 9/11	THU 9/12	FRI 9/13
	COP: NTSB Safety Panel Discussion, 1-2. Media Center OIG Employee Survey Closes			Cal: RATB meeting, 1:30

NOTEWORTHY

OIG EMPLOYEE SURVEY ENDS TOMORROW!

OIG extended its employee survey deadline to **September 10**. We had an outstanding response rate of 87 percent on our last OIG Employee Survey in 2010, and we hope we can reach or exceed that response rate this year.

The survey takes less than 30 minutes to complete and will help us to continue improving our organization. Your responses are confidential. If you have questions or if you encounter issues with the survey, do not hesitate to contact Jessica Dzieweczynski at jdzieweczynski@fmpconsulting.com , 703-671-6600 ext 142.

NTSB CROSSCUTTING SAFETY PANEL DISCUSSION TOMORROW AT 1:00

OIG Assistant Inspector General for Aviation Audits, Jeffrey Guzzetti, will moderate a discussion with NTSB's John DeLisi, Office of Aviation Safety Director; Robert Molloy, Office of Highway Safety Report Development Division Chief; and Paul Stancil, Office of Railroad, Pipeline, and Hazardous Materials Investigations Senior Hazardous Materials Investigator on the roles and operations of their offices. Planned discussion topics include NTSB's legal authority, its investigative procedures, report development challenges, recommendation process, and its interactions with other agencies.

Tomorrow's Community of Practice event will be from 1:00 to 2:00 pm EDT in the DOT Media Center and via Webcast; details for linking in will be provided on the day of the event. If you are in HQ, please attend in person in the Media Center to make our guests feel welcomed and ensure we have a lively discussion!



NOTEWORTHY

(b)(6)

OIG IN THE NEWS

QUIET AIR-TRAFFIC TOWERS SHOULD BE CLOSED NIGHTS

Bloomberg News

Aug 29, 2013

The Transportation Department's inspector general said 72 towers and radar rooms don't handle enough flight traffic overnight to stay open. The report, released today, recommended the FAA develop a plan for reducing hours at those facilities and report back within 180 days.

Former Transportation Secretary Ray LaHood ordered a second overnight controller at facilities that had only one on duty after a series of incidents in 2011 in which controllers fell asleep or became unresponsive.

That policy has cost the FAA about \$1.9 million a year, whereas closing the towers at night may save as much as \$11 million annually, the report said.

The report by Jeffrey Guzzetti, assistant inspector general for aviation audits, was ordered by Congress in 2012 to review FAA's fatigue policies a year after the sleeping controller incidents.

Following that controversy and recommendations by the U.S. National Transportation Safety Board, the FAA imposed new rules giving controllers an extra hour off between shifts, from a minimum of 8 hours to 9 hours.

It isn't clear whether the new schedules are helping because FAA doesn't have a way to measure improvements, the report said.

Unlike adding the controller at some facilities, increasing the time between shifts had almost no effect on costs, the review found.

Another policy to reduce fatigue, which implicitly allows napping during midnight shifts, isn't clearly defined, the IG said.

DRUG-TEST LAB OWNER CHARGED WITH FALSIFYING DRIVER RESULTS

Fleet Owner

August 30, 2013

The owner of a California-based drug testing facility has been indicted by a federal grand jury and charged with 25 counts of mail fraud and making false statements to a government agency in conjunction with truck-driver drug testing programs, according to the United States Attorney's Office for the Eastern District of California.

The indictment charges that...Demetri Dearth—56, owner and operator of Advanced Substance Abuse Programs (ASAP) based in Redding, CA—created false and fraudulent documents purportedly signed by doctors indicating that the drug tests had come back negative. Dearth then billed her clients for the tests.

If convicted of mail fraud, Dearth faces a maximum statutory penalty of 20 years in prison and a \$250,000 fine.

The maximum statutory penalty for false statements to a government agency is five years in prison and a \$250,000 fine.

"This indictment demonstrates USDOT's commitment to ensuring both public safety and the integrity of the Department's regulations requiring pre-employment and random drug testing," said William Swallow, USDOT Office of Inspector General Regional Special Agent-In-Charge.

"Working with our law enforcement and prosecutorial colleagues, we will continue our efforts to prevent, detect, and prosecute attempts to circumvent USDOT regulations," he added.

The charges resulted from an investigation by the U.S. Department of Transportation's Office of Inspector General.

FAA NEEDS TO IMPROVE AIR TRAFFIC CONTROLLER FACILITY TRAINING, SAYS IG

Fierce Government

September 4, 2013

Until the Federal Aviation Administration implements a plethora of recommendations and establishes completion timeframes for its air traffic controller training program, the FAA will continue to face significant challenges such as high training time and costs, says a Transportation Department Inspector General audit report.

Almost 2 years ago an Independent Review Panel made 49 recommendations that "could significantly improve the controller hiring and training processes," but auditors say the FAA has yet to implement any of them or establish completion timeframes. The average training time for new controllers rose by 41 percent over the past few years.

Between now and fiscal year 2021, the FAA plans to hire and train more than 11,700 new air traffic controllers—a significant challenge given the fact that new controllers can require more than 3 years of training to become fully certified. Other challenges...include: managing contract training resources, maintaining consistent leadership, measuring the impact of simulators and other training initiatives, and improving staffing composition at complex facilities through controller placement and screening programs.

Of the five IG recommendations, the FAA concurred with three and partially concurred with two. The FAA said it agrees that tracking and monitoring of training initiatives is important, but does not agree that reporting the impact of these initiatives in the Controller Workforce Plan is beneficial. FAA also stated that [it] cannot expand [the Operational Assessment Program] to other facilities due to funding shortfalls and uncertainty with its fiscal year 2014 budget.

OIG IN THE NEWS

TICKET AGENTS FINED FOR CODE-SHARE DISCLOSURE VIOLATIONS

Consumer Affairs
August 30, 2013

Violation of the Transportation Department's (DOTs) rules on disclosure of code-share flights is costing three companies nearly \$200,00.

DOT levied a \$100,000 fine against Liberty Travel and \$40,000 fines against both STA Travel and AAA Mid-Atlantic. In addition, it ordered all three to cease and desist from further violations. The amount of the fines was based on the specific circumstances of the individual cases.

"When passengers buy an airline ticket, they have a right to know which airline will be operating their flight," said U.S. Transportation Secretary Anthony Foxx. "We will continue to make sure that all

companies selling air transportation are transparent with consumers and comply with our code-share disclosure rules."

Seat-selling procedures

Under code-sharing, an airline will sell seats on flights using its designator code but the flights are operated by a separate airline.

Enforcement action is taken based on consumer complaints and DOT's own internal investigations. In this case, the Aviation Enforcement Office made telephone calls to a number of agents this past January and February and inquired about booking certain flights.

During these calls, the reservations agents for all three companies failed to disclose that the flights were being op-

erated under code-share arrangements. They identified only the name of the marketing airline and not the corporate name of the airline operating the flight or any other name under which the flight was marketed.

This violated DOT rules requiring airlines and ticket agents to inform consumers if a flight is operated under a code-share arrangement, as well as disclose the corporate name of the transporting airline and any other name under which the flight is offered to the public.

DOT has now issued four fines for code-sharing violations this year, following a \$60,000 penalty on May 23 against ticket agent JTB USA.

For more stories on the results of our domestic code share audit, see:

<http://www.travelmarketreport.com/articles/DOT-Fines-Agencies-for-Code-Share-Rules-Violations>

http://www.aviationnews.net/?do=headline&news_ID=222686

COMINGS & GOINGS

(b)(6)

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

November 4, 2013

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

Whew!

2015 BUDGET SUPPLEMENT HOUSE HEARING ON FAA CERTIFICATION TOP MANAGEMENT CHALLENGES SEMI-ANNUAL REPORT TEAMTEC TRAINING AERONAUTICAL REPAIR STATION ASSOCIATION'S STRATEGIC LEADERSHIP CONFERENCE FEDERAL INFORMATION SECURITY MANAGEMENT ACT ANNUAL ETHICS TRAINING IDENTITY THEFT SCAM LEADERSHIP DEVELOPMENT EXCHANGE TEAMMATE BEST PRACTICES MANAGEMENT SUPPORT SERVICES CONTRACT SPENDING UPDATED ANNUAL TELEWORK AGREEMENTS

NOTEWORTHY

NOW THAT THE FURLOUGH'S OVER...

Tl's cover this week highlights some of the pressing work OIG faced when the furlough ended. For some projects, staff had to make up for the 16 days of lost work to meet project mandates and other commitments. For the semi-annual report, the furlough cut in half the time JA and JI staff had to crunch data for the second half of fiscal year 2013. But thanks to staff dedication, we gave Secretary Foxx our report on time—an important milestone given that this is our first semi-annual to the new Secretary. The TMC, FISMA, and the Consolidated Financial Statement audit teams are also having to employ unsustainable measures to meet mandates. And then there was the hearing invitation we got on the day we returned to work....

JEFF TESTIFIES ON FAA'S CERTIFICATION PROCESS

Within hours of the furlough being lifted, the House Committee on Transportation and Infrastructure, Subcommittee on Aviation asked OIG to testify on FAA's certification process at its October 30 hearing.

Jeff Guzzetti, AIG for Aviation Audits, took this one on, focusing on FAA's Organization Designation Authorization program, and its certification of new air operators and repair stations. Jeff also discussed how weakness in these areas affect rolling out NextGen capabilities, including integrating unmanned aircraft systems into the NAS. Jeff stressed that effective oversight is critical to ensure that all ODA organizations—which perform certification work on FAA's behalf—are following FAA's established certification policies and procedures.



Jeff also noted that issues with FAA's Flight Standards approval process, resource management, and communication from Headquarters have led to a backlog of more than 1,000 aircraft operators and repair stations awaiting certification. Finally, he warned that a growing demand for certifying NextGen technologies and procedures, as well as FAA's need to certify unmanned aircraft systems, will further add to FAA's certification workload.

MARK YOUR CALENDARS!

November 15: CIGIE Annual Awards Ceremony at 10:00 am EST with Webcast.

December 10: OIG Holiday Party at noon at the Navy Yard.

December 11: Secretary's Awards Ceremony at 1:00 pm EST in the Atrium.

December 12: OIG Awards Ceremony at 1:30 pm EST in the Media Center with Webcast.

December 17: OIG All Hands on Employee Survey results at 1:30 in the Media Center with Webcast.

NOTEWORTHY

ANN KICKS OFF 2014 LEADERSHIP DEVELOPMENT EXCHANGE

On October 23, Ann kicked off the fiscal year 2014 Leadership Development Exchange to solicit ideas and chart a course for the upcoming year. Despite a few technical glitches at the outset, the session generated a great, wide-ranging discussion about a number of important topics, including the budget, the hiring freeze, performance evaluations, and much more. The 2014 Leadership Development Exchange brownbags will launch in November with discussion on the year's first topic.

A big thanks to Ann for organizing the session, and to Cal for embracing such an open format and participating in the kickoff meeting.

— Dan Burd, Analyst, JI-3

ANNUAL ETHICS TRAINING FOR NON-SES

All non-SES employees are required to take ethics training each year. Maintaining a high level of ethical behavior is important to all Federal employees, but particularly OIG employees. Given our oversight role, we may be held to a higher standard.

Non-SES employees will receive an email notification that annual ethics training has been added to their training plan. This year OIG is conducting training via a Web-based training on TMS. Please follow the instructions in your TMS notification. If you have questions, problems accessing the training, or need an accessible version of the training, please contact Sherry Reck in HRDC.

If you have any questions about the content of the training, please contact an ethics official (contact information is listed in the training slides).

— Seth Kaufman, Senior Counsel, J-3

UPDATED TELEWORK AGREEMENTS DUE NOVEMBER 15

OIG's Telework Policy requires all employees to complete or renew telework agreements annually. All employees should have an approved Telework Agreement on file with the Office of Human Resources for emergency preparedness planning purposes. Agreements must be completed and submitted to the Office of Human Resources by November 15, 2013.

First-time participants must take the "Telework 101 for Employees" or "Telework 101 for Managers" course. The courses introduce basic telework concepts and provide tools for deciding whether telework is a good fit for employees. The course for managers also helps them manage effectively in a telework environment. To sign up, go to Training Management System.

— April Lane, Human Resources Specialist, JM-20

NOTEWORTHY

LOU, JEFF PRESENT OIG REPAIR STATION WORK TO ARSA MEMBERS

One week after returning to work, Lou and Jeff were the keynote speakers at the Aeronautical Repair Station Association's Strategic Leadership Conference. (Last year's keynote speaker was Bruce Dickinson, an aviation entrepreneur who is also Iron Maiden's lead vocalist.)

After providing an overview of OIG's mission, Lou and Jeff discussed our extensive repair station work, which dates back more than 20 years. Lou noted that our early work on FAA's oversight of repair stations identified a number of vulnerabilities that pointed to the need for FAA to take a risk-based approach to overseeing this industry, including the dramatic increase of maintenance contractors and foreign authorities' oversight of FAA-certificated repair stations.

Jeff noted that while FAA has been working to develop a risk-based approach to overseeing repair stations, our 2013 work found ongoing weaknesses:

- FAA does not provide accurate and timely risk assessments.

- FAA has not provided inspectors with effective risk-based inspection tools, training, or data analyses.



- FAA has not developed a standardized inspection process. In addition, FAA inspectors do not have a standardized means of conveying identified post-inspection discrepancies to repair station officials.

Another key OIG focus area that Jeff discussed is FAA's expanded bilateral agreement with the European Union.

In the late 1990s, the U.S., France, Germany, and Ireland entered into an agreement in which the foreign aviation authorities of these countries would conduct oversight of FAA-certificated repair stations on FAA's behalf.

Today, this agreement has been expanded to include 18 countries in the European Union.

We are currently assessing FAA's monitoring of certificated repair stations operating under the U.S.-EU agreement to ensure they meet FAA standards, and evaluating the effectiveness of FAA's process to transfer oversight of EU repair stations to national aviation au-

thorities, and we expect to report our findings early next year. Our work will provide additional direction to FAA on how it can improve its oversight of repair stations and better ensure this industry can effectively carry out its mission to maintain and repair aircraft.

Lou emphasized that our office is dedicated to providing independent and objective reviews of FAA's oversight of repair stations and working with FAA to ensure inspectors have the tools, training, and guidance they need to do their job effectively and efficiently.

"As aerospace executives," Lou concluded, "you play a critical role in helping us bring to light areas that need FAA's attention."

— Tina Nysted, JA-10, Atlanta;
Karen Sloan, J-2

NOTEWORTHY

MITCH DISCUSSES OIG'S RAIL WORK (AND HIS ALLEGIANCE TO U OF M)

Just before the furlough, JA-50's Mitch Behm and Keith Klindworth participated in AASHTO's annual meeting of the Standing Committee on Rail Transportation in Columbus, OH. Committee membership includes State rail officials from across the United States.

Mitch participated in a panel discussion on rail issues with representatives from FRA and the Surface Transportation Board. After providing a brief overview of the role of Federal IGs and our office, Mitch briefed the crowd of State rail officials on OIG's recent and ongoing rail work, which FRA Associate Administrator Paul Nissenbaum enjoyed.

In the final slide of his presentation, Mitch also let attendees know that despite being in Ohio State territory, as a University of Michigan graduate, he preferred U of M in the upcoming matchup with OSU.



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OIG IN THE NEWS

FEDS CHARGE 11 IN NEW YORK CDL TESTING SCHEME*Land Line Magazine***September 27, 2013**

Federal prosecutors say a team of 11 individuals used a variety of methods to help commercial driver's license applicants cheat on their exams at the New York Department of Motor Vehicles, including passing pencils with codes indicating correct answers to specific questions.

The 11 defendants were charged with conspiracy to commit mail fraud in court documents unsealed last week in federal court in Brooklyn, N.Y. According to a news release from Loretta Lynch, U.S. Attorney for the Eastern District of New York, the defendants face a maximum of 20 years in prison and fines of up to \$250,000.

"Between April 2013 and September 2013, the defendants enabled over 60 people to fraudulently obtain or attempt to obtain CDLs," the release reads.

Catherine Scott, New York State Inspector General, said drivers who have "gamed the system will be off the road."

"Truck drivers, many of whom are charged with transporting hazardous chemicals, are trained to drive several tons of cargo often through busy streets and highways," Scott said in the release.

The case was investigated by U.S. Immigration and Customs Enforcement; Homeland Security Investigations; the U.S. Department of Transportation-Office of Inspector General; the New York State Inspector General; the New York State Attorney General's Office; the New York City Police Department, Internal Affairs Bureau; the New York County District Attorney's Office; and the New York State Department of Motor Vehicles.

TRANSPORTATION NOT IN FULL COMPLIANCE WITH OVER-CLASSIFICATION LAWS*Fedweek***October 15, 2013**

The Department of Transportation still has classification related policies and procedures that are out of compliance with federal requirements under the Reducing Over-Classification Act, the department's inspector general announced.

It said the Office of the Secretary of Transportation did not conduct comprehensive self-inspections of spaces dedicated to storage of classified documents, and that the department's classified documents were not all correctly marked.

It also said OST's reports to the National Archives and Records Administration's Information Security Oversight Office are not accurate, and FAA's Order on Safeguarding Classified National Security Information needs to be updated to comply with ISOO requirements.

The IG said it could not conclude whether there are practices that led to continuous misclassification because the necessary security clearances are pending.

Transportation agreed to develop a more comprehensive self-inspection program, seek additional resources to complete comprehensive self inspections, and to prepare accurate reports to the National Archives, as well as implement policies and procedures that identify what documents need to be marked and how, and validate that these policies and procedures are consistently applied.

TRUCKING COMPANY OWNER CHARGED WITH BRIBING FMCSA INVESTIGATOR*Land Line Magazine***October 22, 2013**

The owner of a Massachusetts-based trucking company has been charged with one count of bribery after allegedly offering a Federal Motor Carrier Safety Administrator investigator \$1,000 to avoid a negative safety review.

Irfan Dushku, 60, owner of Korca Enterprises Inc., of Worcester, Mass., was charged with bribery of a public official in the U.S. District Court in Worcester on Sept. 26. An FMCSA investigator had reported that Dushku paid \$1,000 "to produce a false FMCSA Compliance Review" of his company.

During the past 24 months, Duane DeBruyne, FMCSA spokesman, said that Korca's vehicles were subjected to 12 random roadside inspections.

"On seven occasions, safety violations so significant that they pose an imminent hazard to public safety were revealed and the vehicle was immediately placed out-of-service for a vehicle inspection out-of-service percentage of 58.3. The national average is 20.72 percent," DeBruyne said.

The company was in alert status in FMCSA's compliance measurement system, CSA, in two of the measurement categories called BASICS. In the Unsafe Driving BASIC Korca had an 80.8 percentile ranking and in the HOS Compliance BASIC the company had an 88.2 percentile ranking. Carriers are placed in alert status once they are ranked above the 65th percentile in both BASICS.

OIG IN THE NEWS

FORMER CARSON HELICOPTER DIRECTOR OF MAINTENANCE PLEADS GUILTY*AINonline***October 28, 2013**

Levi Phillips, director of maintenance for Carson Helicopters Services, pleaded guilty on September 23 in the U.S. District Court in Medford, Oregon, for his role in falsifying documents pertaining to a Sikorsky S-61N helicopter owned and operated by Carson. Two company executives were indicted earlier this year in relation to the crash.

Improper loading based upon false weight-and-balance and takeoff performance documentation was cited as the cause of a 2008 crash of a Carson helicopter that killed a United States Forest Service (USFS) employee during contracted firefighting services.

An NTSB investigation determined that Carson submitted falsified and/or altered documents to the USFS as a part of its bid package, which included an altered FAA-approved performance chart and weight-and-balance charts. Carson pilots then relied on these altered and/or falsified documents when determining their helicopter maximum payload calculations.

The USFS subsequently awarded Carson firefighting contracts valued at more than \$20 million in mid-2008.

CES EXEC SENTENCED IN WORKER'S DEATH*Beaumont Enterprise***October 29, 2013**

The former president and owner of a now-defunct environmental services business will spend a year in federal prison after pleading guilty to an occupational safety crime that resulted in the death of a man in 2008, a federal judge ordered Monday.

Matthew Lawrence Bowman, 41, of Houston, was president and owner of Port Arthur Chemical and Environmental Service Co. when truck driver Joey W. Sutter, 36, of Arlington, died of asphyxiation and poisoning from inhaling hydrogen sulfide gas on Dec. 18, 2008.

Another driver, Charles B. Sittig, 48, of Eunice, La., died April 14, 2009, from a heart attack resulting from inhalation of hydrogen sulfide, federal court documents show.

Bowman had been indicted by a federal grand jury in connection with the illegal transport of hazardous material and failure to protect workers from exposure.

"Bowman admitted to not properly protecting (Port Arthur Chemical and Environmental Services Co.) employees from exposure to hydrogen sulfide, a poisonous gas," said U.S. Attorney John M. Bales of the Eastern District of Texas in a prepared statement.

Bowman admitted to directing employees to falsify transportation documents to conceal that the wastewater was coming from the company's Port Arthur site after a disposal facility called a halt on all shipments because it was receiving loads containing hydrogen sulfide.

"We extend our deepest condolences to the friends and family of Mr. Sutter, who died pitilessly and needlessly because of the criminally negligent actions of Matthew Bowman," Bales said in his prepared statement.

The sentencing shows that federal agencies will protect the public from illegally transported hazardous material, said Max Smith, special agent in charge of the U.S. Department of Transportation's office of the inspector general.

Ivan Vikin, special agent in charge of the Environmental Protection Agency's criminal enforcement program, said a senior manager's actions led directly to the death of one of his employees.

"Enforcement of these laws must be consistent and uncompromising," he said.

Bowman was president and owner of the Port Arthur site on Texas 82 just north of the Intracoastal Waterway bridge and along the Sabine-Neches Ship Channel, just downstream from a refinery and chemical plant.

Bowman also owned a site in Houston called CES Environmental Services.

The Port Arthur site was in operation from November 2008 until November 2010 and was in the business of selling caustic material to paper mills. The caustic production resulted in formation of hydrogen sulfide, fatal in high enough concentrations and in unvented areas.

The Occupational Safety and Health Administration requires employers to have safety controls to prevent fatal exposure.

Bowman personally handled the investigations of work-related injuries, the U.S. Attorney's office said.

The hydrogen sulfide wastewater was transported with false documents and without the required placards essential for first responders in case of an accident and release of hazardous material.

A grand jury had indicted Bowman and the Port Arthur company on July 18, 2012.

U.S. District Judge Marcia Crone sentenced him. The sentence includes a \$5,000 fine.

OIG IN THE NEWS

FAA CERTIFICATION PROCESS UNABLE TO KEEP PACE WITH NEXTGEN

Avionics Today

October 30, 2013

The FAA's ability to certify new technologies and aircraft components needs to be greatly improved if the agency wants to support growing demand for certifying NextGen technologies and procedures, according to the Department of Transportation's Office of the Inspector General (OIG).

During a hearing before the House subcommittee on aviation Wednesday, Jeffrey Guzzetti, assistant inspector general for aviation audits, outlined the challenges facing the FAA's current certification procedures.

"FAA lacks an effective method to prioritize new certifications for air operators and repair stations. Instead, the agency uses a first come-first served approach to certifications. As a result, many applicants may be significantly delayed if more complex certifications are ahead of them," said Guzzetti.

Currently there are 1,029 new air operator and repair station applicants awaiting certification, including 138 applicants that have been waiting more than three years and one applicant that has been awaiting certification since 2006, according to Guzzetti.

The FAA's first-come, first served model for approving new applicants leads to delays because certain applications, such as larger Part 135 air carrier applicants, which require more staff and effort due to the size and complexity of their applications.

Part 23

An example of these delays is the inability of the agency to get angle of attack (AoA) indicators installed into general

aviation (GA) aircraft. These devices are commonly found in military and commercial aircraft, providing a better parameter for pilots to use in avoiding a stall.

The FAA has expressed interest in getting this technology into the cockpits of GA aircraft, however the arduous certification process has greatly stalled their progress, especially with the high costs presented by certification of this technology for smaller airplanes.

"Trying to get angle of attack indicators into certified aircraft is a really good example," said Greg Bowles, director of engineering and manufacturing during an interview with *Avionics Magazine*.

"While the FAA has said this is a safety priority, we still haven't seen those projects get completed. A number of companies are working on getting that equipment installed in aircraft, and there are roadblocks that keep popping up that prevent that from happening right now," said Bowles.

The average cost of installing an AoA indicator into a Part 23 GA aircraft is about \$500 without any certification paperwork or oversight, according to Bowles. However, in the certified environment, that cost shoots up to \$5,000 or more and faces significant delays in actually making it into the cockpit.

The FAA is working to improve its certification process though. For example, the agency is currently waiting for lawmakers to pass the Small Airplane Revitalization Act of 2013.

The act would streamline the agency's certification process applicable to smaller aircraft based on recommendations from the Part 23 Aviation Rulemaking Committee (ARC), which was co-chaired by Bowles in an effort to change the certification process based on input

from the manufacturers who work through the process on a daily basis.

NextGen

However, Guzzetti said the agency's backlog of certification applications will be further complicated as it continues to implement NextGen, its modernization of the nation's air transportation system.

Automatic Dependent Surveillance-Broadcast (ADS-B), a new satellite-based system that relies on new avionics to communicate flight information to pilots and air traffic controllers is a good example of this.

"The most significant benefits from ADS-B rely on ADS-B In advanced applications, which have yet to be implemented and will require certification as well. It remains unknown when FAA will be able to develop these applications and how long the certification process will take," said Guzzetti.

"ADS-B will further contribute to FAA's certification workload because FAA must also certify the new procedures that allow pilots and controllers to use the new technology," Guzzetti added.

Dorenda Baker, director of the FAA's aircraft certification service, also testified before the aviation subcommittee Wednesday. She said the agency is working with the industry to implement changes, and is looking forward to the passage of the Small Airplane Revitalization Act "quite shortly," and is using a risk-based approach, focusing on areas of highest risk.

"The FAA is underway in addressing concerns identified as a result of the provisions in the FAA Modernization and Reform Act of 2012," Baker said. "Our efforts are transparent and are being done with the support of industry."

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LAST PAGE

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COMINGS & GOINGS

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Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CIGIE RECOGNIZES TWO OIG TEAMS



In fiscal year 2012, the IG community identified potential savings of over \$46 billion. Last Friday, more than 85 individuals and groups were recognized for their outstanding accomplishments at the 16th annual inspector general community awards ceremony hosted by the Council of the Inspectors General on Integrity and Efficiency. John Miller, Senior Correspondent, CBS News, provided the keynote address. Two OIG teams received an Award for Excellence.

Audit: Highway Trust Fund Solvency Team

The team was recognized for the impact its work has had on improving the precision with which DOT is able to monitor and manage HTF. Since the 1950s, HTF has helped finance highway and public transportation projects—beginning with the construction of the Interstate Highway System. In recent years, however, the excise tax receipts that make up the fund have fallen significantly short of HTF's outlays. With roughly \$82 billion in congressional appropriations, including \$36 billion in ARRA funding, an insolvent HTF could result in States suspending highway projects and public transportation services. The team reported that FHWA and FTA, which manage the fund, could enhance the accuracy of their shortfall estimates by improving their outlay projections. In response to the team's recommendations, FHWA and FTA adjusted the HTF rate tables to account for recent outlay trends.

Team Members: Mitch Behm, Yana Hudson, Jaydeep Borwankar, Jim Lonergan, Kevin Sanders, Susan Neill

Multiple Disciplines: Federal Highway Oversight Team

The team was recognized for its body of work that is transforming the key tools FHWA uses to oversee billions in infrastructure projects. The multidisciplinary team's far-reaching work has spurred FHWA to begin overhauling its policies and procedures to make them more risk-based and data-driven. The team's comprehensive audit work also identified ways that FHWA could take more timely and targeted action to maximize the return on Federal investments. The team's work is transforming FHWA's use of a full range of oversight tools that are designed to ensure projects are delivered in a timely, cost-effective, and safe manner—such as value engineering, cost estimating on projects, stewardship and oversight agreements with the States, and construction inspection activities.

Team Members: David Pouliott, Stephen Gruner, Loretta Swanson, Michael Masoudian, Cynthia Auburn, Rodolfo Perez, Anne-Marie Joseph, Fritz Swartzbaugh, Petra Swartzlander, and Megha Joshipura

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	10:00: CIGIE, Ann 1:00: DBE Briefing to Congressional Black Caucus, Cal	10:00: GAT Board, Cal Noon to 1:30: Leadership Brownbag, IG conference room, Ann		

NOTEWORTHY

LEADERSHIP BROWNBAG THIS WEDNESDAY

A few weeks ago, Ann kicked off the fiscal year 2014 Leadership Brownbag series by soliciting topics for the upcoming year. Based on leaders' votes, the first topic up for discussion is ***"Developing, Retaining, and Motivating Staff When There Are Limited Opportunities for Awards and Promotion."*** This timely session for 14s and above will be held Wednesday, November 20 in the IG's conference room from noon to 1:30 EST.

If you would like CEUs/CPEs, please register for the brownbag via TMS before the event at https://tms.nbc.gov/plateau/user/deeplink_redirect.jsp?linkId=REGISTRATION&scheduleID=25063.

If you plan to attend via VTC, please email Ellen (ellen.craig@oig.dot.gov). The conference call number is 877-336-1274 and ACCESS Code: 3460949.

SHHHH...IT'S A SILENT AUCTION!



Support CFC by bidding on awesome stuff! The CFC silent auction begins today, November 19, and runs through December 5.

If you would like to donate items for the silent auction to benefit, please contact Tony Zakel or Courtney Potter.

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NOTEWORTHY

OIG STAFF RAISED ABOUT \$500 FOR CFC AT ITS KICKOFF BREAKFAST!

OIG IN THE NEWS

AIRLINES, PILOTS, AIRCRAFT MAKERS LOOK TO EASE FAA PERMITTING BACKLOG*Roll Call***November 4, 2013**

Aircraft manufacturers, airlines and pilot groups are hoping congressional action will help speed up Federal Aviation Administration certification processes for aircraft, operators and repair stations. More than 1,000 certifications are backed up at the FAA, according to the agency's inspector general office.

The agency "lacks an effective method to prioritize new certifications for air operators and repair stations," Jeffrey Guzzetti, the FAA assistant inspector general for aviation audits, * told the House Transportation and Infrastructure Subcommittee on Aviation last week. Instead, the FAA handles applications on a first-come, first-served basis.

"As a result, many applicants may be significantly delayed if more complex certifications are ahead of them," Guzzetti said. More than 130 [pending applications] had been waiting for more than three years, and at least one has been waiting for seven years.

Industry advocates say implementing a simplified regulatory structure for the FAA will be critical if the agency is to keep up with the growth of airplane manufacturers, one of the nation's most robust manufacturing industries and a critical cornerstone of the export sector.

"In the past year alone, the certification office lost resources due to the sequester, instituted a hiring freeze, and had staff furloughed for more than two weeks due to the government shut-down," Ali Bahrami...told the Aviation subcommittee last month. "With the continued budget challenges, expecting FAA to keep pace with industry, while conducting business as usual, is not in the realm of possibilities."

FAA'S FINANCIAL CONSTRAINTS AND CERTIFICATION BACKLOG*AVweb***November 6, 2013**

The FAA's processes combined with financial constraints have created a bottleneck that has held up roughly 1,000 certifications, industry representatives told a House aviation subcommittee last month—and it could get worse, they said. "In the past year alone, the certification office lost resources due to the sequester, instituted a hiring freeze, and had staff furloughed for more than two weeks due to the government shut-down," vice president of civil aviation at the Aerospace Industries Association, Ali Bahrami, said. Bahrami warned too that the industry "continues to grow," and existing budget challenges make the FAA's ability to keep up with the industry, "not in the realm of possibilities."

FAA Administrator Michael Huerta recently noted the FAA's budget constraints and suggested changes in the agency may be necessary. "I think we need to ask ourselves to ask you—our stakeholders— whether we really want to and need to do everything the way we've always done it," Huerta last month told the Washington Aero Club. Revisions to the FAA's regulatory structure...is specifically intended to streamline the certification process, but not sooner than Dec. 15, 2015, the deadline set by the legislation's current language.

Meanwhile, the FAA's current system for approving new technology has drawn criticism from the assistant inspector general for aviation audits, Jeffrey Guzzetti. According to Guzzetti, the FAA presently "lacks an effective method to prioritize new certifications." In practice, those methods left new operators, aircraft, and repair stations waiting—130 of them for more than three years, he said.

SAFETY BOARD FAULTS TRUCK AND BUS OVERSIGHT*The New York Times***November 7, 2013**

WASHINGTON — Federal safety officials missed or ignored warning signs before four deadly crashes involving heavy trucks or intercity buses in the last year, the National Transportation Safety Board said on Thursday. The government shut down some of the companies, but only after a total of 25 people were killed and 83 injured in the four accidents.

The board, an independent federal agency, said the four accidents raised "serious questions about the oversight of motor carrier operations" by the Transportation Department.

In [one] accident, a Mexican-owned bus descending a mountain road in the San Bernardino National Forest in California rear-ended a car, crossed into the opposite lane, struck an embankment and overturned, colliding with a pickup truck towing a trailer. Seven bus passengers and the driver of the pickup were killed; the bus driver and 11 passengers were seriously injured.

The bus had "numerous mechanical problems," the board said, including that all six brakes were defective.

A month earlier, federal inspectors learned of maintenance problems at the bus line through roadside spot-checks. The Motor Carrier Safety Administration said it had conducted a review and found that the line's performance was "satisfactory," but it did not inspect any buses...or review many business records, because the company was in Tijuana.

The safety board, which has no regulatory authority, unanimously recommended more vigorous audits and follow ups. "They need to crack down before crashes occur, not just after high-visibility events," the board chairwoman, Deborah A. P. Hersman, said.

*Jeff has not left DOT OIG.

NOTEWORTHY

SPECIAL THANKS TO THOSE WHO MOVE US...LITERALLY



Earlier this month, OIG held a reception to thank the building's facility staff for their work in moving the 3rd Street office to HQ.



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COMINGS & GOINGS

No comings or goings this week.

Have news to share with the OIG community?

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The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

MEET OUR NEW DAIGI, BILL OWENS



I am very excited about my selection as OIG's new Deputy Assistant Inspector General for Investigations. I was really touched by and appreciate the large number of congratulatory notes I received from folks throughout the organization. I am very much looking forward to continuing to work with everyone in OIG and serving the citizens of our great country.

For those of you who do not know me, I grew up in the Chicago area and went to college at Western Illinois University. In 1989, shortly after receiving my undergraduate degree in Law Enforcement Administration, I was hired by DOT OIG as a special agent in DOT OIG's Fort Worth regional office. I transferred around a bit (New Orleans and Chicago) until 1997, when I was promoted to the position

of Assistant Special Agent-in-Charge in New York.

In 2007 I accepted a position as a special agent/computer forensics specialist at the Department of Labor OIG in New York. In 2009, I returned to DOT OIG, but in Washington, DC. I held a number of acting leadership positions until 2010 when I was selected as the Special Agent-in-Charge for JI's Headquarters Operations.

I currently live in Calvert County, Maryland, with my two teenage boys (Matt and Tim) and my wife of 24 years, Lisa. My oldest son is a high school senior with ambitions to become a firefighter and my youngest is a sophomore currently working on getting his driver's license.

In my free time, I enjoy camping with my family, photographing landscapes, running, and bicycling.

— Bill Owens

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Ann: Quarterly CIGIE DIG meeting, 10:00			

NOTEWORTHY

LEADERSHIP DEVELOPMENT SERIES: CREATIVE MOTIVATION

This past fiscal year reminded us of the continuing challenge of doing more with less in Government. Fittingly, Ann kicked off this year's Leadership Development Series with a session on developing, retaining, and motivating staff when opportunities for awards and promotion are limited. Ann identified 12 creative ideas for motivating a workforce (below) and shared her experiences applying these and other ideas, such as using formal letters of recognition, leading brownbag discussions, and investing time with staff throughout audits and investigations. Ann and the group brainstormed specific actions that could be taken under each of the 12 ideas. The many OIG managers who attended shared positive experiences using team bonding activities, providing written instead of oral feedback, having more dialogue, providing guidance, continuing positive reinforcement, and not isolating individual team members. One manager invests in personal stationery that he uses to recognize staff. Another manager noted that each member of his audit office received a questionnaire from his leadership asking about individual goals and work preferences. Ann cited some awards other companies have provided, such as an EverReady Bunny for those who keep going and going, and challenged managers to come up with creative and fun ideas that are tailor-made for OIG.

— Anne-Marie Joseph, JA-40

1 Recognition Consider creative ways to award and appreciate staff for their achievements

2 Applause Give a round of applause for specific achievements at the right time and location

3 One-on-One Coaching Spend time and show care for employee development

4 Training Schedule "tune-up" training sessions that you can lead to enhance performance and morale

5 Career Path Employees need to know opportunities for growth and what is potentially ahead for them

6 On-the-Spot Praise Praise people when the achievement is fresh on everyone's mind to be more effective

7 Executive Recognition Request support from senior management for exceptional contributions

8 Honorary Titles Develop honorary titles as you publicly recognize staff to enhance a positive attitude

9 Good Work Environment Think about ways to help enhance the work environment

10 Leadership Roles, Responsibilities Find opportunities to give staff leadership roles

11 Team Spirit Have a team picture made and place it in a visible spot

12 Social Gatherings Schedule appropriate offsite events to enhance camaraderie and team spirit

NOTEWORTHY

WMATA'S TRACK GEOMETRY VEHICLE GETS METRO OUT OF A PICKLE

Recently, a small group of WTS members and friends took a spin on one of Washington Metropolitan Area Transit Authority's latest acquisitions—a track geometry vehicle. TGV is a specialized rail car with advanced technology that analyzes the condition of the rail and track infrastructure and alerts Metro to potential defects in the system. The only one of its kind in the world, it was custom built for Metro and has been in service since January 2013.

TGV conducts two types of tests: ultrasonic and geometry. Ultrasonic (sound) testing inspects the inside of the tracks. TGV can test the entire system's tracks for internal defects in 3 to 4 weeks, traveling at speeds of 15 to 20 MPH. Geometry testing checks for external flaws such as warps, cracks, rail profile, thermal hot spots, and tunnel structure. During geometry testing, the vehicle can travel up to 60 MPH and run a whole line in 2 hours. The engineer showed us a photo of two large cracks only a foot apart that they encountered during one of these runs. A maintenance vehicle follows TGV and immediately fixes critical deficiencies.

The collected data are stored in a software program that flags anything outside the criteria and will develop a baseline over time. In the future, WMATA can use the data to analyze trends and identify problem spots to more effectively target resources and maintenance across the 106 mile system. WMATA's "Metro Forward" improvement program is a 6-year action plan designed to make Metro safer and more reliable, and to improve the customer experience. The capital program includes new rail cars, new buses, new tracks, new technology and the rebuilding of essential infrastructure.

— Emily Norton, JA-40



NOTEWORTHY

MARINER ADVENTURES

IG's Audit SEAL Team 4—Amanda Seese, Henning Thiel, Keith Klindworth, and Sara Gragg—undertook another nautical voyage of Titanic proportions to the beautiful U.S. Merchant Marine Academy in King's Point, NY, nestled along the Long Island Sound, as part of our current audit to review policies and procedures at the academy. After conducting several successful interviews on board, we took a campus tour, which provided the opportunity to snap some pictures in the freezing but sunny temperatures.

At the USMMA police station, one of our stops on the tour, we got to see the new command center, a collection of "17 thousand" keys (not quite, but a *lot* of them), and took the happiest mug shot ever to grace the halls of justice.

We also enjoyed some real New York Pizza and dined in the finest Greek establishment we have ever seen ("...sooo you don't have Gyros then?"), but which had the best free desserts, of which we had a double order. A sweet trip indeed.

— Henning Thiel, JA-50



Mariner's Monument



Sara, Henning, Amanda, and Keith braved the cold nor'easter weather; Keith "mugs" for his mug shot



NOTEWORTHY

QAR AND IA COLLABORATE WITH OTHER FEDERAL AGENCIES

IG's J-2 staff have recently been involved in collaborative efforts with other Federal agencies to strengthen IG processes. On November 13, (b)(6) attended the Fall meeting of the Internal Affairs/Quality Assurance Work Group for the National Capital Region, held at the Treasury Inspector General for Tax Administration in Washington, DC. A Special Advisor from the U.S. Merit Systems Protection Board was the guest speaker and provided a presentation on MSPB's jurisdiction and process. The work group meeting was well attended by Federal law enforcement officers from a variety of agencies.

(b)(6) has been participating as a member of a governmentwide work group to update the Council of the Inspectors General on Integrity and Efficiency's audit peer review guide to reflect changes made in the December 2011 revision of the Generally Accepted Government Auditing Standards (the Yellow Book). To support this effort, (b)(6) designed a survey distributed to Government agencies comprising FAEC membership and analyzed survey feedback. The survey solicited input from personnel who previously conducted audit peer reviews as to their level of user satisfaction with the existing peer review guide and suggestions for improvement. In addition, (b)(6) is helping prepare text reflecting recent changes to GAGAS that affected various sections of the guide. The 1-year project was initiated by CIGIE's Federal Audit Executive Council in March 2013.

(b)(6)

CFC JEANS WEDNESDAY...LEADERSHIP STYLE



OIG IN THE NEWS

CSA CRITIC ANTICIPATES CHANGES AFTER LEGAL, ADMINISTRATIVE SCRUTINY*Commercial Carrier Journal***November 15, 2013**

With a pending challenge in federal court, as well as ongoing reviews by the DOT Inspector General and the Government Accounting Office, a prominent critic of Compliance, Safety, Accountability is hopeful that a change in favor of smaller carriers is coming. The Federal Motor Carrier Safety Administration says it welcomes the scrutiny—and the safety program has passed muster before.

“The trucking industry is made up of tens of thousands of small business people, and they’re under assault in terms of trying to deal with a system that is unfairly classifying those carriers as having a safety issue,” says Tom Sanderson, Transplace CEO and front man for the Alliance for Safe, Efficient and Competitive Truck Transportation. “There is a segment of large carriers that would like to use SMS as a competitive weapon. That’s not about safety. Those carriers know full well the scores have no relationship with accident frequency. It’s simply a way to put small carriers out of business and jack up prices.”

ASECTT has filed suit in federal court to block the public presentation of carrier safety data.

Because of federal appellate court rules, the ASECTT challenge is limited to...whether FMCSA, in publishing the SMS data and then advising shippers and brokers to use that data in carrier selection, constitutes a rule—one implemented without the required federal rulemaking process.

The administrative reviews by the IG and GAO, on the other hand, should expose the weakness in the way CSA actually works, Sanderson suggests.

EDITORIAL: STUDYING SAFETY*Transport Topics***November 18, 2013**

We were relieved to find out last week the U.S. Department of Transportation’s inspector general’s office and the Government Accountability Office are in the process of examining how effective the Federal Motor Carrier Safety Administration is at keeping potentially dangerous fleets and drivers off the nation’s highways.

These ongoing studies took on an even greater importance after the National Transportation Safety Board earlier this month criticized FMCSA’s oversight of motor carrier investigations.

[T]he IG will publish an audit next year focusing on the effectiveness of enforcement actions under the Compliance, Safety, Accountability program. Likewise, GAO...is reviewing how CSA assesses the potential safety risk posed by motor carriers.

[Hours-of-service] violations were cited by NTSB as one of the “red flags” missed by FMCSA ahead of several deadly truck or bus accidents it investigated.

There is no question that FMCSA did change the way it conducts investigations in the several years since the CSA program was implemented. And the majority of the trucking industry continues to support CSA, though truckers maintain some aspects of the program need fine-tuning for safety and fairness reasons.

So, all sides should look forward to the release of the reports from the inspector general’s office and GAO. [W]e hope everyone remembers the ultimate goal—to improve programs like CSA to reduce highway accidents and fatalities, particularly those involving trucks.

ONLY HOURS LEFT TO SIGN UP FOR OIG’S HOLIDAY PARTY!

Time is running out to sign up for OIG’s Holiday Party at the Navy Yard on December 10. In fact, we’ve got only until Wednesday to get our list to the Admiral.

Omer did a masterful job of capturing nearly all the reasons why the Holiday Party is a good deal. Let me add one more reason to the list: like every past Holiday Party and Summer Picnic, your time at the event is “on us.”

Many thanks to the Morale Committee for its efforts. Hope to see you there!

— *Cal*

CFC SILENT AUCTION ENDS THURSDAY

The CFC Silent Auction ends Thursday, December 5, at 3:00 PM eastern time. So feel free to continue bidding on items this week if you are not on leave, and think of CFC and the Silent Auction as we give thanks with friends and family this Thursday!

PEOPLE WE KNOW



Brian and Cal made sure OIG got its fair slice of the pie at OST-B's Thanksgiving Pie Party.

COMINGS & GOINGS

There are no comings or goings to report this week.

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OIG 2013 AWARDS CEREMONY: LOTS OF CHEERS, A FEW JEERS, SOME NEAR TEARS...AND A POEM



Cal's announcement of this year's Inspector General Distinguished Service Award honorees—Scott Macey, Tim Barry, and Ann Calvaresi Barr—was the perfect close to a memorable awards ceremony.

I've worked closely with each of this year's recipients and was happy to capture them on film in this moment. Working with Tim on his household goods fraud testimony, *Impact Magazine*, and SAR, I've often seen him drop the poker face and crack his mischievous smile. But when Cal called him to the stage, it was surprise then humility that took over. Scott—who coined the phrase, "I've been Sloaned," after his first experience working with me—seemed to go through a gamut of emotions as he listened to Cal's appreciation of his work. Having worked with Ann for roughly 2 decades, I'm certain this is not the shot she would have chosen for *The Inspector*. But to me, it captures as well as a photo can the professional and personal qualities that make Ann Ann and, like Tim and Scott, deserving of the IG's highest award: dedication, respect, self-reflection, poise, and the strength to stay standing when her knees are about to buckle.



(Continued on page 4)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	CFC Putt-Putt Tournament, 11-2			

NOTEWORTHY



JA-50 ECONOMISTS PRESENT AT SEA'S ANNUAL MEETINGS

In late September, Kang Hua Cao and I went to Tampa, Florida for the Southern Economic Association's annual meetings, where economists from around the world, mostly from academia, present their research in sessions. SEA is a regional-based economic organization based at The University of Tennessee at Chattanooga. It publishes the *Southern Economic Journal*.

The conference's more than 300 sessions ranged from "Panel Data Econometrics" to "Airline Pricing." Because Kang and I stuck mostly to transportation sessions, we both missed the session on "Contraception and Pregnancy Intendedness, Fertility, and Sexual Behavior."

In addition to attending sessions, Kang presented "Competition and Airline Service Quality" during the Competition and Quality session. Kang explained the methodology used in JA-50's audit on "The Effects of Limited Competition on Airline Delays and Cancellations." After the presentation, there were several questions that sparked a useful discussion, with Kang handling the questions well.

We shared the session with Sofia Lundberg from UMEA University who presented "Privatization and Quality: Evidence from Elderly Care in Sweden." She found that mortality rates and costs per resident improved when a municipality switched to privately provided nursing home services in Sweden. Some other interesting papers from the weekend were "The Value of Environmental Status Signaling: The Case of the Toyota Prius," "The Price and Quality Effects of the Delta-Northwest Merger," and "Value of a Platform to a Seller: The Case of American Airlines Conflict with Online Travel Agencies."

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—Brian McNamara, JA-50

NOTEWORTHY

CHUCK WARD, OIG'S 2013 PEOPLE'S CHOICE, WAXES POETIC

After Cal announced Chuck Ward as this year's People's Choice (the envelope was presented by last year's recipient, Christina Lee), Chuck was eager to give an impassioned reading of his most recent poem, which he just happened to have on his iPhone.

THE AUDIT GAMES: CATCHING FIRE

Three weeks remain 'til the end of the year
And the staff are all filled with their usual cheer.
One might have thought the warmth of the season,
Hanukah, Christmas, that that was the reason.
But it's not just the holidays that inspire this team.
Training is on; they're picking up steam.
Proposals, announcements are ready to go.
New audits await (plus a hearing for show).
Next week, the awards, they're coming to pass.
And Cal will acknowledge, JA-60 kicks a**.

And yet while I write this, the Agency heads
Are all sleeping smug in their soft feather beds.
While their mismanaged contracts hemorrhage cash,
And their overpriced vendors increase their stash,
Of dollars for invoices that no one reviewed
With nary a thought to "have we been screwed?"
And COs distribute with hardly a pause
Fees and awards without merit or cause.
But they will soon be taken to task
The audits are coming, and 60 kicks a**.

Pride, they say, goeth before taking a fall,
And we teach the children to say nothing at all,
Unless it will feel good and make others feel nice.
But auditors we, we ignore this advice.
The contracts and grants are too oversight poor,
Recipients begging for more, more, and more.
But the DOT gravy train is gonna slow down,
And COs and PMs are going to frown
Because the audits are coming, and repeat this en masse,
We're smart and we're trained and JA-60 kicks a**.



NOTEWORTHY

(Continued from page 1)

In addition to presenting staff with their awards, Cal presented Deputy Secretary John Porcari with an OIG coin for his unwavering support of our work. The only hiccup during the ceremony was when several recipients forgot to take their award from Cal, eager to get their congratulatory hug from Ann. For more photos of OIG's 2013 award recipients and the after celebration, click [here](#).

—Karen Sloan



NOTEWORTHY



OIG IN THE NEWS

WOMAN ADMITS TO DOUBLE BROKERING SCHEME*Truckinginfo***December 3, 2013**

A woman has pleaded guilty to charges in U.S. District Court in Macon, Ga., for her involvement in a double-brokering freight scam.

On Nov. 20, Pauline Robinson-Kirkland, of Donalsonville, Ga., admitted to mail fraud. She was indicted in July 2012.

The investigation revealed that Robinson-Kirkland used the Internet to access

websites where senders advertised loads of commercial freight available for transport, according to the Office of the U.S. DOT Inspector General.

She bid on these loads of freight using the names of her various companies, which are listed as having broker authority with the Federal Motor Carrier Safety Administration, and was awarded the bids.

Robinson-Kirkland led the sender to believe her trucking business would deliver the freight for the contracted price and the sender of the freight

would send her payment at the agreed upon price. However, after accepting the bid, she would immediately re-advertise the job, using a different company name.

She accepted bids from legitimate trucking companies and had them deliver the freight from the sender to the intended destination, never disclosing that she had arranged for the sender to send payment to her. This resulted in the actual freight hauler never being paid.

Robinson-Kirkland has yet to be sentenced.

NOTEWORTHY

SILENT AUCTION RAISES OVER \$2K FOR CFC!

Thanks to everyone for their donations for items to bid upon, and then for the actual bids to the CFC Silent Auction. As in past auctions, lunch with Cal, dinner with Ann, and golfing with Mitch drew some heavy and high bidding. But a big surprise was the battle for a couple of beverage trays that had Aisha Evans and Michelle Hill in a bidding frenzy to the end!

Upcoming CFC events include a Putt-Putt Tournament December 12, a Line Dance and Salsa session with suggested donations of \$5 on January 8, and an International Potluck on January 9.



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MARY KAY TESTIFIES ON ATCOTS

On Tuesday, January 14, Mary Kay testified before the Homeland Security and Government Affairs Committee, Subcommittee on Financial and Contracting Oversight, on FAA's Air Traffic Controller Optimum Training Solution contract. Also testifying were Patricia McNall, FAA's Deputy Assistant Administrator, Acquisitions and Business Services; and Lynn Dugle, President, Intelligence, Information, and Services, Raytheon Company.

In her opening statement, Chairman McCaskill relied heavily on our recent ATCOTS report, noting that the weaknesses we have identified have been longstanding and that she did not want to return in a year covering the same issues. She also expressed disappointment that the FAA did not send the accountable program manager to testify on behalf of the agency.

Mary Kay stated that ATCOTS experienced 4 consecutive years of cost overruns, totaling about \$89 million—due largely to FAA's continued lack of clearly defined requirements. As a result, FAA ran out of money in the fourth year of the base contract. Further, Mary

not been adequately linked to this goal. As a result, between fiscal years 2009 and 2012, controller training times actually increased by an average of 41 percent—taking 9 months longer on average to certify each controller.



Kay reported that we identified contract management weaknesses that undermine FAA's ability to achieve its training goals. For example, FAA has not used its award fees or incentive fees to manage its contract effectively. One of FAA's key training goals is to reduce training times, but the award fee performance measures have

Much of the hearing time was spent questioning McNall, who explained the complexity of the air controller training. While McCaskill acknowledged this complexity, she emphasized that in order to manage the contract, FAA must define its requirements and establish how

much it costs—key findings and recommendations in our audit report.

McCaskill also focused on ATCOTS award fees, and looked to Mary Kay to confirm specific dollar amounts. McCaskill also questioned the measures used to assess performance and asked Mary

(Continued on page 2)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
		Ann, CIGIE Meeting, 10:00	Leadership Exchange with Ann, noon	

NOTEWORTHY

(Continued from page 1)

Kay to comment on the effectiveness of the award fee and incentive fee measures—which were not effective in incentivizing the contractor to achieve contract goals.

Finally, McCaskill asked why FAA ignored our prior recommendation to assess its needs and determine whether they can be achieved within the current contract cost baseline of \$859M or to rebaseline or recomplete the con-

tract. McCaskill was successful in getting FAA's commitment at the end of the hearing to address all of OIG's recommendations prior to exercising the next ATCOTS option or reCompleting the contract.

HUNGRY OIG STAFF EAT UP LAST CFC EVENT

Earlier this month, OIG held its final HQ CFC event, the Pot Luck Cook Off. Nardia Bennett's Jerk Chicken took the prize, but all were winners for contributing their sumptuous dishes and raising another \$300 for CFC!



NOTEWORTHY

52 SHADES OF FHWA



Earlier this month, Tony Zakel, Brian Chapman, and Kristi-Jo Preston of JA-40's FHWA Major Projects Audit Team traveled from three different field offices—DC, Ft. Worth, and Boston, respectively—to take on Los Angeles.

Although we hated to leave our offices in the middle of winter to spend a week in sunny L.A., we were willing to make this sacrifice to attend a series of meetings to evaluate FHWA's oversight of the I-405 Sepulveda Major Project.

Perhaps best known as the project that spawned Carmageddon, the

\$1.034 billion Sepulveda Pass widening is adding HOV lanes and making other improvements to a heavily trafficked interstate. (I brought snacks, just in case.)

Anyone who has worked on FHWA's programs knows that each of FHWA's 52 divisions is different, and California is no exception. A mishmash of recipients, subrecipients, finance plans, project management plans, cost estimates, falling MSE walls, schedule delays, and an \$84 million question, kept the team thoroughly engaged during the week. So I brought snacks, just in case.

Once the team finished with interviews for the day, we enjoyed some of what Pasadena has to offer, including a yellow Lamborghini. Tony suggested we rent one.

As Government employees, we may not be able to afford one, but we sure tried to at least valet park one. "Where are the keys?!", Brian asked. Of course, I brought snacks. Just in case.

— Kristi-Jo Preston, JA-40, Cambridge



(b)(6)

OIG IN THE NEWS

CANTON TOWNSHIP PAVING MATERIALS COMPANIES TO PAY \$3.8M TO SETTLE CREDIT ALLEGATIONS*Crain's Detroit Business*
January 10, 2014

Two affiliated paving materials companies in Canton Township admit no wrongdoing, but will pay more than \$3.8 million to settle allegations that they obtained... invalid credits on several federally funded transportation construction projects, under the U.S. Department of Transportation's Disadvantaged Business Enterprise (DBE) program.

Cadillac and Michigan Paving, both subsidiaries of Atlanta-based Oldcastle Materials Inc., reached the agreement this week with the U.S. Department of Justice in an investigation dating back at least to 2008.

Justice officials had alleged the two Canton companies had claimed to use asphalt supplied by Detroit-based BN&M Trucking Inc. as a disadvantaged business enterprise. But BN&M Trucking was "merely a pass-through company..." Justice said in a statement Thursday.

The settlement covers several Michigan construction projects between 2006 and 2010, including a construction project at Detroit Metropolitan Airport in 2008 and 2009.

BN&M Trucking owner Benjamin Marshall agreed last July to pay a separate civil settlement of \$12,000, to settle allegations he certified performing work under the disadvantaged enterprise program when he had not. The work instead was done by "a non-DBE subcontractor and/or the prime contractor in violation of the DBE regulations and the False Claims Act," according to a statement from the U.S. Office of Inspector General.

2 FORMER SCHUYLKILL PRODUCTS EXECUTIVES SENTENCED TO FEDERAL PRISON TIME*Pottsville Republican Herald*
January 14, 2014

They once helped lead one of Schuylkill County's largest manufacturers, but now Dennis F. Campbell and Timothy G. Hubler each will spend time in federal prison after being sentenced Monday in Harrisburg for their roles in the largest fraud case of its type in U.S. history.

[The judge] also sentenced [each] to serve two years on supervised release following [their] prison term and pay \$119 million restitution to the U.S. Department of Transportation.

"The sentences handed down today...serve as clear signals that severe penalties await those who would attempt to subvert ... laws and regulations," U.S. Attorney Peter J. Smith said.

Prosecutors charged Campbell and Hubler with using Marikina Engineers and Construction Corp., West Haven, Conn., as a front under the DBE program to funnel work to the Cressona company and its wholly owned subsidiary, CDS Engineers Inc.

Smith said the fraud lasted more than 15 years and involved more than \$136 million in contracts in Pennsylvania alone.

Ernest G. Fink Jr., Orwigsburg, Schuylkill Products' former vice president and chief operating officer, pleaded guilty in 2010 to tax fraud, and is awaiting sentencing.

Joseph W. Nagle, Deerfield Beach, Fla., Schuylkill Products' former president and chief executive officer...was convicted in April 2012 of 26 charges, including wire fraud, mail fraud, engaging in unlawful monetary transactions and conspiracy, resulting from his role in the scheme. Nagle also is awaiting sentencing.

IG QUESTIONS FAA'S CONTROLLER TRAINING*AIRNonline*

January 13, 2014

The chairman of a U.S. Senate subcommittee overseeing FAA contracts asked the Department of Transportation's inspector general (IG) to look into the agency's handling of an \$859 million contract to support air traffic controller training required to help prepare 11,700 new controllers by 2021. The recently released report said the subcommittee was not convinced the FAA could or would meet the stated goals of its Air Traffic Control Optimum Training Solution (ATCOTS) program.

In a September 2010 report, the IG highlighted weak acquisition practices on the part of the FAA and a lack of effective contract oversight for ATCOTS. The IG's follow-up review found that although the FAA addressed eight of nine initial recommendations, weaknesses in contract and program oversight have continued with four consecutive years of cost overruns that cost taxpayers an additional \$89 million.

According to the IG, the FAA has not been able to achieve key goals focused on reducing training time and has not measured its progress toward the goal of reducing total controller training costs.

The FAA concurred with 9 out of 10 of the IG's recommendations, and partially concurred with one.

OIG IN THE NEWS

3RD MAN SENTENCED TO U.S. PRISON IN SCHUYLKILL PRODUCTS FRAUD CASE*Pottsville Republican Herald*

January 16, 2014

Romeo P. Cruz, who ran the company Schuylkill Products Inc. used as a front to commit the largest fraud of its kind in U.S. history, learned Wednesday he will go to prison for his role in the scheme.

Cruz, West Haven, Conn., must serve 33 months in a federal correctional institution, plus two years on supervised release following that stint.

[The judge] also sentenced Cruz to pay \$119 million restitution to the U.S. Department of Transportation and \$79,450 restitution to the Internal Revenue Service.

Cruz, the owner of Marikina Construction Corp., West Haven, pleaded guilty in 2008 and 2009 to Disadvantaged Business Enterprise fraud and tax fraud. He is the third person to be sentenced for his role in the fraud perpetrated under the federal DBE program.

Federal prosecutors alleged Cruz and Schuylkill Products executives hatched the scheme under which the latter obtained millions of dollars worth of federal contracts to which it otherwise would not have been entitled.

Prosecutors said the companies went to great lengths to conceal the fraud.

Schuylkill Products and CDS Engineers personnel used Marikina passwords, signature stamps, business cards, letterheads and email addresses and covered their companies' logos on trucks with Marikina magnetic placards and decals in efforts to hide what they were doing.

Prosecutors said Schuylkill Products paid a small fixed fee to Marikina in exchange for letting it use its name and DBE status.

SENATE GRILLS FAA ON CONTROLLER TRAINING COSTS*Air Traffic Management*

January 16, 2014

[FAA] is still grappling with ways to manage controller training with senators questioning the agency's ability to accurately predict its costs.

US Senator Claire McCaskill led the Senate hearing to examine mismanagement and programme failures. She told the hearing that Congress and the American public had entrusted the FAA with taxpayer dollars to maintain the safety of its airspace.

The hearing included testimony from Mary Kay Langan-Feirson, assistant inspector general at the Department of Transportation Office of Inspector General.

McCaskill grilled the witnesses about the Inspector General's findings of poor contract management, and raised concerns about whether the FAA knew the costs required to effectively train air traffic controllers.

In September 2010, the Department of Transportation Office of Inspector General published a report that found significant problems associated with the contract for the ATCOTS programme, including significant cost overruns, poor procurement practices, and a lack of oversight.

In 2011, McCaskill requested that the Inspector General conduct a follow-up review.... The latest Inspector General report published in December 2013 found that little improvement has been made and that the FAA has failed to achieve critical goals and address some major problems.

McCaskill warned the FAA that if it moved forward with recompeting the contract, "I'm going to be on it like a rabid dog," to ensure that it fixes the problems with management and oversight.

DISMISSAL ARGUMENTS HEARD IN ANCHORAGE PORT LAWSUIT*Alaska Journal of Commerce*

January 16, 2014

The Municipality of Anchorage lawsuit against players in the stalled and over-budget port expansion project is in the midst of its first major test as arguments were made Jan. 9 regarding a motion for dismissal filed by former project manager Integrated Concepts and Research Corp.

ICRC attorney Kurt Hamrock said that all of the work ICRC and its subcontractors did at the port was approved and paid for by the U.S. Maritime Administration, or MARAD, which oversaw the project on the municipality's behalf from 2003 to 2012.

An Inspector General report issued last August criticized MARAD for its management of port projects in Guam and Hawaii, as well as the Port of Anchorage.

"The federal footprint is all over this lawsuit," Hamrock said to U.S. District Court Judge Sharon Gleason.

ICRC recommended PND Engineers' Open Cell Sheet Pile dock design early in the project... PND contends faulty installation of its design caused damage to the project, which has been at a standstill since 2010, not the design itself.

"Failures that are alleged all relate to contract work—you didn't do the work in the way the (municipality) would've approved even though the federal government approved," Hamrock said.

When Gleason asked Hamrock why MARAD has not taken a stance in the case, Hamrock said he couldn't say why the agency has remained neutral in the lawsuit.

OIG IN THE NEWS

AUDIT QUESTIONS MWAA'S HANDLING OF FEDERAL FUNDS FOR D.C. AREA'S SILVER LINE

The Washington Post
January 16, 2014

A new federal audit raises questions about whether the Metropolitan Washington Airports Authority is properly managing \$975 million in federal funding it received to build the Silver Line rail project.

[T]he Department of Transportation's inspector general identified several instances in which MWAA inappropriately used federal dollars to pay expenses unrelated to construction of the first phase of the \$5.6 billion rail project.

Auditors found that the authority does not have a reliable system for tracking costs and determining which were eligible for federal dollars [and] could not

provide supporting documentation for millions of dollars in expenses.

With an estimated \$289 million in federal funding still unspent, auditors said it is critical that safeguards be put in place to protect federal taxpayers' investment.

This most recent audit was an outgrowth of a previous investigation by the inspector general of authority operations, an examination in which auditors identified many examples of mismanagement and lax oversight. In all, 10 people were fired or disciplined after the release of that report.

MWAA officials have touted their efforts to address many of the ethical and operational issues identified in that No-

vember 2012 audit. But the new report raises questions about whether the authority has done enough.

The federal auditors also said authority officials were less than forthcoming when it came to providing documents.

"Ultimately our scope was limited to a review of documents MWAA provided by our final cut-off date of June 14, 2013—4 months after MWAA representatives committed to providing all requested documentation."

"We now have readily available documentation for the expenses that have been questioned by the IG, and we look forward to sharing this documentation with the FTA," [MWAA spokesman Chris Paolino said].

PEOPLE WE KNOW



OIG CIGIE awardees at the November 15, 2013 ceremony with Ann and Cal

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL TESTIFIES ON NEXTGEN, UAS... AND RULE ON MUSIC INSTRUMENTS?

Last Wednesday, Cal testified before the House Transportation and Infrastructure Committee, Subcommittee on Aviation on FAA's progress in implementing the FAA Modernization and Reform Act of 2012, which is at the halfway point of the reauthorization cycle. Michael Huerta, FAA Administrator, and Gerald Dillingham, Director of Civil Aviation Issues, GAO, sat on the panel with Cal.



After opening statements from Subcommittee Chairman Frank LoBiondo, Ranking Member Rick Larsen, and Committee Chairman Bill Shuster, the witnesses read their prepared statements. Huerta noted that FAA has completed or is on track to complete more than 80 percent of the act's requirements and highlighted FAA's progress, including filling key management positions, nearing completion of software

and hardware updates for air traffic control systems, and developing plans for the safe integration of unmanned aircraft systems.

Cal focused on FAA's efforts to implement NextGen, integrate UAS into the National Airspace System, and effectively employ its controller and safety inspector workforces. With regard to NextGen, Cal noted that implementation of *ADS-B In*—a technology that will enable information to be broadcast in the cockpit—is still several years away due to changing technical require-

ments and a lack of well-defined equipment and certification policies, and that FAA has yet to establish sound metrics to deter-

mine whether facility realignments and consolidations will result in cost savings and efficiencies.

Cal also highlighted significant technological barriers to UAS integration, including developing detect-and-avoid technology, and

FAA's ongoing effort to reach consensus among Government and industry stakeholders on minimum UAS performance standards.

Dillingham similarly identified weaknesses in FAA's efforts to implement NextGen and integrate UAS.

(Continued on page 5)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
		1:00: Orientation Feedback, Front Office Conference Room, VTC, and Dial-in		

NOTEWORTHY

WE NEED YOUR INPUT ON OIG'S NEW EMPLOYEE ORIENTATION!

To help us shape the overall experience we provide the next generation of OIG employees, we invite you to join us for a feedback session this Wednesday at 1:00 EST. We want to know more about your orientation and onboarding experience with OIG and the developmental experiences you were provided in your first few years on the job.

The session will be held in the Front Office conference room and regional staff are invited to participate via VTC (please email Ellen Richardson at ellen.richardson@oig.dot.gov if you plan to VTC) or dial-in: 877-336-1274, access code 3460949#.

LEADERSHIP DEVELOPMENT EXCHANGE FOCUSED ON COMMUNICATION

On January 30, Ann led a Leadership Development Exchange for GS-13s and below to discuss “Effective Verbal Briefs”- How to represent yourself and your work on a daily basis. Prior to the session, Ann asked us to read an excerpt, “Elements of Speaking,” from the Center for Organizational Cultural Competence’s “Navigating a World of Differences” training.

Ann’s session focused on how 23 elements of speech can affect communication either positively or negatively. Two elements stood out: self-concept (directness) and manner (sincerity). The discussion surrounding these areas left me, and I’m sure others too, with a focus on what each of us bring to the table within the organization and to realize that others’ time is important. Other elements included body language, subject matter knowledge, attitude and confidence, energy, and appearance. The topic generated much interest and this was evident by the number of attendees and the questions that were asked.

— Angela Hailes, JA-60

TMS SECURITY UPDATE

TMS version 1308 requires two security questions—unlike the previous version, which required only one. To avoid getting locked out, make only two attempts before requesting a password reset.

Call the IBC Customer Service Center (contact numbers on the TMS Welcome page) if you need to reset your password before establishing your two security questions.

NOTEWORTHY

JA-10 ATLANTA OFFICE “HEMS IN” WEST PALM BEACH

William “B.J.” Leary and Ruth Foyere from JA-10’s Atlanta Office recently attended the Air Medical Operators Association Quarterly Safety Meeting in West Palm Beach, FL, as part of the JA-10 audit on FAA’s Oversight of Helicopter Emergency Medical Services.

The HEMS audit team was invited to participate in the AMOA safety meeting to explain the objectives



Following the meeting, the team was invited to tour the host company’s state-of-the-art hangar facility at the Palm Beach International Airport. Trauma Hawk Aeromedical is part of the Health Care District of Palm Beach County, which owns and operates two Sikorsky S76-C+ air ambulances that provide support to critical care patients in an area

covering the more than 2,300 square miles in Palm Beach County, the largest county by area in Florida.

During our tour, Ruth got a first-hand view from the seat of a Sikorsky S-76 helicopter.

— BJ Leary, Project Manager, JA-10, Atlanta

of the audit and how OIG conducts audits, as well as to ask attendees their views on HEMS safety. Attendees included HEMS Directors of Safety or Directors of Operations from many of the largest air medical providers across the country.



OIG IN THE NEWS

CONNECTICUT MOTOR CARRIER FINED \$75,000 OVER LOGBOOK LIES

Land Line Magazine

January 27, 2014

A Connecticut-based company will pay \$75,000 for presenting falsified documents to the Federal Motor Carrier Safety Administration.

According to the U.S. Department of Transportation Office of Inspector General...Wisla Express LLC was sentenced to five years of probation and ordered to pay a \$75,000 fine. The sentence came Jan. 17 in U.S. District Court in Hartford, CT.

Wisla Express is a commercial passenger carrier that operates vans, mini-buses and tour buses. A DOT Office of Inspector General press release said investigators found that a company office manager created and maintained false driver hours-of-service records and that he caused other employees to do the same.

In February 2013, the company and office manager Dariusz Szteborowski entered guilty pleas for their roles in the logbook falsification. The investigation showed Szteborowski "often assigned drivers to trips knowing that the drivers would be exceeding the regulated limits of on-duty driving time," the release said. To hide the violations from FMCSA inspectors, the office manager told drivers and other Wisla employees to create false logbook records to show the driver being off-duty when they were actually working.

Szteborowski later submitted the false logbooks to FMCSA during inspection.

The investigation was conducted by the U.S. DOT Office of Inspector General with assistance from FMCSA.

FULL PICTURE OF AIRLINES' PUNCTUALITY IS ELUSIVE

The New York Times

February 3, 2014

Travelers on Monday experienced a new round of cancellations and delays as another winter storm grounded planes yet again. But many of those flights won't be counted as late or canceled in the government's on-time statistics.

On-time statistics capture only 76 percent of domestic flights at American commercial airports, according to a report released in December by the Transportation Department's inspector general.

[A] proposed rule would increase the number of carriers required to report data about delays and cancellations, improving the accuracy of the on-time statistics that the government announces every month...but the announcement of the final proposed rule has been postponed multiple times.

The inspector general's report analyzed a wide set of flight data...and found that 64 percent of the domestic flight delays at Philadelphia International Airport don't get counted in the official government statistics; neither do 51 percent of the delays at Detroit Metropolitan Airport or 44 percent of the delays at Ronald Reagan National Airport in Washington.

The report also recommended re-examining the categories used to record the causes of flight delays. Auditors found that...late-arriving aircraft was listed as the reason for 37 percent of flight delays in 2012.

Saying a flight was late because the incoming aircraft arrived late missed capturing the real cause of the delay, the report said, suggesting the government re-examine that category.

INSPECTOR GENERAL NOT SATISFIED WITH NEXTGEN PROGRESS

AIRNonline

February 3, 2014

The FAA continues to fall behind with the implementation of its Next Generation Air Transportation System (NextGen), according to a new report from the U.S. Department of Transportation's inspector general. The IG has been conducting ongoing assessment of the FAA's progress with NextGen under the provisions in Title II of the FAA Modernization and Reform Act of 2012.

The latest report, issued on January 28, says that as of last August the agency had implemented or was on track to implement fewer than half of the recommended provisions. The FAA has yet to implement several provisions the IG believes are key to achieving all of NextGen's benefits, such as necessary rulemaking related to ADS-B procedures.

Longstanding programmatic and organizational challenges, including technical complexity and collaboration with other government and aviation stakeholders, as well as financial concerns, such as meeting the requirements of the Budget Control Act of 2011, still hinder the FAA from meeting Title II provisions, said the IG. The DOT watchdog said the FAA needs to place greater management focus on these NextGen issues.

The FAA concurred with two of the IG's recommendations to provide more information to Congress and other stakeholders regarding its progress in future planning documents and briefings.

OIG IN THE NEWS

ADS-B IN 'NOT LIKELY' BY 2020, IG SAYS

Avionics Today
February 4, 2014

Avionics that enable pilots to receive real-time information about their position and the airborne location of other aircraft, or Automatic Dependent Surveillance-Broadcast In, will "not likely be ready" for mandate by 2020 under the FAA's NextGen program, according to a new audit ...issued by the Department of Transportation's Office of the Inspector General.

The FAA is mandating that all aircraft flying within the National Airspace System (NAS) are equipped with avionics that outwardly report the real-time position for tracking by air traffic controllers, or ADS-B Out. However, the agency is behind schedule on initiating rulemaking activities requiring the use of ADS-B In, which the OIG claims is a key provision "intended to accelerate NextGen technologies."

Within the latest report, the auditors also note that the FAA missed a February 2013 deadline required by the FAA's 2012 Reauthorization Act to establish rulemaking for issuing ADS-B In guidelines and regulations.

"As a result, FAA will not likely be ready to mandate the use of the technology by 2020, as required by the act," OIG says.

Delays in issuing ADS-B In guidelines and regulations are due in part to the agency's need to finalize requirements for displaying traffic information in aircraft cockpits.

"Moreover, as we reported last year, users are concerned about investing in aircraft avionics for ADS-B and other NextGen initiatives because [the] FAA has not clearly defined what benefits will be achieved and when," OIG says.

HOUSE PANEL HIGHLIGHTS CHALLENGES TO WIDE-SPREAD DRONE FLIGHTS

The Wall Street Journal
February 5, 2014

Major technical and regulatory obstacles confronting the Federal Aviation Administration's effort to integrate commercial drones into U.S. airspace came into sharp relief during a congressional hearing Wednesday.

Lawmakers who have been pressing for accelerated approval have asked the FAA whether some small drones could be cleared to fly before the agency completes its comprehensive regulatory "roadmap" to certify and lay out operating procedures for all unmanned vehicles.

Calvin Scovel, the Department of Transportation inspector general, told the panel that the industry still needs to develop new sensors so unmanned aircraft can reliably "detect and avoid" nearby planes. And he said "existing communication technology is also inadequate" to ensure safe operation in the event data links between drones and the ground fail.

Mr. Scovel also laid out more problems with another of the FAA's priority projects: replacing ground-based air-traffic control networks with satellite-based technology. Specifically, he told the panel that the agency has failed to "set realistic plans, budgets and expectations for key" air-traffic control modernization programs, which has "contributed to stakeholder skepticism" about the effort.

In written testimony, Mr. Scovel cited criticism from an FAA-created rule-making committee aimed at proposals making pilots...primarily responsible for airborne separation of aircraft.

Mr. Scovel said technical standards "continue to evolve and, therefore, it is uncertain when the technology can be implemented."

(Continued from page 1)

A majority of the committee members' questions were directed to Huerta and ranged from pilot qualification standards to foreign repair stations. When asked about UAS, Huerta discussed the need for staged implementation, just as any other aircraft would be.

One question directed to Cal concerned the act's requirement to develop rules on the transportation of musical instruments. Cal commended the committee for including this concern in the act but stated that we had not done work in this area and deferred to Huerta, who promised to get back to the committee on the status of this rule.

You can view the hearing at <http://transportation.house.gov/calendar/eventsingle.aspx?EventID=366219>.



Smashed 1965 Gibson ES-335 guitar, valued at \$10,000 by its owner, wedged between a service elevator and a loading dock in an airport baggage claim. Baggage handlers tried for more than an hour to free the remains.

NOTEWORTHY

(b)(6)

PEOPLE WE KNOW

(b)(6)

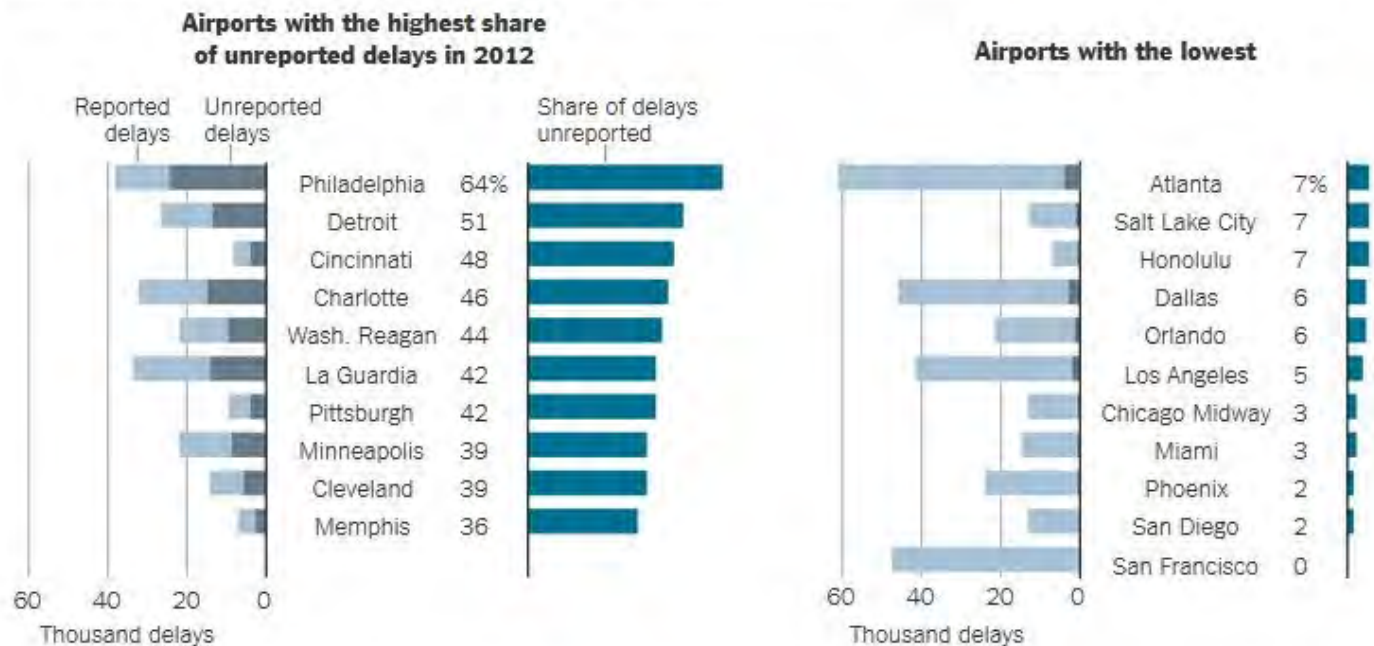
END SHOT

NY TIMES GRAPHS OIG DATA

The New York Times' February 3, 2014, article "Full Picture of Airlines' Punctuality Is Elusive" (see *OIG In The News*) included a graphic based on data from our December 18, 2013, report *More Comprehensive Data Are Needed To Better Understand The Nation's Flight Delays And Their Causes*. Thanks to Ian C. Marrero Falcon, Information Technology Specialist, for capturing the graphic.

Untracked Flight Delays

A recent federal report analyzing delayed flights at 35 airports in 2012 found that many delays do not get included in the government's on-time statistics.



COMINGS & GOINGS

(b)(6)

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

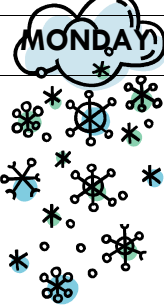
March 4, 2014

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

(b)(6)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
			All-Hands, 1:30 to 3:00 EST, HQ Media Center, VTC to Fields	Cal: CIGIE-GAO Annual Coordination Meeting

NOTEWORTHY

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LEADERSHIP BROWN BAG

On Thursday, February 20, I held an exciting Leadership Brown Bag with special guests—career-level panelists Dennis O’Campo, Jill Cottonaro, and Teri Vogliardo—sharing what they and their peers value and expect from OIG leaders. It was a great opportunity for GS-14s, -15s, and SES to gain valuable insights on the characteristics OIG staff value the most. A copy of the webcast will be posted on SharePoint soon.

I plan to hold a similar panel at a Leadership Development Exchange on what GS-14s, -15s, and SES expectations are for career-ladder staff. It’ll be interesting to see where expectations converge and where they differ. So stay tuned!



— Ann

OIG IN THE NEWS

DOT IG, FAA DISAGREE ON NON-CITIZEN TRUST REGISTRATIONS*AINonline*

February 6, 2014

"There is a fundamental difference between the FAA and Department of Transportation Inspector General about non-citizen trust [NCT] aircraft registrations," FAA deputy chief counsel Marc Warren told attendees this morning at the NBAA business aircraft finance, registration and legal conference in St. Petersburg, Fla. Last Friday, the DOT IG issued a memo that said the FAA still does "not have the information it needs on numerous aircraft owned under non-U.S. citizen trusts, or that this information may not be readily available," even though the FAA clarified its NCT policy in June last year to require that trustees provide information about the operators to the FAA in a timely manner.

But the timeline for getting this information is one of the differences in opinion between the two agencies. The DOT IG said the FAA's new policy requires trustees to provide the identities and locations of trustors within 48 hours, but Warren said the policy offers "guidelines" and added that the FAA is "flexible" on receiving the information.

Another area of disagreement is which NCT registrations have to meet the new guidelines. Warren said that previous NCT registrations are grandfathered, with only new or amended ones having to meet the updated guidelines. But the DOT IG believes that all NCT registrations—whether old or new—must meet the reporting requirements. To this end, the DOT IG took a random sampling of 77 aircraft registered by the five largest trustees and found they were unable to provide the requested information for 35 of 47 operators.

STOP THE ACQUISITIONS MADNESS AT FAA*The Hill, Blog by Robert Newton*

February 10, 2014

Inspector General reports are a dime a dozen in Washington, DC. But occasionally, an IG report finds irregularities so breathtaking they rise far above waste, fraud and ineptitude.

Such is the case with the Air Traffic Control Optimum Training Solution (ATCOTS). According to two separate IG investigations, the program has failed to deliver since its inception in 2008, resulted in delays in training air traffic controllers and in the process, creating unacceptable cost overruns and safety concerns.

[T]he facts are condemning. A September, 2010, investigation discovered problems that existed before the ATCOTS contract was even bid. The 2008 solicitation didn't define training requirements, failed to plan for overseeing contractor services and allowed the contract to go forward in spite of a "60- to 80-percent likelihood that training needs would not be achieved due to the limited staffing hours proposed."

Three years later, ATCOTS was still in disarray. The December 18, 2013 IG report showed FAA still did not "assess whether the ATCOTS contract would meet its long term needs," and that the agency, "still does not hold oversight staff accountable for conducting required semiannual evaluations," along with four straight years of cost overruns amounting to \$89 million.

Even after receiving explicit guidance in the 2010 IG report, FAA failed to put the program on track.

The litany of problems discovered by the IG calls into question the integrity of the acquisitions process before, during and after the contract was awarded.

MAN PLEADS GUILTY TO HELPING TO VIOLATE OUT-OF-SERVICE ORDER*TruckingInfo*

February 10, 2014

A Georgia man has pleaded guilty to federal charges filed last year charging he helped violate an out-of-service order, according to the U.S. Transportation Department's Inspector General.

Last May, [Corey] Daniels, along with Devasko Lewis, Lacey Lewis, and Calvin Outlaw, were indicted for false statements and conspiracy to criminally violate an imminent hazard out-of-service order issued.

In October 2008, Devasko Lewis, doing business as Lewis Trucking Company, was placed under an order to cease all operations due to serious violations discovered during a FMCSA compliance review conducted after a fatal crash in Alabama that killed seven. Prosecutors claimed Lewis, assisted by Daniels, attempted to circumvent this order and formed Eagle Transport and Eagle Trans, using Daniels' identity.

In July 2011, Lewis formed DDL Transport, which was ultimately placed under another out of service order. In May 2012, Lewis pleaded guilty to violating the orders and was subsequently sentenced to six months incarceration and 12 months supervised release.

While on supervised release, Lewis was ordered to not be involved in the operation of any trucking company. However, Lewis obtained DOT numbers for Eagle Transport and Eagle Trans using the identity of friends. After reporting to federal prison in November 2012, Lewis continued operating Eagle Trans.

The DOT Inspector General's office has been conducting the investigation jointly with assistance from FMCSA and the Georgia Department of Public Safety.

OIG IN THE NEWS

GUILTY PLEA IN GEORGIA CHAMELEON CARRIER CASE

Fleet Owner

February 11, 2014

A Georgia man has pleaded guilty in the U.S. District Court in Macon, Ga., to conspiracy to violate a Federal Motor Carrier Safety Administration imminent hazard out-of-service order, the U.S. Department of Transportation Inspector General reported. Corey Daniels was among several men indicted in May 2013 for helping Devasko Lewis operate new carriers, Eagle Transport and Eagle Trans, after Lewis had been barred from being involved in the operation of a trucking company.

In October 2008, FMCSA ordered Lewis, doing business as Lewis Trucking Company, to cease all operations due to serious violations discovered during a FMCSA compliance review conducted after a fatal crash in Alabama that killed seven. He later formed another company, DDL Transport LLC, which also was shut down under an imminent hazard order. In May 2012, Lewis pleaded guilty to violating the orders and was later sentenced to six months in prison and 12 months supervised release.

During his supervised release Lewis was prohibited from being involved in the operation of any trucking company, but he obtained DOT numbers for Eagle Transport and Eagle Trans using the identity of friends, including Daniels, and failed to reveal to FMCSA his involvement as owner-operator of the companies. Daniels and two others helped Lewis continue operating Eagle Trans after he reported to federal prison in November 2012.

CALIFORNIA FREIGHT BROKER ACCUSED OF FRAUD

CDL Life News

February 11, 2014

The owner of a California freight brokerage firm has been indicted for fraud.

According to the Department of Transportation, Bonnie Warren, owner of Oasis Capital, Inc. (Oasis) is accused of violating FMCSA regulations by accepting money from property brokers for the establishment of trust funds and allegedly misusing the money.

“Trust fund monies are supposed to be maintained for the purpose of providing payments to shippers or motor carriers in cases where the broker fails to carry out its contract to provide transportation services by authorized motor carriers,” the Office of the Inspector General stated.

Oasis is accused of soliciting brokers and accepting \$10,000 payments to establish trust funds. The money was then used the money for other purposes.

In 2010, the FMCSA suspended Oasis’ privileges to file trust funds. The FMCSA then began the process of revoking 500 Oasis trust funds on file with the FMCSA.

UNSAFE BORDER BUSES

San Diego Reader

February 19, 2014

A little-noticed report by [DOT’s] inspector general’s office...found that software problems lasting almost a year, from September 2012 through August 2013, prevented U.S. state officials from uploading conviction reports of Mexican bus drivers. “The resulting backlog of conviction data could...delay enforcement action against some Mexican drivers that should be disqualified for moving violations, such as driving under the influence or excessive speeding,” the audit said.

In addition, the report, issued late last November, called out what it says is a deficient safety-inspection program that “does not adequately address bus inspection frequency or identify actions to eliminate inspection obstacles.”

The auditors also found that the carrier safety administration’s inspection plan “does not specify whether weekend inspection coverage is required or how often inspectors should be on duty at high-volume crossings—some of which are open 24 hours a day, 7 days a week.” In particular, while “the plan notes the limitation produced by inadequate lighting at certain crossings, most notably at San Ysidro, CA, it does not identify potential actions to address this obstacle.”

Compounding the problem, the audit said, was lack of agreement between the safety agency and U.S. Customs and Border Protection for “standard inspection protocols for safe and efficient bus inspections across the border.” Auditors found that “of the 27 passenger carrier crossings, only the Hidalgo, Texas, crossing had a written agreement with CBP.”

Following issuance of the findings, safety-agency officials said they were fixing most of the problems and had begun talks with Customs and Border Protection on an inspection agreement.

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NOTEWORTHY

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HAVE NEWS TO SHARE WITH THE OIG COMMUNITY?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue.

Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email

karen.sloan@oig.dog.gov and made-line.chulumovich@oig.dot.gov.

Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

(b)(6)

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

OIG ROLE IN \$1.25B CIVIL ASSET FORFEITURE RECOGNIZED AT DOJ PRESS CONFERENCE

Last Wednesday, at a press conference at the Department of Justice, Attorney General Eric Holder announced that Toyota Motor Corporation is required to pay the U.S. Government \$1.2 billion in the form of a Civil Asset Forfeiture. This historic penalty is part of a deferred prosecution agreement in which Toyota admitted to a criminal charge of wire fraud in connection with its role in providing misleading information to the National Highway Traffic Safety Administration about safety issues in Toyota and Lexus vehicles.

Cal, representing OIG, joined Holder, Secretary Foxx, U.S. Attorney for the Southern District of New York Preet Bharara, NHTSA Acting Administrator David Friedman, and FBI Deputy Assistant Director Joseph Campbell.

Dedicated efforts by staff of the agencies represented helped bring about the penalty — the first of its kind for an auto manufacturer in the United States. OIG's

Many offices were involved in helping DOT in this effort, including the Office of the Secretary. But there are two agencies we wouldn't be here without: the office of our Inspector General and the National Highway Traffic Safety Administration. I'm proud of them and of their persistence and their competence and their skill. And all of us who traverse America's roads should be grateful to them as well.

— Secretary Foxx

JRI-3 staff were instrumental in this multi-agency effort, having subpoenaed and reviewed over 400,000 documents and interviewing more than 100 individuals—including several interviewers through a Japanese interpreter. They were recognized for their efforts by Secretary Foxx (see inset), and Bharara gave a shout out to OIG, “I also want to thank the Department of Trans-

portation, represented here by Secretary Foxx, its office of the Inspector General, represented by Inspector General Calvin Scovel and their team, including Special Agents Brian Smith and Dennis Ocampo.”

When asked about it and possible implications of the charge brought against Toyota, Holder responded that the announcement yesterday reflects “the aggressive nature that we will take in looking at these kinds of charges and also the way in which we will resolve them.” Holder also noted, “as I indicated in my opening remarks, I think this is a sign for the industry that we take these matters seriously. Individuals, corporations will be held accountable.”

According to the settlement agreement, Toyota misled U.S. consumers by concealing and making deceptive statements about two safety issues affecting its vehicles, each of which caused unintended acceleration.

(Continued on page 2)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Brian: CIGIE, 10:00	Cal: GATB, 10:00	COP, 1:30	

NOTEWORTHY

(Continued from page 1)

In addition to the financial penalty, the agreement imposes on Toyota an independent monitor to review and assess policies, practices and procedures relating to Toyota's safety-related public statements and reporting obligations.

— Dave Wonnenberg, J-3



COP: FACILITATING GREAT WORK FROM THE REGIONS (OR ANYWHERE)

This Thursday, March 27, from 1:30 – 2:30 pm EDT, representatives from our New York City, San Francisco, and Seattle offices will discuss tools and strategies to bolster the performance of multisite OIG teams.

This event will be shared via Microsoft Lync. There will be an opportunity for attendees to type questions for presenters, but we will not have a two-way video or audio link.

As we will be transmitting video and audio, we have a limited number of attendee slots. Please register early in TMS and plan to log on early the day of the event (more information will be provided the day of the event).

You must register in TMS and sign an attendance sheet to receive credit. If you cannot attend the live presentation, the COP will be recorded for later viewing.

NOTEWORTHY

DPAIGAE JOE COMÉ'S SIRIUS ROAD DOG TRUCKING INTERVIEW

DPAIGAE Joe Comé was a guest on Sirius XM's Road Dog Trucking channel 128. Joe discussed with show host Mark Willis and his North American audience—over-the-road truckers, short haulers, industry professionals, trucking enthusiasts, and others—[JA30's recently released report](#) on FMCSA's Compliance, Safety, Accountability Program for commercial trucks and buses.

During the roughly 45-minute segment, Joe answered questions from Willis and several callers. The DPAIGAE (pronounced D-PAY-GEE) used the opportunity to highlight the key aspects of the report and briefly discuss OIG's role, even finding time to plug our Web site, Hotline, and Twitter handle (@DOTInspectorGen, for those who Tweet).

Much of the interview and several calls focused on the issue of data quality as carriers and individual truckers have widely expressed concern over

whether FMCSA, through its use of CSA, is fairly targeting operators.



Joe walked through OIG's history with FMCSA's attempts to use risk-based programs to better tar-

get carriers, saying that the agency has made marked improvements since his first audits in the 2002 and 2003, but there remains room for improvement.

The interview closed with Joe explaining that we will hold FMCSA's feet to the fire on its commitment to address each of our six recommendations by the end of this summer. He also indicated that we would be in a better position to evaluate the effectiveness of the program, once it is fully implemented in the remaining 40 States as planned.

To close out the interview, Joe mentioned OIG welcomes input from the public and suggestions on ways DOT's programs can be improved.

From the sound of it, Joe did, indeed, keep calm and kept on truckin'.

— Dave Wonnenberg, J-3

NOTEWORTHY

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NOTEWORTHY

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OIG IN THE NEWS

TOYOTA TO PAY \$1.2 BILLION IN JUSTICE DEPARTMENT SETTLEMENT

The announcement that Toyota will pay a \$1.2 billion settlement with the Justice Department sparked heavy media coverage. Network news broadcasts devoted a total of at least 6 minutes of coverage to the issue. Meanwhile, coverage emphasized that the penalty is the largest ever levied on an automobile company, and also mentions the ongoing GM investigation.

ABC World News (3/19, story 4, 2:05, Sawyer, 7.43M) reported that in the settlement, “Toyota admitted that it ‘misled US consumers’ by ‘concealing and making deceptive statements’ about unintended acceleration.” US Attorney General Eric Holder commented, “Toyota confronted a public safety emergency as if it were simply a public relations problem.”

CBS Evening News (3/19, story 4, 2:20, Pelley, 5.58M) reported that “it is the largest penalty ever imposed on an automobile company.” US Attorney Preet Bharara, who led the investigation, remarked, “Toyota Motor Corporation is in that position because it cared more about savings than safety, because it cared more about its brand and bottom line than the truth.”

NBC Nightly News (3/19, story 3, 2:20, Williams, 7.86M) also quotes Holder, who said, “Toyota’s conduct was shameful. It showed a blatant disregard for systems and laws designed to look after the safety of consumers.” Meanwhile, “The Justice Department is now investigating whether another car company, GM, was slow to report a problem with ignition switches linked to crashes. Prosecutors clearly viewed today’s settlement with Toyota as a model to punish other car companies that hide safety risks.”

The AP (3/20) reported before the announcement that “Attorney General Eric Holder, Transportation Secretary Anthony Foxx and U.S. Attorney for the Southern District of New York, Preet Bharara, were announcing the settle-

ment Wednesday morning, said the official, who spoke on condition of anonymity because the official was not authorized to discuss the settlement on the record before the announcement.” The AP notes that NHTSA “never found defects in electronics or software in Toyota cars, which had been targeted as a possible cause.” The AP (3/20, Tucker) also reported after the announcement.

PBS NewsHour (3/20, 81K) reports that Foxx said that he hopes the settlement will send a “powerful message to manufacturers to put safety first.”

The New York Times (3/20, B1, Vlasic, Apuzzo, Subscription Publication, 9.61M) reports that Holder “talked in impassioned tones on Wednesday about Toyota’s behavior in hiding safety defects from the public, calling it ‘shameful’ and a ‘blatant disregard’ for the law.” During a news conference, Holder said, “Other car companies should not repeat Toyota’s mistake. A recall may damage a company’s reputation, but deceiving your customers makes that damage far more lasting.”

The Washington Post (3/20, A1, Douglas, Fletcher, 4.28M) reports that “the deal is a victory for the government and could serve as a model for a case against General Motors, which is under investigation by Congress, safety regulators and federal prosecutors for taking more than a decade to issue a recall for an ignition-switch problem it has linked to 31 accidents and 12 deaths.” US Attorney Bharara commented, “Companies that make inherently dangerous products must be maximally transparent, not

two-faced. That is why we have undertaken this enforcement action. And the entire auto industry should take notice.”

Bloomberg News (3/20, Wilber, 1.91M) reports that “Bharara said it was particularly outrageous that ‘at a maximum moment of crisis when people in America were really concerned were they driving safe cars or not,’ Toyota was saying ‘loudly and forcefully, on television and in press releases and on their website, at every juncture, to reassure the public and protect its brand: ‘Don’t worry about it, we’ve got it covered, we have gotten to the root cause of the problem.’ And that was false.”

Los Angeles Times (3/20, Hirsch, 3.07M) quotes George Venizelos, assistant director of the FBI, who said, “Toyota put sales over safety, and profit over principle. The disregard Toyota had for the safety of the public was outrageous. Not only did Toyota fail to recall cars with problem parts, they continued to manufacture new cars with the same parts they knew were deadly.”

The Detroit News (3/20, Shepardson, 619K) reports that the settlement was announced by Holder and Bharara “at a press conference attended by Transportation Secretary Anthony Foxx and National Highway Traffic Safety Administrator David Friedman.” Foxx remarked, “Throughout this recall process, NHTSA investigators worked tirelessly to make sure that Toyota recalled vehicles with defects causing unintended acceleration, and to determine when they learned of it, and as we learned today,

(Continued on page 8)

OIG IN THE NEWS

they succeeded in this effort in spite of extraordinary challenges. Today's penalties follow NHTSA's own record civil penalties of more than \$66 million — together, they send a powerful message to all manufacturers to follow our recall requirements or they will face serious consequences."

The Detroit News (3/20, Shepardson, 619K) also reports that in an interview last summer, then Transportation Secretary Ray LaHood said Toyota "basically took our recommendations. They put people in North America in charge so they don't have to make a phone call to Japan every time they want to make a decision," LaHood said. "Now they have the opportunity to not only be a dominant player in America in their sales but also in the way they do their business."

The Detroit News (3/20, Shepardson, 619K) also points out that fallout from the settlement new safety legislation. The news points out that "many reforms proposed in the wake of the Toyota acceleration crisis in 2010 were never approved and could be resurrected — including hiking maximum NHTSA fines to as much as \$250 million."

Politico (3/20, Robillard, 73K) reports that "under the agreement, Toyota admitted to misleading American consumers about the problem." In addition, the company "agreed to have an independent monitor review and assess its handling of safety issues." Furthermore, the agreement "includes a single charge of wire fraud against Toyota, which the government will dismiss in three years if the company abides by the agreement." Politico also notes that "safety advocates have long called for NHTSA to be able to levy heavier fines against automakers, but intense lobbying by automakers has beaten back prior attempts."

Detroit Free Press (3/20, Priddle, 794K) reports that Toyota has "used this sud-

den acceleration crisis to change how it develops vehicles and makes decisions." Toyota chief legal officer Christopher Reynolds said, "In the more than four years since these recalls, we have gone back to basics at Toyota to put our customers first. We have made fundamental changes across our global operations to become a more responsive company — listening better to our customers' needs and proactively taking action to serve them."

The New York Times (3/20, Henning, Subscription Publication, 9.61M) reports that the "parallels between Toyota and GM are striking," referring to Toyota's settlement with the Justice Department on Wednesday and the ongoing investigation into GM's faulty ignition switches. The Times focuses on Attorney General Eric Holder's statement that "other car companies should not repeat Toyota's mistake; a recall may damage a company's reputation, but deceiving your customers makes that damage far more lasting." The Times notes that, if GM made misleading statements regarding the ignition switches, it could be charged with wire fraud, and, unlike Toyota, since most individuals in the GM case are American, criminal charges could also be brought against individuals. The Times reports that GM now knows it will likely face "a hefty financial penalty and an outside monitor in exchange for avoiding a criminal conviction."

Christian Science Monitor (3/19, Guarino, 540K) reports that GM will have to defend itself from the charges right after the company was beginning to change its reputation in a positive way. The Monitor notes that the Federal prosecutors who will be handling GM are the same ones who handled the Toyota investigation.

Wall Street Journal (3/20, 5.91M) reports that, in a letter to GM CEO Mary

Barra, US Senator Pat Toomey (R-PA) asked for GM to return the black box that recorded the last minutes of a crash that killed a Pennsylvania girl driving a 2005 Chevy Cobalt in 2010.

Bloomberg News (3/19, Sandler, Lee, 1.91M) reports on the prospects that US Bankruptcy Judge Robert Gerber will reopen the bankruptcy case against GM. Bloomberg reports that Harvey Miller of Weil Gotshal & Manges LLP, GM's bankruptcy lawyer, said that "time to revoke court orders dating from GM's bankruptcy 'has long past.'" Bob Hilliard, the plaintiffs' lawyer, believes that the "bankruptcy judge wasn't advised of the full extent of GM's ignition-switch liabilities."

Bloomberg News (3/19, Pettersson, 1.91M) article notes that GM was also sued on behalf of the owners of the 1.4 million vehicles affected. Hagens Ber- man Sobol Shapiro LLP is looking for \$250 per vehicle owner, a total of more than \$350 million.

The Tampa Bay (FL) Times (3/20, 78K) argues that GM and NHTSA need to do a better job of keeping drivers safe, saying that "Both the free market and regulators failed American consumers." The Times argues that consumers cannot depend on GM to not "drag its heels on future recalls," and thus NHTSA needs to "reinvigorate auto regulation."

Also reporting on the Toyota settlement: **Wall Street Journal** (3/20, B1, Levinson, Bennett, Barrett, Subscription Publication, 5.91M), **Reuters** (3/20, Viswanatha, Ingram, Klayman), **NPR** (3/20, Naylor, 465K), **New York Daily News** (3/20, Beekman, 3.94M), **Christian Science Monitor** (3/20, Hilliard, 540K), and the websites of **ABC News** (3/20, 3.68M), **CBS News** (3/20, 3.87M), and **WSFA-TV Montgomery, AL** (3/20, 30K).

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COMINGS & GOINGS

(b)(6)

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

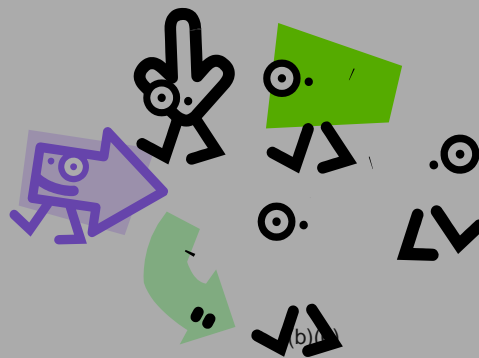
March 31, 2014

INSPECTOR

(b)(6)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Ann: Quarterly DIG Meeting, 10:00	Cal: GM, NHTSA hearing		



OIG IN THE NEWS

TOYOTA CASE SHOWS IT'S HARD TO PROSECUTE EXECS

Associated Press

March 25, 2014

Efforts to conceal the extent of dangerous car defects at Toyota Motor Corp. were so pervasive, prosecutors say, that an exasperated employee at one point warned that "someone will go to jail if lies are repeatedly told."

Yet no one has gone to jail, nor is likely to.

The Justice Department last week socked the car company with a \$1.2 billion penalty but brought no criminal charges against individual executives, an unsatisfying resolution for consumer activists who say prison is the best deterrence for corporate malfeasance.

But prosecutors say they had little choice, in part because of constraints with evidence and the challenge of gathering testimony and information from witnesses outside the United States.

When people who break the law live outside the country, "there are problems of evidence and problems of proof," [Preet Bharara, the U.S. attorney for the Southern District of New York, whose office brought the case, said]. Evidence and documents that can be brought into play against a corporation, he said, might not be admissible against specific people.

Toyota, which acknowledged hiding information about defects, said in a statement that in the four years since the recalls, it had "made fundamental changes to become a more responsive and customer-focused organization, and we are committed to continued improvements."

The penalty is the largest of its kind ever brought against an auto company, according to the Justice Department. The department also filed a wire fraud charge against Toyota that the government says it will

dismiss in three years if the company complies with the terms of the settlement.

"While \$1.2 billion is an enormous number, it is going to be very easily absorbed by the company," said Jack Gillis, director of public affairs for the Consumer Federation of America, a consumer advocacy research and lobbying group. "So shouldn't there have been some personal culpability among the decision-makers?"

Prosecutors say Toyota made public statements that were misleading or false and key information about the extent of the problems was never disclosed. For example, they point to an inaccurate timeline that the company provided to Congress on when it learned about a problem with sticky gas pedals that could cause unwanted acceleration. They also cite misleading disclosures to safety regulators and a 2009 online statement assuring the public that the "root cause" of one of the problems had been addressed.

When engineers found that the gas pedals could stick, they told their parts supplier to start making a redesigned version and to scrap any pedals with the old design. But management canceled the fix and instructed the engineers not to tell the supplier in writing so there would be no paper trail, a violation of Toyota's own policy, prosecutors said.

Under the federal rules of evidence, prosecutors would have had a better chance of introducing those statements as evidence against the corporation than against any one individual, legal experts say.

General Motors Co. is facing a separate federal criminal probe in New York over delays in recalling small cars with a deadly ignition switch problem. It's unclear whether any individuals are being investigated in that case or whether prosecutors would confront the same evidence problems if they wanted to charge specific people.

WORCESTER TRUCK COMPANY OWNER SENTENCED FOR BRIBING INSPECTOR

Telegram & Gazette

March 26, 2014

The owner of a now defunct trucking company was sentenced Wednesday in federal court to 1 year of probation and a \$1,000 fine after he admitted to bribing a federal inspector.

Irfan Dushku, 44, of Worcester, avoided having to serve half of his probation under home confinement after a federal judge noted the father of three did not have a criminal record.

According to authorities, Mr. Dushku ran Korca Enterprises Inc., which had several drivers working long hours in violation of safety standards.

A Federal Motor Carrier Safety Administration investigator went to Korca Enterprises in May 2013 to check records and conduct a review. Mr. Dushku paid the inspector \$1,000 to ignore safety violations and issue a clean report, authorities said.

Assistant U.S. District Attorney Kristina E. Barclay said Mr. Dushku falsified company records to hide how many hours his truck drivers were logging.

"A bribe is a bribe," she said. "He put at risk the safety of his drivers and all who share the road with them."

Defense lawyer James J. Gribouski said his client lost his business after the charges and is looking for a new business venture to support his family.

Mr. Dushku came to the United States from Albania about nine years ago, Mr. Gribouski said. He called his client a "good man who made a very serious mistake."

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Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL TESTIFIES AT GM RECALL HEARING

Last Wednesday, Cal testified before the Senate Commerce, Science, and Transportation Subcommittee on Consumer Protection, Product Safety, and Insurance on the National Highway Traffic Safety Administration's efforts to identify and investigate vehicle safety defects. The day before, two of Wednesday's witnesses—GM CEO Mary Barra and NHTSA Acting Administrator David Friedman—sat before the House Energy and Commerce Subcommittee on Oversight and Investigations to answer questions about GM's ignition switch recall.

Senator McCaskill began Wednesday's hearing recounting the story of the pediatric nurse who died on her 29th birthday after her 2005 Chevy Cobalt lost power on a highway outside of Atlanta, crossed the center line, slammed into another vehicle at 58 MPH, and landed in a creek. The airbag never deployed.

The recall of at least 2.2 million GM vehicles related to faulty ignition switches will cost the company millions if not billions of dollars.



The majority of the hearing—4 hours—focused on Barra and GM's failure to take action when it knew as early as 2004 that the ignition switch in the Cobalt and other GM cars was faulty. Barra answered many of the questions by saying that practices of covering up defaults is unacceptable and that the company is investigating the issue. The Wall Street Journal may have said it best: Barra "sought to steer a careful course of contrition without admission."

Friedman and Cal sat on the second panel. Friedman says he wants to ensure the Government has a clear picture of how and when airbags would deploy fol-

lowing GM's ignition-switch recall. "Is it truly a power issue, or is there something embedded in their algorithm that is causing this," Mr. Friedman asked when responding to a question from McCaskill. Friedman also indicated NHTSA's willingness to review its processes.

Cal focused on the status of NHTSA's actions to address major weaknesses we reported in 2011. Cal noted that, in response to our recommendations, NHTSA has implemented more robust processes to identify and investigate safety defects. However, the effectiveness of these process enhancements will depend on whether NHTSA's Office of Defects Investigation systematically uses and applies the new processes when conducting its analyses and inves-

(Continued on page 3)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Preview of New Employee Orientation, noon			Cal: RATB Meeting, 1:30

NOTEWORTHY

COP HOLDS “META-SESSION” ON LYNC-ING TEAMS

On March 27, representatives from our New York, San Francisco, and Seattle offices hosted a Community of Practice session on available technology and strategies that can help establish and enhance communications in multisite OIG teams. Tiffany Mostert (JA-30, NY), Susan Crook (JA-10, SF), and Curtis Dow (JA-60, Seattle) shared personal lessons learned to assist OIG staff working with colleagues in different cities and time zones.

The event also included a discussion of Microsoft Lync, which lets users

- create, moderate, and join pre-planned and on-the-fly audio, video, and web meetings;
- share and modify report drafts and other documents, including workpapers and photos, in real time;
- get real-time information, including availability status and location;

- and send and receive instant messages; and
- make voice calls through the computer to other Lync users.

The entire event was hosted via Lync—the first fully virtual COP OIG has hosted.

Below are a couple reactions to the session.

Ann: This was a great COP in that it not only served the key purpose of our COPs—to share valuable information and lessons learned from those with experience on the topic—but also served as a tutorial on the use and power of this key tool. Lync is powerful in that it helps facilitate communication and work engagement by connecting individuals and teams that are not in the same physical location. I particularly like and have seen great value in accessing Lync and sharing documents on the screen as we work through addressing comments. Thanks very much to Tiffany, Susan, and Curtis!

Amanda Seese: As a manager who joined with staff in the regions for the first time when JA-50 merged with Seattle, this session opened my eyes to 100 additional ways I could collaborate with my team members not co-located with me. We had been using Lync and SharePoint, but Tiffany, Curtis, and Susan showed me a world of possibilities beyond the ways I was using those tools to further enhance my communication with my team. The session was fresh, relevant and contained topics that were pertinent for employees both co-located and working in the same geographic location. I especially appreciated the attention paid to communication—a great reminder for all of us here in OIG to consider how we are approaching one another when collaborating to achieve results.

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(Continued from page 1)

tigations. Cal also noted that NHTSA has yet to complete a workforce assessment for determining the number and most effective mix of ODI staff. Finally, Cal discussed our efforts to support strong action against companies that elect to withhold critical safety data from NHTSA, and pointed to our participation in the criminal probe of Toyota, which forfeited \$1.2 billion for intentionally concealing information on vehicle defects from NHTSA.

Cal closed his statement recognizing the families of those who lost their lives as a result of the faulty

ignitions, and pledging our resolve to “do our duty.”

Most of the subcommittees’ questions for the second panel were directed to Friedman, but Cal fielded a few. During questioning by Senator Amy Klobuchar about NHTSA’s Special Crash Investigations, Cal helped clarify the agency’s SCI process and noted. “It’s encouraging to hear the Administrator talk about reexamining processes and specifically use the term ‘integrating’ special crash investigation reports because [OIG] clearly needs to understand how the agency intends to do that.”

Such a change could be significant,

as NHTSA’s current SCI process may not be adequately included with other analyses conducted by the agency.

In response to a question from Senator Richard Blumenthal, Cal confirmed that our agents were “critical to the criminal investigation” of the now-substantiated criminal activity at Toyota. However, when asked whether we were pursuing an investigation of GM, Cal provided the standard reply for questions related to law enforcement matters: “I can’t confirm or deny that a criminal investigation is under way.”

NOTEWORTHY

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NOTEWORTHY

(b)(6)



Registration
deadline for
“Take our
Daughters
and Sons to
Work Day” is
tomorrow!

Thursday, April 24, 2014

OIG IN THE NEWS

PG&E CRIMINALLY CHARGED IN GAS EXPLOSION THAT KILLED 8 PEOPLE

Los Angeles Times
April 1, 2014

Utility giant Pacific Gas & Electric was charged Tuesday with federal felony counts related to a deadly gas explosion in San Bruno, Calif., in 2010.

According to a statement from the U.S. attorney's office, a federal grand jury in San Francisco found that PG&E committed "multiple violations" of the Natural Gas Pipeline Safety Act of 1968.

PG&E faces 12 criminal charges. It faces fines of up to \$500,000 for each charge.... Officials said "The indictment alleges that PG&E failed to address record-keeping deficiencies concerning its larger natural gas pipelines knowing that their records were inaccurate or incomplete."

Last year, PG&E announced it would pay out \$565 million in legal settlements and other claims stemming from the 2010 natural gas explosion that killed eight people and devastated a neighborhood.

The blast in September 2010 also injured dozens and destroyed 38 homes when a 54-year-old pipeline exploded under the San Francisco suburb.

The National Transportation Safety Board determined that maintenance work at a pipeline control center triggered electrical problems and a rise in gas pressure before the blast.

The agency issued a scathing report blaming PG&E for "baffling" mistakes, a "litany of failures" and lax oversight, saying it took the gas company nearly 95 minutes to shut off the gas spewing from the broken pipeline.

The report by the commission's Safety and Enforcement Division said its investigators found more than 100 violations by the company, some dating back decades.

PAIR SENTENCED FOR SOUTH BAY 'LOW-BALL ESTIMATE' MOVING COMPANY FRAUD SCHEME

CBS San Francisco
April 3, 2014

Two men were sentenced in federal court in San Jose to 18 months in prison for a "low-ball estimate" moving company fraud scheme...a U.S. attorney said.

The U.S. Department of Transportation, Office of Inspector General, the Internal Revenue Service's Criminal Investigation Division and the Federal Bureau of Investigation have been investigating the case since 2003.

Asaf Nass, an operations manager for the moving company AY Transport...admitted to working a scheme to defraud customers with the assistance of Miami-based moving broker National Moving Network.

The two companies worked together to lure in customers with inaccurate prices and then charge more....The increased fees sometimes amounted to two or three times the original amount provided by National Moving Network.

The Office of the Inspector General's website states that the owner and [CEO] of AY Transport Amit Ezyoni, 42, is wanted by law enforcement officials and is considered armed and dangerous.

Former AY Transport employees Eli Kaupp and Barak Braunschtein also remain at large and are considered armed and dangerous as well, according to the Office of the Inspector General.

Investigators said Ezyoni and his co-conspirators may have "lured over 1,000 customers with artificially low moving estimates, and then extorted them by holding their household goods hostage until they paid fraudulently inflated prices," between April 2001 to October 2005.

BOARD CREATED TO OVERSEE D.C.'S UNION STATION ISN'T WORKING

Washington Examiner
April 3, 2014

A nonprofit board created to oversee and manage D.C.'s historic Union Station is not doing its job, a new watchdog report has found.

The Union Station Redevelopment Corp., created by the federal Transportation Department in 1983, is in charge of managing and overseeing the "tourist attraction, retail destination, and transportation hub," according to the report.

However, the agency "has not adequately planned for Union Station's future," DOT's inspector general found.

The station's reserve fund for maintenance is at "risk of depletion and faces a potential shortfall of more than \$5 million" by September. However, the size of the shortfall can't be predicted because the condition of "various building components is unknown," the report said.

Furthermore, USRC has not updated its master plan for the station since 2010, specifically failing to identify funding sources for "key projects or plans of other stakeholders, such as Amtrak," the IG found.

A study to project the "remaining useful life" of critical parts of the station—including mechanical, electrical and plumbing systems—and how much maintenance on them would cost over time has not been done either, the IG found.

The IG also found that "limited revenues coupled with debt and escalating and unforeseen costs" are creating huge financial challenges for USRC.

"Union Station remains at risk of falling into a state of disrepair that in the past led to the Station's closure and the need for costly renovation," the IG said.

OIG IN THE NEWS

In addition to heavily citing our Union Station report, the *Washington Examiner* included an embedded, interactive PDF of our report. (And thanks to Mitch Behm's past persistence, the report cover shows our logo and header.) To see how it works, go to

<http://washingtone Examiner.com/board-created-to-oversee-d.c.s-union-station-isnt-working-watchdog-finds/article/2546765#>

DOCUMENT PAGES TEXT Zoom Search

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Original Document (PDF) »
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p. 1

**Office of Inspector General
Audit Report**

**INADEQUATE PLANNING, LIMITED REVENUE,
AND RISING COSTS UNDERMINE EFFORTS
TO SUSTAIN WASHINGTON, DC'S UNION
STATION**

Federal Railroad Administration

Report Number: FI-2014-033
Date Issued: April 1, 2014

DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA

p. 2

Memorandum

U.S. Department of Transportation
Office of the Inspector General
Washington, DC

SUBJECT: Inadequate Planning, Limited Revenue, and Rising Costs Undermine Efforts To Sustain Washington, DC's Union Station
Federal Railroad Administration
Report No. FI-2014-033

DATE: April 1, 2014

TO: Calvin L. Scott III, Inspector General

FROM: The Secretary, Federal Railroad Administration

Union Station is Washington, DC's main multimodal transportation hub as well as a commercial retail center. Each year, it serves millions of rail passengers, transit riders, pedestrians, and tourists. The Station is a Federal heritage asset, owned by the Federal Railroad Administration (FRA). In 1983, the Department of Transportation (DOT) created the Union Station Redevelopment Corporation (USRC) to manage and oversee Union Station's operations. Priority, Union Station is undergoing repairs, major interior renovations, and other significant changes to improve access to trains, Metrolink, and buses. These high-dollar investments warrant increased oversight to avoid cost overruns, wasted funds, and damage to Union Station's historical and functional value.

The Ranking Member of the U.S. House Committee on Transportation and Infrastructure and former Ranking Member of its Subcommittee on Economic Development, Public Buildings, and Emergency Management requested that we assess the oversight of Union Station's development, operations, and maintenance. Accordingly, we (1) examined Union Station's oversight structure, (2) evaluated USRC's current and future plans for Union Station, and (3) assessed USRC's

OIG IN THE NEWS

Not surprisingly, the media were all over last week's GM hearings. Here's a sampling.

[CBS Evening News](#) (4/2) Senators accused GM "of covering up a defect that has killed at least 13 people." CBS added that Barra faced "many questions," including why "no one has been dismissed over the delayed recall." CBS also noted that while Barra "says the recalled vehicles are still safe to drive as long as drivers use the key only," on Friday, a Federal judge in Texas "will hear a request that all the recalled vehicles be parked immediately."

[NBC Nightly News](#) (4/2) Barra "came under withering attack for the company's failure to order a recall over a decade ago." In addition, GM was "accused of criminal behavior by US senators, many of them former prosecutors." NBC added that Barra "still could not answer basic questions about GM policies and a decade delay in ordering an ignition switch recall." In addition, "a House investigation has turned up more internal GM documents that cited high costs as a reason for not ordering fixes way back in 2005."

[Wall Street Journal](#) (4/3) As Barra sought to distance GM from the "old GM," she was met with harsh attacks from senators who were clearly skeptical about how different the current company is from the one that developed the faulty cars. The Journal notes that Sen. Richard Blumenthal told Barra that if she were serious about breaking with the "culture" of the old GM, she would agree to compensate those victims whose claims came before GM's bankruptcy and warn owners of cars with potential faulty ignition switches that "they should not drive them until they are fixed."

[New York Times](#) (4/3) The tone of the Senate hearing was "much harsher" as "senators more aggressively questioned Ms. Barra's contention that the cars are safe to drive and doubted her statement that the company had moved from a cul-

ture of cost-cutting to one of safety and a focus on the consumer." She "frequently drew the ire of the senators when she repeatedly did not answer questions, saying either that she did not know or noting that an internal investigation was under way." The panel also heard testimony from acting NHTSA administrator David J. Friedman and the Transportation Department's inspector general, Calvin L. Scovel III.

[McClatchy](#) (4/3) Barra "withstood a barrage of questions and accusations" from senators "demanding to know how the automaker could have failed to fix the ignition switch for more than a decade." Some "voiced skepticism about Barra's candor in denying that she knew about the problem until Jan. 31 and in promising that the new GM, the one bailed out by taxpayers in 2009, 'will do what's right.'"

[Reuters](#) (4/3) Senators accused GM of "criminal" behavior and "a culture of cover-up." Reuters notes that Scovel said that Transportation Secretary Anthony Foxx had asked his office to review NHTSA's performance. Scovel noted "major weaknesses" in NHTSA's processes for tracking complaints and documenting investigative decisions.

[The Hill](#) (4/3) "White House deputy press secretary Josh Earnest said Wednesday it is 'critical to get to the bottom of what happened' with General Motors's recall of 1.6 million vehicles." Earnest said the president was interested in determining the cause of GM's failure to issue recalls of its cars going back as far as 2004 until February of this year."

[Detroit News](#) (4/3) "David Friedman acknowledged that the agency has just 51 people in its defect investigations unit with a \$10.1 million budget—a fraction of the agency's \$800 million." McCaskill "noted that NHTSA's defect budget—

which only funds about 51 people—has remained flat for about a decade." The News also points out that Scovel "confirmed he would open an audit into NHTSA's handling of GM airbag complaints at the request of Transportation Secretary Anthony Foxx."

[Washington Post](#) (4/3) "Friedman said Wednesday the agency suspects that GM did not provide information about the ignition problem in a timely manner, which is a violation of federal law." Meanwhile, "some lawmakers said they were upset that the agency, which opened investigations into three separate crashes related to ignition switches over the years, failed to take action."

[Christian Science Monitor](#) (4/3) "Lawmakers said that plan to hold more hearings with officials from GM and NHTSA. Meanwhile, Sen. Amy Klobuchar (D-MN) "asked whether the NHTSA had 'technical expertise' to deal with the complaints regarding the fatal crashes."

[New York Times](#) (4/3) GM has "refused to disclose publicly the list of the confirmed victims," and the "enduring mystery has left scores of grieving families playing a guessing game." The families and their attorneys "are running up against a technological reality beyond G.M.'s narrow definition of victims: Because many of the cars and their so-called black boxes were damaged or destroyed, there may not be enough evidence left from the crashes to prove what happened."

[Bloomberg News](#) (4/3) US District Judge Nelva Gonzales Ramos will "consider forcing the company to adopt what the customers call a 'fail-safe solution' to prevent further accidents while the switches are replaced." Bloomberg reports that the "park-it" order was submitted along with a class-action lawsuit seeking \$10 billion from GM, claiming that the cars are "too dangerous to drive."

LAST PAGE



Photos of accident victims were displayed as GM CEO Mary Barra testified at the Senate hearing (Mark Wilson, Getty Images)



Acting NHTSA Administrator David Friedman testifying on the second panel with Cal (Photo: Pablo Martinez Monsivais)

COMINGS & GOINGS

(b)(6)

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL



Batter up! In the same way professional baseball teams retrain each spring, professional organizations like ours can revisit and refine skill sets that

are critical to mission success. So today marks the beginning of OIG's spring training for supervisors—a feature in *The Inspector* over the next few weeks to help reemphasize crucial components of performance management and professional development.

With more than 80 new staff joining us across JA, JI, and JM, it is an opportune time to remind supervisors of what motivates employees and why motivation is critical to our bottom line. The concepts covered in this series will position us to provide sound supervision to our entire staff as we prepare to close another performance rating cycle in May.

Spring training begins with a look at two topics: what OIG needs from us as supervisors and what staff need from us as supervisors. I encourage all of you to tune in over the next few weeks and tune-up your supervisory skill sets. Remember: while we're an organization focused on "Mission First," the mission is accomplished by our most valuable resource—our people.

Cal

TRAINING, TOOLS, AND TIME SERIES

What OIG Needs From Us as Supervisors You may supervise many employees, but employees typically have only one supervisor. And in most cases, you are their primary connection to the organization. As Ann has pointed out in previous Leadership Brownbags, your relationship with staff you supervise is personal, unique, and critical to their success at OIG.

"People leave managers, not companies," a Gallup poll concluded after surveying more than 1 million employed U.S. workers. The poll found that a bad boss or immediate supervisor is the number one reason people quit their jobs. Although many factors that contribute to an employee's leaving may be outside your control, one of your primary roles is to ensure employees are reasonably and fairly incentivized to stay and to reduce or lessen the impact of factors that contribute to their wanting to leave.

Through mentoring and motivation, you can significantly influence—either individually or with other supervisors and managers—what employees want to feel engaged and committed.

What Employees Want From Their Supervisors Gallup Group research identified 12 key factors in employee engagement. Essentially, employees want to:

- Know what is expected of them.
- Have the materials, equipment, and resources to do their work to meet expectations.
- Have the opportunity to do what they do best every day.
- Receive recognition, praise, or acknowledgment for doing good work.

(Continued on page 2)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Cal: 10:00 CIGIE Meeting JA All Hands, 1:30	Leadership Development Exchange, noon		

NOTEWORTHY

TOP FIVE REASONS EMPLOYEES LEAVE

- Relationship with manager
- Work-life balance
- Salary, advancement opportunities
- Learning, development opportunities
- Work environment, corporate culture

TOP FIVE REASONS EMPLOYEES STAY

- Challenging work
- Team, colleagues
- Work environment
- Salary
- Relationship with manager

(Continued from page 1)

- Feel cared about as a person.
- Be encouraged to develop.
- Have their opinions count.
- Feel their job is important.
- Feel their co-workers are committed to—and held accountable for—doing quality work.
- Have a sense of belonging.
- Receive meaningful feedback about their progress.

- Have opportunities to learn and grow.

Our human resources policies and procedures aim to ensure these outcomes by requiring fair and uniform treatment of employees, and transparency of expectations for employees and supervisors.

However, policies and procedures can only go so far. At heart, we are talking about complex human relationships. To work well, rela-

tionships require respect and good will, trust, sincerity and honesty, concern for one another's basic well-being, and the willingness to bridge gaps and communicate across diverse backgrounds, experiences, races, ages, genders, personalities, and all the other factors that make each of us unique.

— Deb Alexander, Expert, Office of Training and Development

REMINDER: LEADERSHIP DEVELOPMENT EXCHANGE THIS WEDNESDAY

Last month, OIG leaders learned what staff value and expect from them. It was an insightful discussion, and now we invite all GS-13s and below to join our next Leadership Development Exchange to learn from a panel of OIG leaders what they value and expect

from career level staff. The panelists—who surveyed their cohort—are Joe Come (JA-1); Aisha Evans (JA-60); BJ Leary (JA-10 Atlanta); Scott Macey (JA-10 San Francisco), and Elise Woods (JI-2).

This Wednesday's session will be held from noon to 1:30 in HQ's

Media Center and via webcast (the link will be provided that morning). Field staff and those teleworking can also dial-in: 888-675-2535, access code: 1804421.

I hope many of you will attend or tune in.

— Ann

NOTEWORTHY

(b)(6)

(b)(6)

OIG EXCEEDS ITS COMBINED FEDERAL CAMPAIGN GOAL

The Combined Federal Campaign has officially ended. The Department held its closing ceremony on March 27, 2014. Overall, the Department raised \$1,301,906.90, exceeding its \$1 million goal by over \$301 thousand. OIG raised \$30,948.90, exceeding our \$27,047 goal by almost \$4 thousand.

Special thanks to Joe Come' (Vice Chair), Anthony Zakel (Campaign Coordinator), and Courtney Potter (Campaign Coordinator) for leading this year's efforts. However, none of it would have been possible without the fan-tab-u-lous key workers:

- Peter Barber
- Benjamin Huddle
- Lisette Mercado
- Ellen Richardson
- Ricky Bostian
- Earlene Jenkins
- Kathryn Novicky
- Michelle Starkey
- Roberto Pero
- My Phuong Le
- Abdul-hamed Oriolowo
- Jennifer Gale
- James Lonergan
- James Ovelmen

Also, a special thanks to Rhonda Caver-Holmes for volunteering her Line Dancing expertise!

Many thanks to all who participated, donated, or both to make this year such a success. Because of you, OIG has gone a long way in making a difference in the lives of many needy individuals!

— Courtney Potter, JA-30

NOTEWORTHY

(b)(6)

OIG IN THE NEWS

FTA HITS BACK AGAINST IG REPORT

Politico Morning Transportation
April 7, 2014

The Federal Transit Administration has an unusually critical take on a new DOT inspector general report, questioning the watchdog's estimation that around 5 percent of stimulus grants were "improper" but not necessarily invalid. The IG report, released on Friday, says that FTA did not prevent or detect about \$7.3 million in improper payments to 10 of 16 grantees it sampled; around 80 percent of that was for charges that grantees didn't document adequately. "While a lack of documentation does not necessarily mean a payment was invalid, it does raise questions about the payment's eligibility as well as the overall effectiveness of internal controls," the report says.

Agree to disagree: The FTA said it reviewed the payouts in detail, and those cited by the IG were "fully appropriate and in accord with grant requirements." The agency also asked the watchdog to "adjust its extrapolated values cited in the draft report to ensure that they are in accord with all of the material facts." FTA spokesman Brian Farber said that all of the \$8.7 billion in payments went to "eligible recipients, for eligible purposes," and that the agency "adhered to stringent monitoring and oversight standards."

AUDIT FAULTS FAA FOR INADEQUATE OVERSIGHT OF LAX REVENUE USE

latimes.com
April 10, 2014

Significant holes in record keeping at Los Angeles International Airport and inadequate oversight by the Federal Aviation Administration has made it difficult to ensure that millions of dollars in airport revenue are being spent properly for law enforcement, a new government audit has found.

The review by the U.S. Department of Transportation's inspector general revealed that Los Angeles World Airports, the operator of LAX, has paid at least \$7.9 million in the last few years to the Los Angeles Police Department without documentation showing that the services provided were airport-related.

In addition, auditors found that airport officials have yet to complete a record-keeping system to prevent airport funds from being improperly paid to the LAPD.

Under federal law, airport revenue can only be used to pay for services directly related to airport operations, public safety and capital improvements. If the city's airport department pays the LAPD for anything else, it would be considered an illegal diversion.

Auditors concluded that the FAA failed to identify instances of unsupported and unauthorized expenditures of airport funds.

The inspector general also uncovered discrepancies of about \$49 million in the annual and internal financial reports prepared by Los Angeles World Airports.

Finally, the review found that the airport has rented out several of its properties well below market value and that it spent \$360,000 in federal airport grants without documenting how the money was used.

SEN. DURBIN SEEKS INVESTIGATION OF FMCSA OVERSIGHT

Fleet Owner
April 10, 2014

A week after praising the Federal Motor Carrier Safety Administration for acting swiftly to shut down DND International... Sen. Richard Durbin (D-IL) is calling on the U.S. Dept. of Transportation's Office of Inspector General to audit FMCSA's oversight of trucking companies with a history of violations. Durbin's request was prompted by a report in the Chicago Tribune that found FMCSA had ordered an investigation into...DND in August 2013 but did not start it until after a Jan. 27 crash that killed an Illinois Tollway worker and seriously injured an Illinois State Police trooper.

On April 1, FMCSA declared the 42-truck DND International an imminent hazard and ordered it to shut down. The DND driver...was declared an imminent hazard in February after investigators concluded that he had rested for less than six hours during a 26-hour period before the Jan. 27 crash.

During the second phase of the investigation into the operations of DND International, FMCSA investigators reveal[ed] "an unmistakable, dangerous pattern of serious falsifications," FMCSA said.

[I]n an April 9 letter to DOT Inspector General Calvin Scovel, Durbin [said] "we need a hard look into whether FMCSA is taking the proper steps to keep these accidents waiting to happen off the road."

Durbin said the DOT IG should review FMCSA's practices to ensure motor carriers flagged for investigation are being investigated in a timely manner and whether or not the type of investigations FMCSA conducts are adequate enough to catch violations.

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COMINGS & GOINGS

(b)(6)

No comings this week — check back next week for some new OIG'ers joining us next pay period.

Have news to share with the OIG community?

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

OIG “WANTED FUGITIVE” IN CUSTODY

After almost 2 years on the run, Jovan H. Balknight was taken into custody on April 1. His flight from justice ended when he entered the Federal Courthouse in Philadelphia, PA, and told Court Security Officers that he wanted to turn himself in. U.S. Marshals responded and discovered that Balknight was wanted by our office and the State of Texas. Balknight was taken into custody by the Philadelphia Police pending his extradition back to Houston, TX, to face charges for his alleged involvement in a household goods moving fraud scheme.

Since 2008, DOT-OIG has opened 23 investigations related to household goods fraud, and we currently have 14 open investigations. In March 2011, we launched a national fraud project to proactively identify the most egregious consumer complaints against HHG carriers and brokers. The criminal conduct we target consists of groups of carriers and brokers that illicitly hold a customer's household goods hostage while demanding significantly larger sums of



ARMED AND DANGEROUS



ARMED AND DANGEROUS



money than originally quoted. Victimized consumers can file a complaint about improper HHG activities through our Hotline, FMCSA, the Better Business Bureau, or their State Attorney General's office.

All but one of the fugitives currently listed on our “Wanted Fugitives” Web page have outstanding arrest warrants related to HHG fraud. By putting these criminals front and center on our Web site, OIG has expanded its outreach for eliciting credible tips to locate and bring these fugitives to justice.

In the case of Balknight, he and two accomplices allegedly lured moving customers with low moving estimates, then after taking possession of the customers' household goods, they significantly increased the price and withheld delivery of the customers' belongings until they paid the fraudulently inflated price. Customers were also allegedly threatened that if they refused to pay, their household goods would be auctioned.

(Continued on page 5)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Leadership Brownbag, noon to 1:30			

NOTEWORTHY

REMINDER: LEADERSHIP BROWNBAG TOMORROW!

Our next leadership brownbag—"Developing, Retaining, and Motivating Staff"—is tomorrow, Tuesday, April 22, from noon to 1:30 in the IG's conference room. As I noted last week, we'll draw on our experiences to determine what motivates and keeps us at OIG. We'll also draw on our self-assessment to determine how well we are motivating staff. As time allows, we'll share testimonials on action plans to do things differently or better going forward.

Let Ellen know if you need video connection to the IG conference room (ellen.richardson@oig.dot.gov). A call in number will be provided the morning of the brownbag. I look forward to another informative and productive session!

— Ann

LEADERSHIP DEVELOPMENT PANEL FEEDBACK PROVIDES LEADER IMPRESSIONS ON CAREER STAFF TRAITS AND NEEDS

Last Wednesday, career staff had the opportunity to hear from a panel of OIG leaders what they value and expect from staff. Ann hosted and moderated the Leadership Development Exchange for all GS-13s and below.

Ann (second from left) asked panelists Joe Come (JA-1), Scott Macey (JA-10, San Francisco), Aisha Evans (JA-60), Elise Woods (JI-2), and B.J. Leary (JA-10, Atlanta) to relate survey feedback from their counterparts on characteristics that result in effective team dynamics and those that lead

to team inefficiencies. Panelists agreed that most supervisors think staff display more positive characteristics than negative ones, and touched on the need for frank discussions of problems within the formal performance management process and at other times. Scott added that the characteristics that make a great staff member apply to both introverts and extroverts. Aisha noted that managers and staff all want the same things—respect for one another and to produce great work products—and getting there requires self-



(Continued on page 5)

TRAINING, TOOLS, AND TIME SERIES

EVERYDAY ACCOUNTABILITY FOR SUPERVISORS

Policies and procedures on employee performance and conduct may sometimes seem impersonal. The challenge is how to meet these requirements while establishing relationships based on mutual trust and respect, and a shared commitment to the organization's mission and goals. Developing these relationships requires good will, trust, honesty, the willingness to have difficult conversations, and care and concern for one another's well-being. Doing the right thing is as important as doing things right.

To ensure employees perform within established standards, supervisors must continually develop and communicate shared expectations, monitor performance, provide feedback and assistance, and recognize and reward exemplary performance—not just provide a report card at the end of the year. In other words, supervisors must be accountable every day for ensuring employees perform at their best.

Here are some steps—a script that you can adapt—to help you manage performance discussions your staff.

1 COMMUNICATE THE MEETING'S PURPOSE “The purpose of this meeting is to discuss your performance. I would also like to use it to [set expectations for the coming year, discuss any specific development or training needs we can identify, and plan next steps].

“To prepare for this meeting, I reviewed [activity reports, written documentation submitted by the employee].

“My goal for this meeting is [to identify an outcome that is important to you, such as having two-way dialog, improving our communication, strengthening our work relationship, getting on the same page in terms of expectations].”

2 INVITE THE EMPLOYEE'S PERSPECTIVE “Let's start with your assessment of your perform-

ance. What do you see as key results or progress toward your objectives over the last [specify period, such as 6 months].”

3 PROVIDE YOUR FEEDBACK AND ASSESSMENT “I have some specific feedback in terms of what I think you are doing well as well as areas for improvement.”

4 ASK FOR FEEDBACK “What am I doing or not doing that gets in the way or does not adequately support you in your development generally and in your progress toward meeting your objectives for this period? What would you like more of or less of from me in the future?”

5 DECIDE NEXT STEPS AND FOLLOW-UP “What challenges, problems, issues, or concerns need

to be addressed for you to continue to be successful?”

“What changes needed to performance plan for the coming year?”

“You and I will track, monitor, and document your performance on [what], via [how], by [when].

“We will follow-up on [what], via [how], and [when].

“Is there anything else I should know, understand or do?”

6 END ON A POSITIVE NOTE Sincerely acknowledge the employee's participation and reference the desired outcome you established at the beginning. Offer and request feedback on how the performance review process itself went, and how it might be improved.

(Continued on page 4)

TRAINING, TOOLS, AND TIME SERIES

(Continued from page 3)

When meeting with employees, remember:

- Assume that information about what is going well needs to be repeated and reinforced—most people hear the negative 10 times as loudly as the positive. You may want to ask employees to say aloud what they heard so you can amplify or underline what is positive. It can also be helpful to ask what they heard you say about room for improvement, to make sure they understood you.
- Make sure feedback is balanced—everyone has accomplished something, and everyone has areas that need further development.
- Remember to focus on results and outcomes, not personality traits.
- No bad surprises—if an employee's performance is below expectations, he or she should already know and have been provided information, assistance, and an opportunity for improvement.
- Use the six-step script to organize your thinking and document your expectations. Encourage employees to prepare for the performance review meeting.
- Speak the difficult truths with the intent of acknowledging and replicating the performance you want to continue and correcting and improving the performance you want to change.
- Set S.M.A.R.T. expectations.

S PECIFIC <i>State in a clear and direct manner exactly what is to be done or changed.</i>	M EASURABLE <i>Convey the specific manner in which you will track, measure, and assess results.</i>	A CHIEVABLE <i>Provide evidence that the work can be accomplished based on the employee's position and qualifications.</i>	R ELEVANT <i>Demonstrate how accomplishing the expectation contributes to achieving OIG's goals and meets requirements.</i>	T IME <i>Establish clear and realistic timeframes for accomplishing the objectives that are consistent with the appraisal period.</i>
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At times, supervisors may need to address employee conduct. Where performance problems typically involve failure to perform at a satisfactory level, conduct problems typically involve willful actions, such as unexcused absences, disruptive conduct, failure to carry out supervisory instructions, or other actions that require disciplinary measures. Conduct decisions must be based on evidence and brought to the attention of OIG's Office of Human Resources, which will provide guidance on how to address the situation. In some cases, conduct can impact performance, which requires documenting any performance discrepancies while taking appropriate disciplinary steps.

What everyday accountability really gets down to is building the trust and shared understandings that support the relationships that are critical to OIG's effectiveness in meeting its mission.

— Ben Alexander, Expert, Office of Training and Development

NOTEWORTHY

GOVTRIP TRANSITION

In her 25 years with OIG, Lorena Simpson provided outstanding customer service, from the numerous space projects she completed, to her ability to quickly solve even the most complicated travel issues. Lorena is leaving on May 2, and OIG will sorely miss her.

With her departure, JM will transition several services to other staff so we can continue to provide the best service possible. Until we can hire and train replacement personnel, all telecommunication requests and issues and questions related to GovTrip should be directed to Jason Carroll at 202-366-7060 or jason.carroll@oig.dot.gov.

(Continued from page 1)

Balknight and his two accomplices, Anthony Fanelli, and Andy Bueno, were indicted in July 2012, by a grand jury in Harris County, TX. Fanelli and Bueno both pled guilty in Harris County District Court and were sentenced for

their roles in the scheme. In January 2013, Bueno was sentenced to 8 years in prison and ordered to pay \$249,000 in restitution. In January 2014, Fanelli was sentenced to 20 years in prison and ordered to pay \$200,000 in restitution.

We are investigating this case jointly with the Houston and Austin Police Departments, with assistance from FMCSA. The case was prosecuted by the Harris County District Attorney's Office, Houston, TX.

(Continued from page 2)

reflection, honest communication, and dedication to fostering a positive work environment. B.J. reminded participants that communication is a two-way street—staff should ask for feedback, rather than wait for sessions with their supervisor.

Other areas of discussion included what OIG leaders were doing well to develop career staff and improve areas that may need further work. The panel cited Ann's brownbag leadership events, the Leadership Exchange, and Cal's All Hands as areas that have improved OIG communication. Areas need-

ing further work included modal and budget process training. Elise said that as leaders, our key role is to find the strengths in all staff and to capitalize on those strengths. By communicating with staff and finding what they like to do and what they believe they are good at, we take positive steps in motivating staff. Joe pointed out that leaders can support non-supervisory staff by remembering to show respect for the essential role they play in our process—they bring to the table the facts used to support our audits and investigations.

The event was well attended in HQ's Media Center, with participa-

tion from field offices by webcast and telephone, and attendee involvement made the event a real success. Overall, attendees appreciated the feedback, posed interesting questions to the panelists, and learned a lot about how leaders view career staff.

Ann closed the session by thanking the panelists for their hard work and challenging attendees to use what they learned to improve team efficiency. She also committed to continuing these dialogues on improving staff and leadership development. A video of the session will be posted to SharePoint.

— B.J. Leary, JA-10, Atlanta

OIG IN THE NEWS

**MANAFORT BROTHERS
AGREED TO PAY \$2.4M IN
PENALTY FOR ALLEGED BID-
RIGGING***The New Britain Herald*
April 8, 2014

Manafort Brothers, Inc. has agreed to pay a \$2.4 million penalty to the federal government to avoid prosecution for making false claims to win the bid for a \$39.7 million Route 72 reconstruction project.

Federal prosecutors allege that the 95-year-old Plainville-based company rigged the bidding process for the two-mile relocation of Route 72, which ran through Plainville and Bristol, by falsely claiming they would allocate 11 percent of the work to “disadvantaged business enterprises” when in fact they hadn’t, court papers said.

In order to win a bid for a state project that is paid at least in part with federal funding, construction companies are required to give 10 percent of the work to contractors who are considered disadvantaged.

Federal authorities contend that in its bid, Manafort named a disadvantaged business, referred to as “Company 1” in court papers, which would receive \$3 million in work for the project. But, court papers said, as the project continued it became obvious that “Company 1” wasn’t performing the work and was being used as a “pass-through” entity to pay other sub-contractors “to skirt DBE regulations.”

Manafort acknowledge Thursday it provided false statements to the federal and state government and agreed to pay \$2.4 million and implement internal changes as part of the deal for the company to avoid criminal prosecution. The investigation into the false bid claims is continuing, federal authorities said, and individuals may still be subject to prosecution.

**OIG: FAA MISSING THE BIG
PICTURE ON AIRLINE SAFETY***FierceGovernment*
April 15, 2014

Despite having extensive data on airplane safety violations, the Federal Aviation Administration doesn’t seek to understand their root causes or identify safety trends, a report from the Transportation Department office of inspector general says.

Under the FAA’s Voluntary Disclosure Reporting Program, airlines can voluntarily report safety violations, and in return, the FAA refrains from penalizing them, so long as the violation was inadvertent and immediately addressed.

The agency does not require airlines to investigate the root cause of the violations they report, says the OIG report, dated April 10. FAA guidance does recommend that federal inspectors work with airlines to identify root causes, but none of the 53 inspectors that auditors interviewed actually did so in practice.

While some FAA field offices involved in the program do try to analyze the safety disclosure data in search of broad trends, the agency does not at a national level.

“As a result, FAA inspectors are not realizing the full benefits of VDRP data to identify safety risks and aid in their inspection planning process,” the report says.

The report was mandated by Congress after a 2008 OIG report found that after Southwest Airlines repeatedly disclosed safety violations, the FAA failed to ensure that Southwest prevented them from recurring.

**MASSACHUSETTS FLEET
OWNER GETS FINE, PROBATION
FOR BRIBING FMCSA
INSPECTOR***Overdrive*
April 15, 2014

A Massachusetts trucking company owner has received one year’s probation and a \$1,000 fine for bribing a Federal Motor Carrier Safety Administration inspector.

Federal courts have taken action in recent weeks against several violators in the trucking industry, including cases of hauling explosives illegally and recklessly, evading shut down orders and falsifying logs.

Irfan Dushku, owner of Korca Enterprises, Inc. was sentenced for bribery of a public official in Worcester’s U.S. District Court March 26. The Worcester company owner pled guilty Nov. 21 to paying a FMCSA Safety Inspector \$1,000 to produce a false Compliance Review to avoid negative findings

Last September, when Dushku made his plea agreement, FMCSA records indicated the six-truck company had a 53-percent vehicle out-of-service rate and had undergone 12 inspections during the past 24 months.

OIG IN THE NEWS

ONE INDICTED FOR FALSIFYING TRUCKER DRUG TEST RESULTS*Truckinginfo*

April 16, 2014

A federal grand jury in Pittsburgh, Penn. early this month indicted one person in connection with a scheme to defraud trucking companies over drug test results of drivers.

Elizabeth “Betsy” Pope, operator of Eastgate Laboratory Testing, has been charged with mail fraud for allegedly trying to defraud several Pittsburgh-area commercial motor vehicle drivers and employers, according to the U.S. Transportation Department’s Office of Inspector General.

“Our investigation revealed that Eastgate conducted drug testing for commercial vehicle operators and various trucking companies located in Pittsburgh, Pennsylvania,” the office said in a statement. Eastgate served as a third party administrator to oversee the Federal Motor Carrier Safety Administration regulated testing.

The indictment alleges that between 2008 and 2012, Pope used the signature of a medical review officer who had not worked for Eastgate since June 2005 to certify test results. FMCSA and the commercial operators relied on the suspect drug test reports to demonstrate compliance with federal regulations.

No date has been announced for the trial.

WOMAN SENTENCED IN DOUBLE BROKERING FREIGHT SCAM*Truckinginfo*

April 16, 2014

A federal court has sentenced a Georgia woman after pleading guilty late last year in a double brokering scheme.

Pauline Robinson-Kirkland was sentenced earlier this month in U.S. District Court, Albany, Ga. to one-year probation and ordered to pay \$5,490 in restitution.

The investigation revealed that Robinson-Kirkland accessed web sites advertising loads of commercial freight available for transport, according to the U.S. Transportation Department’s Office of Inspector General. She would then bid on the loads using her various company names with Federal Motor Carrier Safety Administration broker authority.

Once Robinson-Kirkland was awarded a bid, she allowed the sender to believe her trucking business would deliver the freight and accepted payment from the sender for the contracted price. After accepting the bid, she immediately re-advertised the job, using a different company name. She then hired legitimate trucking companies to pick up the freight and deliver it to the intended destination, never disclosing that she had already received payment from the sender. As a result, the legitimate trucking companies were never paid.

PAPER SHOWS U.S.-FLAGGED PLANE IN IRAN HAS TIES TO GHANA*The New York Times*

April 18, 2014

New details emerged on Friday about an American plane, owned by a small community bank in Utah and mysteriously parked this week at Tehran’s airport, showing that it had been leased by a Ghanaian mining company owned by a brother of Ghana’s president.

[T]he American-flagged plane, a Bombardier jetliner powered by two General Electric engines, was an extraordinary sight in Iran and illustrated how aircraft operators can obscure themselves under United States rules that some American law enforcement officials find troubling.

While the Ghanaian company is not subject to the patchwork of sanction rules constricting trade between Iran and the United States, the Utah bank, based in Ogden, is bound by sanctions.

To travel to Iran, the aircraft would typically need a license from the Treasury Department’s Office of Foreign Assets Control, the primary enforcer of American sanctions against Iran. With its American engines, the plane would also typically have to obtain a separate license from the Commerce Department.

Questions about whether a license was even required are compounded by federal aviation regulations that can shroud the identity of a plane’s operators.

While the FAA says it knows the actual owners of every aircraft, the trust structure can enable a tenuous chain, with one operator leasing the plane to another company, and another, with the details far from public view.

See Management Advisory on Registration of Aircraft to U.S. Citizen Trustees in Situations Involving Non-U.S. Citizen Trustees and Beneficiaries, Jan. 31, 2014

(b)(6)

COMINGS & GOINGS

OIG welcomes the following new employees who officially joined us today:

(b)(6)

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The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

JA-30 LEADERS SPEAK AT 2014 NGMA CONFERENCE

Last Tuesday, Joe Come (JA-2), Toayoa Aldridge, Gary Middleton, and Dave Pouliott (JA-30) spoke at the National Grants Management Association's 2014 training conference, *Embracing Change: Grants Management in Transition*, in Arlington, VA.

NGMA establishes standards and tools for grants management professionals to maintain high levels of competency. The annual conference provides a forum for participants to share best practices and knowledge across all roles and phases of the grants management process. This year's topics included an update on the Council on Financial Assistance and Reform's efforts to improve the management of Federal grants and cooperative

agreements, techniques for managing and monitoring higher risk projects, OMB's new Omni-Circular on Grants, and the intricacies of the grants management laws.

JA-30's breakout session, "Four Keys to Getting Through a Grants Management Audit," focused on our reviews of transportation-related grants provided each year to large and small grantees across the country. These grants total in the billions of dollars, and our work covers all phases of the grants lifecycle, from pre-award to grant closeout.

OIG panelists, along with John Sy-sak (JA-30), fielded questions from the over 100 participants, providing them with an understanding of

auditor expectations for internal controls, past grant oversight issues to avoid, ways to foster good communication as the audit proceeds, and techniques for influencing the development and resolution of audit recommendations.

Other presenters included leaders from the Government Accountability Office, the Office of Management and Budget, the Office of Federal Financial Management, Pacific Gas & Electric Company, and the National Science Foundation. The more than 400 conference attendees included grants professionals from Federal, State, and local government agencies; tribal governments; universities and colleges; and non-profit entities.



OIG panelists: (left to right) Gary, Toayoa, Joe, John, and Dave

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
		JA-30 offsite GAT Board Meeting, 10:00	S1 update, 1:30	

NOTEWORTHY

EXECUTIVE DEVELOPMENT CANDIDATES SELECTED

When the Office of Training and Development announced the Executive Management Development Program on February 28, we had no idea we would get such a positive response from employees. During the last few days of accepting applications, I wondered, “Who opened the flood gates?” I feared my computer would blow up.

OTD received 44 applications from all program areas of OIG, which continues to signal interest among

OIG staff in their own development. Last week, I met with the EMDP Board to seek their approval and while it suggested changes to some requested classes, we received support to fund all applicants, demonstrating Cal’s and senior leaders’ commitment to “People Always.”

Applicants will be notified over the next few days regarding their application status, as well as next steps with registration and payment.



Congratulations to all applicants. I look forward to working with you.

— Angie Thorpe, Director, OTD

IT'S OFFICIAL! OIG'S ECONOMICS GROUP'S PAPER IS PUBLISHED

Here's the link to the economics group's now published article in *Transportation Research Record Part A*. This is the on-line version. The hard-copy comes out in June.

<http://www.sciencedirect.com/science/article/pii/S0965856414000743>



TRANSPORTATION RESEARCH RECORD PART A: POLICY AND PRACTICE

NOTEWORTHY

BROWNBAG FOCUSES ON STAFF DEVELOPMENT AND MOTIVATION

Last Tuesday, Ann moderated the leadership brownbag on Developing, Retaining, and Motivating Staff—a timely session given the number of new hires joining us.

OIG staff from HQ, Atlanta, Seattle, San Francisco, New York, Fort Worth, and Baltimore participated in the highly interactive leadership discussion on how to develop, retain, and motivate staff.

Several points were discussed at length, which garnered the following tips:

- Be a supportive boss (“share the glory, take the blame”) who facilitates the development and environment of the team. Set

clear expectations, reasonable goals, and guidelines for the direction the team is going.

- Make a difference, where you see the value of your results, how it aligns with OIG’s mission, and lead change within the Department.
- Help staff create a work-life balance through flexibilities such as telework and maxi-flex to enable employees to take care of family needs and requirements.
- Create opportunities for staff to perform different roles, allowing them to make mistakes, and take a personal interest in staff to develop personal relation-

ships while helping them develop professionally.

- Have a calm demeanor, keep a sense of humor, and follow through—that is, keep your word. Getting angry or jumping to conclusions before you have all the facts puts staff off.
- Be an active listener, and show that you are listening to staff and incorporating their input into your decision making.
- Always ask for feedback on where you can improve.

We look forward to Ann’s next leadership brownbag.

— Tony Zakel, JA-30

CAL AMBUSHES JA LEADERS AT PLANNING SESSION

Last Friday, Cal asked me to meet him at 1:30 and to bring OIG’s camera. Little did I know, he planned to ambush the JA SES and managers during their 24-month planning meeting in the DOT conference room. Cal asked a few questions that Lou gamely answered, while I took photos.

— Dan Burd, JI-2



TRAINING, TOOLS, AND TIME SERIES

DEVELOPING AND LEADING A HIGH PERFORMING ORGANIZATION

The achievements of an organization are the results of the combined effort of each individual.

Vince Lombardi

Think of when you were part of a team that was so clearly focused on its objectives, things just seemed to happen. The team was energized, excited, and engaged, and wanted to explore new ways to make things even better. What made this dream team experience

possible? Now think of the team from your worst nightmare. What was happening in that situation?

To make the dream a consistent reality, compare your experience with these seven attributes of high performing organizations.

1 Shared Understanding of Goals and Roles. Team members operate from a clear and shared understanding of how their performance and interaction with co-workers impacts the accomplishment of organizational goals and objectives.

Everyone knows what they are expected to do, how they are expected to do it, and the outcomes that should result from their efforts.

2 Multi-Directional Communication. Lines of communication between managers, supervisors, team members, and customers are open.

They function up, down, and laterally and ensure that everyone has the information needed to get the job done, prevent and resolve problems, and share ideas and information that may enhance performance and relationships.

3 Respectful Work Environments. Team members are treated fairly and equitably, and are not subjected to inappropriate conduct or disrespectful work conditions.

Mistakes are used as opportunities to learn and grow, and professional behavior is encouraged and rewarded.

4 Diversity and Inclusion. Cultural and experiential diversity are valued, and differing views and perspectives are encouraged. Everyone feels welcomed, valued, and a contributing team member.

5 Conflict Management. Staff are encouraged to bring problems and concerns to supervisors for assistance. Conflicts are addressed proactively, and underlying causes are identified to bring about resolution that will minimize possibilities future occurrences.

Resolutions emphasize mutually acceptable “win-win” solutions as opposed to finding out “who was wrong.”

6 Participative Leadership. The manager uses staff strengths, preferences, and developmental needs. Progress is tracked, monitored and assessed.

Individual and group performance are encouraged and rewarded.

7 Effective and Appropriate Decisions. Employment decisions—such as assignments, promotions, and performance ratings—are based on legitimate, non-discriminatory, and appropriate considerations which can ultimately be linked to basic organizational objectives and requirements.

Difficult decisions are made in a timely manner and communicated on a need to know basis.

(Continued on page 5)

TRAINING, TOOLS, AND TIME SERIES

(Continued from page 4)

These attributes may represent a rather formidable task for the busy supervisor who already feels overwhelmed. In the event that you happen to be one of those I suggest that you relax and take another look from a different perspective.

The good news is that if you view these attributes as outcomes rather than tasks, you will see how they relate to your existing responsibilities under the OIG performance management process and other existing requirements in the areas of equal employment opportunity, diversity, and inclusion.

The following do's and don'ts can help you as you develop and lead high performing teams and organizations.

DO....	DON'T...
<ul style="list-style-type: none"> • Establish and communicate expectations • Elicit and listen to staff feedback and ideas • Encourage, mitigate, and manage risks • Act quickly and decisively • Work collaboratively • Take ownership of responsibilities • Be honest and truthful 	<ul style="list-style-type: none"> • Be vague in managing performance and conduct • Abuse the “power” of supervisor • Make rash, uninformed decisions • Let problems fester • Allow bullying or other unprofessional behavior • Ignore or fail to enforce policies • Deliver “dishonest” feedback and evaluations

The bottom line is that OIG is a high performance work organization. This information, taken from recurring themes in current research on high performing organizations in the public and private sectors as well as from experiences with a number of Federal agencies, is what it takes for us to stay that way.

— Ben Alexander, Expert

NEWS FROM THE FIELD

OKLAHOMA CITY: SMALL BUT BRAWNY!

With just two auditors, two investigators, and two financial personnel, Oklahoma City is OIG's smallest field office. But the office is located in the middle of the Mike Monroney Aeronautical Center, which has one of the largest concentration of DOT employees outside of the Washington, DC, area. MMAC is home to FAA's Academy, which trains National Airspace System users; FAA's Logistics center; DOT's Oracle Financial Systems (aka Delphi); and the Enterprise Service Center, which provides information technology services to other agencies.

With all that's going on right here in Oklahoma City, we have a great opportunity to provide high impact work to further OIG's mission.

Since I started with OIG almost 10 years ago, I've worked on our SAS70 (now SSAE16) and CFO audits. Starting in 2008, I was assigned primarily to audits of FAA safety systems, including the accuracy and security of safety information FAA collects on airmen and aircraft.

Some of our most interesting work has been on FAA's Civil Aviation Registry. We identified an in-



dustrial practice of using non-citizen trusts to register aircraft, and illustrated how non-citizen trusts create aviation safety and national security risks. In January, we issued *Management Advisory on Registration of Aircraft to U.S. Citizen Trustees in Situations Involving Non-U.S. Citizen Trustors and Beneficiaries* to alert FAA of the ongoing risks.

Coincidentally, within 3 months of our advisory, a U.S.-registered airplane landed in Iraq, raising more than a few questions. ABC News reported, "A government watchdog warned last June and again in January that non-U.S. citizens

have registered 5,600 planes with the Federal Aviation Administration through trustees, concealing the owners' identities" (<http://abcnews.go.com/US/wireStory/plane-spotted-iran-registered-utah-bank-23388673>).

Our audit work on FAA's registry included the issuance of an audit subpoena, perhaps the first by OIG to originate from JA not JI. We coordinated the subpoena with J-3, and as a result were able to clearly illustrate weaknesses in FAA's safety oversight of civil aircraft. The work has been very interesting and rewarding.

— Tim Roberts, JA-20

NEWS FROM THE FIELD

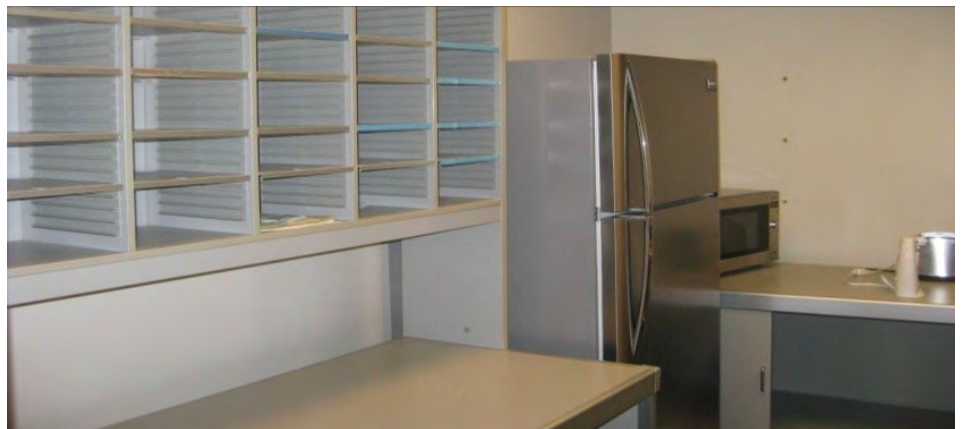
SOMETHING STRANGE IS GOING ON IN THE ATLANTA FIELD OFFICE

Most of us have been in a building rumored to be haunted by spirits. But now we have our own OIG mystery of sorts. While working on a series of stories highlighting JA-10 and JRI-4 projects in 2014, local TI reporters visited the Atlanta Field Office and were met by the strangest thing: No one's there!

As we walked into the office, we could clearly see that Atlanta staff are sticklers for organization because their workspaces were immaculate. But we also noticed everyone seemed to be running late that morning, but as the day wore on, we began to wonder: Was it a holiday? Was there a VTC going on somewhere, and we didn't get the message?

But then a truly eerie picture began to develop as we realized we were alone. No telephones were ringing, and the printers were cold and lifeless. The refrigerator was clean, and even the coffee pot was empty!

As we sat in complete silence, not knowing quite what to do, the revelation hit us. Production crews for the *Walking Dead* had recently wrapped up filming in downtown Atlanta where they used several



venues near our building. Could there be a connection?

With a lot of questions and no answers, we decided to enlist some of our in-house *Walking Dead* fans to help us locate the missing Atlanta staff. Where do Government

workers go when they flee from zombies? Is there a safe house? Will they ever return? Any and all leads will be exhausted. Stay tuned for updates.

— (b)(6) Aiesha Gillespie and Stefanie McCans, JA-10

NOTEWORTHY

(b)(6)

OIG IN THE NEWS

CONSTRUCTION COMPANY TO PAY \$2.4 MILLION SETTLEMENT

The Connecticut Law Tribune

April 23, 2014

An attempt to take advantage of a U.S. Department of Transportation program designed to help socially disadvantaged small businesses has resulted in a \$2.4 million settlement between a Plainville-based construction company and the federal government.

According to the U.S. Attorney's Office in Connecticut, Manafort Brothers Inc. submitted a bid to the Connecticut Department of Transportation in 2007 to serve as general contractor on a project funded both federally and by the state.

All qualifying bids were required to designate a percentage of work that would be performed by what's called disadvantaged business enterprises, or DBEs.

Manafort represented to the DOT that a company whose name was not revealed by authorities...would perform more than \$3 million worth of work as a DBE.

During the course of the work, state officials determined that the DBE company was not performing most of the work that Manafort claimed it would. In fact, an investigation revealed that Manafort was using the DBE as a "pass-through entity," according to authorities.

Federal authorities claim that Manafort arranged to pay those contractors through the DBE to skirt the federal regulations.

Manafort entered into a civil settlement agreement and nonprosecution agreement with the federal government. As part of the settlement, the company will pay \$2,460,722. The agreement addresses only the corporate criminal liability of Manafort and not any potential criminal charges against individuals.

OPERATIONS MANAGER SENTENCED FOR ROLE IN HOUSEHOLD GOODS MOVING SCHEME

Land Line Magazine

April 23, 2014

The operations manager for a California-based household goods moving company has been sentenced to 13 months in prison and to three years of supervised release for his role in a household goods "low-ball estimate" scheme.

Asaf "Dan" Nass pleaded guilty to one count of conspiracy to commit extortion in U.S. District Court in San Jose, Calif.

Court documents allege that Nass, who worked for AY Transport Inc. of San Jose, Calif., participated in a scheme with a household goods brokerage, National Moving Network of Miami, Fla., to provide low estimates to customers. Then once the deposit had been received, and after AY had the customers' possessions, they inflated the price.

If the customers refused to pay the inflated amount, their possessions were held in storage lockers or sometimes sold at auction, according to a news release issued about the investigation by the Office of Inspector General for the U.S. Department of Transportation.

"Upon taking custody of a customer's goods, AY employees raised the price, typically at Nass' direction," the OIG release stated. "The increased fees for release of the goods sometimes totaled two to three times the amount of the original bid provided by National Moving Network."

The investigation, which stems back to 2002, was conducted by the DOT, the Federal Bureau of Investigation, the Internal Revenue Service and the Federal Motor Carrier Safety Administration.

INSPECTOR GENERAL: NHTSA HAS MADE IMPROVEMENTS IN DETECTING DEFECTS

Land Line Magazine

April 24, 2014

Testifying before a congressional subcommittee earlier this month, Department of Transportation Inspector General Calvin L. Scovel III highlighted three areas where the National Highway Traffic Safety Administration has improved on detecting defects and critiqued one area that still needs improvement.

Back in 2011, Scovel addressed four key [weaknesses]. The first...was NHTSA's inadequate processes for determining whether or not an investigation into a defect was needed...Scovel acknowledged that NHTSA took sufficient action to correct the issues.

Second, Scovel reported that NHTSA did not efficiently involve third-party assistance when needed...because NHTSA did not have a process to identify such a need. In his recent testimony, Scovel concluded that NHTSA satisfactorily addressed third-party issues.

Third on the list of improvements [according to Scovel] "some investigation files did not include documentation of meetings with manufacturers and third parties, consumer complaints, testing needs, and justifications for closing investigations." Since 2011, NHTSA has addressed the issue.

The final recommendation for improvement...as revisited with less applause. It was suggested that a workforce assessment be conducted to determine the number of staff and the...skills needed.

If ODI puts the recommendations and processes to good use, Scovel believes it will allow NHTSA to more efficiently identify and investigate vehicle safety defects.

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COMINGS & GOINGS

No comings this week. Check back next week for some new OIG'ers joining us next pay period.

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

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JA-30 HOLDS FIRST ALL HANDS

On April 30, the new JA-30 troops came together as a whole for the first time. The meeting allowed all of the old 40s and 50s to mingle and get to know one another a bit. Co-AIGs Mitch Behm and Tom Yatsco provided some insights into their new shared office and welcomed everyone into the family. Cal, Ann, Lou Dixon, and Joe Come also stopped by to present their visions for the new Surface Transporta-

tion Office, which spans the country and will oversee pretty much everything that doesn't fly.

For the second half of the day, Ilona Birnbaum presented an interactive training session on the Myers-Briggs Type Indicator. She reminded us of how we can all drive each other crazy at times—but more importantly, how we can understand differences and manage our individual prefer-

ences to work together better, create more effective teams, and improve communication. JA-30 Project Managers assembled for a quick get-to-know-your-boss panel as well.

After a busy and successful day, we met around the corner for a frosty beverage before we all once again scattered to the four winds.

— Henning Thiel, JA-30, Seattle



OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY

NOTEWORTHY

JI ENGAGES NEW HIRES

During last week's orientation, new hires were given a primer on OIG's investigative side of the house. Clearly, the bowls of goodies weren't needed to hold staff's attention! For more on the week-long orientation, turn the page.



Max Smith, Michelle McVicker, and Todd Damiani giving a presentation to new hires

BOOK CLEAN UP

The book loaner shelf in the JM pantry is about to be thinned out—people are giving more than they are taking. If you are interested in any of the books, you should get them now before they permanently disappear!



NOTEWORTHY

FIRST 2014 NEW HIRE ORIENTATION IS A SUCCESS

In a conference room on the far side of the 7th floor—an area we soon learned was referred to as “the Bunker”—OIG’s new hires were introduced to OIG’s mission and people.

The week started with Cal welcoming us, and sharing OIG’s vision. We also heard from our DIG, Ann; Lou Dixon and Joe Come, JA’s senior leaders; Tim Barry and Bill Owens, JI’s senior leaders; and other presenters throughout the week.

The presentations were interesting and informative. (b)(6)

(b)(6) captivated us with a video of an informant collecting evidence on a suspect using various surveillance tactics; Michelle Hill (JA-2) quizzed us on OIG’s organizational structure; and Louis King (JA-20) told us about the technical capabilities of his financial auditors and IT specialists, all while trying to assess our knowledge with a deep question: Why did Neo have to return to the Source in “The Matrix”?

We also had the opportunity to work in teams to prepare presentations about our impressions of and expectations for OIG. Our presentations showed that we



have high expectations for our leaders and ourselves.

For example, one group said that after the orientation, it envisioned

- a culture of continuous improvement OIG-wide,
- maintaining a network with other new hires,
- individual career development, and
- group and individual achievement.

Another group presented its initial observations on where OIG stands:

- a strong pursuit of high performance;
- high employee morale;
- great leadership; and
- investment in people.

Cal and senior staff noted that our presentations were “awesome”—not just because they were good,

(Continued on page 4)

NOTEWORTHY

(Continued from page 3)

but because they were “fear inspiring.”

By the end of week, even the most professionally skeptical of us had to admit the Bunker brought out the best in everyone.

What started as a week of diverse strangers in a strange new environment ended with a shared experience among lasting friends.

Thanks for the memory!

— DOT OIG Orientation Class of
May 2014

ANOTHER FIRST

Even though OIG has held orientations for new hires before, this felt like a first—and it was the first week-long one OIG has held with both JA and JI new hires. Here are some other “firsts” new hires shared:

- Going to school and stepping on the playground.
- Staying out after curfew.
- Receiving a first paycheck (and thinking “That’s it?!”).
- Being recognized for an accomplishment with an award.
- Being promoted (or demoted).
- And, of course, first loves.



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NOTEWORTHY

WASHINGTON'S OSO LANDSLIDE CREATES COMMUTER'S NIGHTMARE

The Oso mudslide in Washington State took out a section of Route 530, causing havoc for motorists. When the hillside collapsed, it covered the road, the Stillaguamish River, and a neighborhood for about a square mile. Since late March, motorists have used a newly built, single lane gravel bypass to travel between Arlington and Darrington. According to local media, DOT expects that the stretch of highway could open by late June, but the re-opened stretch would be in rough shape. As time goes on, sections may need to be replaced entirely.

The photos I took show the extent of the devastation. The top image shows where 530 ends and motorists must turn off on the temporary bypass.

The bottom image shows the scale of the damage. Finding the construction equipment in the photo is like finding Waldo, and the debris in the lower right corner contains vehicles. Pumps continue to drain water from the area.



I've also posted a 9-minute of my trip on 530 on YouTube: <http://youtu.be/aofll-fwXQk>.

— Henning Thiel, JA-30, Seattle

NOTEWORTHY

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NOTEWORTHY

(b)(6)

OIG IN THE NEWS

**AIRLINE CONSOLIDATION
LINKED TO LONGER DELAYS
IN U.S. AUDIT***Bloomberg Business Week*

April 25, 2014

Flight delays and cancellations rose as competition between carriers declined at U.S. airports, according to a study ordered by Congress in the wake of airline mergers.

The relationship between the average length of a delayed flight and competition was "statistically significant and sizable," the U.S. Department of Transportation's inspector general found.

"When competition decreased, both the average length of flight delays and percentage of total flights that were late increased," according to the report by Mitchell Behm, an assistant inspector general.

The length of time a flight was delayed increased by 25.3 percent when a market's airline service shrank from three carriers to two, the study found.

"This type of economic analysis serves to inform FAA and the Department of Transportation about the impacts of reduced competition on airline service quality, and can be used as information in future planning to advance an efficient air traffic system for the traveling public," the inspector general said.

With the last of the major mergers completed Dec. 9 between US Airways Group Inc. and American, the report comes too late to have an effect on the wave of airline consolidations.

The study examined more than 2,500 U.S. routes flown by 20 airlines from 2005 through 2012. The inspector general developed economic models to estimate the effects of competition on delays and cancellations.

**ENTIRE ILLINOIS GOP D.C.
DELEGATION ASKS FOR FED-
ERAL QUINN PROBE***Chicago Sun Times*

April 30, 2014

The entire Illinois Republican congressional delegation—six House members and a Senator—on Wednesday added to Gov. Pat Quinn's political problems in the wake of a clout hiring controversy at the Illinois Department of Transportation, asking the U.S. Department of Transportation to probe whether "federal funds were used to subsidize or justify the potentially illegal hiring of dozens of patronage workers" at IDOT.

Last week, Chicago attorney Michael Shakman, who has battled clout hiring in Chicago and Cook County for decades, asked a federal judge in Chicago to look into Quinn administration hiring, alleging there is an "embedded culture of patronage practices."

To add to Quinn's woes, on top of that, on Tuesday, Sun-Times political writer Natasha Korecki and Sun-Times Springfield Bureau Chief Dave McKinney revealed that a "criminal grand jury has launched a probe into Gov. Pat Quinn's troubled anti-violence program—once likened to "a political slush fund"—delivering a major blow to the Democrat as he seeks re-election this fall. On Tuesday, the Quinn administration turned over 1,000 documents pertaining to the Neighborhood Recovery Initiative to the Cook County State's Attorney Anita Alvarez following a subpoena from her office"

The Illinois Republican House members, Reps. Adam Kinzinger, Rodney Davis, John Shimkus, Randy Hultgren, Aaron Schock, Peter Roskam and Sen. Mark Kirk sent a letter to Calvin L. Scovel III, Inspector General for the U.S. Department of Transportation requesting the probe.

**GOVERNMENT, INDUSTRY
TARGET AIR TRAFFIC CYBER
ATTACKS***DefenseNews*

May 2, 2014

Several government agencies are partnering with commercial organizations, including airplane manufacturers, in a new information-sharing program designed to help thwart potential cyber attacks against the air traffic control system, according to Foreign Policy.

Warnings of cyber threats to the U.S. air traffic control system are not new. It was a point President Barack Obama made in a national cybersecurity address in 2009. Computer problems that hampered Federal Aviation Administration operations that same year raised serious questions about cyber vulnerabilities. Making matters worse, the antiquated air traffic control network is not set for replacement until the Next Generation Air Transportation System is completed in 2025.

In a December 2013 report outlining top challenges for 2014, the Transportation Department's Office of the Inspector General criticized DOT for endangering transportation technology infrastructure by failing to update IT systems as federally required.

"Last year, we reported that the department improved its information security program by enhancing its cyber security policy and guidance and establishing a repository for software security baselines," the DOT inspector general wrote. "However, DOT's information systems still remained vulnerable to significant security threats and risks because the program did not meet key Office of Management and Budget (OMB) and Federal Information Security Management Act (FISMA) requirements to protect agency information and systems."

OIG IN THE NEWS

SENATORS URGE ACTION ON USMMA SEXUAL ASSAULTS

Marine Log
May 8, 2014

U.S. Senators Patty Murray (D-WA) and Susan Collins (R-ME) have written the U.S. Department of Transportation (DOT) Inspector General urging him to seriously examine the roles that senior leadership at the Maritime Administration (MARAD) and within the Office of the Secretary have played in overseeing the U.S. Merchant Marine Academy (USMMA), Kings Point, NY, which, they say "continues to be plagued by allegations of sexual assault and harassment."

The DOT Inspector General is currently conducting a formal audit of steps taken by the agency to address the issue. In their letter, the Senators also requested a meeting with the Inspector General as soon as possible to discuss his work on the audit to date.

The call for action comes after a series of disturbing, and much-delayed, reports from the MARAD and USMMA about the conditions at the Academy. On March 27, 2014, over a year past its deadline, the Secretary of Transportation released the 2011-2012 Academic Year Biennial Survey and Report on Sexual Harassment and Sexual Assault at the United States Merchant Marine Academy. From the 2009-2010 to 2011-2012 academic year surveys, the estimated rate of sexual assault more than doubled, and the estimated rate of sexual harassment increased by more than 500 percent.

"The failure to demonstrate measurable progress suggests the reforms the Academy began implementing in 2011 are inadequate," the Senators wrote. "Even more troubling is the fact that, once again, none of the incidents in the latest report were formally reported."

FEDS NOT DOING A GOOD JOB OVERSEEING NATURAL GAS PIPELINES, AUDIT FINDS

themorningcall.com
May 10, 2014

The federal agency that is supposed to make sure states keep a close eye on natural gas pipeline safety isn't doing a very good job.

That's the conclusion of the U.S. Department of Transportation's Office of Inspector General in an audit report last week on the oversight of pipeline safety.

The federal Pipeline and Hazardous Materials Safety Administration must "strengthen its management and oversight of state pipeline safety programs," the report concluded, and "until such actions are taken, the agency cannot be sure that all safety weaknesses are identified and mitigated."

Among the problems listed in the audit: The federal agency failed to ensure state inspectors weigh risk factors such as leakage or pipeline material in prioritizing inspections; used an outdated system to set state staffing requirements; and did not set minimum qualifications for lead state inspectors.

The federal audit was launched after a 2010 interstate gas pipeline explosion in San Bruno, Calif., that killed eight people, injured 58 and destroyed 38 homes.

Among the audit's findings were that the states were unable to show that safety inspections were conducted on time, lacked procedures for some inspection activities and had not analyzed trends in gas companies' annual reports that could help identify potential risks.

PHMSA administrator Cynthia Quarterman disputed some of the findings.

FMCSA SUSPENDS COMPANY, OWNER FROM DRUG SCREENING SERVICES

Truckinginfo
May 13, 2014

The Federal Motor Carrier Safety Administration early this month suspended a company and its owner from providing drug testing screening services.

It has issued notices of suspension to Demetri Dearth and her company, Advanced Substance Abuse Programs, both of Redding, Calif. The suspensions are based on Dearth's August 22, 2013, indictment in U.S. District Court in Sacramento for allegedly falsifying drug test results required by the FMCSA.

An investigation by the U.S. Department of Transportation's Office of Inspector General found that between March 2009 and February 2010, ASAP collected urine specimens on behalf of 80 trucking companies that employed commercial drivers.

Dearth allegedly did not forward many of the urine specimens to certified laboratories and failed to have a medical review officer review the drug test results for the specimens collected. The inspector general's office claims she created false and fraudulent custody and control forms and MRO reports indicating that the drug tests had come back negative and had purportedly been reviewed and signed by the MROs. Dearth then allegedly mailed invoices to her clients, billing them for urine speci-

COMINGS & GOINGS

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The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

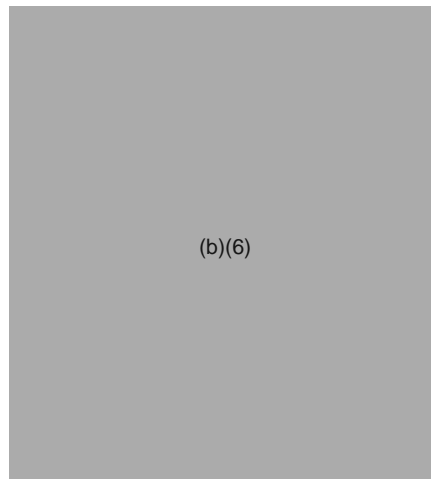
A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

AN INTERVIEW WITH SUSAN DAILEY

Before Susan retires this week, Christina Lee got her to open up about aquaponics, chunking it out, 10-key adding machines, Frankfurt, managing remotely, bumps in the road, CIA/CPA/CMA/CFE, air traffic control, HVAC, prioritizing communication, and wine tasting at the Finger Lakes

It wasn't easy to score an interview with our outgoing Assistant Inspector General for Administration. It's not just that her Outlook calendar is packed with HR, IT, facilities, front office, and Department meetings—or even that she's occupied with tying up loose ends before she retires on May 30. Susan wasn't crazy about being spotlighted in *The Inspector* because she would rather stay behind the scenes and out of the limelight. Although you've seen Susan regularly interacting with staff, snapping event photos, delivering friendly hellos in the halls, and even dancing at holiday parties, Susan is by nature an introvert. If left to her own devices, she'd prefer to work alone in a dark corner somewhere. Luckily for us, and after some pestering on my part, the 2012 Distinguished Service Award winner (the Inspector General's highest award given) consented to a recorded interview on the morning of May 20. New hires and seasoned OIG veterans alike can benefit from Susan's insights as she reflects on her 30+ years of Federal service.

— Christina Lee, Writer, JA-2



“My guiding principle has always been what’s best for the organization.”

THE EARLY YEARS

CL: What was your first job with the Federal Government?

SD: In 1980, I started as a co-op student at the Department of Navy—in Naval and Industrial Fund Accounting. Accounting was my major. That was when ledgers were done by hand, and one of the requirements was that I be able to use a 10-key adding ma-

chine. I taught myself and got really good at it.

Interestingly enough, when I was a project manager in JA-10, we had an independent referencer who needed the adding machine tapes for something. My team was like “That’s going to take forever to do.” I said, “Give it to me,” and 10 minutes later, I had it all done.

After I graduated, I stayed at the Navy and became a cost accountant and then a systems accountant. I had almost a minor in information systems, so I loved technology—even way back then before the internet.

In the mid-80s, when it was tough to get a job in the U.S. and interest rates were through the roof, I applied for and got an auditing job in Frankfurt, Germany, working for the Department of the Army. When I arrived in Europe, I worked with a multinational workforce. I started at entry level and worked

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AN INTERVIEW WITH SUSAN DAILEY

my way up for 7 years. I was leading audits and doing my own interviews as a GS-5.

From there, I went to New York City to work for the Defense Logistics Agency in 1989—in the same building as our New York office today! I stayed there for less than a year because they were closing the office. I knew people from Europe who had come to D.C. to work for the Naval Audit Service. They liked the work I did in Europe, so I put in my application and got a position. I stayed at Naval Audit for about 10 years, starting with the audit policy division. I also conducted financial audits at Naval Audit—we called them CFO audits.

In 2000, I decided to become a CPA. I had already passed the CIA [Certified Internal Auditor] and had also become a CFE [Certified Fraud Examiner] and a CME [Certified Management Accountant]. If you're doing financial statement audits, a CPA is nice to have.

From there, I went to Treasury as a systems accountant, to Postal Service OIG as an auditor, and then came here as a project manager for JA-10.

CL: *Going into JA-10, did you have an aviation background?*

I remember doing an interview with a base commander and pulling out my ID, which showed that I was a GS-5. The commander asked, “Is this real?”

SD: No, but I had an interest in aviation. When I was on leave from Europe, I toured an air traffic control facility in Jacksonville, FL, because I was curious about it. At that point, I was contemplating being an air traffic controller. Unfortunately, I was in Europe and was bumping up against the age limit for controllers, so I decided it probably wouldn't work out.

SECRETS TO SUCCESS

CL: *I've heard from people that you were the best project manager they ever had. (Susan won Supervisor of the Year in 2005.)*

SD: That's so nice! I've worked with a multitude of people: Bob Romich, Chris Frank, Angela McCallister, and Frank Danielski. When I first came on board, I was bragging about the expertise of my staff to people back at Postal OIG: “Wow, you should see my staff. They are amazing!” I had the greatest staff, so how could I go wrong here?

CL: *Did you do anything in particular to develop your team?*

SD: Absolutely. Even for new people coming on board, I would assign them to specific areas depending on their abilities. I wanted them to interview and write up their areas. I started them off small, and if they flew with it, I gave them more complex assignments. I even wanted them to write up pieces of the report. That way, they got from A to Z and experienced all parts of the job. It's how you grow to become a full-fledged auditor.

CL: *Is there an approach you use to deliver feedback that's not so positive?*

SD: I tend to be very direct so that they understand the areas for improvement. Over the years I've had times where I had to give that type of feedback. When there were difficulties with interviewing, I would say to that person, “You are going to do these interviews today. I want to see you develop the questions, and I want to see them before we go on the interview. I will be at the interview to assist you, but this is an area where you need to develop.”

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AN INTERVIEW WITH SUSAN DAILEY

I was there to help so that the job wouldn't fail, but they would have the opportunity to grow. You're not going to get better at doing interviews unless you actually do them.

I would also hook up the newbies with more seasoned auditors (similar to our new hire sponsor program). I did this because I can't do everything and because the senior person on the team also gets a chance to be developed in the process of developing another employee.

At the same time, I would always make sure I was aware of what was going on. I read all the workpapers. I would give the GS-13s an opportunity to review them, but I would also take a look, since I was ultimately responsible.

CL: *What do you like to see in a workpaper?*

SD: Succinctness, good conclusions, making sure you're answering what the purpose of your workpaper is. These are fundamental.

CL: *What about writing? I've worked with you before on some writing projects and was always impressed by your sharp eye and great editing skills.*

SD: I thought I was a good writer until I got here and worked for Dan Raville. Dan is the best writer—he really is. I learned a lot from Dan, but I don't think I will ever be as great as Dan.

Dan taught me some techniques that I really liked, like chunking it out. Instead of feeling like there is this massive project ahead of you, you just take it piece by piece by piece, and you work on each chunk individually. It's also nice to have a pretty good outline.

Also, when you're doing your audit, keep your message in mind so that you're collecting the evidence you need to support what you're going to say to address your objectives—whether positive or negative.

CL: *Is there a reason why you paid such close attention to the writing side of audit in addition to focusing on the content?*

SD: I think the writing and the content are both important because ultimately the result of the work is the written report. That's our final product, and it's important that it's the best it can be.

CL: *After you became a project manager, you worked for the Small Business Administration OIG as a director.*

SD: Yeah. Talk about managing remotely—my entire staff was remote! They were all over the country: Fort Worth, Los Angeles, Atlanta. I had no one local. My style of managing is I really need to communicate with my staff, so I would be on my phone every day to talk about the jobs first thing in the morning. I knew when everyone was getting in and at what time. I would download a replica of the projects in TeamMate to make sure the teams were collecting enough evidence and things were getting signed off as they should.

CL: *When you took your current position as AIG for Administration, did you know about all the different areas, like HR and IT and facilities?*

SD: I knew IT because of my information systems background; I was also an accountant, so I knew the CFO side of the house. I had an interest in the facilities side of the house as well. People in JA-10 know that I built an addition to my house (which I've sold already). We built on four bedrooms and three bathrooms, and I drew up the plans, got the permits, and did the heat loss calculations myself.

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AN INTERVIEW WITH SUSAN DAILEY

CL: *I came into this interview thinking that it must be so difficult for a person to manage all of these different areas as the AIG of Administration, but it sounds like this position was a natural fit for you.*

SD: It really was a natural fit.

CL: *What is your approach to communication?*

SD: Communication is a priority for me. My team—even with 35 people—can come to my office at any time. I answer my own phone. If you call me, you really get me. I'll walk down the hall and talk to people, use Lync, whatever it takes.

I try to share information that people need to do their jobs and make sure they're aware of things that are coming down the pipe that might impact them. We shared a lot of information—even through some of our more difficult challenges, like the budget.

CL: *How do you manage the budget?*

We're actually looking at the budget right now for FY-15, -16, and -17. I really appreciate Chuck Hiep because he runs models on payroll and expenses to project their cost impact over time. That's why we pay such close attention

to what's going happening on the Hill and as best we can, prepare ourselves for what might happen. We rely on J-3 and Chuck to keep us informed. As soon as we hear any piece of information from the Hill, we adjust our models.

My facilities knowledge is to some degree self-taught. I can read blueprints and know about electrical, HVAC, and plumbing.

CL: *I never see you stressed, even though you have so many responsibilities. How do you manage stress?*

SD: I have felt stressed—mostly about unknowns—but getting outwardly stressed is not usually what you'll see. The budget stressed me out until I could come up with ways to mitigate the potential impacts. I'll tell you I was also stressed about the Third Street office move (when the rent doubled). I was told that news on a Friday, and it kept me up all weekend. By Monday, I asked for all the numbers and realized we could probably fit everyone in.

CL: *I've been hearing from people that they feel the recent move in*

Headquarters went really smoothly.

SD: Lorena Simpson and Sharon Caboga both worked really hard on that. I call it "The Big Shuffle." The hardest part was figuring where people would fit and getting buy in on all the new locations, which I was able to do for the most part.

I can say that everybody worked together to make it work. It wasn't just my team; it was everybody across the line making it work.

CL: *What's the proudest moment of your career?*

SD: I don't know if there is a particular moment. We went through this training once that showed that I'm an "implementer," which means I get great satisfaction at accomplishing things. This has been really good in my position because every time I finish a project and it comes off as smoothly as it can, I get great satisfaction.

CL: *How do you manage the reality that everything is not always going to go exactly right?*

SD: I'm not a perfectionist. As long as we're achieving the overall objectives, I'm okay with it. It's about keeping that larger goal in

(Continued on page 5)

AN INTERVIEW WITH SUSAN DAILEY

mind. Sometimes it may not be what's best for me personally or even my team, but it's ultimately what's best for the organization.

Nothing in life is going to be perfect with no bumps in the road. But I don't get bogged down with the little things. Now, I don't lose track of them or ignore them; I just don't let them derail me. I am able to move forward and try to fix the little things along the way.

CL: *You're famous for traveling a lot. Have your travels influenced your approach to your work?*

SD: I think so, to some respect. I recognize that there are different cultures and different views. I think I potentially have a broader perspective because I've worked with people across all nationalities and beliefs. It helps me to work effectively with different personalities and different ways of doing things. It helps me work with people who want to do something this way versus another way. Because of that, I'm more open to different approaches—as long as they make sense.

CL: *Was it difficult to balance being a mom and having a career?*

SD: I have four children: two boys, two girls. It was a heavy load, especially when they were babies. At one point three were in day care,

and one was in college. I could have bought three houses with the price I paid for that! Sometimes that became kind of stressful for me, but it was all worth it in the end.

You just plow through. Depending on the position you're in, you may still have to be connected to your cell phone even when you're at home with your family. But you do need to focus on your children and make sure they're getting what they need.

I believe you should never stop learning. As I always say, "What will I be when I grow up?" That's still true for me today.

THE FUTURE LOOKS BRIGHT

CL: *What are you going to do after you retire?*

SD: I'm not the type who just sits at home. Cal alluded to some of my interests when he sent his last email about fish farming. I have a patio in the backyard, and I'm interested in including an aquaponics feature. Essentially, the fish fertilize the plants. You can also grow duckweed or worms to feed the fish. I have so many ideas for it.

CL: *With air traffic control and learning about HVAC and fish farming, it seems you like technical stuff and tinkering with things.*

SD: I'm interested in anything along the lines of science, even though I didn't go into that field.

CL: *Any upcoming travel plans?*

SD: In September, my husband and I are going to Alaska. We're renting a car and have a list of places we want to go. We'll take a plane to where the bears are—one of those little planes that Lou [Dixon] says are dangerous. I don't mind, I like the adventure! Then we'll take a cruise and do a wine tasting in Oregon before we fly home.

In October, we're going to drive up to Newfoundland, take a cruise, and then come back down through the Finger Lakes to do a wine tasting.

In November, we're going to the Caribbean—nothing quite exotic. We have trips planned for 2015, like a full month of cruising. My husband and I don't like to be too much out at sea because we're all about the destinations. The beauty of it is that you don't have to unpack and pack. We can leave our stuff on the ship to explore the destination. ♦

NOTEWORTHY

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OIG IN THE NEWS

EX-SCHUYLKILL PRODUCTS HEAD RESPONSIBLE FOR \$53.9M LOSS TO U.S.*republicanherald.com***May 9, 2014**

Joseph W. Nagle's conduct while president of now-defunct Schuykill Products Inc. caused \$53.9 million in losses to the U.S. government, a federal judge decided Wednesday.

In a 10-page opinion, Senior U.S. District Judge Sylvia H. Rambo ruled Nagle is responsible for all the money Schuykill Products got due to contracts it obtained in the largest fraud in the history of the federal Disadvantaged Business Enterprise program.

A federal jury in Harrisburg convicted Nagle on April 5, 2012, of 26 charges, including wire fraud, mail fraud, engaging in unlawful monetary transactions and conspiracy.

Prosecutors charged Nagle and several other Schuykill Products executives with using [a DBE company] as a front under the DBE program from 1993 until 2008 to funnel work to the Cressona company and its wholly owned subsidiary, CDS Engineers Inc.

Rambo accepted the government's argument that Nagle is responsible for the entire amount of the loss from the time he joined the conspiracy in 2004. Prosecutors said the total loss to the government from the start of the conspiracy in 1993 is \$135.8 million.

"The Government bears the burden of proving loss with reliable and specific evidence," she wrote. Rambo ruled the entire value of the [funneled contracts] during Nagle's tenure is the benefit received under federal sentencing guidelines and rejected Nagle's request [to] use the profits earned during that time by Schuykill Products and CDS [as the value].

DRONE LOBBY TAKES FLIGHT ON K STREET*The Hill***May 14, 2014**

Lobbyists in Washington are mobilizing to help ensure that drones soon take flight across the United States.

With the Federal Aviation Administration (FAA) racing to craft rules to incorporate unmanned aircraft into national airspace, lobby teams representing everyone from Hollywood studios to farmers are working to influence the outcome.

At least four K Street firms...have set up practices dedicated to drones in response to client interest.

While Congress has directed the FAA to clear the way for the use of commercial drones by 2015, a federal agency watchdog said the deadline could be difficult to achieve.

Calvin Scovel III, the Transportation Department's inspector general, told a House Transportation panel in February that there are "significant technological barriers" that stand in the way of integrating drones into airspace.

However, on Tuesday, the head of the FAA office tasked with integrating the unmanned aircraft said the agency is working with "several industries" to make way for a limited commercial drone fleet before the agency's overall rules are finalized.

In the first three months of this year, about 35 groups, companies and universities or municipalities reported lobbying on "drones" or "unmanned aerial systems."

One of the biggest backers of drones is Amazon, which in December announced a plan to incorporate drones into its operations, envisioning 30-minute delivery of products purchased off its site.

COLORADO HOUSEHOLD MOVER SENTENCED FOR FRAUD*TruckingInfo.com***May 20, 2014**

The owner of a Colorado-based moving company was sentenced earlier this month following him pleading guilty last year to charges of defrauding customers.

Yaron Roni Levin received 33 months confinement and 36 months supervised release by the U.S. District Court in Denver, along with being ordered to pay restitution in the amount of more than \$92,000 to 19 victims of household goods moving fraud. He was also ordered to have no involvement with household goods moving businesses for the time he is incarcerated and on supervised release.

Levin, the owner of Movers USA/Golden Hand Movers, admitted last November to luring customers with extremely low moving estimates and then fraudulently inflating the price of transportation. When customers refused, or were unable to pay, Levin refused delivery and often threatened to auction their household goods until the inflated price was paid.

Levin routinely doubled quoted estimates for an average increase of \$2,000 to \$5,000, although some victims were charged as much as \$10,000 over the initial estimates, according to the U.S. Transportation Department's Office of Inspector General. It investigated the case along the Federal Motor Carrier Safety Administration and the FBI.

This investigation was part of Inspector General's "Operation Boxed Up", a national investigative initiative to locate, identify and prosecute interstate household goods movers who are defrauding consumers.

OIG IN THE NEWS

**FEDERAL CHARGES FOR
BRIDGE WORKERS WHO DIS-
TURBED FALCON NEST***philly.com***May 23, 2014**

The disturbance of a peregrine falcon nest under the Girard Point Bridge has led to criminal charges against three members of a bridge repair crew accused of covering up harm they inflicted on the threatened animals, prosecutors said Wednesday.

The men, who worked for the Philadelphia company Liberty Maintenance and the Maryland firm Alpha Painting, are charged with conspiracy, witness tampering, and harboring an alien in connection with the 2011 project to refurbish the bridge.

Prosecutors say Nikolaos Frangos, part-owner of Liberty, and George Capuzello, the project foreman, ordered their employees to ignore restrictions on the work site meant to protect the falcon nest.

As a result, workers with heavy construction equipment scared off the birds, which abandoned their unhatched eggs, investigators from the U.S. Fish and Wildlife Service said.

Once the damage was done, authorities say, Frangos and Capuzello lied to investigators about the unauthorized work in an attempt to cover up the fact that they had several undocumented immigrants working on the site.

One of those men - Mikhail Zubialeovich, known on the work crew as "Russian Mike" - was charged along with his bosses with making false statements to

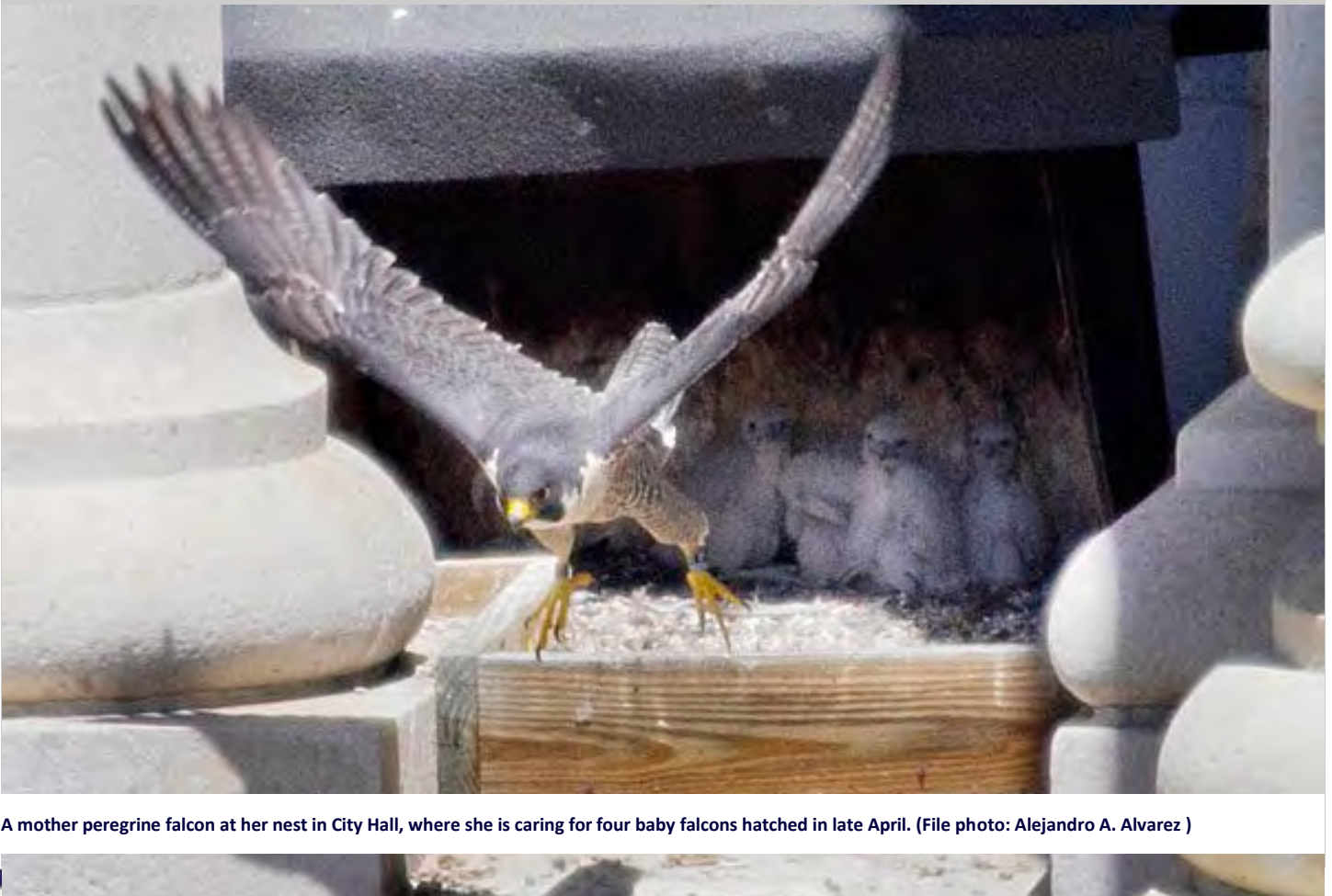
investigators. He pleaded not guilty during an initial appearance in federal court Wednesday.

Another worker, Walter Morgan, pleaded guilty in February to taking or destroying a migratory bird egg.

Frangos' lawyer, William DeStefano, said Wednesday he did not understand why prosecutors had targeted his client. "These guys paint bridges," he said. "It's not the case of the century."

The Liberty-Alpha joint venture won a \$70 million contract from the Pennsylvania Department of Transportation to repair the bridge in 2009.

As part of the deal, the firm was required to work around the falcon nesting season and employ a dedicated environmental expert to ensure the birds' safety.



A mother peregrine falcon at her nest in City Hall, where she is caring for four baby falcons hatched in late April. (File photo: Alejandro A. Alvarez)

LAST PAGE

HOVERBOARD LANES?

DC Councilmember and Transportation Chair Mary Cheh released a “joke budget proposal” with funding for hoverboard lanes:

Hoverboard lanes will be placed between sidewalks and bicycle lanes. Opponents may argue that these lanes will only fuel the war on cars. This Committee stands by its position that there is no war on cars; however, as a precautionary measure, an additional \$175,000 will be allocated to the Department of Public Works to assist in the clean-up after D.C. Transit Judgment Day: the day when vehicles, pedestrians, and cyclists engage in an all-out war to determine the District's policy going forward.

<http://greatergreaterwashington.org/post/22862/chehproposes-hoverboard-lanes-and-a-palisades-stadium/>

**COMINGS & GOINGS**

No comings this week. Check back next week for some new OIG'ers joining us next pay period.

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

DOT OIG BRIEFS INDONESIAN IGS

On June 3, Madeline Chulomovich (Chief of Staff, J2), Chuck Dionne (Desk Officer, JI-2), Chris Frank (Program Manager, JA-10), and Rodolfo Perez (JA-30-Engineer Advisor) briefed a delegation of 16 Indonesian Inspectors General and audit executives about our role and work. USAID, in connection with the Indonesian Bureaucratic Reform Strategy, facilitated the trip to allow the Indonesian IGs to learn more about how the Inspector General community operates in the United States. We learned that the Indonesians are working aggressively to enhance the independence and professionalism of their offices.

Madeline kicked off the presentation by providing an overview of our organizational structure, accomplishments over the past 6 months, and OIG's authority, emphasizing that the core of OIG's mission is independence. Chuck highlighted our investigative priorities and the types of investigations we conduct along with some interesting case examples. Chris focused on how we decide what



Chuck Dionne briefing the Indonesian delegation

to audit, discussed how aviation impacts the U.S. economy, and summarized our recent audits in aviation safety, air traffic operations, modernization, and airports. Last, Rod discussed the importance of providing engineering support to audits and investigations, citing our work on Boston's "Big Dig," where faulty anchor bolts caused tunnel ceiling panels to collapse, killing a driver. Rod passed around the core of a bolt and a photograph illustrating how the anchor bolts failed.

The Indonesian delegation was very engaged and asked a number of questions throughout the presentation, which was translated by interpreters. Kudos to Christina Lee for integrating and streamlining the presenters' slides.

Rod ended the presentation with a slide of Indonesia's and the American flag side by side and thank you written in English and Indonesian, and he also said "thank you" in Indonesian: "Terima kasih banyak." With that, he received a round of applause and smiles from the Indonesian delegation.



OIG's COS nabs a selfie with Indonesian delegate

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Ann, Tim: JRI-9 Inservice	Ann, Tim: JRI-9 Inservice	Ann: Seattle	Ann: Seattle

NOTEWORTHY



Coming Soon to a Laptop Near You!

TMS Production URLs will change Friday, June 13, 2014, at 6:00 PM ET:

User Login URL will be changed to:

<https://tms.ibc.doi.gov>

Admin Login URL will be changed to:

<https://tms.ibc.doi.gov/learning/admin/login.do>

All TMS Users and TMS Administrators should update browser bookmarks.

Users who access TMS via the old URLs will be redirected for a few weeks following this change

TMS production upgrade to 1402: June 20th – 23rd

TMS WILL BE DOWN & INACCESSIBLE

Please contact OTD with questions, comments, complaints, & kudos:

TrainingOTD@oig.dot.gov

And more

NOTEWORTHY

REMINDER ON ANTI-LOBBYING RESTRICTIONS

As Congress moves forward on legislation to reauthorize DOT programs, OIG employees should keep in mind the restrictions on lobbying activities under Federal law.

Employees may not engage in “grass roots” lobbying, which means encouraging third parties, members of special interest groups, or the general public to contact members of Congress or State and local government officials in support of or in opposition to any legislation, law, ratification, policy, or appropriation.

While this prohibition does not apply to employees who are Presidentially appointed and Senate-

confirmed, these employees may not ask other Federal employees to engage in prohibited grass roots lobbying activities.

Anti-lobbying laws do allow employees to engage in certain activities. Generally, DOT employees may

- communicate directly with Congress and State and local government officials, through the proper official channels, in support of DOT positions;
- provide informational background material to the public to explain DOT’s policies and positions, so long as the employee does not ask the recipients of

the information to contact public officials;

- communicate individually with members of the public to inform them of DOT positions and to promote those positions; and
- communicate with the public using various modes of mass communication to support and explain DOT positions.

For more details regarding anti-lobbying restrictions, see the DOT General Counsel’s memorandum on the OIG [Intranet](#).

If you have any questions or concerns, contact OIG’s Office of Legal Counsel.

JA BRIEFS OUT 24-MONTH TACTICAL PLANS

On June 6, JA Senior Leaders briefed Cal on their tactical plans covering April 1, 2014, through March 31, 2016. Cal had already previewed the plans when he ambushed JA leaders at a planning session in late April (see the April 29, 2014, edition of *The Inspector*)

Once approved, the tactical plans for JA-10, -20, -30 and -60, along with staff development and utilization initiatives, will be shared with staff and posted on SharePoint. So stay tuned!



NOTEWORTHY

JA-60'S LETKO SPEAKS AT ANNUAL FAEC CONFERENCE

On June 4, JA-60's Terry Letko, Program Director, spoke at the 2014 Federal Audit Executive Council's Procurement Conference. FAEC is part of the Council of the Inspectors General on Integrity and Efficiency, which aims to increase the professionalism and effectiveness of personnel and aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General. Topics covered by presenters at this year's conference included procurement fraud, risk assessments, compliance, and leadership.

Terry—who has co-chaired FAEC's contracting committee since August 2010—discussed JA-60's audit of the FAA Air Traffic Controller Optimum Training Solution contract and our findings of inadequate performance measures, failure to implement previous audit report recommendations, and \$89 million in cost overruns. Subsequent to our December 2013 report, AIG Mary Kay Langan-Feirson testified on OIG's findings at a hearing held by the Senate Subcommittee on Financial and Contracting Oversight on the management of these contracts. At the hearing, FAA's Deputy Assistant Administrator, Acquisitions and Business Services, conceded that FAA needed to get a handle on its requirements and re-compete the contract. Raytheon's President of Intelligence, Information, and Services also testified at the hearing.

Several OIG leaders and staff also attended the conference, including Mary Kay; PAIGAE Lou Dixon; and JA-60's Bret Stolle, Tori Kaufman, Rachel Miller, and Paul Stark. According to our moles, DOT auditors found Terry's presentation "extremely, organized, and insightful." One auditor observed, "It is evident from his work at this conference and his involvement in this organization that he is an extremely important asset to DOT and the Inspector General community."

— Bret Stolle and Tori Kaufman, JA-60



OIG IN THE NEWS

SENATORS PRESS PIPELINE AGENCY TO REFORM STATE OVERSIGHT*Bloomberg BNA*

May 29, 2014

Three Senate Democrats are calling on the Pipeline and Hazardous Materials Safety Administration to quickly implement reforms to its management of state programs.

Senators Richard Durbin (D-Ill.), Carl Levin (D-Mich.) and Debbie Stabenow (D-Mich.) urged PHMSA on May 28 to follow recommendations made by the Transportation Department inspector general to update its formula to determine how many inspectors each state pipeline safety program needs and to provide minimum training and professional qualification requirements for inspectors. There are 2.5 million miles of pipeline that could have accidents across the U.S., and the holes in the management and oversight of state natural gas programs found by the inspector general cause concern that the pipelines may not be receiving adequate inspections, the senators wrote.

"Given PHMSA's responsibility for the safe and secure movement of hazardous liquids and natural gas through 85 percent of the nation's pipeline system, these findings are not only disturbing—they are unacceptable," the senators said.

The inspector general report, released in May, found the administration is using largely outdated and inadequate procedures to guide state authorities and fails to detect key weaknesses in its evaluations of state natural gas programs.

SENATORS: IMPROVE SAFETY OF PIPELINE SYSTEM*FarmWeekNow.com*

June 8, 2014

Three U.S. senators, including Springfield Democrat Dick Durbin, "strongly urged" the head of the Pipeline and Hazardous Materials Safety Administration (PHMSA) to improve federal oversight of the nation's pipeline system in light of an internal audit that found "multiple weaknesses in state programs."

The National Transportation Safety Board recommended the Department of Transportation (DOT) audit PHMSA after a 2010 natural gas pipeline explosion. The audit found...outdated formulas in use to determine how many inspectors are needed in each state. In addition, some state inspectors didn't meet minimum qualifications.

"In one case, an inspector with no formal training was responsible for pipeline inspections," the senators wrote. "DOT also found a lack of detail in the guidelines states use for inspections that led to uncoordinated and varying policies across states. Finally, DOT found that PHMSA's own assessments of state pipeline safety programs have been inaccurate."

Durbin and two Democratic Senators from Michigan—Debbie Stabenow and Carl Levin—called the findings "disturbing" and "unacceptable."

"These findings suggest that the nation's 2.5 million miles of pipeline are at risk for an accident," they wrote. "While we recognize that PHMSA has responded to some of DOT's recommendations for improvement, we are asking that PHMSA provide the additional information requested by DOT in a timely manner and implement all measures needed to ensure pipeline safety."

U.S. SEN. TOM COBURN: EARMARK BAN PROTECTS TAXPAYERS*TulsaWorld*

June 8, 2014

The Tulsa World editorial board makes two main arguments that have been widely discredited.

First, the editorial argues that the earmark ban doesn't save money. Yet, the facts clearly show earmarks really were the "gateway drug" to Washington's spending addiction. As earmarks skyrocketed, so did overall spending levels.

And when earmarks stopped, spending levels went down.

Second, the newspaper argues the earmark ban prevents Congress from exercising the power of the purse and cedes spending decisions that should belong to Congress to the White House.

This is a popular argument in Washington but it has no basis in reality. Nothing in the earmark ban prevents Congress from conducting oversight, setting very specific priorities, or controlling overall spending levels. [E]armarks actually prevent Congress from exercising the power of the purse effectively. Back in 2007, the U.S. Department of Transportation's Inspector General released a report that confirmed what I had long suspected: earmarks divert funds from high-priority projects to low-priority projects. In other words, one reason we have 63,000 structurally deficient bridges across America is because Congress forced the construction of thousands of earmarked projects we didn't need and couldn't afford.

I applaud those who want to see projects like Interstate-44 completed. I simply believe Oklahomans should be able to fund I-44 without also being forced to fund Bridges to Nowhere and Woodstock Museums in the process.

(b)(6)

COMINGS & GOINGS

OIG welcomes the following new employees who officially joined us today:

(b)(6)

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

OIG LAW CLERKS GO TO “BOOT CAMP”

On June, DOT hosted the Council of Counsels of Inspectors General Summer Law Clerk boot camp. The Council’s summer boot camp provides an opportunity for law clerks and interns in the IG community to hear from attorneys representing many different agencies. Thirty law clerks and interns from Federal agencies and other entities—including HHS, SSA, FCC, AMTRAK, Peace Corps, and DOT—attended.

Speakers for the afternoon were equally diverse, and spoke on topics ranging from the Freedom of Information Act to investigations and auditing.

Cal kicked off the day, welcoming the clerks from other agencies and doing his best to ensure everyone that there were indeed worse ways to spend an afternoon

(see: Parris Island Marine Corps boot camp).

Next up was **Frank LaRocca**, Counsel to the Inspector General at NASA. Frank did a great job of sharing what he does at NASA, as well as what not to do when trying to steal moon rocks.



Kenneth D. Chason, Counsel to the Inspector General from the National Science Foundation, went next, and illustrated the ins and outs of the Freedom of Information Act, and how it could affect Government employees.

Presenting next were various Counsel and Assistant Counsels,

including Sonia Khanzode from the National Science Foundation, Ben Shapiro from the Department of Education, Stefania Pozzi Porter from the International Trade Commission, and Adam Kaplan from the U.S. Small Business Administration. They all spoke on differ-

ent aspects of working for the Federal Government and being in the IG community.

I know all in attendance join me in thanking Ben Shapiro for heading the event and bringing pizza and snacks. Another

special shout-out to Barbara Hines (J-3), who headed up the event and, more importantly, came through in the clutch of the afternoon’s drowsiness by ordering Starbucks.

— Mitch Ness, J-3

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Ann: Seattle	Ann: San Francisco	Cal: GATB Meeting, 10:00 Matt Hampton: NextGen Hearing, 10:30 Ann: San Francisco	Cal: Hill Meeting on FAA Reform, 10:00	

NOTEWORTHY

NEW HIRES SPEED MEET AND GREET

In early June, OIG held its second orientation class for new hires. On the first day, new employees got to know one another through a “speed acquainting” exercise, where everyone has 2 minutes to ask a series of questions of another person, including Cal, Ann, and Madeline Chulumovich. One question employees asked one another was “What’s your favorite band or musical artist?” For Ann, new hires learned what tenured staff already know: There’s no one but “The Boss.”



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OIG'S NEW HIRES

(b)(6)

NOTEWORTHY

FIRE DRILL...LITERALLY

When Madeline Chulumovich emailed us photos with the subject line “Fire Drill,” we thought perhaps she’d photo bombed the NextGen testimony team scrambling to put the final touches on the long statement, short statement, prep book, and other materials for this week’s hearing. Imagine our surprise when we opened the emailed files and realized she was being literal.



OIG IN THE NEWS

TIRED OF WAITING FOR A GREEN LIGHT, U.S. DRONE USERS PUT FAA WARNINGS TO THE WIND**June 13, 2014**

Businesses have been waiting impatiently for the Federal Aviation Administration to come out with its promised regulations for drones, or Unmanned Aerial Systems, as the pros call them. But now that the rule looks like it is nowhere close to ready, some people are putting care to the wind and droning away.

According to reports by the Department of Transportation and the Government Accountability Office, the FAA is vastly behind schedule to open up the airspace for drone or Unmanned Aerial Systems use in the U.S. Although Congress mandated a 2015 deadline back in 2012, of the 17 UAS initiatives the FAA laid out in its timeline, DOT found that only eight were completed and not a single one on time.

"While FAA has made progress meeting the act's UAS provisions, it has determined that it will not meet the September 2015 deadline for UAS integration due to a series of complex technological, regulatory and managerial barriers," said Calvin Scovel, DOT inspector general, at a House hearing.

According to a 2013 economic report by [the Association for Unmanned Vehicle Systems International], which obviously has a vested interest, UAS could help the U.S. produce up to 100,000 new jobs and add \$82 billion in economic activity between 2015 and 2025.

Because of the potential profit and the ready access to purchasing a UAS on the internet, some companies and individuals are finding it hard to withhold from using the technology—even if there might be legal repercussions.

GARDNER SLAMS FAA APPLICATION BACKLOG*The Hill***June 16, 2014**

Rep. Cory Gardner (R-Colo.) released a scathing report Monday, which found that the Federal Aviation Administration's (FAA) Denver office has some of the longest application wait times in the country.

"This report highlighted the many problems in the FAA permit approval process," Gardner said Monday. "We must hold the FAA accountable for their negligence and ensure that a new system is put in place so that those who follow the rules are not punished for it."

Gardner had requested that the Department of Transportation Office of the Inspector General audit the FAA after constituents complained of long wait times. He said if the FAA doesn't make suggested reforms, he would introduce legislation to force action.

"I'm glad to see that this report highlights four recommended reforms, and I would encourage the Denver FSDO [Flight Standards District Offices] to work with the FAA to implement these fixes," Gardner said. "However, if the FAA does not make significant improvement on their own, I will explore legislative options to prevent this type of backlog in the future."

FAA'S FLIGHT EFFICIENCY GAINS STYMIED BY SLOW APPROVALS*Bloomberg News***June 19, 2014**

U.S. aviation regulators' attempts to implement more-direct flight routes into major airports have been plagued by delays and low usage of the new procedures, according to a government report.

The Federal Aviation Administration lacks standard training for pilots and air-traffic controllers on using the new routes, the Transportation Department's Inspector General said today.

As a result, the more-efficient flight paths into 14 major airports have been used by only 2 percent of eligible airline flights, the report said. Usage is particularly low in congested regions such as New York.

"The projects have experienced delays, and benefits remain uncertain," Assistant Inspector General Matthew Hampton said in the report.

The report comes a day after the FAA touted introduction of new routes into and out of the Houston area. The FAA said the more-efficient routings would save airlines 3 million gallons of fuel each year.

While the Houston effort was put on a fast track, projects in other regions are as much as a year behind schedule.

Out of more than 150,000 aircraft equipped to fly the new routes at 14 major airports, only 2,900 took advantage, or 2 percent, according to the report.

Airlines that have made "significant investments" on cockpit instruments allowing the new flight tracks are frustrated with the slow pace of use, it said.

"Until FAA overcomes the many implementation barriers and streamlines new flight procedures, the aviation industry will likely remain hesitant to equip with new avionics," the report said.

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NOTEWORTHY

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COMINGS & GOINGS

(b)(6)

No comings this week. Check back next week for some new OIG'ers joining us next pay period.

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MATT TAKES THE HELM ON NEXTGEN

Last Wednesday, Matt Hampton, AIG for Aviation Audits, testified before the Senate Subcommittee on Aviation Operations, Safety, and Security on FAA's progress in implementing the Next Generation Air Transportation System.

Matt focused on FAA's efforts to implement NextGen-related provisions of the FAA Modernization and Reform Act of 2012 and opportunities to improve aviation safety and efficiency. Deficiencies in FAA's management of NextGen include the lack of an executable plan for coordinating multiple programs, unresolved technical and operational issues, and ineffective collaboration with industry.

Matt drilled down on FAA's efforts to implement performance-based navigation—a priority identified by the NextGen Advisory Committee in September 2013—noting that while 100 procedures have been developed at busy airports, only about 2 percent of eligible

flights have used them due to obstacles such as a lack of automation tools and training, outdated controller procedures, and delays in the development of routes.



Matt also identified ongoing cost, schedule, and technical risks in implementing Terminal Automation Modernization and Replacement, and noted major concerns related to recent En Route Automation Modernization outages at Los Angeles and Miami.

Also appearing before the subcommittee were Michael Whitaker, FAA Deputy Administrator; Paul Rinaldi, President, National Air Traffic Controllers Association; and Gary Beck, Vice President of Flight Operations for Alaska Airlines.

Whitaker highlighted FAA's progress in completing several key NextGen programs, including the recent installation of Automatic Dependent Surveillance—


Broadcast and the significant progress in equipping en route centers with ERAM and terminal facilities with TAMR. He assured the subcommittee that the January 2020 mandate to equip all aircraft operating in high-density airspace with ADS-B Out avionics would

be met, but cautioned that delaying compliance until the last minute could increase costs.

Rinaldi discussed how NextGen can improve the safety and efficiency of the National Airspace System and the problems that unstable funding have caused, specifically referring to last year's furloughs and Government shut-down. He noted the tremendous benefits that NextGen has provided and will provide to stakeholders but stressed that predict-

(Continued on page 2)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
				

NOTEWORTHY

MARK YOUR CALENDARS: JULY 15 COP HOSTS GAO'S MIHM



On Tuesday, July 15, J. Christopher Mihm, Managing Director of GAO's Strategic Issues, will deliver a talk entitled "Focus on the Future: Auditing in the 21st Century." The COP-sponsored Noted Speakers Series event will be held from 1:30 to 2:30 EST in the DOT Media Center and will be webcast to headquarters and field locations.

Chris leads GAO's work on management reforms that support a more results-oriented and accountable Federal Government, including strategic planning, performance management, budgeting and the Nation's long-term fiscal outlook, human capital management and civil service reform, intergovernmental issues, Federal tax policy and administration, and the Census. Chris has appeared as a witness before congressional committees on numerous occasions and has worked throughout Congress to show how strengthened public management can improve performance and accountability. Chris is also a fellow of the National Academy of Public Administration and Chairman of the Board of Directors.

(Continued from page 1)

able funding, continued collaboration, and a more streamlined rule-making process are needed to successfully complete modernization.

Beck discussed the numerous benefits realized through Alaska Airlines' Greener Skies initiative, such as improved flight efficiency in terminal airspace, but said that rule changes and more arrival procedures are needed to realize the program's full potential.

The subcommittee's questions centered on delays in PBN implementation—a particular concern for Cory Booker (D-NJ), given Newark's crowded airspace. Bill Nelson (D-FL) was more direct, asking when NextGen will be complete. Whitaker asserted that the 20-year plan was on track.

Some subcommittee members asked if budgetary constraints had limited NextGen's progress. While Matt acknowledged the importance of stable funding, he firmly

stated "funding has never been an issue," and reiterated the need for stable requirements and an executable plan to successfully implement NextGen.

When asked what priorities should be considered as Congress debates next year's FAA reauthorization bill, Matt pointed to adequate controller manning, an appropriate inspector workforce placement and manning model, and UAS integration.

— Tim McDougall, JA-10

NOTEWORTHY

TRAINS, PLANES, AUTOMOBILES: OIG PRESENTS AT MAIAF

Early in June, Ann and Tom Yatsco, AIG JA-30, spoke at the Mid-Atlantic Intergovernmental Audit Forum in Ocean City, MD.

MAIAF is one of 10 regional audit forums and serves Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia. The primary purpose of the forums is to promote communication, coordination, and cooperation among Federal, State, and local audit agencies throughout a region to foster effectiveness and efficiency of government operations. Each year, MAIAF holds two meetings in which various topics are presented and discussed, ideas are exchanged, lessons learned are shared among the various agencies to help each agency to do its work more effectively and to improve the oversight of the audit community.

Ann and Tom's presentation, "Trains, Planes, Automobiles: A View from DOT OIG," focused on our \$41:1 return on investment in 2013 and how we achieve those results:

- Promote individual accountability.

- Hire, develop, and retain a diverse workforce with the skills needed to achieve our mission.
- Provide employees with the resources and a quality environment necessary to enhance the effectiveness and efficiency of operations.
- Maintain an environment of open communication, respect for ideas, and an understanding of the value of each individual's contribution.
- Support OIG integrity by maintaining an effective quality assurance program.

Ann and Tom also highlighted the top management challenges facing DOT that we reported last November and how our work relates to helping DOT address these challenges.

Other speakers at the 3-day conference included keynote speaker Eugene DePasquale, Pennsylvania's Auditor General; Thomas Salmon, Assistant Inspector General for Audit Services, HHS OIG; Kathleen Davies, Chief Administrative Auditor for the Delaware Auditor of Accounts; and Gilbert Tran, a senior policy analyst with OMB's Office of Federal Financial Management.



During their off time, Ann and Tom were photographed at Macky's Bayside Grill in their beach tourist attire.



OIG IN THE NEWS

MARCON'S MARTIN SEEKS RELEASE DURING APPEAL, SWIGERT DROPS HIS APPEAL*Idaho Statesman*

July 26, 2014

Former MarCon President Elaine Martin, sentenced...to seven years in federal prison following her conviction on fraud charges, is asking to be released after serving two years if her appeal before the Ninth Circuit Court of Appeals is still pending.

At the same time, co-defendant Darrell Swigert, convicted of obstruction of justice for helping Martin cover up her crimes, has withdrawn his appeal.

The defense plans to argue that a sentence enhancement imposed because of a finding that Martin caused \$3 million in fraud losses was improper. The defense argues that there was no fraud loss and therefore the enhancement was invalid.

Martin was convicted on 22 counts of mail fraud, conspiracy and filing false tax returns. She is scheduled to be released [from prison on] Jan. 19, 2020.

Authorities investigated Martin over her participation in two programs offered by SBA and DOT to benefit economically disadvantaged companies.

From 1997 to at least 2008, Martin submitted fraudulent tax returns and financial information to qualify for programs in Idaho and Utah, according to court documents. She obtained 33 contracts totaling \$14.2 million, with profits of \$3.1 million.

[Chief U.S. District Judge B. Lynn] Winmill ordered Martin to pay \$3.1 million in a forfeiture. Concrete Placing Co. of Boise bought MarCon, based in Meridian, for the amount of the forfeiture order.

Since her conviction, Martin has also paid \$156,461 in restitution and the cost of the government prosecuting her case.

DON'T BLAME FUNDING FOR NEXTGEN'S SLOW ROLLOUT, SAYS DOT IG*Fierce Government*

June 25, 2014

While some lawmakers find FAA's implementation of...NextGen program milestones slow, the Transportation Department's Inspector General says it's not due to inadequate funding.

The 20-year initiative, which started in 2004, has an estimated pricetag of \$40 billion.

"The problems that we've seen with NextGen in execution are not traceable to an issue of funding," said Matthew Hampton, assistant inspector general for aviation audits at DOT's OIG, who testified June 25 before [a Senate subcommittee].

He noted that FAA has yet to meet key provisions aimed at accelerating NextGen. For example, the agency is not yet in a position to mandate that aircraft be equipped with the Automatic Dependent Surveillance-Broadcast system... something that Hampton called a "game changer" for advancing the program.

Hampton said money really hasn't been an issue...since Congress so far has provided FAA with more than \$5 billion in funding for NextGen.

Instead, "a root cause" of most of NextGen's problems is FAA's inability to define requirements, develop an executable plan and an agency culture that is resistant to making significant changes to how air traffic is managed, he said.

Hampton did note that FAA will likely face a cut to NextGen funding in the next appropriation. He said it's hard to know what the exact impact will be on the program because the agency hasn't adequately defined budget priorities for maintaining its current system while building out NextGen capabilities.

NEXTGEN NEEDS A POWER-UP, SENATORS SAY*Roll Call*

June 25, 2014

Senators voiced frustration Wednesday that the Federal Aviation Administration is implementing the NextGen air traffic control modernization too slowly.

Sen. Maria Cantwell, chairman of the Senate Commerce Committee's Aviation Subcommittee...said the FAA isn't getting the job done quickly enough.

"Can't we move faster in getting these performance-based navigation systems in place sooner," she asked FAA Deputy Administrator Michael Whitaker, the agency's chief NextGen officer.

With Congress set to continue to invest \$1 billion a year in NextGen, Cantwell said, it is "unacceptable for us to continue to spend resources and not make more progress" that the flying public can see and understand.

Matthew Hampton, Assistant Inspector General for Aviation Audits at the Department of Transportation's Office of Inspector General, told Booker part of the problem was "an agency culture" at the FAA that was "resistant" to change.

"Let me be very clear: the 2020 deadline is not going to change," Whitaker said, urging the airlines to not wait to install the new technology.

But Hampton told the subcommittee FAA was still struggling to deliver on NextGen's promise.

For example, a system called "ADS-B In" is "considered a significant and beneficial game changer" but "it is uncertain when this capability can be implemented and at what cost."

[Cantwell] added, "Saying 'Hey, I've got 20 years to answer this' is not a good answer."

PEOPLE WE KNOW

AMANDA SEESE SPEAKS TO YOUTH LEADERS ON PUBLIC SERVICE

On Thursday, June 26, I returned to my home State to speak to this year's Keystone Girls State and Boys State youth leadership participants about the importance of public service and what my service means to me.

Since the mid 1930s, the American Legion Boys State and American Legion Auxiliary Girls State programs, currently run in 49 States, have provided selected high school seniors the opportunity to learn first-hand how their State and local governments

work. The programs aim to teach youth leaders about the importance of service and public policy debate, and prepare them their future roles as adult citizens. Through a week of mock State legislature, the students participate in the functioning of their State's government, learning public speaking, creating and enforcing laws, and even running for office.

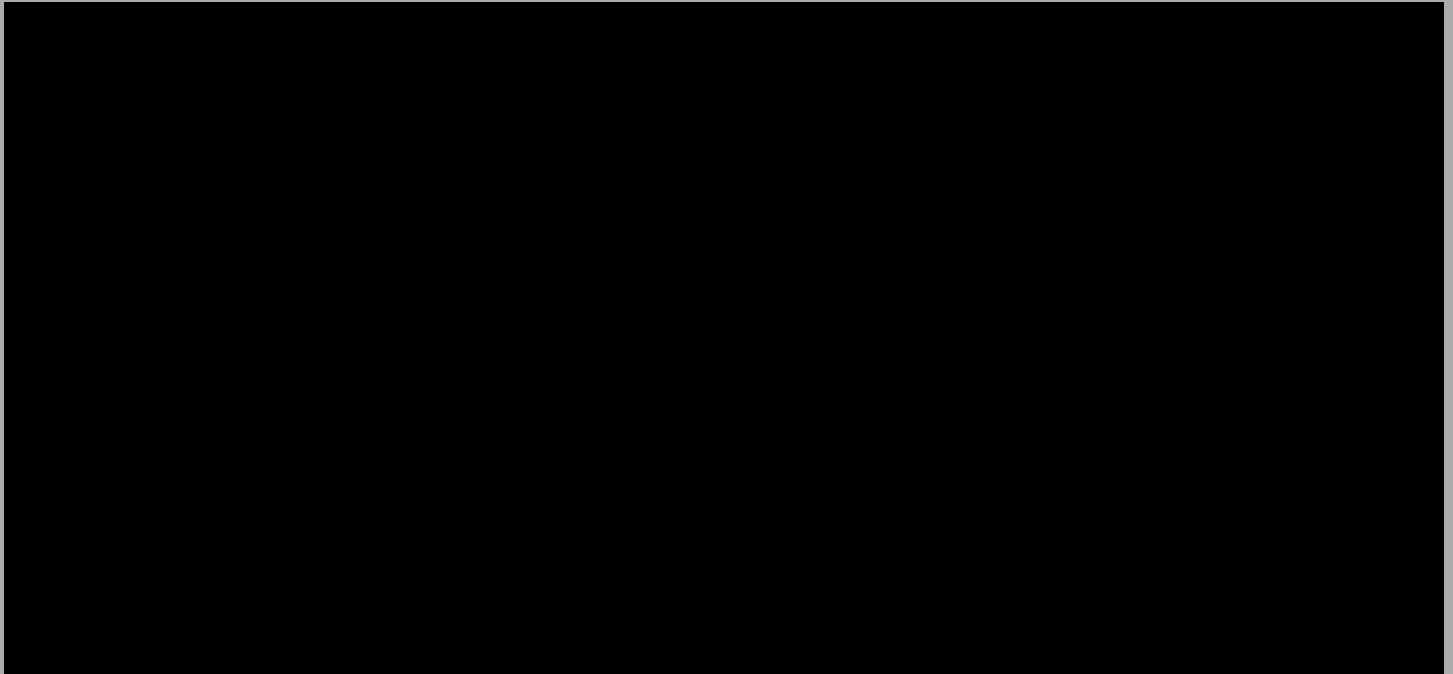
I attended Pennsylvania Keystone Girls State and Girls Nation as a high school senior and credit those experiences for sparking my

interest in public service. It was an honor to spend the afternoon with some of America's best and brightest and give back to a program that gave me so much in my formative years!

I was also happy to learn that "selfies" are still considered "in" among Pennsylvania's teenagers, as evidenced by some of the great photo opportunities I was provided throughout the day.

— Amanda Seese, New Hire
Workforce and Development
Manager





COMINGS & GOINGS

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(b)(6)

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ANN STORMS THE WEST COAST

In mid June, Ann spent 8 days on the road, connecting with JA and JI staff in OIG's West Coast offices.

On the first leg of her trip, Ann joined Tim and JRI-9 staff for a day of their 2014 in-service, held in San Luis Obispo, CA. Bill Swallow, JRI-9 SAC, kicked off the in-service with a discussion of the region's positive performance across JI goals over the past year. Heidi Ficke and Lisa Glazzy led two sessions on developing a new approach to fraud investigations, with particular focus on product substitution. The group came up with some good ideas that Heidi and Lisa nicely packaged and delivered to Ann, Tim, and Bill.

Ann provided a management update, highlighted and commended JRI-9's work, and discussed organizational challenges going forward. Ann also shared her views and outlook on OIG's recent hiring initiative, which brought five new agents to JRI-9. Tim discussed OIG's recently attained membership with DOJ's Asset Forfeiture Program and thanked the agents for their contributions to OIG's success in fiscal year 2014. Ann and Tim also met the new agents in JRI-9 during the training and at an after hours dinner on the beach (financed by attendee contributions).

The following day, Ann continued on the next leg of her trip, but the

in-service continued with Omer Poirier and Nick Coates leading staff through a series of legal updates. Zurvohn Maloof had the honor of enduring a cross-examination by Omer on one of Zurvohn's cases. Nick followed with an equally effective re-direct, but Zurvohn never broke a sweat.

The in-service wrapped up with training—of the non-auditor kind. Steve Schleyer and Louis Burrell ran the agents through a qualification course of fire and some decision shooting drills. Congratulations to Trish Cassidy, this quarter's top shooter! Training concluded with defensive tactics. Zur-

(Continued on page 3)



Range where JRI-9 qualified at during in-service; Ann and Tim with JRI-9 staff



THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

HELP FEED FAMILIES WITH BREAKFAST ON US

Imagine you couldn't afford breakfast today. Many can't. Consider these sobering facts:

- Fifty million individuals in the United States are 'food insecure'; 17 million of them are children.
- In 2011, 4.8 million Americans over the age of 60 were food insecure. This constitutes 8.4 percent of all seniors.



- D.C. has the second highest child food insecurity rate of any other State in the Nation, with 30 percent of children under the age of 18 living in food insecure households.

You can help. Please join us tomorrow between 8:30 and 10:00 in front of HQ's west elevators, and for a suggested donation of three canned food items to the Feds Feeds Families campaign, treat yourself to a continental breakfast. Your donation will benefit the Capital Area Food Bank and the nearly 500,000 people in the Washington metro area struggling with hunger.

Feds Feed Families Kickoff!

*Continental
Breakfast*

*West Atrium
Tues, July 22
8:30-10:00 am*

Suggested donation: 3 cans



OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	New Employee Orientation HQ: Feds Feed Families breakfast, 8:30 to 10:00	New Employee Orientation Ann: Hosts Quarterly DIG Meeting at DOG, 10:00 Cal: Meeting with Senators Murray and Collins	New Employee Orientation	New Employee Orientation

NOTEWORTHY

CAL, MATT TALK DRONES ON FEDERAL NEWS RADIO

Last Monday, Cal and Matt Hampton, AIG for Aviation Audits, joined Tom Temin on Federal News Radio's Federal Drive to talk about our recent work on unmanned aircraft systems.

Cal and Matt explained what UAS are, how they are used, and the challenges in integrating them into the NAS.

Focusing on our June 2014 report, Temin asked about our "top line" findings. Cal explained the congressional mandate for safely integrating all drones in the United States, and noted that FAA will not meet the ambitious deadline.

Matt highlighted the significant technological, regulatory, and management barriers FAA faces.

Technological challenges include reaching consensus on standards for detecting and avoiding other aircraft, and ensuring reliable data links between ground stations and the unmanned aircraft they control. Establishing a regulatory framework involves developing aircraft certification requirements,

standard air traffic procedures for managing UAS and manned aircraft, and an adequate UAS controller training program.

Cal noted other concerns that need to be addressed, including privacy. Cal and Matt

wrapped up the discussion of our recommendations, and what FAA could do in the near term.

In the meantime, FAA faces a lot of pressure to get drones flying, given their potential commercial applications.

To listen to the interview, go to <http://www.federalnewsradio.com/85/3662125/Calvin-Scovel-III-Matthew-Hampton-Transportation-Department>



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LAST PAGE



President Obama talks about his “Build America” initiative at the I-495 bridge over the Christina River near Wilmington, DE. Photo | Patrick Semansky, AP

COMINGS & GOINGS

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OIG WEEKLY CALENDAR

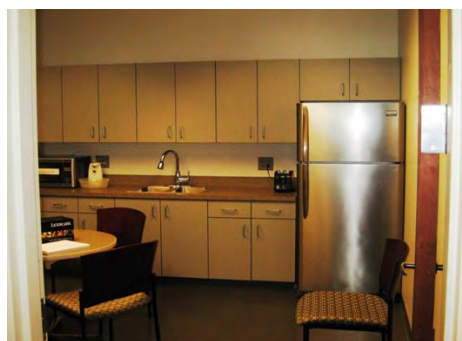
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
				Cal: RATB meeting, 1:30

NOTEWORTHY

SNAFU IN ATLANTA! OF THE EXTREME MAKEOVER KIND

We should begin by clarifying that “snafu” in this case is *“Situation Normal: All Feds Unloading.”* We are happy to report that all Atlanta staff have been located—and are busy scurrying between the loading dock and vehicles, carrying armloads of computers, books, paper, and Starbucks coffee back to the 17th floor. All were observed smiling and abundantly enthusiastic about the office makeover they were about to see. For the record, none seemed to show any obvious signs of head trauma, zombie attack, or neuralyzer burns.

Okay—our colleagues officially served us with a “Motion to Disclose” the real deal here. So in the interest of judicial reverence and in accordance with our oath as devoted volunteer media, we have to come clean. In recent weeks, we chronicled the strange disappearance of Atlanta staff (and appreciate the comments and chuckles we received from



our readers), but all kidding aside, we must report that the Atlanta Office was vacated earlier this year to make way for an extreme makeover. Long-time OIGers may

recall that Atlanta staff first moved into the Sam Nunn Atlanta Federal Center in March 1997. So as you might imagine, a couple areas were in real need of some “curb appeal.” While we did not get a Zen garden, a waterfall feature, or a Jacuzzi, we did get a re-configured conference room with meeting space flexibility, video conferencing technology, and—most important—a break area with a sink and a fridge! (Note to visitors: Publix grocery stores in a 32-mile radius have put a limit the number of Hot Pockets Federal employees can purchase at one time. It seems the anticipation of a working kitchen overwhelmed some of us. So bring your own Hot Pockets if you travel this way.)

Thanks to Cal, Ann, and all those at HQ who made this transformation possible and work life in Atlanta better.

— (b)(6) Aiesha Gillespie and Stefanie McCans, JA-10
(Atlanta’s TI reporters)

NOTEWORTHY

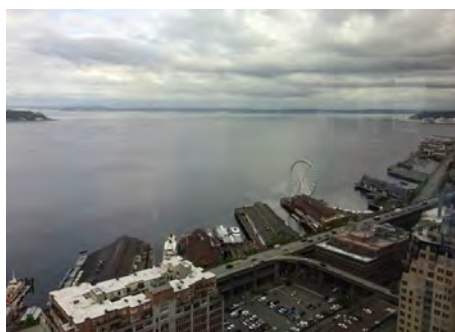
(Continued from page 1)

vohn and Steve Albino led the group through some pretty rigorous training with strike pads and batons that resulted in most of us getting a lot of sleep the last night.

Meanwhile, Ann had arrived in Seattle, where staff had a meet-and-greet followed by a JA all-hands on the building's 30th floor, which not only provided a panoramic view of the Puget Sound and the new Seattle Eye, but a bird's eye perspective of the crumbling viaduct. Once the viaduct is gone, the area is planned for redevelopment. But plans have been delayed because as the *Wall Street Journal* recently reported, the "Seattle Tunnel Project Isn't Boring." Specifically, the 7,000-ton boring machine, nicknamed "Bertha" has been kaput and stuck beneath the viaduct since December.

In the afternoon, Seattle teams provided Ann with presentations on their current jobs, and Ann provided instant executive-level feedback. Ann also met one-on-one with employees.

Ann also spent productive time with the office's JRI- 9 staff, discussing Seattle's and HQ's JI-related cases.



Bird's eye view of Seattle's viaduct; Ann walking the plank with Seattle staff; Ann onboard with Seattle staff

For the last leg of her trip, Ann visited the San Francisco office and received briefings on the status of current audit and investigative work. She highlighted recent and ongoing work involving San Francisco, including audits on the Metropolitan Washington Air-

port Authority, NextGen, airport revenue use at Los Angeles Airport, and long onboard flight delays. She also had one-on-ones with staff, including newly hired agents and audit staff.

At each office, Ann discussed OIG's fiscal year 2013 accomplishments, including \$3 billion in financial recommendations, and \$98 million in fines, restitutions, and recoveries. She noted that OIG is on track for similar results in fiscal year 2014 with financial recommendations of \$532 million so far and a total for \$1.3 billion in fines, restitution, recoveries, and forfeitures—largely the result of Toyota's settlement with the Federal Government.

She also held lively discussions with staff on ideas for using field resources to conduct or support HQ-led audits of major transportation projects local to the field office. Last, she briefed staff on the status of a number of initiatives including updates to OIG's telework policy, Shadowing Program, Leadership Exchange, Community of Practice Speaker Series, and the Adjunct Faculty Program.

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Henning Thiel, JA-10,
Seattle; Stephen Jones, JA-10,
San Francisco

OIG IN THE NEWS

EX-PRESIDENT OF SCHUYLKILL CONCRETE COMPANY GETS 7 YEARS IN MASSIVE FRAUD CASE*The Morning Call*
June 30, 2014

In a case described as the largest fraud prosecution of its kind, [Joseph W. Nagle,] the former president of Schuylkill Products Inc. was sentenced to seven years in federal prison for steering government bridge-building work intended for minority-owned businesses to his company.

Nagle was convicted in April 2012 of 26 charges, including conspiracies to defraud the U.S. Department of Transportation and to commit wire fraud, mail fraud and money laundering.

Prosecutors said the scheme ran... between 1993 and 2008 and involved more than 300 construction contracts for agencies that included PennDOT and the Southeastern Pennsylvania Transportation Authority.

The bridge-building contracts were worth \$136 million and...designated for disadvantaged businesses under a [DOT] program. Prosecutors said Nagle diverted nearly \$54 million in funds for disadvantaged businesses in the four years he ran the company.

The scope of the case the U.S. Attorney's Office brought against Nagle and [co-owner Ernest] Fink was limited to Pennsylvania, but prosecutors alleged in court documents that the fraud also occurred in eight other states, including Maryland, New Jersey and New York.

In addition to a seven-year prison sentence, U.S. District Judge Sylvia Rambo in Harrisburg ordered Nagle to pay \$26,700 in fines.

FAA 'SIGNIFICANTLY' BEHIND IN INTEGRATING UNMANNED AIRCRAFT...IG SAYS*Fierce Government IT*
July 1, 2014

The Federal Aviation Administration is "significantly behind schedule" in meeting several congressionally mandated provisions and deadlines to safely integrate drones into the nation's airspace, the inspector general for the Transportation Department found.

The FAA is facing major technological, regulatory and management barriers and until they're addressed, integration of drones or unmanned aircraft systems for civilian and law enforcement purposes will be slow and risky, the IG's report said.

Potential use of drones is expected to expand significantly in five years. [FAA] predicts about 7,500 such drones...will be used for activities ranging from protecting borders to monitoring forest fires to delivering food and packages for commercial operators.

Congress issued a September 30, 2015 deadline for the FAA to ensure that such aircraft can be safely integrated into U.S. airspace. The agency has created a five-year roadmap and selected six test sites to conduct research.

But the IG report released June 26 said progress has been slow.

The agency still needs to establish a regulatory framework for integration. This would include certification requirements for aircraft, standard air traffic procedures to manage drones with other aircraft and a suitable training program for those controlling drones, the report said.

Additionally, the FAA hasn't developed procedures to ensure that all drone safety incidents are reported and tracked and, as a result, hasn't been effectively collecting and analyzing such data.

DRONE ACCESS TO US SKIES FACES SIGNIFICANT HURDLES*Associated Press*
June 30, 2014

The federal effort to provide drones regular access to U.S. skies faces significant hurdles...a government watchdog said Monday.

Despite years of research, [FAA] hasn't figured out what kind of technology unmanned aircraft should use to avoid crashing into other planes and to prevent lost links with ground control stations, Matthew Hampton, the Transportation Department's assistant inspector general for aviation, said in a report.

The FAA also hasn't set standards for certifying the safety of drone designs and manufacture like those that exist for manned aircraft, the report said. Nor has the agency developed standard procedures for air traffic controllers to guide drones. There is no adequate program for training controllers how manage unmanned aircraft. And criteria for training "pilots" who remotely control drones...have yet to be developed.

Until the FAA resolves these problems and others, the effort to integrate drones into the national airspace "will continue to move at a slow pace, and safety risks will remain," the report said.

FAA officials...said in a statement that despite the inspector general's findings the FAA "has made significant progress" toward giving drones wider access to U.S. skies "even as it dealt with disruptions" due to automatic, government-wide spending cuts and a three-week partial government shutdown.

See July 2 DOT News Briefing for more drone news:

[The FAA Is Not On Track To Safely Allow Commercial Drone Use Next Year](#)

[FAA Will Likely Miss 2015 Deadline To Let Companies Fly Drones, Report Says](#)

[2015 Not Looking Good For Drones In The Public Airspace](#)

[FAA Will Miss 2015 Drone Deadline, Audit Says](#)

PEOPLE WE KNOW

(b)(6)



Federal employees are again coming together to support families across America who are at risk of hunger. You may have already seen the Feds Feed Families collection boxes around the office.

Since 2009, Federal workers have collected 24.1 million pounds of food and other non-perishable items. Donations from the Feds Feed Families food drive are especially important because they come at a time of year when donations traditionally decline.

Start bringing your cans and other food items in now! Look for more information next week about how to become involved with OIG's FFF collection efforts.

(b)(6)

COMINGS & GOINGS

No comings or goings this week. Check back next week for some new OIG'ers joining us next pay period.

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

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The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL PRESENTS AT AGA . . .

On July 15, Cal presented at this year's Association of Government Accountants conference in Florida. AGA supports nearly 15,000 professionals, who work in, for, and with Federal, State, local, and tribal agencies.

Cal—along with Kenneth Donohue, former IG for the Department of Housing and Urban Develop-

ment—led a discussion, "What Does the IG Think?"

Cal focused on what we do and how we accomplish our mission. He also highlighted DOT's top management challenges that we identified, the Toyota settlement and our overall return on investment, and the ever increasing interest in and appreciation of our work.

As Cal does every chance he gets, he emphasized that OIG's work could not be done without its excellent workforce—and proudly noted that the results of the 2013 Federal Employee Survey placed us among the best places to work.

Gene Dodaro, Comptroller General of the United States, also spoke at the conference.

. . . THEN STOPS AT JRI-4, SUNRISE

True to his word to connect with every office in our fleet, Sunrise was ground zero for Cal's latest visit with staff.

JRI-4's agents, including several new hires, enthusiastically greeted Cal. After a brief tour of the facility and a South Florida style Continental breakfast—with delectables such as guava and cheese pastelitos and lemon muffins, Cal's favorite—Cal met one-on-one time with the agents, catching up with everyone and learning some impressive things about Sunrise's newest agents.



Cal also held one of his trademark open forum discussions. We covered asset forfeiture authorization,

modal agency database access, and tactical shooting training.

During the day, (b)(6) presented Cal with one of our secret weapons—a cookbook devoted to Boricua, Cuban, and Caribbean cuisine, with recipes like "Shake it but don't break it Chicken." As Cal perused the array of recipes that South Florida is famous for, he seemed ready to try "Havana Hot Plate."

It was great to see our leader in the field. Thanks Cal for your time and all that you do for us here.

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OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Cal, Ann: JA-30, JRI-2, New York FFF Food Fight! begins	Cal, Ann: JA-30, JRI-2, New York	Cal, Ann: JA-30, JRI-1, Cambridge	Cal, Ann: JA-30, JRI-1, Cambridge	

NOTEWORTHY

ANN HOSTS FEDERAL DIGS

Back at headquarters, Cal welcomed Federal Deputy Inspectors General to their quarterly meeting, hosted last week by Ann.

The DIGs meet quarterly to discuss common concerns to the IG community and share best practices. Ann resurrected these meetings when she became the DIG as a way to navigate her new responsibilities and learn from the broader community. “The DIG meetings have provided invaluable insight to me and our office on what the IG community is thinking and doing when certain issues arise.”

Ann kicked off this quarter’s 2-hour meeting with a brief overview of our office’s mission, highlighting our recent returns on investment (\$41:\$1 in fiscal year 2013) and the work of our staff—the key to our success.

DIGS from the Department of Interior, the Environmental Protection Agency, and the Department of Defense also presented:

- Stephen Hardgrove, DOI DIG, discussed shared services and drug policies for new agent hires.
- Charles Sheehan, EPA DIG, discussed the CIGIE COP on climate change.



- Lynn Halbrooks, DOD DIG, discussed OPM’s SES Qualifications Review Board process.

Ann also discussed office off-sites and training venues, law enforcement authority and the role of IGs, recent congressional activities, and the pros and cons of an HR peer review.



NOTEWORTHY

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NOTEWORTHY

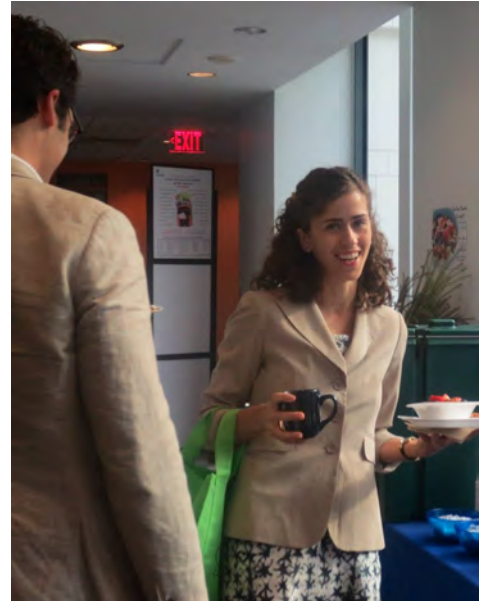
BREAKFAST BUFFET BENEFITS FEDS FEED FAMILIES FOOD-DRIVE

Thanks to OIG's headquarters employees, the Feds Feed Families campaign kicked into high-gear last week, inspiring our awesome alliteration. Employees enjoyed an abundance of breakfast options, including homemade fresh-baked goods and coffee.

But what made this sumptuous setting successful were the two large boxes of non-perishable items that staff donated to benefit the Capital Area Food Bank. Special thanks also go to the volunteers who made this event possible: Omer Poirier, Oleg

Michalowskij, Robin Redd-Miller, Lisette Mercado, Jennifer Hoffman, Tatiana Vasquez, and Jamila Mammadova. Thanks to all!

Together, we can help put a dent in hunger! For additional info, email Jamila at jamila.mammadova@oig.dot.gov.



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NOTEWORTHY

OIG'S "CANSTRUCTION" TEAM HITS ONE OUT OF THE PARK!

Using the Nat's stadium as their inspiration, OIG's Angel Simmons, Christina Lee, and Jim Quinn and PHMSA's Hung Nguyen (shown with Cal) stacked cans and boxes to "Knock Out Hunger With DOT." It should be noted that, as great auditors, there was a sign noting that the can stadium was "not to scale."

The Secretary was also on hand to review the agency's work. For more photos of this and other FFF events, go to I:\THE INSPECTOR NEWSLETTER\Photos\2014-07-23 Feds Feed Families.



OIG IN THE NEWS

CASE CENTERING ON FALSE REPAIR OF AIRPLANE PARTS HAS BEEN A BUMPY RIDE

Sacramento Bee

July 15, 2014. Prosecutors swallowed a bitter pill last week when the former owner of a Lincoln-based aerospace firm received a much more lenient prison term than they believe he deserved.

The 2½-year sentence for William Hugh Weygandt, who once headed WECO Aerospace Systems Inc., is just the latest example of how the case centering on the fraudulent repair of airplane parts hasn't all gone the government's way.

While four men have been convicted so far, U.S. District Judge John A. Mendez has tossed out the charges against one defendant, the government was forced to drop the charges against another, and a third may yet be dismissed.

In imposing Weygandt's prison term in Sacramento federal court, Mendez dropped more than two years below a range calculated with a formula set out in sentencing guidelines.

The investigation of WECO began in January 2007 after David Atkins, an electronics technician who had worked at the company 17 years, contacted the FBI and reeled off an astonishing recitation of unlawful practices that he claimed were common at WECO.

Nearly five years after Atkins put law enforcement machinery in motion—on Sept. 29, 2011—the aircraft industry was shaken by a 36-count federal grand jury indictment accusing six former WECO executives or supervisors of regularly directing technicians to use unapproved parts for repairs and overhauls.

It was further alleged that the company's plants did not have the expensive equipment needed to perform testing required by parts manufacturers and the Federal Aviation Administration.

Despite that, the defendants returned the parts to operators of commercial

carriers and other aircraft, falsely certifying that repairs were done in compliance with FAA regulations, according to the indictment.

There have been no known instances in which a fraudulent WECO repair resulted in an aircraft accident. The government, however, chalks that up to good fortune.

At one point, the infamous paper clip incident threatened to become a bone of contention.

In October, Weygandt's lawyers filed a motion seeking to exclude from his trial any evidence regarding a WECO supervisor's use of a paper clip in repairing a customer's windshield wiper motor.

But the matter had nothing to do with Weygandt...defense lawyers urged. [T]he government did not oppose the motion and the issue melted away.

Charged in the 2011 indictment were [Jerry Edward Kuwata, 63, the company's operations chief in Lincoln; Michael Dennis Maupin, 61, WECO's quality assurance manager; Scott Hamilton Durham, 42, customer service manager; Christopher Warren MacQueen, 56, a supervisor; Douglas Arthur Johnson, 55, a supervisor; and Anthony Vincent Zito, 50, the chief in Burbank].

Charges against Durham and Johnson have since been dismissed. The government is appealing Johnson's dismissal.

A year ago, defense lawyer Malcolm Segal filed a motion seeking dismissal of the charges against MacQueen.

[D]uring the pre-indictment investigation, "two FBI agents made an unannounced yet carefully preplanned visit to (MacQueen's) home in Lincoln," according to the motion by Segal.

Assistant U.S. Attorney Laura Ferris...had authorized the agents to assure Mac-

Queen that he wasn't "the one in trouble," Segal declares.

MacQueen was nonetheless indicted.

With no opposition from Segal, the government sought, and Mendez granted, an abeyance of MacQueen's motion until the prosecutors' appeal of Johnson's dismissal has been exhausted.

Kuwata, Maupin and Zito pleaded guilty to charges stemming from the conspiracy, testified for the government at Weygandt's trial, and [await] sentencing.

On Oct. 10, 2012, a grand jury returned a superseding indictment. This time, Weygandt was accused in the omnibus conspiracy count of colluding with previously indicted defendants to illegally shave WECO's overhead and hike its profits.

His lawyers insisted he was not part of a conspiracy, and unlike the other defendants, Weygandt chose to go to trial. But in November, a jury found him guilty of participating in the conspiracy.

Denney contended Weygandt was "a convenient foil" for his co-defendants and for Gulfstream Aerospace Corp., a Georgia-based subsidiary of General Dynamics Corp., which purchased WECO for \$17 million in March 2007.

Throughout the litigation, Denney has suggested Gulfstream prodded the government to charge Weygandt. The government denies Gulfstream played any part in its decision to pursue Weygandt.

By the time sentencing rolled around last week, Mendez had received 221 letters—totaling 340 pages—supporting Weygandt. [His brother, Robert Weygandt, wrote "We had a 30-year perfect safety record and consistently received positive audits from the FAA."

But that was a different time.

LAST PAGE

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COMINGS & GOINGS

Two new OIG'ers joined us today. Welcome!

(b)(6)

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL AND ANN HEAD NORTH

Last week, Cal and Ann took their first road trip together, visiting OIG's New York and Cambridge offices. They packed a lot into the 4 days.

The IG and DIG arrived in New York, no worse for wear from their train trip—despite receiving a public reprimand for talking too much in the “Quiet Car.”

Cal and Ann met with staff, and—staying true to our “Mission First, People Always” motto—asked both JA and JI staff about what they are working on, as well as areas that are working well and not so well.

Cal and Ann also held an all-hands meeting. They discussed our work impacts, physical facility needs, budget planning, OIG's SES shadowing program, and new hires.

They also presented information about the results of ongoing initiatives, such as hiring and the new employee orientation program, and exciting changes on the horizon, such as filling SES and other key positions in the office.

Cal and Ann then turned the meeting over to us for questions and feedback. We discussed a number of topics ranging from training to opportunities to enhance JI-JA coordination. Cal and Ann also met one on one with staff.

While in New York, the IG and DIG witnessed a union-labor protest outside our Varick Street office. But it turns out the protest was staged at the wrong Government building.

In Cambridge, Cal and Ann met with staff and discussed strategic planning, staffing and space, and some nuts and bolts of our work—including the Entrance Conference template, which includes information to help audits flow. The template highlights OIG's authority under the 1978 IG Act, which states that audit teams should be given open access to records, databases, reports, audits, reviews,

(Continued on page 2)



OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
			Cal, Ann: American Psychological Association 2014 Annual Convention	

NOTEWORTHY

(Continued from page 1)

documents, draft documents, papers, recommendations, and other material, as requested, and that the audit team should be given direct and prompt access to agency officials that have subject knowledge or perform functions related to the audit's scope. It also notes that agency management and audit liaison actions relating to the exchange of such information should not interfere with the audit process.

Cal and Ann also updated staff on some ongoing operational and human capital initiatives. The mentoring program has been successful and will continue, the shadowing program is about to start, and the new telework policy estab-

lishes that teleworkers will have the flexibility to work from home provided they work from the office twice during the pay period. They emphasized, though, that telework is a privilege and not a right.

During the JI all-hands, Cal threw a "curve ball" by asking each agent to discuss a favorite case.

During a break, there was also a discussion of the Red Sox trades that sent five world series players packing during Tuesday night's game. Ann said, "All I know is I went to the refreshment stand for a cannoli, and when I came back, half the bench was gone." Cal was surprised, too. "I never saw it coming. I was caught up in a discussion of the importance of den mothers in the Cub Scouts, and next thing I

knew, Stephen Drew was trying to sell me boiled peanuts."

The last day of their visit was filled with one-on-one meetings. There was also an impromptu JRI-1 meeting to identify the most competent agent for the airport run. Typically it's an easy trip, but several construction projects have altered traffic patterns enough to make teleportation in its current state of development a viable alternative. But SAC Ted Doherty thought it best to call a cab. Proving the "Cambridge Traffic Theory" correct, the 2-mile trip to North Station took nearly an hour.

After the brass left, the gossip began. The new agents could not believe the IG and DIG were so friendly and down to earth. They praised both Cal and Ann's warm personalities and hoped they would return soon. And it was affirmed: Yes, people really do call him Cal.

— Cynthia Auburn (JA-30) and Dan Helzner (JRI-2), New York (b)(6) and Dave McBride (JA-30), Cambridge



NOTEWORTHY

COMMUNITY OF PRACTICE FOCUSES ON 21ST CENTURY AUDITING

On July 10, OIG welcomed Chris Mihm, Managing Director for Strategic Issues at GAO, to discuss auditing in the 21st Century and the new challenges that lay ahead for auditors.

Cybercrimes exemplify the complexity of the issues the Government faces. The sophistication of these crimes, which often cross multiple jurisdictions, can tax investigative resources.

Citizens are also demanding increased transparency and opportunities for active engagement with their Government. Mihm stressed that in a global economy, capital and growth will move to those Nations with effective governance, as well as transparent and predictable regulatory approaches. The urgency for agencies to maintain current capacities while meeting new demands is

growing, and new ways of performance auditing will have to evolve with them.

Mihm believes the most immediate implication for IG offices will be to focus our performance audits more broadly on the results that the Government seeks to achieve rather than on the operations of any single program or State agency. This entails adopting a more comprehensive approach to our current processes, and looking more at policy coherence.

Assessing systemic risks in new and different ways will be necessary to keep Government transparent in an increasingly complex world. In the future, we may audit twitter feeds or assess the safety of systems that regulate autonomous vehicles. Whatever the future brings, it's certain to demand



more comprehensive performance audits.

Following Mihm's talk and a lively Q+A, Ann presented Chris with a coveted OIG coin.

— Peter Barber, JA-30

PRIVACY AND THE FREEDOM OF INFORMATION ACT



On July 22, 27 employees from 17 agencies came to DOT to attend an OIG FOIA Work Group meeting, hosted by Barbara Hines. The group meets quarterly to discuss issues of interest to the FOIA community. Brian Dettelbach kicked off the meeting discussing the importance of FOIA requests and touched on his past experience with them. Ramona Branch Oliver, from the US Department of Labor's Director of the Office of Information Services, spoke on the intersection between FOIA requests and the Privacy Act.

— Mitch Ness, J-3

NOTEWORTHY

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NOTEWORTHY

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OIG IN THE NEWS

OAKBORO MAN PLEADS GUILTY TO DEFRAUDING GOVERNMENT*The Stanly News and Press*

July 28, 2014

Greg Tucker, 41, is the latest employee of the Monroe-based Boggs Paving to strike a plea deal with prosecutors. Tucker was the company's vice president and responsible for bidding on federal projects in North Carolina. He pleaded guilty to one count of conspiracy to defraud the U.S. Department of Transportation.

The fate of two other Boggs Paving executives hangs in the balance, including President and CEO Carl Andrew "Drew" Boggs III, 49, of Waxhaw and another company executive.

According to the indictment, Boggs got 37 federal contracts worth \$87.6 million, over the last decade, after misrepresenting the role of a minority contractor. Boggs would not have otherwise been awarded the bids.

According to filed court documents, Boggs Paving and the defendants used [John "Styx"} Cuthbertson [and his Wingate-based trucking company] as a "pass through" entity to obtain the lucrative government-funded...contracts.

Boggs Paving claimed DBE credits of approximately \$3.7 million on these contracts for payments purportedly made to Cuthbertson, who only received payments of approximately \$375,432 for actual work on the contracts.

Cuthbertson was paid kickbacks for the use of his company's name.

Charges range from conspiracy to defraud the U.S. Department of Transportation and money laundering to wire fraud, mail fraud and conspiracy.

Boggs Paving is one of the companies contracted by the NCDOT to construct the long-awaited Monroe Bypass.

STATE CONTRACT AGENT GETS PRISON TIME STEALING FEDERAL, STATE HIGHWAY FUNDS*Land Line Magazine*

July 28, 2014

A former state contract agent used his power to acquire rights of way for state highway projects to steal nearly \$1 million in federal transportation funds. Now he'll be spending two years in federal prison after being caught in what investigators called a "pyramid scheme."

According to the U.S. Department of Transportation Office of Inspector General, Michael W. Young worked as a contract agent for the state of Tennessee between 2004 and 2012. As part of Young's duties, the Clermont, Fla., man purchased property rights of way for road expansion projects designed by the Tennessee Department of Transportation. Funding for the projects was provided by the U.S. DOT.

When Young notified the state that he'd reached an agreement with specific property owners, TDOT regularly sent him checks for the agreed upon purchase price.

"Young admitted that instead of using these funds to buy property for the State of Tennessee, he began diverting funds starting in 2004," according to a DOT Office of Inspector General press release. Young used the money for personal and business expenses. He also paid property owners previously owed money in a manner similar to a pyramid scheme.

In 2012, an audit exposed the scheme.

Young was convicted on Feb. 14 in U.S. District Court in Nashville after pleading guilty to theft of federal funds and for laundering money from the theft. Young was sentenced July 15 to serve two years in federal prison.

FEDERAL HIGHWAY OFFICIAL CHARGED WITH USING 'STRAW' COMPANY TO WIN RUTGERS, NJIT CONTRACTS*The Star-Ledger*

July 29, 2014

A top administrator with the state division of the Federal Highway Administration is facing federal charges for allegedly using a "straw" company to win transportation-related contracts from Rutgers University and New Jersey Institute of Technology.

Lawrence F. Cullari Jr., assistant division administrator of FHWA's New Jersey division...is charged with five counts of making false statements and one count of wire fraud.

According to the criminal complaint, Cullari's job at FHWA included influencing the awarding of U.S. Department of Transportation funding. But he also operated [Dencore Consulting,] a private consulting and engineering company.

Cullari, 42, is accused of using his father-in-law's company as a "straw" contractor to bid on FHWA-funded projects. Dencore Consulting would prepare the bids and do the work, but submit the reports under Cullari's father-in-law's company name.

Cullari operated the scheme from 2006 until last year, winning about \$130,000 in contracts, [and] transferred more than \$56,000 of that income into his personal bank account.

Cullari was arrested...by special agents from the U.S. Department of Transportation, the Office of Inspector General and investigators with the U.S. Attorney's Office for the District of New Jersey.

If found guilty, he faces a maximum of 20 years in prison on the wire fraud charges and an additional five years in prison for each of the five charges of making false statements.

OIG IN THE NEWS

FEW NEW YORK COMMERCIAL FLIGHTS USE IMPROVED NAVIGATION SYSTEM*New York Daily*

July 29, 2014

Almost no planes fly into the New York City area using a high-tech navigational system the FAA developed for the airports nine years ago, although it makes planes less noisy, arrive on time more often and burn less fuel, according to a federal report.

The system, called performance-based navigation, uses GPS, software and new Federal Aviation Administration procedures to fly much more precise routes.

Planes that use it can descend more steeply, so they don't have to fly as low over residential neighborhoods.

But only 1 percent of flights at JFK and La Guardia are using it, and less than that for Newark, although the congested airports have the worst delays in the country, the Department of Transportation inspector general has found.

"Where the technology is in place, it defies common sense for the FAA to be using it less than 1 percent of the time in New York airspace," said Joe Sitt, chairman of the airport advocacy group, Global Gateway Alliance.

Most major airports have been slow to adopt the system, but Washington's Reagan National Airport uses it to direct planes to fly less over neighborhoods and more over the Potomac River.

It's been difficult to adapt the procedure at New York City airports because not all airlines have the equipment to use it, sources said.

SATELLITE TRACKING USED ON JUST 1% OF NYC-AREA FLIGHTS, IG REPORT SAYS*The Star-Ledger*

July 29, 2014

The nation's most sophisticated aircraft tracking system, intended to enhance safety and reduce delays, is used on just 1 percent of flights in the bi-state region's three major airports, according to an inspector general's report.

The Federal Aviation Administration's NextGen, a satellite-based [air traffic control] system...is gradually replacing a radar-based system in use since the end of World War II.

But its huge price tag, technological complexity and wide array of stakeholders in the nation's air traffic control system have made it difficult to implement.

The report, issued by the federal Department of Transportation's inspector general's office, blamed the lack of progress in implementing NextGen on several factors: outdated controller policies and tools; a lack of standard training for controllers and pilots; and a failure to develop improved flight procedure development processes for airlines.

"Use of high-value procedures remains low, particularly at busy airports such as those in the New York City area," the report states.

The Port Authority of New York and New Jersey, which operates Newark Liberty, John F. Kennedy International and LaGuardia airports, has urged the FAA to make the bi-state region a priority for NextGen's full implementation, asserting that half of the nation's flight delays are linked to the region's crowded and complex airspace. Cutting delays locally, the agency has argued, would have benefits across the country.

FAA WANTS TO SPEED UP INSTALLATION OF NEW AIR-TRAFFIC CONTROL SYSTEM...*The Star-Ledger*

July 31, 2014

The FAA says it concurs with an unflattering federal report's recommendations for speeding implementation of a new satellite-based air traffic control system intended to improve safety and reduce delays.

The FAA has been gradually implementing elements of the new, so-called NextGen system. The system's enhanced precision, say proponents, reduces the space and time between planes taking off or landing.

But a June 17 report by the U.S. Department of Transportation's inspector general's office concluded that adopting the new routes and procedures were lagging, most notably at Newark Liberty, John F. Kennedy International, and LaGuardia airports, which together make up the nation's busiest air space.

In a response that the FAA made public today, the aviation agency said it was already taking steps consistent with the report's recommendation that it complete "an action plan" for overcoming obstacles to NextGen; develop a time-frame for streamlining new procedures under the system; and establish a process to gauge the success of the new procedures.

But, the FAA noted in its response, these things take time.

"There are challenges that must be understood and managed."

The agency may face yet another barrier to NextGen's implementation: residents subject to new or increased aircraft noise thanks to changes in approach patterns made possible by NextGen.

PEOPLE WE KNOW

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LAST PAGE

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COMINGS & GOINGS

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL TOUTS OIG'S PEOPLE ... AT APA?

Last Thursday, Cal was a guest speaker on a symposium panel at the American Psychological Association's annual convention, held in Washington, DC.

As anyone who has wiki'd Cal knows, his 29-year Marine Corps service included stints as a senior judge on the U.S. Navy-Marine Corps Court of Criminal Appeals, principal advisor to the Secretary of the Navy, and Judge Advocate General on all criminal justice policy matters.

But few know that Cal is also a renowned parapsychologist. Cal, accompanied by Ann, spoke on "Paleofantasy, Ignis Fatuus, and Emoticons: Finding Sanity Inside This Federal Triangle."

Really? No.

But Cal's invitation to speak at the APA convention did create quite a bit of buzz on the floor, and more than a few questions—mostly "Huh?" Other APAs seemed to make more sense.

But the APA symposium Cal participated in, "Federal Government

Best Practices in the Employee Life Cycle," was right up our alley.



**All Ports Alliance
APA Logistics**



Cal's presentation, "Best Practices for Leadership Development in the Office of the Inspector General," focused on our many efforts

to build and maintain a high performing organization. Cal told the audience that since he became IG in 2006, maintaining a healthy environment was a priority and that our organization has come a long way since then.

Cal talked about the discovery process—how leadership scores were disconcerting and how a number of discovery mechanisms provided us data on areas needing attention.

Cal focused on our motto—Mission First, People Always—and spoke to the many change initiatives (leadership exchanges, mentoring program, new audit and investigative priorities and protocols, and revised performance standards) that we have put into place, believing that if senior leadership pays more attention to staff, mission performance will be elevated.

Cal also highlighted the outstanding results of our initiatives, citing recent Federal employee viewpoint scores, the substantial

(Continued on page 2)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Cal: Federal News Radio, 4 pm			

NOTEWORTHY

TRAINING CANCELLATIONS—WHAT IT MEANS TO OTD OPERATIONS

The number of cancellations for our internal training courses has increased. All cancellations have a significant impact on the Office of Training and Development operations and OIG's overall training budget.

To keep cost per student down, some internal courses are contracted out to private vendors. However, last minute cancellations increase cost per student.



Currently, OIG does not have a cancellation policy in place, but we may need to consider imposing one if the number of cancellations remain high.

We ask that employees consider their work priorities and leave plans prior to registering for any internal training session. We do understand there are times when cancellations are absolutely necessary due to work priorities or other personal events. In those cases, we ask that you cancel your registration as soon as possible, preferably 2 weeks prior to the start of the training.

(Continued from page 1)

impact of our work, our return on investment, and the fiscal support we earned from our congressional clients.

Cal emphasized the importance of sustaining a healthy culture—noting that maintaining focus on accountability throughout the organization and ranks is key to ensuring organizations remain “fit.”

As for the future, Cal said assessment and openness to change are



continual. He discussed some current initiatives that OIG is rolling out, such as our shadowing program, new training, and strategic

planning and process improvements.

Cal closed his talk by commending his senior executives and managers for embracing the vision and strategy he set forward and noted the support of our leaders and staff has been critical to our success.

The other panelists included executives from USAID, U.S. Customs and Border Protection, the National Science Foundation, and the Veterans Administration.

NOTEWORTHY

HISTORIC REHAB OF ICONIC BRIDGE IMPACTS COMMUTE

Last month, (b)(6) arranged a field trip for a behind-the-scenes look at the work being done on the Longfellow Bridge on the Charles River, which joins Cambridge Street in Boston with Main Street in Cambridge. The work is expected to take more than 3 years. If you recall from last week's TI, the disruption caused by the bridge rehab created a bit of hubbub getting Cal and Ann in and out of Cambridge.

(b)(6) and I had to suit up in the proper gear to enter the construction site. Luckily, I found a spare safety vest and hard hat in our storage room!

Our guide, a MassDOT consultant, explained the stages of work under way. Structural deficiencies and capacity are being addressed, with the goal to bring the bridge up to modern code while still maintaining its historic character. The

bikes, and pedestrians—there is a lengthy and complicated system in place to keep the bridge open throughout the project. Only one lane is open to traffic running from Cambridge to Boston, making for a challenging commute for many OIGers. MBTA has contracted to shut the train down for 25 weekends during the project's time frame, replacing service with buses. The tracks across the Longfellow are the only connection via



The bridge was completed in 1908, and was made primarily from granite and steel. It was originally called the Cambridge Bridge but was re-named in 1928 to honor American poet Henry Wadsworth Longfellow.

The bridge is only a short walk from our office on Kendall Square, and the day of our visit couldn't have been nicer. Ted, Special



arches, foundation, and piers of the bridge, which date back about 100 years, are all designated to stay in place for rehabilitation. The roadway and railings will be replaced. This "design-build" project is expected to cost \$255 million and is one of the large projects JRI-1 is looking at proactively.

Since the MBTA Red Line runs across the bridge—as well as cars,

train from Cambridge to Boston, carrying about 90,000 people daily.

Deleading is under way at a portion of the bridge, which is covered with canvas and has strict controls over access. After deleading, the steel will be cleaned, and the first coat of paint applied. The rehabilitation of the piers will involve get-

(Continued on page 4)

NOTEWORTHY

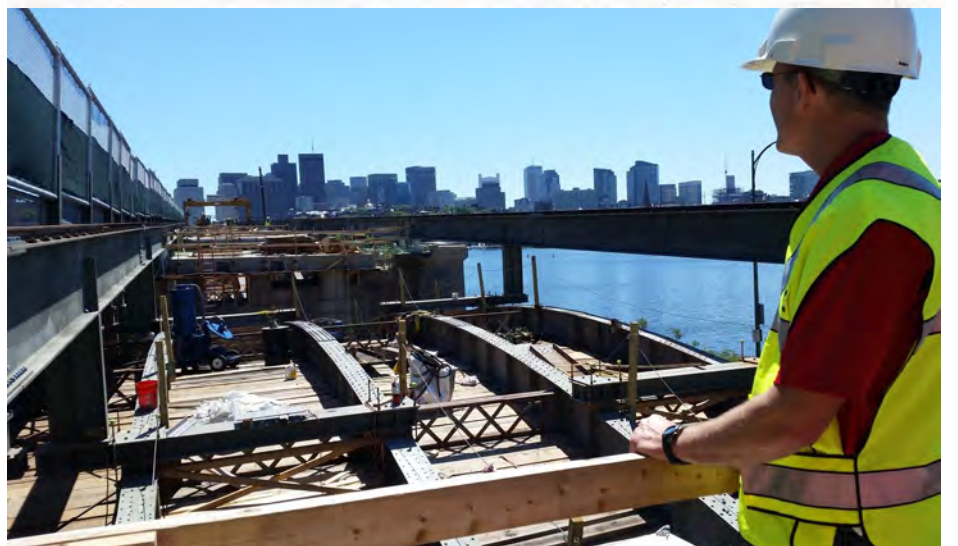
(Continued from page 3)

ting them up to current seismic code standards. They will be disassembled and fortified; then the masonry will be replaced. This will eventually lead to more work done from the water on platforms that will be built. The bridge's neoclassical-inspired granite towers on its two central piers—dubbed the “salt and pepper” towers—have been dismantled and taken off-site for restoration. Each piece of granite is carefully catalogued and will be returned to its original location.

After 100 years, the arches are still structurally sound, but the roadway above needs to be replaced. Since the roadway has been removed, a gantry crane allows transport across the span of the bridge, operating by running across tracks that have been put in place. The gantry has a low profile to avoid the risk of falling on the roadway or the MBTA train tracks.

At the end of our tour, we were invited to visit the site again. All of us here in Cambridge look forward to continuing our first-hand look at the rehabilitation and restoration of the Longfellow.

—Julia Wascom, Investigative Program Technician, JRI-1



Top to bottom: Approaching gantry; side view of piers with deleading in background; Ted overlooking bridge and construction. Inset: Julia in safety gear.

NOTEWORTHY

(b)(6)



OIG IN THE NEWS

CONTRACTOR FOR 1 WORLD TRADE CENTER IS CHARGED WITH FRAUD*New York Times*
July 31, 2014

The owner of a construction company hired to do extensive steel work on 1 World Trade Center was charged on Thursday with fraudulently obtaining \$76 million by falsely claiming he was in compliance with requirements for hiring minority and female subcontractors.

The owner, Larry Davis, 63, was accused of using bogus work orders and business records to make it seem as if his company, DCM Erectors Inc., was in compliance with hiring requirements of the Port Authority of New York and New Jersey.

DCM Erectors was awarded two Port Authority contracts totaling about \$600 million to do drafting, engineering and structural steel work on the 1,776-foot office tower at 1 World Trade Center, as well as on the PATH transit hub below the tower. Over time, prosecutors said, those contracts swelled to nearly \$1 billion.

Prosecutors said Mr. Davis had close ties to two other companies which DCM Erectors hired as subcontractors to satisfy a contract requiring that he make a good-faith effort to ensure 12 percent of the work was done by a minority-owned company and at least 5 percent by a company owned by a woman.

One of the companies, Solera, which was certified in 1999 by the Port Authority as a minority-owned business, created a joint venture two years later with DCM Erectors. According to the criminal complaint, the owner of Solera, Johnny Garcia, told investigators that the joint venture, Solera/DCM, was set up by Mr. Davis "with the express purpose" of permitting DCM Erectors to obtain minority-owned business credit on public construction projects.

PHMSA'S ATTENTION TO PIPELINE SAFETY BECOMES ISSUE*Pipeline and Gas Journal*
July 2014, Vol. 241, No. 7

Pipeline safety is back on the congressional agenda, in part because of a recent Department of Transportation Inspector General's report.

The lightning rod was PHMSA's failure to finalize rules...on remote and automatic shutoff valves, on changes to hazardous liquid and gas transmission integrity programs, regulations on records/testing for pre-1970 pipe as well as a report on excavation damage to pipelines are among the delayed items.

PHMSA also took it on the chin in the audit by Jeffrey B. Guzzetti, assistant inspector general at the Department of Transportation. Completed in May, it was done at the behest of the National Transportation Safety Board as part of its recommendations based on its investigation of the San Bruno, CA pipeline explosion in 2010 where eight people died.

The audit found that PHMSA's guidelines, policies, and procedures for state pipeline safety programs—such as inspector staffing, training, scheduling, and inspection forms—lack elements to ensure state inspections cover all federal requirements and that pipeline operators maintain safety standards. For example, PHMSA's guidelines include an outdated staffing formula that does not account for the effects of new inspection types on state inspector needs and lack minimum qualifications for state inspectors to lead standard pipeline operator inspections.

In the wake of the audit, three Democratic senators wrote to PHMSA Administrator Cynthia Quarterman, strongly urging her to quickly implement the policy recommendations made in the audit.

FOURTH PAVING COMPANY EXECUTIVE PLEADS GUILTY IN FEDERAL FRAUD CASE*Charlotte Observer*
August 6, 2014

Another high-ranking Boggs Paving Inc. employee pleaded guilty Monday in connection to a federal fraud case that alleges the company received more than \$87 million in state and federal construction contracts by misrepresenting the role a minority-owned contractor played in the work.

Greg Miller...pleaded guilty to one count of conspiracy to defraud the U.S. government and faces up to five years in prison and a \$250,000 fine.

Last year, prosecutors accused the company and its executives with 29 counts of criminal activity, including conspiracy to defraud the U.S. Department of Transportation, money laundering, mail fraud and wire fraud.

According to the indictment, Boggs Paving received 37 federal construction contracts worth \$87.6 million dating back to 2004. The company wouldn't have gotten any of the jobs without claiming that a minority subcontractor would receive a required percentage of the work.

Miller's attorney, Christopher C. Fialko, said...that he and his client "will have significant mitigating information to present to the judge at sentencing."

Also indicted is John "Styx" Cuthbertson of Styx Cuthbertson Trucking, the Win-gate-based minority-owned contractor at the center of the scheme.

If convicted, the remaining defendants face up to five years in prison for the conspiracy charge and up to 20 years for each count of wire and mail fraud, as well as conspiracy to money launder. The money-laundering charge carries up to 10 years. Each count could also include a \$250,000 fine.

LAST PAGE

(b)(6)

COMINGS & GOINGS

No comings or goings this week. Check back next week!

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL TALKS IG ON FEDERAL NEWS RADIO

On August 12, Federal News Radio's *In Depth* with Francis Rose hosted Cal and Brian Miller, the former IG at the General Services Administration, to talk about the overall mission and work done by Federal IGs.

During the 25-minute interview, Cal and Brian discussed DOT OIG's mission, how it aligns with the Department's, and the relationships we have developed to achieve our common mission. Cal emphasized the distinction between audits and investigations—two terms often used interchangeably outside of the IG community but which have important distinctions for us.

Cal highlighted some of our recent investigations results, including the July arrest of an FHWA official made by our Special Agents in New Jersey, as well as the largest vehicle manufacturer settlement



and deferred prosecution agreements reached between the Department of Justice and Toyota Motor Corporation in March. Cal also pointed out how this experience will help inform our GM work.

Cal also talked about our audit work on the recently opened Silver Line in northern Virginia—a topic of considerable interest to the host's listeners in the DC metro area. Cal discussed JA-30's audit of FTA's oversight of Phase 1 of the project, explaining that FTA and the Metropolitan Washington Airports Authority conducted ad-

ditional safety analyses following extensive work and oversight by OIG's auditors and engineers. He added that FTA and MWAA have determined that the line is safe.

In addition to highlighting some of our recent work and impacts, Cal spoke of the value of having specialists, such as economists and cybersecurity experts, who add depth to our work.

Before wrapping up, Rose asked who watches the watchdog. Cal noted that all DOT OIG professionals are sworn to hold themselves to the highest standards. He also pointed to our recent \$41:1 return on investment, continued Hill requests for audits, and the Employee Viewpoint Survey results as evidence of our effectiveness.

You can listen to the entire interview on FNR's Web site [here](#).

— Dave Wonnemberg, J-3



OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Cal: CIGIE Meeting, 10:00		Cal: SUP III Closing Re- marks, 2:30	

NOTEWORTHY

FEDS FEED FAMILIES CAMPAIGN WRAPS UP THIS WEEK

It's hard to believe, but 2014 Feds Feed Families campaign comes to a close at the end of this week. In the first 4 weeks, we raised about 800 pounds of food, enough for about 200 meals. While it may be the last week, we still have two key events: this morning's closing breakfast and...

...Food for Food Raffle II

Every day this week will be an opportunity to enter your name to win. You can donate on as many days that week to gain just as many chances to win. The prizes are::

1st Place: Lunch with Cal in the Executive Mess.

2nd Place: A dozen of homemade cupcakes lovingly baked by Michelle Hill.

3rd Place: A private tour for you and two of your colleagues of DOT HQ, behind the scenes of Mission Critical Areas and the Rooftop Garden, led by the building's chief engineer.

Ellen Richardson and Maria Sturniolo in the front office are collecting donations and distributing tickets. The lucky winners will be announced next week. Suggested donations are the most wanted items.



NOTEWORTHY

LOU AND JOE SHARE A COKE AND A SMILE WITH THE ATLANTA OFFICE

Last week, JA-10 and JRI-4 staff in the Atlanta office had the opportunity to share our Southern hospitality with PAIGAE Lou Dixon and Deputy PAIGAE Joe Com . Their arrival on Wednesday morning was heralded by the emailed call of “Free Coffee and Donuts in the break room,” both of which energized and mobilized staff to venture out of our cubicles.

First on the agenda: Lou and Joe met with the Atlanta audit managers to discuss ongoing OIG initiatives and tour the renovated areas of the office. Lou and Joe then held an All-Hands meeting in our fabulous, shiny, and brand-new conference room. Over the course of the meeting, Lou and Joe discussed the current state of affairs with the new-hire program and its impact on the staffing ratios and team distribution, as well as hot-button issues like telework, training, and TeamMate. After opening the floor for questions, we engaged in a lively (and possibly error-laden) discussion about the impact of the Paperwork Reduction Act on our audit sampling decisions, deciding we all needed further clarification from J-3’s legal experts, and closed with even more lively discussion about training class availability, cancellations,



and the outlook for the next fiscal year. Amazingly, there were still a few stray donuts remaining after the close of the meeting, which helped some OIGers push past that afternoon energy crash.

On Thursday, the day began with a “Safety Summit” discussion with Lou, Joe, and the Atlanta audit managers—giving Joe a crash-course (no pun intended) on all

things “Aviation Safety” related. The managers also discussed audit areas important to all agencies, such as staffing, targeting inspections, and collecting and analyzing data.

The highlight of everyone’s day was a catered lasagna lunch from Atlanta office favorite Rosa’s. During the luncheon (also in our fabulous, new conference room—can you tell we are super-excited about our new conference room?), audit and investigative staff were able to bridge some JA-JI and Region-HQ boundaries by literally breaking (garlic) bread together and partaking in energetic conversation.

We also had the opportunity for one-on-one meetings with Lou and Joe to discuss issues of individual significance to staff members.

While Joe’s recent audit background may be in NHTSA, Highways and cross-border trucking, and Toyota safety recalls, we are confident he walked away from his first Atlanta office visit with a solid understanding of all things FAA—including aircraft maintenance, and airplanes, helicopters, and UAVs (oh my!).

— Stefanie McCans, JA-10, Atlanta

NOTEWORTHY

AMERICAN UNIVERSITY'S KEY EXECUTIVE LEADERSHIP PROGRAM

This summer, I attended The American University's Key Executive Leadership Program for the Inspector General Community. The 2-week program aims to transform good managers into extraordinary leaders. Over the 10

days, I completed five classes on topics ranging from coaching techniques and performance management to maintaining ethical integrity. The classes were led by experts in their field, and my classmates were impressive professionals.

On day one, the professor explained our first assignment: Draw a pictographic representation of our life on flip chart paper, and respond to the most personal questions about our pictograph. The professor (a trained psychologist) demonstrated with his, which included personal details such as why he didn't like his mother and why he was divorced. We asked him many probing questions, and he answered them with candor.

Publicly sharing personal details of my life with complete strangers is about the worst possible assignment I can imagine. However, it turned out this was the most pow-

erful lesson in the program. By taking time to appreciate everyone's individuality and develop shared empathy, we established a high level of rapport and group cohesion in a short time.



The next class, "Managing for Performance," discussed the physiology of the brain and how it impacts mental and physical performance. We performed several exercises that reinforced the different psychological models of human performance, and conducted an active listening exercise. Each person told a 1-minute story to a partner, and the partner repeated the key details of the story, analyzed the emotional state of the person telling the story, and related the details and the emotions to a model used in class. We practiced this for over an hour, rotating through every person in the class.

At the end of the first week, we all felt mentally drained and "shared out." Fortunately, there was a month-long break between the 2 weeks, allowing for reflection and recovery.

The second week began with a class on leading organizational change. Through 2 days of lecture, role playing, and team exercises, we learned and practiced several change models, which mostly focused on the psychological state of

those involved in changes and how to understand and respond to their behavior. The professor specialized in helping executives implement organizational change, and she shared several examples of challenging changes in which she had participated. The class complemented the other classes we had taken so far.

The next day focused on how to resolve difficult ethical dilemmas. The professor—a corporate lawyer who specialized in representing individuals and companies that faced difficult ethical dilemmas—discussed the six main frameworks for analyzing ethical problems and

(Continued on page 5)

NOTEWORTHY

OMER, NICK, BJ PONDER LEADERSHIP IN HISTORIC SHEPHERDSTOWN

Early this month, J-3's Omer Poirier and Nick Coates, and JA-10's William "BJ" Leary attended the Office of Personnel Management's "Leadership Competencies: Preparing for the Next Step" at OPM's Eastern Management Development Center in Shepherdstown, WV. Omer, Nick, and BJ attended the course with 27 other leaders from across a variety of Government agencies.

The course tested leaders' abilities and reinforced specific skills required of top leaders in Government. The course introduced participants to the Challenge, Context, Action, and Results model to help them develop a personal strategy

for effectively communicating their abilities as a high-level public sector leader.

method for communicating their leadership abilities, and created a personal action plan for their ongoing leadership development.



Fortunately, the course wasn't all "nose to the grindstone." Attendees participated in various projects, such as a team-focused scavenger hunt and creating and marketing their own invention out of a single piece of

Attendees' current leadership abilities were benchmarked using OPM's 360-degree Competency Assessment, and leadership coaches provided feedback and strategies for setting goals and improving competence as a public sector leader. Participants developed a

copier paper.

All three agreed that the course was well worth the time away from their OIG office duties and recommend this course to others looking to hone their leadership abilities.

— BJ Leary, JA-10 Atlanta

(Continued from page 4)

practiced working through several examples. This class was philosophically demanding, and many of the questions we wrestled with did not have clear answers.

The last 2 days of the program were spent learning executive coaching techniques, such as asking questions intended to help team members self diagnose their strengths and weaknesses, methods to develop a high-performing culture, and how to give and receive feedback. The most interest-

ing part of the class for me was a section on cardio-respiratory cohesion—synchronizing breathing and heart rate through meditation to improve performance, health, and ability to relate to people. Similar techniques have been used in sports to help athletes focus on performance, and the idea seems promising as we could all benefit from a calmer and more focused mind as we encounter difficult situations.

Overall, the Key Executive Leadership program was relevant and

challenging. It is generally more intense and involved than most training, but I would recommend this to anyone who would like to improve their ability to lead and work with people. I think that many of the lessons learned here can positively impact your personal life as well, and that actively working on these issues with practice and coaching is essential to fully develop modern leadership ability.

— Ben Huddle, JA-10

NOTEWORTHY

SUP I PARTICIPANTS LEARN WHAT IT MEANS TO BE A SUPERVISOR

Last week, eight staff from across OIG gathered at Headquarters for 3 days for the Supervisor I class to learn the dos and don'ts and the pleasures and pitfalls of supervision. We also learned a lot about one another and the work we do. With participants from JA, JI, JM, we had a great opportunity to share ideas and compare notes on what skills and attributes are important to our distinct roles and offices.

Debra and Ben Alexander ably guided us through the course material on topics such as behavioral interviewing, developing employees, providing feedback, and appropriately addressing employee dissatisfaction.

During a role play activity, we each had the pleasure of interviewing for the jobs we already have and are happy to report that we were all deemed qualified, once again, to work for DOT OIG.



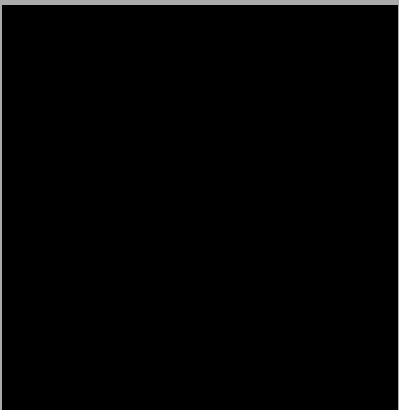
From left to right: Tasha Thomas, JA-10, HQ; Matt Williams, JA-30, HQ; Andrea Nossaman, JA-2, HQ; Tiffany Mostert, JA-30, NY; Todd Damiani, JRI-1, Cambridge; Anette Soto, JA-30, Ft. Worth; Rick Neal, JM-40, HQ; Rob Mancuso, JI-2 Computer Crimes Unit, HQ

After receiving some great HR, legal, and EEO tips from April Lane, Omer Poirier, and Leonard Meade, and a (not-so-friendly) game of Jeopardy, we parted ways with new friends, lots of new knowledge, and a better understanding of our roles and responsibilities both in our teams and in the organization.

Each person left with a greater understanding of what we've signed ourselves up for (oh boy!) and a renewed energy to continue growing our organization's success.

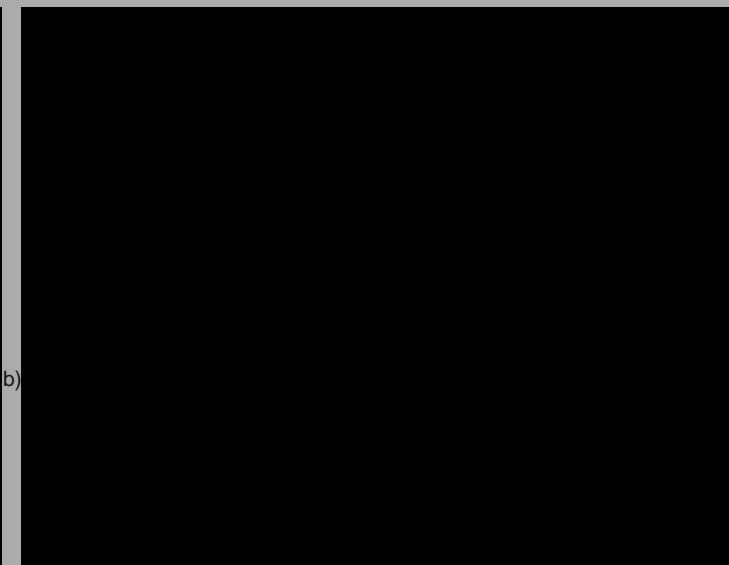
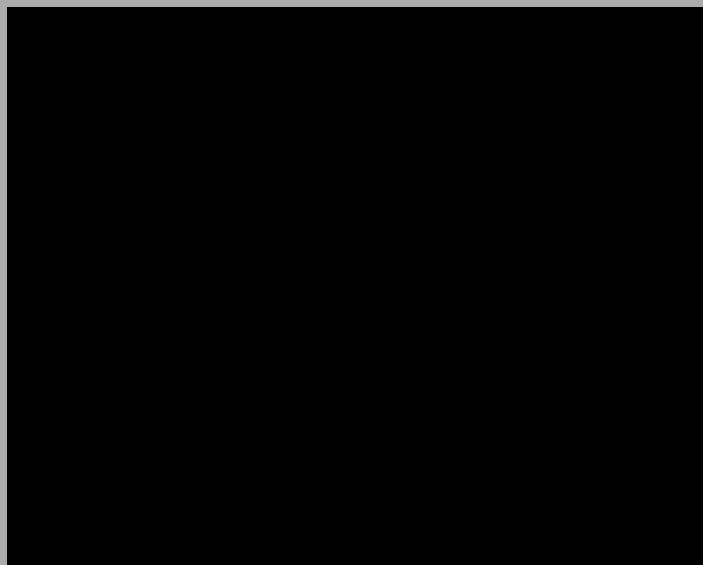
—Anette Soto and Tiffany Mostert, JA-30

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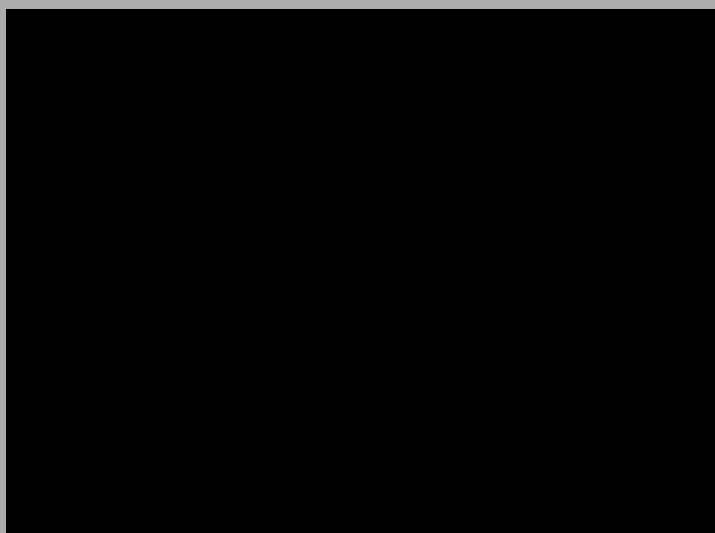
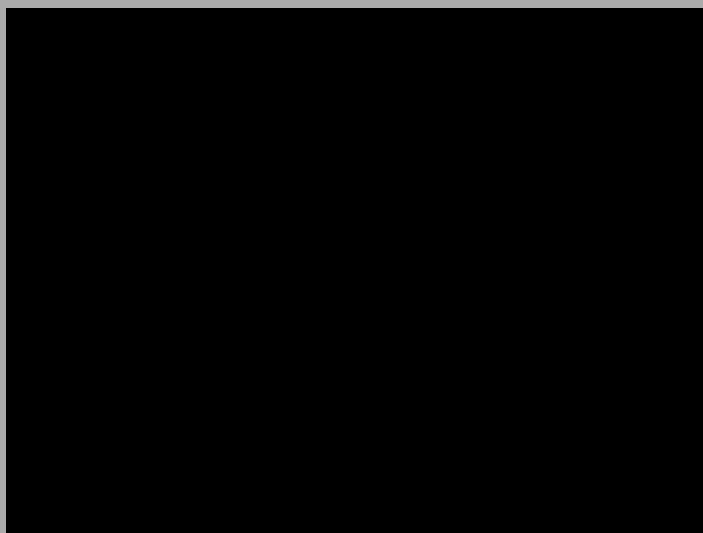


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NOTEWORTHY



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LAST PAGE

Rooftop view of the Anacostia, Nats Park, and Buzzards Point



COMINGS & GOINGS

There were no comings and goings this week. Stay tuned next week for some new hires to welcome!

Have news to share with the OIG community?

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A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

DEPUTY PAIGAE SPEAKS AT AASHTO CONFERENCE

On August 12 in Savannah, GA, I provided a presentation to about 175 attendees at the annual audit subcommittee meeting of the American Association of State Highway and Transportation Officials. The AASHTO group consists of internal and external auditors and consultants from across the country, in the public and private sector, and they are always interested in our work, as it directly impacts their own.

My talk focused on recent grant oversight issues and future challenges, covering issues we have identified in our audit work, such as missing elements in grant agreements, poor supporting documentation, and insufficient use of remedies and sanctions to enforce grant regulations.

I also covered recent DBE investigative and audit work, an issue that prompted several questions and comments from the group.



My talk also included an outline of our formal organizational structure, including our recent realignment, but I got the most reaction with this more informal depiction of our audit strategy (above), nicely captured by Christina Lee, our graphics expert.

With all the great work we have done to strengthen grant oversight in the Department, it was a challenge to cover all the high points in the time allotted.

— Joe Come, JA-2

THE UNOFFICIAL END OF SUMMER

Summer doesn't officially end for another few weeks, but Labor Day feels like the end of summer, and we always seem to wonder, "Where did the summer go?"

For OIG, it typically marks the start of our work going back into overdrive—from fourth gear.

This summer was especially productive. Since Memorial Day (the unofficial start of summer), we have issued 16 audit reports and posted more than 30 investigations updates on our Web page.

Of course for *The Inspector*, Labor Day means we won't be publishing next week. But look for all the news that's fit to read the following week.

Enjoy the long weekend, and see you in the "Fall."

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY

NOTEWORTHY

2014 STUDENT LOAN REPAYMENT PROGRAM

Congratulations to the recipients of OIG's fiscal year 2014 Student Loan Repayment Program funds! The Federal student loan repayment program permits agencies to repay Federally insured student loans as an incentive to attract or retain highly qualified employees.

The Open Season ran from July 1 through 31. This year Cal and Ann dedicated \$150,000 to this effort to retain some of our best qualified employees. We were able to use nearly all of the funds that were set aside (\$148,932.43). Employees from across OIG who had either Exceeds Fully Successful or Outstanding performance ratings submitted applications, and 16 were approved for amounts up to \$10,000 each, depending on their individual loan balances. Recipients are from field and Headquarters offices and ranged from grades GS-9 through GS-15.

Congratulations again to these well-deserving recipients!

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OIG IN THE NEWS

FAA'S NEW AIR TRAFFIC CONTROL SYSTEM UNSTABLE*The Washington Times*
August 18, 2014

The Federal Aviation Administration has begun deploying a new computer system for its air traffic controllers despite warnings that the software suffers from unstable requirements, lacks key safety capabilities and requires training that has yet to be given to workers, a government watchdog warned Monday.

The problems with the Standard Terminal Automation Replacement System (STARS) are so widespread right now that the new system already being installed at the Dallas airport actually has fewer capabilities for air traffic controllers than the old software it was designed to replace, the Transportation Department's inspector general reported.

One of the missing capabilities is a special warning that alerts controllers of loss of separation between aircraft, a potential safety hazard, the IG...wrote in a stark memo made public Monday.

The IG...raised red flags about STARS' implementation back in a May 2013 report, warning the new system was in danger of falling "short of providing promised capabilities for controlling takeoffs and landings—the most critical phases of flight."

The FAA proceeded with installing the system in Dallas, and the [IG determined that] "the risks we identified in our earlier report remain.... Notably, FAA has yet to stabilize STARS software requirements."

Cost is just one of the concerns.

"Questions about the adequacy of FAA's training and certification of technical operations specialists raise additional concerns about the agency's management of STARS deployment," the report said.

IG MEMO TO FAA: ELIMINATE RISKS TO AIR TRAFFIC CONTROL AUTOMATION SYSTEM DEPLOYMENT, REIN IN RISING COSTS*Fierce Government IT*
August 20, 2014

The Transportation Department's inspector general recently said the implementation of an advanced system to help manage air traffic—which the watchdog warned in a previous report could fall short of capabilities, go over budget and over schedule—is still at risk.

In an advisory memo dated Aug. 14 to the FAA, the IG said it received a "hotline complaint" about the [Standard Terminal Automation Replacement System] deployment at the Dallas/Fort Worth Terminal Radar Approach Control facility, which spurred a deeper look into the agency's progress in implementing the initiative.

"As a result of this examination, we determined that the risks we identified in our [May 2013] report remain—risks that warrant your attention," according to the memo from the IG's office to the FAA.

The IG said the agency has yet to stabilize software requirements—[a] recommendation made in the 2013 report—across 11 large terminal facilities, including at Dallas. Initially, the agency, which has previously acknowledged the IG's concerns about risks to the system, was supposed to complete this by June, but later said it would finish by September.

The IG said it also questioned the training and certification of technical operations specialists, raising more concerns about the STARS deployment.

Not only is the STARS implementation at risk for cost and schedule overruns across all sites, but it may also impact the long-term viability of Next Generation Air Transportation System program, or NextGen, the memo said.

METRO AGREES TO PAY NEARLY \$5 MILLION FOR ROLE IN NO-BID CONTRACT*The Washington Post*
August 20, 2014

Metro has agreed to pay nearly \$5 million to settle a whistleblower lawsuit after a former employee alleged that the transit agency violated federal rules by awarding a \$14 million contract without seeking competitive bids, government officials and attorneys in the case said.

More than half of the \$14 million no-bid contract was paid with grants from the Federal Transit Administration.

At issue was a contract awarded in 2010 to Metaformers, a McLean-based computer technology consulting company hired to oversee an integration of the transit service's financial and business computer systems.

The awarding of that no-bid contract appears symptomatic of a broader problem detailed this year in an FTA-commissioned audit.

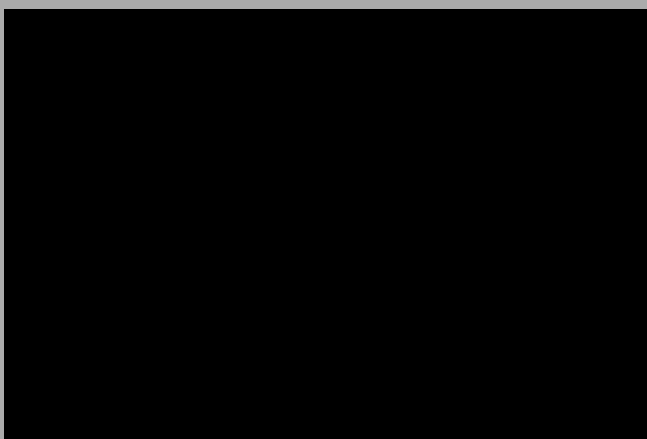
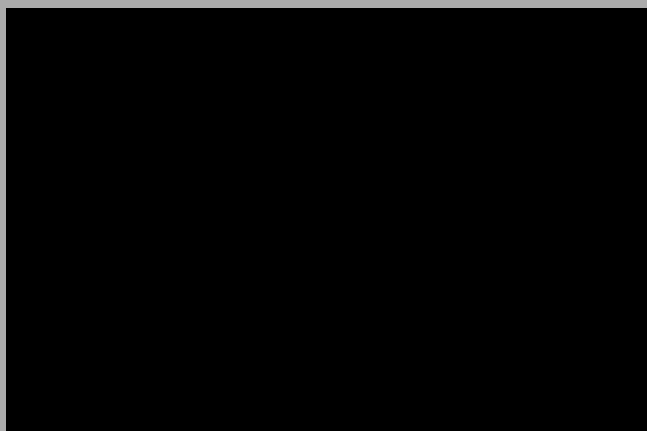
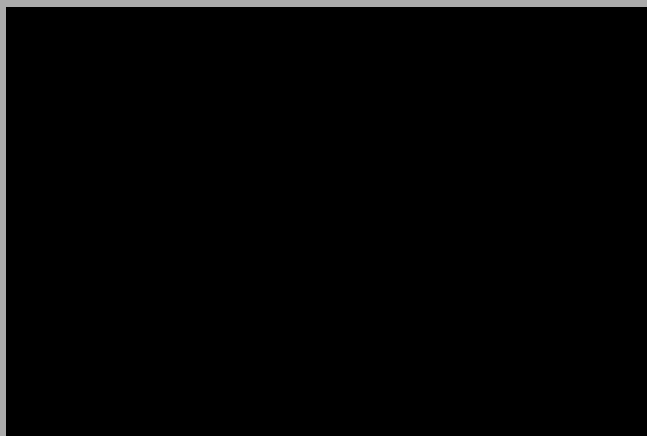
The report, covering April 2012 to March 2013, paints a troubling picture of Metro's procurement practices, saying the agency awarded millions of dollars in no-bid contracts and appeared to steer work to preferred vendors even though they lacked adequate qualifications.

The whistleblower lawsuit was filed in 2012 by Shahiq Khwaja of McLean.

One of Khwaja's attorneys [said] Metro agreed to pay \$4.2 million to the federal government...to settle the no-bid contract matter.

As for Khwaja's claim that his firing by Metro was retaliatory...the U.S. Department of Transportation "found that the weight of evidence indicated that Mr. Khwaja's disclosures [about the no-bid contract] were a contributing factor in his termination."

PEOPLE WE KNOW



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LAST PAGE

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COMINGS & GOINGS

(b)(6)

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The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

IT'S BEHIND-THE-SCENES WORK

Over the last few months JM-40 has been making a lot of changes behind the scenes to the OIG IT Infrastructure.

Most of you are already aware that we have transitioned to a new email backend. The huge bonus this offers for most people is vastly increased quotas. Our hope is that we can provide whatever space is needed going forward to help you manage your mail.

The other advantage of having all the space is that we are moving forward with eliminating local personal storage (PST)

email archives. Many people have been forced to archive their mail in PST files due to quotas, but there are several disadvantages—primarily they become corrupted and can't be recovered, but they also are difficult to search, and

cause Freedom of Information Act and eDiscovery issues.

Over the next couple months, we will be working individually with everyone who has a PST to get all their mail loaded back on the server, resolving all of these problems.



Another big project we are working on is establishing a full disaster recovery site. Historically, very little of the IT infrastructure was duplicated at an off-site location. Over the last month we have acquired all the equipment we need to run all the major OIG services

at a secondary location outside the DC area. We are configuring those now and re-architecting some of them to be able to fail over to that system very quickly in the event of a catastrophic failure of the servers at HQ. This will also allow us to move to them for rou-

tine maintenance, drastically reducing downtime that we currently have for patching.

We have several other initiatives we are working on for the future, which I'll be updating you on as the team starts them.

In the meantime, if

you ever have any questions about our architecture or plans, feel free to contact me at 202-366-7060 or Ja-son.carroll@oig.dot.gov.

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY

NOTEWORTHY

MARK YOUR CALENDARS FOR OIG'S 2014 AWARDS CEREMONY

IG's annual awards ceremony is set for November 5, 2014, in the DOT's Media Center. Time to be announced. In the meantime, mark your calendars!

FEDS FEED FAMILIES FINAL FACTS!

The 2014 FFF campaign wrapped-up at the end of August, and our collective efforts made it a huge success. In 6 short weeks, we collected more than 1,400 pounds of food, doubling our total from last year! Thanks to your generosity, the Capital Area Food Bank will be able to provide the equivalent of 1,100 meals to kids, seniors, veterans, and working families in DC, Maryland, and Virginia. Special thanks go out to all the volunteers and donors who took time to help organize, manage, and provide goods to make each event a possible. We would also like to acknowledge the raffle winners, the campaign's last event: Vicki Smith won lunch with Cal, James Lonergan won Michelle Hill's cupcakes, and Art Loya won the "HQ: Behind the Scenes" tour.



Cal presents the FFF Food Fight trophy to the winners

NOTEWORTHY

FRIST: NO CONFLICT IN CHI-TOWN

In the first week of August, I attended “Conflict Resolution Skills”—sponsored by the Office of Personnel Management—in Chicago, IL, at the Ralph H. Metcalfe Federal Building. It was my first trip to the Windy City! I was able to snap a photo of the Sears Tower out of the taxi cab window. Not bad photography, if I say so myself. Built in 1973, it was once the tallest building in the world.

Conflict Resolution Skills is offered as part of OIG’s Executive Management Development Program, which aims to develop efficient and effective leaders from within OIG.

It’s no secret that the way we think affects how we communicate in group settings and how we evaluate problems and generate potential solutions. Our thinking process also impacts our creativity, decision making, and ultimately our performance. So often, we are challenged by conflict. The tools and techniques presented in the course can help professionals transform difficult situations into win-win experiences through strategic conversations that help move beyond a situation, instead of getting stuck in it.



The four guiding principles discussed in the course provide a roadmap for managing difficult



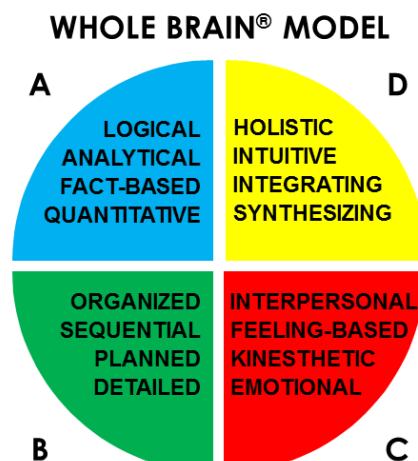
situations or conversations. An individual’s self-awareness and application of the principles can help diminish conflict when it arises. Otherwise, conflict can ele-

vate to a point that negatively impacts both personal and work relationships.

The course focuses on the Hermann International Whole Brain® thinking approach—a concept developed in the 1970s by Ned Hermann, a former manager with General Electric—and the Herrmann Brain Dominance Instrument®, which assesses individuals’ thinking preferences. Self-awareness can be crucial in determining outcomes. By understand-

ing our preferences, we learn how to communicate in difficult situations with others having similar thinking styles and with those who do not.

My everyday thinking style is controlled (organized, sequential, detailed) and analytical and fact-based (left-side), and less holistic and feeling-based (right-side). So I tend to gravitate to the left in conflict situations. Understanding this tendency will allow me to use specific techniques to better communicate with others in conflict situations. I am thankful for the opportunity to attend this training, and I look forward to using the skills and techniques I learned.



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— Brian Frist, JA-20, Baltimore

OIG IN THE NEWS

RAHALL AIRS CONCERNS ABOUT BRIDGE SAFETY

Charleston Daily Mail

August 26, 2014

The Obama administration isn't acting quickly enough to implement bridge safety reform, according to a report from the U.S. Department of Transportation..

Rep. Nick Rahall, D-W.Va., took issue with the president Tuesday after receiving the report, which was issued in response to a request he made in 2013.

The report highlights "serious concerns" with the implementation of the reforms, as well as "a lack of adherence to (Inspector General) recommendations that have been made on bridge safety over the years."

"While I thank the Inspector General for his sobering and comprehensive assessment, it shouldn't take an IG investigation to spur the Department of Transportation to act on potentially life-saving recommendations for shoring up our nation's bridge safety," said Rahall, the top Democrat on the House Transportation and Infrastructure Committee.

"Nearly 47 years after the collapse of the Silver Bridge in my home state of West Virginia, significant concerns about bridge safety remain, and I am continuing to press for the action and investment needed to address the long list of bridges in need of repair and replacement nationwide."

The Inspector General's report found the U.S. Department of Transportation, specifically the Federal Highway Administration, has not fully implemented safety reform highlighted in the Moving Ahead for Progress in the 21st Century Act, or MAP-21. Since 2006, the Inspector General's Office has issued three reports with 16 recommendations to improve states' bridge safety.

US CLOSES PROBE INTO CAMRY HYBRID BRAKE PROBLEMS

The Associated Press

August 26, 2014

An eight-month investigation into brake problems with some older Toyota Camry gas-electric hybrids has been closed without a recall.

The National Highway Traffic Safety Administration began the probe in January after getting complaints of malfunctions that reduced power-assisted braking in 2007 and 2008 Camry hybrids. The probe covered about 100,000 cars.

A review of nearly 1,600 complaints and warranty claims found that in most cases, the cars warned drivers and there wasn't a complete loss of power-assisted braking, the agency said in documents posted on its website Tuesday. Investigators drove the cars and found that they could be stopped with a reasonable increase in pedal pressure.

Fewer than 1 percent of the reports involved a complete brake loss, and that came only after a significant period of time with audible and visual warnings, the safety agency said.

One crash and two injuries were reported, but the agency said the crash happened after the owner decided not to repair the problem.

FAA DEPLOYS NEW AIR TRAFFIC CONTROL SYSTEM DESPITE FLAWS

Homeland Security Today

August 28, 2014

Numerous red flags regarding the Federal Aviation Administration's (FAA) new air traffic control system -- the Standard Terminal Automation Replacement System (STARS) -- were raised in a recent Department of Transportation (DOT) Office of Inspector General (OIG) memo.

Designed to modernize the automation systems that controllers rely on to manage traffic, FAA began implementing STARS to support the Next Generation Air Transportation System (NextGen), a 20-year initiative developed to usher in a new generation of aviation by switching to technologies and procedures that enhance the FAA's ability to track aircraft safely, securely and efficiently.

The OIG expressed concerns that the failure of STARS could affect the success of NextGen, stating that, "Because STARS is on the critical path to introducing NextGen capabilities, these risks also impact the long-term viability of NextGen."

After receiving a "hotline complaint" about STARS deployment at the Dallas/Fort Worth (DFW) Terminal Radar Approach Control (TRACON) facility, the OIG took a deeper look into the agency's progress in implementing the system.

The Inspector General's office discovered that the FAA continued its inaugural deployment of STARS at DFW/ TRACON despite warnings that the software suffers from unstable requirements. FAA is also currently working to install STARS at ten other large terminal facilities, which will each require their own unique software requirements and modifications.

OIG IN THE NEWS

DREW BOGGS PLEADS GUILTY TO TWO FELONIES

The Enquirer-Journal

August 28, 2014

Carl "Drew" Boggs, CEO of Boggs Paving, entered a plea of guilty to two felony counts in U.S. District Court Thursday morning.

Boggs waived his right to a court trial on 26 counts of conspiracy, money laundering and wire fraud. He is the last individual to indicted after an FBI investigation resulted in an indictment of six people and two companies.

Judge David S. Cayer accepted Boggs' plea of guilty to one count conspiracy to defraud the federal government and one count of money laundering. As part of his plea agreement, the other 24 charges will be dismissed.

U.S. prosecutor Jenny G. Sugar told the court the conspiracy between Boggs and his codefendants resulted in the loss of between \$50 million and \$100 million dollars. The two charges carry a combined prison sentence of up to 25 years and fines of \$750,000.

Last year's indictment came after investigators said employees of Boggs Paving and Styx Cuthbertson Trucking worked together to get special minority contracts from the U.S. Department of Transportation, S.C. Department of Transportation and N.C. Department of Transportation. Using Styx Cuthbertson's status as a minority-owned business, Boggs Paving officials kept the money and did the projects while paying a "kick-back" to Styx Cuthbertson Trucking. Boggs Paving set up an account in Styx's name to make it appear the trucking company received the funds.

TRUCKING COMPANY OWNERS PLEAD GUILTY TO VIOLATING OUT OF SERVICE ORDERS

TruckingInfo

August 28, 2014

The owners of two trucking companies admitted in federal court recently to violating imminent hazard out of service orders issued by the Federal Motor Carrier Safety Administration more than two years ago.

Dorian Ayache, of Three Angels Farms, Lebanon, Tennessee; and Theresa Vincent, of Terri's Farm, Murfreesboro, Tennessee, both interstate commercial motor carriers, pleaded guilty in U.S. District Court, Nashville, on Aug 19, according to the U.S. Transportation Department's Office of Inspector General. The two were indicted in September 2013.

In June 2012, FMCSA determined that the operations of Three Angels Farms posed an imminent hazard to public safety and issued an out of service order requiring Ayache to cease commercial motor vehicle operations. The order was issued due to Ayache's unacceptable safety practices, including his failure to adequately maintain his commercial motor vehicles and his failure to ensure drivers were qualified, according to the U.S. DOT. He was also cited for accidents that occurred in January and June 2012 that resulted in fatal injuries to horses.

Ayache criminally violated the order by continuing his commercial motor carrier operations under the name and authority of Terri's Farm, said the department. Subsequently, FMCSA categorized Terri's Farm as a mere continuation of Three Angels Farm and placed it under an out of service order as well.

DOT ONLY TAKEN HALF OF BRIDGE SAFETY MEASURES REQUIRED BY MAP-21 LAW

Overdrive Magazine

August 28, 2014

Only 12 of the 24 bridge safety actions required by the current MAP-21 highway funding law have been implemented by the Federal Highway Administration, according to a report released Aug. 26 by the DOT's Office of the Inspector General.

The agency also hasn't fully addressed the 16 recommendations made by the OIG in recent years, according to the report.

The MAP-21 required actions include, broadly, producing guidance on safety and funding provisions for bridges, as well as issuing rules on funding and safety and reporting back to Congress.

Of the 16 OIG recommendations, FHWA has only worked on four, the report says.

And though the agency is making progress on the other 12 MAP-21 actions, "critical performance and accountability requirements are behind schedule," the OIG says.

The OIG report was requested by a ranking member of the House's Transportation and Infrastructure Committee, the OIG notes.

According to the FHWA's own schedule, however, the remaining 12 MAP-21 actions will all see action or completion by the end of 2016.

PEOPLE WE KNOW

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COMINGS & GOINGS

There are no comings or goings this week.

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

BEHM SPEAKS AT SCORT CONFERENCE

Earlier this month, AIG Mitch Behm, JA-30, spoke at the American Association of State Highway and Transportation Officials' annual meeting of the Standing Committee on Rail Transportation, "SCORT," in Denver, CO. Jim Quinn, JA-30, was also on hand.

Mitch along with his FRA co-panelists—Corey Hill, Director, Passenger and Freight Programs; Scott Greene, Chief, Freight Division; Kyle Gradinger, Regional Planner; and David Valenstein, Chief, Environmental Systems and Planning Division—discussed DOT's and FRA's ongoing efforts in passenger and freight rail programmatic delivery, and regulatory activities.

Mitch opened with a brief overview of the Federal IG community, and our mission and structure. Mitch highlighted recent JA and JI actions, and discussed the results of recent JA-30 rail-related work—particularly our reviews of Union Station, the National Environmental Policy Act, Railroad Rehabilitation and Improvement



Financing, and the Passenger Rail Investment and Improvement Act of 2008.

Mitch's talk was well-received. Attendees were particularly interested in current and future rail concerns, such as hazmat transport, bridge safety, positive train control, and Amtrak.

Other conference speakers included representatives from State DOTs—Iowa, Nevada, Colorado, North Carolina, and Oklahoma—and diverse stakeholders, including BNSF Railway Company and the Colorado Association of Wheat Growers.

Though the conference was rail-centric, the trip was a multimodal experience. Mitch and Jim flew into Denver International Airport and took a taxi on the well-maintained I-70 into downtown Denver. After checking into the hotel, they rode Denver's RTD Light Rail to the 120-year-old Union Station, which is in the final phases of a \$54 million renovation and expansion. Denver's Union Station (this week's End Shot) now hosts intercity and commuter passenger rail service; local, regional, and intercity bus service; as well as light rail.

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Joe Come: Testimony on NHTSA's Oversight of Vehicle Safety Defects and Highway Safety Grants, 2:30	Ann: Leadership Brown Bag, "How to Stay Self-Motivated," noon, W70-302		Cal: Updates meeting with S1 and S2, 12:30

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SUPERVISION I TRAINING SCHEDULED FOR EARLY NOVEMBER

The Office of Training and Development is offering Supervision I on November 3 through 5. SUPI is the first of a 3-part supervisory training series, which is mandatory for all OIG supervisors. Any GS-14 and -15, regardless of whether you are currently supervising, who has not completed this training should attend this session.

This course provides practical information on the requirements and practices that Federal supervisors are expected to know. It includes information, worksheets, guides, and tools and techniques specific to the OIG workplace and workforce. It is designed to assist OIG's 14s and 15s further develop supervisory competencies and meeting expectations for managing, motivating and mentoring staff.

Location: Training Room W12-119 (Note: VTC is not available for this training)

Hours: 8:30 am to 4:30 pm EDT

Course Length: 3 days/24 CPEs

Please contact Shannon Jarvis at (202) 366-9658 if you have any questions regarding this training.

NOTEWORTHY

A VISIT TO FRA'S COLORADO TRANSPORTATION TECHNOLOGY CENTER

In the high desert outside of Pueblo, CO, stretching across miles of open range, lies arguably the most advanced, and oddest, railroad in the world: FRA's Transportation Technology Center.

Here, FRA, the rail industry, State and municipal rail and transit operators, and the Transportation Security Administration work together to study how to make passenger and freight rail operations safer, faster, and more effective.

now serving as guinea-pigs, rigged up to study crash survivability for the design of the next generation of passenger cars. TTC engineers do this, gleefully, by smashing them into one another at high speeds.

In another section of the facility, engineers are addressing the challenges of an aging transportation infrastructure. To do this, TTC obtained and installed a 100 year old rail bridge, simply to overload it

facility, including a setpiece derailment, complete with smashed tankcars and ripped track, modeled on actual derailments. Designed to train first responders in response methods to rail accidents involving hazardous materials, this 'derailment' is piped to provide massive flames, dense smoke, and high heat, allowing firefighters from across the country to train in the most realistic setting possible.



A large part of this research is done in the most fun way possible—by breaking and smashing things in spectacular fashion.

A special treat was being able to see an old companion from my former life as a Long Island Rail Road railcar electrician. I had spent many hours crawling under car 9537, as well as her sisters, so that she was ready for service. It was a surprise to see car 9537

with overweight trains. This heavily instrumented bridge is helping TTC pioneer new methods of fault discovery and repair, which will in turn help maintain the safety of bridges throughout the Nation. The engineers are also finding ways to design weaknesses out, so the failures never occur.

TTC personnel have also answered a call from Secretary Foxx and designed and installed a new training

I walked away thinking that these folks have the best job in DOT (sorry, Cal), and it was a great experience to be able to see them work their dark art.

I also would like to extend a special thanks to the TSA people there, as they did not require me to remove my shoes, or submit to a 'secondary screening.'

— Jim Quinn, JA-30



WACSI WOMEN'S LEADERSHIP TRAINING

Nigeria - Benin - Sierra Leone - Togo - Liberia
Ghana - Cote d'Ivoire - Cape Verde - Senegal

28th July - 1st August, 2014



WEST AFRICA
REGIONAL TRAINING
CENTER

Accra - Ghana



PEOPLE WE KNOW

(b)(6)

LAST PAGE

Denver's Revitalized Union Station at Night



COMINGS & GOINGS

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THE INSPECTOR

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NHTSA OVERSIGHT COMES UNDER FIRE

Last Tuesday, DPAIGAE Joe Comé testified before the Senate Committee on Commerce, Science, and Transportation, Subcommittee on Consumer Protection, Product Safety, and Insurance on NHTSA's oversight of vehicle safety defects and highway safety grants.

Chairman Claire McCaskill and other committee members were forthcoming in their strong rebuke of NHTSA's handling of alleged defects and recalls. The Associate Press summed up the hearing by saying: "Both houses of Congress scolded the nation's highway safety agency...over its tardy handling of a deadly problem with General Motors cars, questioning whether it is competent to guarantee the safety of increasingly complex vehicles."

To this point, Joe focused on NHTSA's delays in finalizing a workforce assessment, which we had recommended in 2011, noting that this assessment would help the Agency identify and secure a

vehicle safety workforce with the right mix of skills for addressing technology advancements in the automotive industry.



Joe also noted that Secretary Foxx asked us to review NHTSA's safety functions and processes as they relate to the GM recalls. Joe said that in this audit "We are drilling down on NHTSA's pre-investigation process—which involves the screening of consumer complaints, external manufacturer communications, and other information related to alleged safety defects. As part of our ongoing review, we are also determining whether GM provided information to NHTSA on ignition

switch issues or non-deploying airbags prior to its recall."

Joe also discussed how enhanced monitoring tools are needed to improve NHTSA's oversight of highway safety grants.

While Joe's statement hit squarely on the committee's key concern—maintaining a workforce that is qualified to follow up on consumer complaints—the committee's questions were mostly directed to David Friedman,

NHTSA's Deputy Administrator.

Friedman said little to placate the committee. Sen. Ed Markey said, "I simply do not have the confidence that NHTSA will take more aggressive action in the future." Sen. Richard Blumenthal said the agency has "neither bark nor bite" and accused it of "nodding off on safety." McCaskill said she wanted an admission that NHTSA had fallen down on the job.

— Karen Sloan, J-2,
Christina Lee, JA-2

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	JI Managers' meeting	JI Managers' meeting Tim Barry's retirement luncheon, noon Cal: GATB meeting		

NOTEWORTHY

LEADERSHIP BROWN BAG FOCUSES ON MOTIVATION

After traveling to several regional offices this summer, the Deputy Inspector General returned to The Bunker and hosted her first Leadership Brown Bag, for GS-14s and above, of the almost-Fall. The topic du jour was how to stay self-motivated, and attendees came armed with answers to two questions: What factors influence your motivation in the workplace? And, conversely, What drains or has a negative influence on your motivation?

By and large, responses were heavy on the motivation side of the ledger, though some other themes were discussed.

Attendees indicated they are motivated through several means, including identifying audit findings collaboratively and witnessing the "Aha!" moments for staff at all levels. Themes of motivation also emerged: recognition of the work performed, as in OIG being asked

to testify before Congress, and mentions of our work in news stories.



The ever empowering "Thank you" is a strong motivator as evidenced by the emphatic head nods around the table. Strong leadership that is flexible to new ideas and recognizes the benefits of and remains committed to work-life balance also generated agreement around the table.

On the flip side, demotivating factors included not being in full control of your work, remaining static and in the status quo, and running

into closed-minded individuals whose reluctance and persistent resistance to new ideas overpower progress and readily achievable goals. But enough about them!

The single largest reaction came about after one participant suggested that "Not losing my yellow grid and completing it" is a "huge motivation!" I suspect we'll hear loud chuckles of concurrence from JA cubicles throughout the day as you all read TI.

The upcoming Leadership Development Exchange which will be hosted by Cal, will also focus on motivation. It will be a good opportunity for GS-13s and below to talk about OIG's environment—what's on staff minds and what are some actionable items we should consider as we continue to strive for a productive and healthy environment.

— David Wonnenberg, J-3

OIG IN THE NEWS

REGULATOR SLOW TO RESPOND TO DEADLY VEHICLE DEFECTS

New York Times

September 15, 2014

In February...GM began recalling millions of its cars for a deadly ignition defect, and by August, six of [its] eight five-star Chevrolet models had been recalled for a variety of safety issues, including defects in air bags, brakes and steering.

It was an embarrassing turn—but not just for the embattled automaker. The stellar rankings had been awarded by the federal regulatory agency that is mandated by Congress to ensure the safety of automobiles.

The agency, the National Highway Traffic Safety Administration, has a record of missteps that goes well beyond its failure to detect an ignition switch defect in several models of GM cars now linked to at least 13 deaths.

The Times...found that in many of the major vehicle safety issues of recent years—including unintended acceleration in Toyotas, fires in Jeep fuel tanks and air bag ruptures in Hondas, as well as the GM ignition defect—the agency did not take a leading role until well after the problems had reached a crisis level, safety advocates had sounded alarms and motorists were injured or died.

When the safety agency inquired about the cause of [a 2010 accident involving a Camry], the Japanese automaker replied, “Toyota understands that this request is optional and respectfully declines to respond at this time.”

Three years later, Toyota paid \$3 million in compensatory damages after having been found guilty in a lawsuit the two women’s families brought against the company. And in March, a federal judge approved a \$1.2 billion settlement of criminal charges that Toyota concealed

unintended acceleration problems in its vehicles for years.

By the time GM began recalling cars this year for ignition defects that could cause stalling, the agency had logged more than 2,000 complaints about the issue in the recalled models, some from consumers who had picked up on patterns in the agency’s database that its own investigators missed.

After Chrysler balked last year at the regulator’s suggested 2.7 million vehicle recall for exploding fuel tanks in its Jeeps, the federal agency scaled back its request by 1.1 million cars. It also agreed to Chrysler’s demand that the automaker not be required to say the vehicles had a safety defect or that the automaker was at fault. The agency has linked 51 deaths and at least two serious injuries to the defect over 14 years.

And four years ago, the agency cut short an investigation into rupturing air bags in Honda vehicles, saying there was “insufficient information” to suggest that the companies had failed to take timely action. Since then, more than 13 million more cars have been recalled by Honda and 10 other automakers for the rupture risk, and Honda has linked two deaths to the defect.

[T]he agency has a history of falling short of expectations in policing automakers and fulfilling its investigations mission.

In the late 1990s, it was sharply criticized by lawmakers and consumer advocates for failing to detect a pattern of highway rollovers in Ford Explorers with Firestone tires that was eventually tied to 271 fatalities. Congress passed a law in 2000 that was meant to give the agency more leverage over the auto industry and better access to its accident data.

Yet since then, the agency has continued to show sluggishness in its investigations, feeding a perception that it does not stand up to the politically influential, multibillion-dollar automobile industry until it is forced to do so by outside pressure.

In a year that has included the deadly ignition scandal at GM, the billion-dollar Toyota criminal settlement and an ever-expanding number of air bag recalls, some consumer safety advocates are hopeful that the record number of recalls will spur the agency to step up its vigilance. This year automakers have recalled more than 48 million vehicles in the United States, surpassing the previous record of about 30 million in 2004.

On Tuesday, the Senate subcommittee that questioned GM’s chief executive, Mary T. Barra, in two charged hearings on the ignition switch defect will turn its focus to the safety agency.

The session comes as the Transportation Department’s inspector general is conducting an audit of the agency’s handling of the GM switch issue, an inquiry that people familiar with the effort say has been widened to look at how effectively the agency carries out its mission beyond the GM case.

A primary focus of the inquiry...is the so-called pre-investigation phase of the agency’s work —when the engineers and other specialists in its Office of Defects Investigation decide whether to proceed with a full investigation of a possible safety defect.

The Times reviewed more than 12,000 consumer complaints to the federal agency about power, speed and ignition problems in the GM models recalled for ignition-related problems.

(Continued on page 4)

OIG IN THE NEWS

(Continued from page 3)

The first stalling complaints arrived in 1997, and starting in May 2000, the agency consistently told drivers that there was insufficient evidence to open an investigation.

The Times found that before the recalls the agency had received more than 5,000 complaints about the ignition problems, including more than 2,000 about unexpected stalling, in the models GM eventually recalled.

As recently as a month before the recalls began, the safety agency was dismissing complaints from drivers about such problems.

As of this month, GM has recalled nearly 16.5 million vehicles for ignition-related problems, including 2.6 million for the defective switch that the automaker acknowledged it knew about for years.

David J. Friedman, the acting NHTSA administrator, has said in public forums that data presented by GM this year would have most likely changed the regulator's approach to the issue had the information been available earlier.

To give NHTSA more muscle, Congress passed a law in 2000 requiring automakers to report to the safety agency any claims they received blaming defects for serious injuries or deaths.

But the safety agency has allowed automakers to conceal important information in that reporting process by not requiring full disclosures when confronted with follow-up questions [such as]: What may have caused the accident?

GM chose not to answer inquiries regarding at least three of the 13 fatal crashes that the automaker has linked to its ignition switch defect. The safety agency did not request further information...and the defect was not made public for an additional seven years.

Data on the agency's website indicates that 33 investigations from the 1990s remain open.

"The agency is dedicated to ensuring that current safety defect issues affecting the driving public today are addressed...rather than to closing old cases that did not find an unreasonable risk to safety," NHTSA wrote in response to a question about the open cases.

But on at least one such current issue, NHTSA had stood on the sidelines for years. Now that defect, involving air bags made by the Japanese supplier Takata, has mushroomed into one of the biggest recalls in history.

Complaints filed with the agency as far back as 2000 allude to rupturing air bags in models carrying Takata air bags, but the first recall did not come until eight years later, and it was relatively tiny.

In November 2008, Honda recalled 4,205 cars over possible air bag explosions. Six months later, after a teenager was killed in her Accord by shrapnel from an exploding air bag, the company recalled more than 510,000 additional cars.

The two recalls prompted the agency to open an investigation in 2009 into the two companies' handling of the defect. Six months later it closed the investigation.

Less than a year later, further cases of rupturing air bags prompted Honda to resume its recalls. Other companies soon followed. The current total of cars under recall for the problem is 14 million.

NHTSA began a second investigation in June.

After the so-called Tread Act was enacted in 2000, requiring the agency to analyze fatal crash data and other additional information, the defects office added more staff, growing to 63 employees at one point in 2001. Today it has 51,

a decrease that reflects retirements and attrition, NHTSA said.

How effectively the office uses its staff is one issue of concern to Calvin L. Scovel III, the inspector general of the Transportation Department. He said in a written statement to The Times that NHTSA had yet to fulfill a recommendation from an October 2011 report that the agency evaluate its work force to determine the most effective size and mix of staff in its investigative office. "Completing this assessment will put the agency in a better position to identify and investigate vehicle safety defects," Mr. Scovel said.

The agency has also not made full use of its legal powers in investigating automakers, which include an ability to force the recall of vehicles and to issue subpoenas to obtain information and documents.

It has been 35 years since the regulator has invoked its legal authority to order a company to recall cars.

In June 2013 the agency asked Chrysler to conduct a recall of about 2.7 million Jeep Grand Cherokees and Jeep Liberties because of the gas tank problem. If the automaker did not comply, the agency said, it would publish a public notice describing the defects, its investigation into the matter and the scheduling of a public meeting. After the public meeting, NHTSA could have legally forced a recall.

But the agency struck a deal with Chrysler instead.

Asked about the preponderance of top grades, the agency said they were proof its program was effective in bringing about safety changes. It pointed to the industry's embrace of the ratings.

"Automakers routinely use our star information in their advertising," the agency wrote in an email. "Safety sells."

OIG IN THE NEWS

NHTSA FACES HARSH CRITICISM IN SENATE HEARING

The Detroit News

September 16, 2014

The highest-ranking official at the National Highway Traffic Safety Administration came under withering criticism Tuesday from senators of both parties, but refused to accept blame for failing to discover defects in now-recalled General Motors cars that have been linked to at least 19 deaths.

NHTSA Deputy Administrator David Friedman...acknowledged that the agency in retrospect could have done better, but passed up a request to apologize for not discovering the defect.

The Transportation Department inspector general's office said it is focusing its investigation into decision-making by NHTSA before it decides whether to open a formal investigation into the agency.

The investigation into GM's handling of complaints before it recalled the 2.6 million cars was launched in March at Transportation Secretary Anthony Foxx's request. It is looking at NHTSA's Office of Defects Investigation.

"We are drilling down on NHTSA's pre-investigation process. During the pre-investigation phase, ODI's Defect Assessment Division screens consumer complaints, external manufacturer communications and other information related to alleged safety defects," said Joseph W. Com , deputy principal assistant inspector general in his prepared testimony.

The inspector general said NHTSA has made progress but still needs to make changes. Completing a "workforce assessment, identifying and securing an adequate workforce, and enhancing grant oversight are key for NHTSA to carry out its broad safety mission."

NHTSA [said] it will complete the assessment by Nov. 14.

DID YOU KNOW...

Our investigators helped shut down the largest reported DBE fraud in DOT history?

On June 30, 2014, Joseph W. Nagle, former president of Schuylkill Products Inc. (SPI), was sentenced to 84 months imprisonment and ordered to pay fines totaling \$27,600 for his role in the fraud. On July 14, 2014, Ernest G. Fink, former CEO and co-owner of SPI and Vice President of SPI and its wholly-owned subsidiary CDS Engineers Inc, was sentenced to 51 months imprisonment and ordered to pay fines totaling \$25,100 for his role in the scheme.

Our investigation revealed that Nagle, Fink, and others defrauded DOT's DBE program for more than 15 years, involving more than \$136 million in highway transportation contracts. SPI and CDS used Marikina Construction Corporation, a Connecticut highway construction company, as a shell DBE corporation to obtain DBE subcontracts for bridge beam installation projects with the intention of having SPI and CDS employees perform, manage, control, and supervise the beam installations. SPI and CDS officials fraudulently prepared business documents on Marikina letterhead and used a Marikina payroll account to pay a CDS supervisor and work crew. The officials paid Marikina a fixed fee for the use of its name in obtaining the DBE contracts.

In April 2012, a Federal jury found Nagle guilty on 26 charges, including 1 count of conspiracy to defraud DOT and commit wire and mail fraud, 7 counts of wire fraud, 6 counts of mail fraud, 1 count of conspiracy to commit money laundering, and 11 counts of money laundering.

The investigation was conducted jointly with the FBI, the Department of Labor OIG, IRS-Criminal Investigation, with substantial assistance from FHWA.

(b)(6)

COMINGS & GOINGS

(b)(6)

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

FIVE “FACE” COMMUNICATIONS CHALLENGES HEAD ON

This summer, Dave Wonneberg, Barbara Hines, Audre Azuolas, Marshall Jackson, and Craig Owens participated in “Communicating Face-to-Face,” an intensive 4-day workshop held through our Executive Management Development Program. During our week at OPM’s Center for Leadership Development in Aurora, CO, we braved tornadoes, a late-night fire alarm, and—even scarier—watching ourselves on videotape as we practiced different communication scenarios.

We learned a number of powerful strategies for communicating more effectively face-to-face, including conflict management and how to use active listening to more effectively reach our communication goals during difficult conversations. Through intense small-group work and video feedback sessions with professional communications coaches, we gained the confidence and tools to master even the most challenging conversations.

Here are some of our biggest takeaways from the course.



David Wonneberg

Communicating face to face doesn’t mean you have to be [this guy](#).

Nor does it mean the conversation’s about solving [the nail problem](#).

No, training in Aurora wasn’t all YouTube clips, but there were a lot of videos. Throughout the week, we participated in several “difficult conversation” vignettes, and our sessions were recorded then played back and critiqued by instructors and five or six other trainees in small groups.

After seeing myself in the first few videos trying to solve the “nail problem,” I began using several tactics and tools the instructor discussed. I also got to use them in real life. Following the course, my wife and I moved into a new neighborhood, and several inquisitive neighbors had a lot to share about themselves and the neighborhood. I listened a lot—one of the tactics—and learned a lot about our new neighborhood.

(Continued on page 3)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
		CFC Kickoff lunch, 11:30	Cal: CIGIE, 1:00 Ann: Quarterly DIG meeting, 10:00	Cal: Updates with S1 and S2, 2:00

NOTEWORTHY

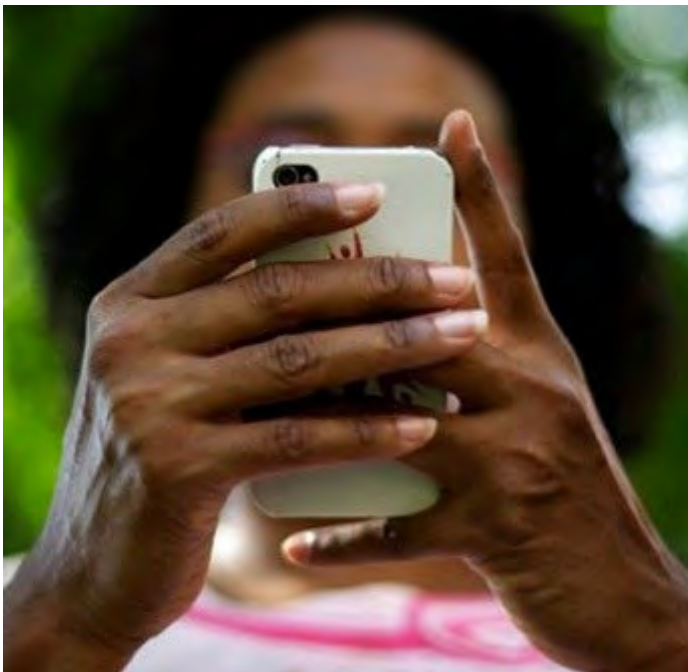
LEADERSHIP DEVELOPMENT EXCHANGE, OCTOBER 15

Mark your calendars for the next Leadership Development Exchange on Wednesday, October 15, from noon to 1:30 in the IG's conference room. Ann will be discussing "Demonstrating Your Potential." The session is open to all GS-13s and below.

If you plan to attend via videoconference please email Ellen at ellen.richardson@oig.dot.gov. The conference call in number is 877-336-1274, access code: 3460949.

CHECK IT OUT!

With the implementation of some recent upgrades, we now have a more dynamic web site, including being more responsive to a variety of mobile devices.



NOTEWORTHY

(Continued from page 1)

Barbara Hines

Our classmates were a fantastic group. Everyone talked and shared experiences throughout class exercises and during meals. The class was not easy, by far. After the first day, the class was divided into teams and sent off with our group coach who gave us various scenarios of difficult conversations to act out in partners to be videotaped.

With critiques from my coach and team members, I learned that I could show more empathy when giving feedback. I thought I was, but eventually I realized that I appeared to be listening but wasn't really hearing my counterpart. To be a good listener, I must ask the question, then stop and pause, to allow other teammate to speak. It opened up the dialogue and allowed for deeper discussion.

One added benefit to this exercise: I tested my new skills at home. To my joy, it really works.

Audre Azuolas

Like many of my classmates, the hardest part by far was putting all the techniques we had learned into practice during our small-group video sessions. I quickly learned that it's one thing to say you're a good listener, and another to prove it during a difficult

conversation that you're emotionally invested in.

When listening to others describe a problem, my first instinct is to start offering solutions. But we learned that our goal should be to give them an opportunity to figure out how they can fix it themselves. In the ideal conversation, you can explore the root causes of the problem together—then, by letting your conversation partner propose a solution, you can better ensure that it's both the right solution to the true problem, and more important, a solution they are committed to and invested in.

It's not easy to do; the secret is asking *open-ended questions* (questions beginning with "how," "why," or "what") as opposed to yes-or-no questions. For example, instead of asking, "Have you tried x, y, or z?," you should ask, "What steps could you take to resolve this?" or "What do you need from me?" or "Why do you think the things you've tried so far haven't worked?" or "How can you move forward from this?"

Be patient, and give them time to respond, summarize what you've heard them say to make sure you understood, and ask more follow-up—and open-ended—questions. The conversation may take longer,

but the outcome will be longer-lasting, too!

Marshall Jackson

My primary reason for taking the class was picking up new tips for one-on-one conversations with staff and managers. I got that and more. One of the most interesting parts of the class for me was the group exercise on managing conflict.

Our instructor asked us to organize into groups based on what we thought our conflict-management style was—competing, avoiding, collaborating, accommodating, or compromising. "Collaborator" was the ideal style. So, true to form, I picked "collaborator." And I wasn't alone. There were so many self-identified collaborators that the instructor made two collaborator groups.

The instructor left us to focus on our group exercise with a question: "Is this really your style?" A lot of people think they're collaborators when they really aren't.

It turns out that one of the downsides of collaboration is the time it takes, and this became quickly evident in our exercise. In reality, everyone can use any conflict management style at any given time,

(Continued on page 4)

NOTEWORTHY

(Continued from page 3)

but we tend to gravitate towards one. As we worked through our exercise, the instructors question really weighed on me. I quickly grew frustrated with the amount of time our exercise was taking. The light bulb went off: I'm not quite as collaborative as I always thought!

The key is being aware of this and leveraging strengths in any given situation. I'll definitely use the tools we learned in class in our everyday work environment.

Craig Owens

I chose this class to learn additional techniques that will foster enhanced communication with team members, managers, and

our stakeholders. With coursework that focused on practical exercises and group participation, I received valuable feedback from my small group as well as an individual coach.

One exercise focused on resistance to feedback—to include understanding why people resist and how to deal with it. My biggest take-away from the exercise was learning to summarize the other person's point of view, allowing them to be heard, understood, and valued. While this may not immediately resolve the issue, I realize it can suppress concerns of losing control or appearing vulnerable. I'm confident that this ap-

proach will help create and sustain relationships.

We were also given scenarios and each person had to play a role, using the communication techniques that we learned while being video recorded. Part of the exercise was to listen and engage. When I saw myself on video, and to my surprise, I didn't realize how often I would try to immediately solve the problem.

While problem-solving has its place, I quickly learned that effective listening also means being patient and listening to learn and understand. Active listening lends itself to communicating messages in a way that leads to meaningful action.



NOTEWORTHY

UNDERSTANDING HOW THE HATCH ACT APPLIES TO YOU

The Hatch Act is intended to maintain a Federal workforce that is free from partisan political influence or coercion, and generally applies to Executive Branch employees. A violation of the Hatch Act is subject to a range of disciplinary actions, including removal from Federal service, reduction in grade, debarment from Federal service, suspension, letter of reprimand, or a civil penalty not to exceed \$1,000. To know what you may and may not do under the act, here's a primer. If you have any questions contact one of J-3's attorneys.

A Covered Employee May NOT

- ☒ Be a candidate for nomination or election to public office in a partisan election.
- ☒ Use his or her official authority or influence to interfere with or affect the result of an election, such as use his or her official title or position while engaged in political activity, or invite subordinate employees to political events or otherwise suggest that they attend political events or undertake any partisan political activity.
- ☒ Knowingly solicit or discourage the participation in any political activity of anyone who has business before their employing office.

- ☒ Solicit, accept, or receive a donation or contribution for a partisan political party, candidate for partisan political office, or partisan political group, such as host, invite others to, or sell tickets to a political fundraiser; or use any e-mail account or social media to distribute, send, or forward content that solicits political contributions.
- ☒ Engage in political activity—activity directed at the success or failure of a political party, candidate for partisan political office, or partisan political group—while the employee is on duty, in any Federal room or building, while wearing a uniform or official insignia, or

using any federally owned or leased vehicle. This includes distributing or displaying campaign materials or items; performing campaign related chores; wearing or displaying partisan political buttons, t-shirts, signs, or other items; making contributions to a partisan political party, group, or candidate; posting a comment to a blog or a social media site that advocates for or against a partisan political party, group, or candidate; or using any e-mail account or social media to distribute, send, or forward content that advocates for or against a partisan political party, group, or candidate.

A Covered Employee MAY

- ☒ Be a candidate in a nonpartisan election.
- ☒ Register and vote.
- ☒ Assist in voter registration drives.
- ☒ Participate in nonpartisan campaigns.
- ☒ Contribute money to political campaigns, political parties, or partisan political groups.
- ☒ Join political clubs or parties.

- ☒ Attend political fundraising functions, and political rallies and meetings.
- ☒ Campaign for or against referendum questions, constitutional amendments, or municipal ordinances.
- ☒ Sign nominating petitions.
- ☒ Circulate nominating petitions.*
- ☒ Campaign for or against candidates in partisan elections.*
- ☒ Make campaign speeches for candidates in partisan elections.*

- ☒ Distribute campaign literature in partisan elections.*
- ☒ Volunteer to work on a partisan political campaign.*
- ☒ Express opinions about candidates and issues. However, if the expression is political activity, it is not permitted while the employee is on duty, in any Federal room or building, while wearing a uniform or official insignia, or using any federally owned or leased vehicle.

* "Further restricted employees," which include OIG's SES, may not engage in these activities.

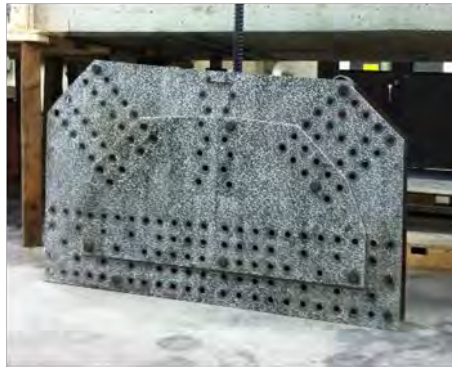
NOTEWORTHY

IMPROVING THE NATION'S HIGHWAY TRANSPORTATION VIA RESEARCH

If you travel beyond Tysons Corner's shopping malls and sneak by CIA Headquarters, you will discover the Turner-Fairbank Highway Research Center, which houses FHWA's Office of Infrastructure Research, Development, and Technology. The center recently received national attention when President Obama and Secretary Foxx visited in July.

OIG's Engineering Team organized OIG's inaugural visit to learn about the center's current research on highway infrastructure, safety, and operations. The Associate Administrator for RD&T and his senior research staff provided us with an overview of the range of work they do to make the Nation's highways safer and more efficient, then took us on a tour of some of the center's more than two dozen research laboratories.

Our tour began at the Structures Laboratory, which conducts tests to support NTSB investigations of structural collapses, such as the Minneapolis I-35W bridge gusset plate collapse (top photo). We also saw testing of full-scale bridge components subjected to simulate truck loads (center photo) and the set-up for testing how a high-strength concrete mix will perform in bridge girders.



From there, we visited the Hydraulics Laboratory, where researchers demonstrated test equipment to simulate how water flow carries sediments and scours bridge foundations that can make a bridge dangerously unstable. They also showed us the advanced computer models they use to analyze test data and simulate

erosion scenarios in order to improve the safety and durability of bridge foundations.

Next up was the Federal Outdoor Impact Laboratory, where we witnessed a crash test in which a speeding dummy-driven car was launched against a highway barrier to assess the effectiveness of a new barrier coating in improving driver safety in this type of collision (bottom photo).

At the Human Factors Laboratory, we saw a field research vehicle equipped to track driver eye movements to better understand human behavior and distractions while driving. Our last stop was the Saxton Transportation Operations Laboratory. Here we learned about current research on trucks traveling in tandem to improve safe communication among vehicles, and about the optimization of traffic signals.

To learn more about our visit, see the photos and videos [here](#) or contact OIG's engineers—their doors are always open to technical inquiries and happy hour invitations.

— Rodolfo Pérez, Anne-Marie Joseph, Aron Wedekind

NOTEWORTHY

DEVELOPING FUTURE LEADERS: THREE STORIES

From September 8 to 12, I found myself a mile high in Aurora, CO, tackling the topic of leadership at OPM's Leadership Assessment Program Level 1 course. The theme was "Navigate Your Leadership Journey," and instructors led participants from all over the country (even Hawaii!) through lectures, self-assessments, case studies, and group assignments that focused on perception, conflict, and planning for the future to name a few subjects. The message that resonated most with me was the importance of self-

awareness and the power of situational leadership. While it's important to know my own strengths and blind-spots, I learned that it's even more impor-

Nature got in on the lesson plan, forcing participants who prepared for the 80 degree weather on Monday to adapt to the 30 degree weather on Friday!



tant that I know my audience or team, and that I adapt my leadership style to their needs and the situation at hand. Even Mother

The biggest question I received when I returned was, "What is LAP-1 like?" Luckily, I remembered the advice of the instructors when answering this question: "What happens at LAP-1 stays at LAP-1!" But that didn't stop me from sharing some pictures that tell the story of my experience...sort of.

— Rachel Miller, JA-60

I recently completed OIG's New Leader program, which is part of the Key Executive Leadership Certificate Program at American University. The program is designed specifically for OIG employees, and the curriculum consists of 2 weeks of interactive instruction with a break between the first and second week to allow us to apply we have learned.

The first week focused on leadership development and managing for performance. The instructor, a trained psychologist, first had us draw a pictographic representation of our life on flip chart paper,

and respond to personal questions about our pictograph. The assignment seemed intrusive, but was a wonderful experience that reinforced how past experiences affect our approach to managing and leading.

During the week:

- We learned about the ladder of inference and emotional intelligence, and discussed *Leadership and Self Deception*.
- We met in small groups and taught our classmates' leadership lessons, such as empower-

ment/engagement and developing others/learning.

- We participated in role-playing exercises to practice new listening and feedback skills we'd learned.
- We discovered our conflict management and resolutions styles by taking the Thomas-Kilmann Conflict Mode Instrument, and learned how to improve our effectiveness in the workplace.

The second week, held in mid-September, covered leading organizational change, leading with

(Continued on page 8)

NOTEWORTHY

(Continued from page 7)

integrity, and coaching. Through lectures, role playing, and team exercises, we explored different change models and practical tools to initiate and lead successful change. We also discussed

- how the fear of loss drives resistance to change;
- how to use our personal style to manage and influence up;

- the underlying principles and ways to resolve difficult ethical dilemmas;
- the mindset to coach and how to avoid judgment and perception;
- coaching techniques to inspire staff; and
- the characteristics and values of four generations: Traditionalists, Baby Boomers, Generation X and Generation Y.

Last, we learned to be mindful of our mood and the importance of “pausing” to reset ourselves to be positive.

The program also gave me an opportunity to meet and work with new leaders across OIGs. The class was challenging, but I recommend it to all new OIG leaders.

— Tasha Thomas, JA-10

Over 2 weeks in July and August, Jay Swartzbaugh, Gary Middleton, and I attended American University’s “Key Executive Leadership Program,” sponsored by CIGIE. The 16 students brought extensive experience from a range of Federal agencies, including Homeland Security, Small Business Administration, Interior, Veterans Affairs, Commerce, Treasury, National Intelligence, and Defense. This diversity led to lively discussions of current leadership challenges.

The course promotes self-awareness and leadership skills. A main theme was managed change to achieve better results; we addressed both personal change, as a leader of others, and organizational change.

We explored several models and tools for successful organizational

“Be the change that you wish to see in the world.”

— Gandhi

change, including *Managing Transitions*. All shared a key principle: change is a process, not a single action. Steps include developing consensus that change is needed, establishing a clear vision for the end result, accepting that all change takes time and introduces chaos, and seeking feedback along the way. Careful planning of each step increases the success of change.

The course also challenged us to undertake intentional change in our personal and professional development. We learned about the importance of emotional intelligence: self-awareness, self-

management, social awareness, and relationship management. Successful leaders accurately assess their actions, act with integrity and transparency, develop others, and manage conflict. For one activity, we examined our social networks and how cultivating these relationships can provide learning opportunities and support us as leaders. As a class, we took a first step toward building on the relationships established over the two weeks by committing to continued interaction as a group on LinkedIn.

The course was challenging, fun, and provided a venue to reflect and learn, not just from the instructors, but from some outstanding colleagues in other IG offices.

— Amy Berks, J-3

(b)(6)

OIG IN THE NEWS

INSPECTOR GENERAL FINDS MISUSE OF TRAVEL FUNDS

Land Line Magazine

Sept. 23, 2014

A sample audit has uncovered misuse and abuse among U.S. DOT employees who use expense cards and cash advances to travel. The DOT Office of Inspector General says cardholders and recipients of cash advances for travel made more than \$2 million in purchases unrelated to government travel in 2012.

The auditors selected 400 cardholders for review and studied 400 cash advance transactions, a small sample compared to tens of thousands of total transactions.

The findings projected that cardholders spent \$2.1 million in unauthorized purchases while on government business. Auditors also found that employees had used their cards to collect \$183,000 in cash advances while not on government trips.

"Out of the 400 cardholder cash advance transactions we tested, 24 were excessive, and none were detected by program officials," the Office of Inspector General noted.

"Program officials also did not detect all unauthorized cash advances that DOT employees collected while not on government travel because they lack an effective process for reviewing transactions for potential abuse."

In one instance, a Federal Aviation Administration cardholder who was not on government travel at the time collected \$492 in cash advances at a casino in Shawnee, Okla., according to the audit.

Program monitoring did not detect the transactions, the OIG noted.

REPORT FAULTS ROLLOUT OF AIR-TRAFFIC-CONTROL UPGRADE

The Wall Street Journal

Sept. 23, 2014

An audit report by the Transportation Department's inspector general...raises new questions about the design, deployment and projected benefits of one of the Federal Aviation Administration's futuristic ways to enhance monitoring and management of aircraft.

The document is sharply critical about early implementation of ground-based radio towers that are part of a proposed \$4.5 billion network designed to track the locations of planes more precisely than current radar. The new system, dubbed ADS-B, eventually aims to rely primarily on satellite-based navigation and tracking...to enable aircraft to safely fly closer to one another, while saving both fuel and time following more efficient routes.

But...the inspector general found...that pilots and controllers are receiving only limited benefits from some 600 ADS-B towers that have been installed, due to incomplete technology updates of the automated systems.

According to the report, the FAA itself has determined that taxpayer investments in such ground-based applications "now outweigh the projected benefits of the program by as much as \$588 million." The findings also emphasize that "it remains uncertain how and when the FAA will implement" advanced capabilities, "and at what cost."

Some of the general criticism mirrors reports and comments by the inspector general and his staff over the past few years directed at [NextGen,] FAA's overall air-traffic-modernization initiative.

U.S. airlines remain reluctant to invest billions of dollars in onboard equipment because they are uncertain how effectively the agency will carry out its share of the program.

The report notes that the FAA has been unable to perform "end to end testing," encompassing cockpit equipment, controller stations and ground installations, because of the relatively few planes currently equipped with required technology.

The document also reveals that the Defense Department and others have doubts about the FAA's ability to face security challenges "related to cyber threats" and the "security of the ADS-B infrastructure and aircraft avionics." The report also says a more-complex version of the program...has so far not been "fully defined."

As of April, the FAA said it had completed the deployment of 634 ground radio towers to support the program, a point of pride and a reduction of the 792 ground stations originally projected. But the FAA office overseeing ADS-B has since identified "coverage gaps" and the need for 200 more stations at a price tag of \$258 million, the report said.

In addition, testing has identified problems [and] FAA "has not yet fully developed a system to monitor the performance and operational safety of the ground equipment and help avoid and resolve outages."

The report also noted that the FAA has warned "general aviation" pilots [not to] rely on ADS-B information to separate their planes from others in the airspace. Some general-aviation pilots relying on this data "inadvertently flew their aircraft into restricted airspace that was either unmarked or incorrectly located on their ADS-B devices," the report said.

"Concerns such as these not only suggest significant safety risks, but could degrade users' confidence in the system and the industry's willingness to invest," the report said.

OIG IN THE NEWS

FAA'S NEW AIR-TRAFFIC TECHNOLOGY COSTS EXCEED BENEFITS*Bloomberg***Sept. 24, 2014**

The costs of one of the key elements of NextGen, the Federal Aviation Administration's suite of technology to modernize aircraft tracking, exceed its benefits by as much as \$588 million, the Transportation Department's Inspector General said in a report.

NextGen has been plagued by delays and low usage as the FAA tries to move airlines to a system based on global-positioning satellite navigation to create more accurate flight tracks. FAA computers displaying aircraft position can't use the new system and fewer than 10 percent of aircraft have installed the technology, according to the report.

The agency "has yet to determine what the program will cost, how long it will take to fully implement, or what capabilities and benefits the system will ultimately provide...." Assistant Inspector General Matthew Hampton said in the report.

At the same time, FAA hasn't completed upgrades of computer systems that display aircraft tracks to controllers allowing them to view ADS-B data. That work isn't expected to be done until 2019.

One holdup is the FAA and airlines are engaged in a game of chicken over when to equip aircraft with ADS-B, according to the report.

Airlines say they want to wait until guaranteed a return on their investment before installing the new equipment.

As a result, the inspector general predicts few concrete benefits will occur until the 2020 deadline requiring aircraft to have the equipment.

IS NEXTGEN MORE TROUBLE THAN IT'S WORTH?*National Journal***Sept. 29, 2014**

It is not news that the Federal Aviation Administration's plan to upgrade its air traffic control to a satellite-based system is having trouble.

It is news that the Transportation Department's inspector general now says that the...technology at the heart of NextGen costs more than the money it is projected to save. That's troublesome because NextGen is the big advance in aviation that everyone is waiting for. If it works, it will save money and improve travel.

Air carriers aren't equipping their planes as quickly as the FAA projected, which is driving up costs, the inspector general's report says. Who can blame them? The report states unequivocally that it's not clear how and when the agency will implement the upgraded air traffic control capabilities and at what cost.

Individual aircraft owners are even more suspicious. They may not save much money on the upgrade in the first place, and they will probably be the last ones to adopt the new technology. "The inspector general's findings [add to the] confusion about when and how to equip," said Mark Baker, president of the Airline Owners and Pilots Association.

The aviation gurus in the House Transportation Committee—Chairman Bill Shuster, R-Pa., and Aviation Subcommittee Chairman Frank LoBiondo, R-N.J.—say that in the wake of the inspector general's report, "Congress must thoroughly reexamine...FAA's organizational structure."

Yow. That's the harshest statement we've seen from Congress about FAA's rollout of NextGen, even though last February LoBiondo said that FAA should be held accountable for "repeated program delays and cost overruns."

IG: TRANSPORTATION MUST BETTER MANAGE TRAVEL CARDS*FedWeek***Oct. 2, 2014**

The Department of Transportation has effective controls to prevent cardholders from making purchases at businesses that do not provide transportation, lodging or meals and to minimize delinquent cardholder accounts, but it lacks robust controls to prevent and detect instances of cash advance abuse and purchase card misuse, the Transportation inspector general has said. DOT employees spent \$175 million using government-issued travel cards in fiscal 2012. The IG said that excessive or unauthorized cash advances and instances of travel card misuse are going undetected because DOT lacks robust internal controls to prevent these transactions. The department's travel card policy prohibits such misuse but does not specifically require program officials to monitor for excessive cash advances, which increase the risk that cash advances are used for non-government travel expenses, according to the IG. The department agreed with recommendations to develop and implement controls to detect employees obtaining excessive cash advances, as well as automated controls to detect unauthorized cash advances and purchases. It also agreed to implement an automated solution, which reduces the costs associated with the labor-intensive process of comparing cardholder travel card activity to travel claims.

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COMINGS & GOINGS

(b)(6)

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Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

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The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

INSPECTOR

(b)(6)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
		Ann's Leadership Development Exchange, noon CFC Line Dancing, 1:30	HQ Earthquake drill	

NOTEWORTHY

EARTHQUAKE DRILL THIS THURSDAY AT 10:16!



At 10:16 a.m. on October 16, millions of people will “Drop, Cover, and Hold On” in the Great SouthEast ShakeOut, the region's largest earthquake drill ever! All Federal Government agencies and departments have been encouraged to participate in the drill.

OIG's earthquake wardens have been trained and are prepared to assist HQ OIG staff in the drill.

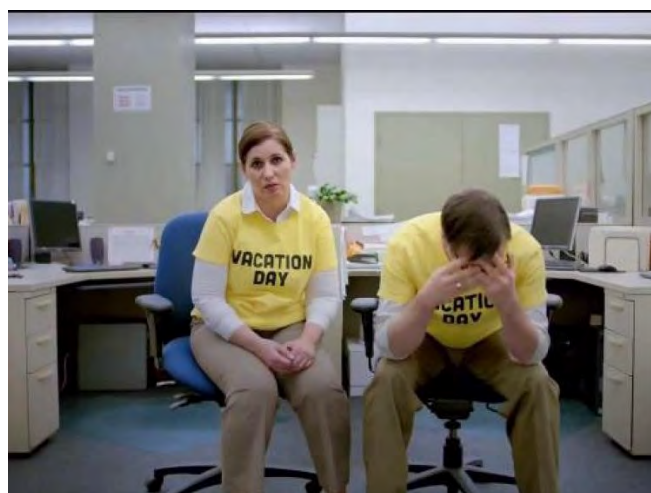
To read the DOTNET story about the drill, which has a link to a brief safety video on HQ's emergency procedures, go to [Drop, Cover, and Hold On](#).

DON'T LET YOUR LEAVE EXPIRE!

For employees who find themselves in a use or lose leave situation, it is time to start scheduling the leave. Leave in excess of the annual leave ceiling that is not used by January 10, 2015, will be forfeited.

To be eligible for restoration of forfeited annual leave, the leave must be requested and approved in CASTLE no later than **November 29, 2014**. Requests for restoration of annual leave must be supported by written documentation that shows the forfeited leave was requested, scheduled, and approved by the cut-off date, and was subsequently disapproved due to an exigency of public business or employee illness. Since leave is not considered been forfeited until after the end of the leave year, requests for leave restoration should be submitted to OHR *after* the new leave year begins January 11, 2015.

For more information on restoration of annual leave, click [here](#). All requests for restoration of annual leave must be submitted on the form in this link: [RequestforRestorationofAnnualLeave](#).



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NOTEWORTHY

(b)(6)

TEAMMATE USER FORUM HEATS UP IN THE DESERT

In late September, Amanda Barton, Kimberly Bolding, Marshall Anderson, and I attended the 2014 TeamMate User Forum in Palm Springs, CA. For 3 days, we soaked up loads of information on the components and contents of the TeamMate software.

Since the audit software was introduced 20 years ago, TeamMate's use has expanded to 115 countries and is purchased by over 2,400 customers, including 65 percent of the Federal Government auditing agencies.

We spread out so we could cover as many of the TeamMate sessions. Several general sessions previewed the new Version 11, which has exciting new upgrades.

The conference provided a great platform for meeting with the software technicians and networking with TeamMate users from other Government agencies, private industry, and financial institutions. We met users from all over the globe, including China, Panama, and England. I even met the TeamMate developers from Bolivia to discuss some needed custom semiannual reports.

If you think we were on the golf course after our 5:30 pm dismissal, think again. Aside from the blistering heat (the temperature was over 103 degrees daily and just below 100 in the evening), Amanda led a Federal Users Group meeting in the hotel lobby. Several new Federal agency users joined

the group after learning that we met to share current issues with software, conversion plans, and a host of other software concerns. The group provides a direct voice for Federal users to TeamMate developers and technicians.

I'm looking forward to sharing what we learned and showing you all the new program management features supported in the TeamCentral module—including Dashboards, Recommendation Tracking, and an overview of the TeamCentral Suite Reports.

Stay tuned for the TeamCentral class schedule and more TeamMate tidbits.

— Ana Rover

NOTEWORTHY

OIG STAFF LEARN ABOUT FHWA'S FEDERAL-AID PROGRAM

In mid-September, an overflow crowd of OIG staff took “Federal-aid 101,” the National Highway Institute’s survey course on FHWA’s Federal-Aid program. An FHWA Division Administrator and a Deputy Division Administrator taught the course, and participants included staff from J-3, JA, and JI; from HQ, Cambridge, Fort Worth, and Seattle; new-hires through SES; JA-20, -30, and -60.

The course provided an overview of the program’s history, finances, and oversight, and described the phases of highway and bridge projects funded by grants: planning, environment, right-of-way, design, construction, operations, and technology.

Debates about Federal investment in highways goes back hundreds of years. In 1822, President Monroe vetoed a law authorizing the Federal Government to collect tolls on the Cumberland Road, arguing that only States had the jurisdiction to do so. President Monroe later changed his position.

In 1916, Congress created the grant program through the Federal Aid Road Act. The law allocated funds to States according to a formula and provided 50 percent of project costs.



FHWA, “America’s Highways: 1776-1976, A History of the Federal-Aid Program”

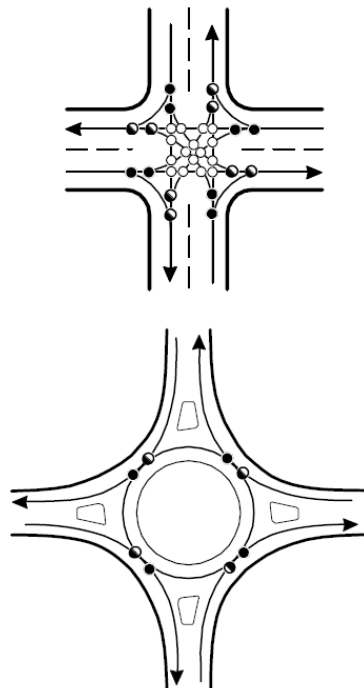
The course also covered efforts to mitigate unsafe conditions. Of interest to city residents, FHWA considers roundabouts safer than traditional four-way stops because roundabouts have only 8

points of contact—opportunities for collisions—while four-way stops have 32.

Participants shared their experiences on the course topics, many of which are covered by our audits—such as the National Environmental Policy Act process, bridge design, stewardship and oversight agreements, and State and local planning processes.

Thanks to Joe Comé and Tom Yatsco for recommending that OIG staff take the course, to Lou Dixon for supporting this investment; and to Joyce Mayeda (and other Office of Training and Development staff) for quickly handling the tasks needed to make the course a success.

— Jerrold Savage, JA-30



National Cooperative Highway Research Program Report No. 672, “Roundabouts: An Information Guide,” 2nd ed., 2010

NOTEWORTHY

HIT CELEBRATES NATIONAL HISPANIC HERITAGE MONTH

National Hispanic Heritage Month, which ends tomorrow, celebrates the culture and traditions of Spanish speaking residents who trace their roots to Spain, Mexico, the Caribbean and Central and South America. This year's Hispanic Heritage Month theme was "Hispanics: A legacy of history, a present of action and a future of success."

DOT's Hispanics in Transportation (HIT) group and other interested DOT employees joined the celebration with an event held in DOT's Media Center.

DOT's Deputy Secretary, Victor Mendez, shared his perspective on the importance of education in young people's lives and careers, and on DOT's efforts to attract, retain, and develop a new generation of leaders within the Department.

We were touched by success stories told by FHWA's Beatriz Hernandez and Carlos Figueroa, who each talked about people who positively impacted their lives and contributed to their success.

During the event, Beatriz Hernandez and Agnes Velez presented Deputy Secretary Mendez with an



illustration from the cover of Gabriel Garcia Marquez's *100 Years of Solitude*.

We also enjoyed a rendition of the National Anthem performed on the Spanish guitar by FRA's Manuel Galdo. We also enjoyed a Marinera Peruana, a graceful and romantic Peruvian couple's dance that uses handkerchiefs as props.

The event could not have ended without a great cup of coffee. HIT organized La Hora del Café, where we got a chance to network with DOT employees from other OAs and to taste some of the world's best coffee from Costa Rica, Honduras, Guatemala, El Salvador, and Puerto Rico—one from Lissette Mercado's home town!

And who could forget about the delicious desserts we tasted Tres Leches, Flan, and Pastelillos de Guayaba?

— Alina Horvath and Francisco Ramos-Hilerio, JA-20

NOTEWORTHY

NEO IV—IT'S NOT A MATRIX SEQUEL

On September 30, OIG's 11 newest faces came together in headquarters to participate in the fourth installment of our New Employee Orientation (NEO) Program. Participants enjoyed a full day of interaction with senior leadership on Tuesday, met OIG peers and colleagues at a morale committee gathering Wednesday, and presented Cal, Ann, and other senior leaders with their perspective on where OIG stands during an interactive session on Thursday afternoon.

The week came to a close on a special high note as Brodi Fontenot, Assistant Secretary for Administration, graciously joined the class to discuss departmental perspective and talked about the beginnings of his public service, which actually started in the auditing and oversight community.

Class facilitators and presenters would like to thank this group of participants for their time, participation, and continued enthusiasm throughout the week. OIG should be on the lookout for NEO V, coming to the front office conference room near you sometime in early December 2014.

— Amanda Seese, JA-30, HQ



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CFC KICK-OFF LUNCH: CAL DISHES IT OUT, CHRISTINA JUST DISHES



NOTEWORTHY



Thanks to all who participated in the kickoff lunch by donating your time, talent, food items, or to CFC's general fund. With your help, we've already raised \$665 for CFC.

Special thanks to Cal for working behind the line, and another to Tony Zakel for his guitar accompaniment which contributed to the happy mood.

Ellen Richardson, Roberto Pero, Tracy Robinson, Shirell Butcher, Eric Weems, Len Meade, Aisha Evans, Teena Curry, Marisol Vasquez, Audre Azuolas, Tim McDougall, Alina Horvath, James Lonergan, Jim Quinn, Aaron Rodgers, Dave Wonnemberg



NOTEWORTHY

MORE OPPORTUNITIES TO CONTRIBUTE AT UPCOMING CFC EVENTS

OKTOBERFESTIVUS

- **October 15: Line dancing lessons** with OIG's very own Rhonda Carver-Holmes
- **TBD:** To donate a chili entry, contact Fritz Swartzbaugh or Tim McDougall.
- **October 30: All Hallows Eve Costume Contest and Puttin' on the Hits Karaoke** If you're dying to help, please touch base with Aisha Evans, Marisol Vasquez, or Alina Horvath.
- **October-long: DVD/Book Table** Touch base with Roberto Pero, Teena Curry, or Len Meade.



NOVEMBER TO REMEMBER

- **TBD: WHAT TIME IS IT!#*? LUNCHTIME GAMETIME, HUA!** Questions? Please contact Marisol Vasquez, Aisha Evans, Len Meade, Teena Curry, Alina Horvath, or Shirell Butcher.
- **TBD: Thanksgiving Pies and Breads and Recipes** To donate baked goods and their recipes, or to otherwise help out, please contact Tracy Robinson, Shirell Butcher or Audre Azuolas.



NOVEM-TO-DECEMBER

- **Silent auction preview.** Mid-November. To donate an auction item or volunteer, contact David Wonnemberg, Roberto Pero or Eric Weems.
- **Silent auction goes live.** TBD.



Keep in mind: These events are designed to highlight the charitable giving possibilities offered through CFC, and any and all donations you care to make are strictly voluntary as is participation in any CFC events, OIG or otherwise.

Remember, you can now donate online through [Employee Express](#) or CFC's Web tool [NEXUS](#). The online giving process has been streamlined, but if you run into hiccups, contact one of OIG's keyworkers. If you donate, and want to indicate that you work at OIG, use OIG's reporting unit number is 4179000.

You can also donate to charities across the Nation through Universal Giving. In total, 24,000 charities participate in the 151 CFC regional campaigns nationwide. The [new online search feature](#) allows employees to search for any charities by name, keyword, or tax code.

OIG IN THE NEWS

ADS-B EQUIPAGE DEADLINE WILL NOT SLIP, FAA VOWS

AINOnline

October 9, 2014

The Federal Aviation Administration will not relent from requiring operators in the U.S. to equip their aircraft for automatic dependent surveillance-broadcast (ADS-B) by 2020, the agency's deputy administrator Michael Whitaker told an industry-government committee. The ADS-B equipage mandate is the next major milestone of the agency's NextGen ATC modernization effort, he said.

"To keep that milestone on track, we need to keep that mandate," Whitaker told the 13th plenary meeting of the NextGen Advisory Committee (NAC), held on October 8 in Washington, D.C. "It's one of the key components of NextGen. We are communicating clearly and unequivocally that there is no intention of moving the mandate."

Whitaker's remarks echoed those FAA Administrator Michael Huerta made a week earlier at the Air Traffic Control Association conference and follow a critical audit of the ADS-B program by the Department of Transportation inspector general's office, released in September.

The IG found that the initial benefits of ADS-B Out service will be limited and that equipage is lagging; according to FAA estimates, only 3 percent of major air carriers and 10 percent of general aviation users have thus far equipped. Meanwhile, more advanced ADS-B In avionics, which are not currently mandated, will be difficult to certify and prove with airlines through demonstration projects. "FAA states that future investment decisions will focus more on the advanced capabili-

ties of ADS-B and significantly improve the cost/benefit ratio for the program, but it remains uncertain how and when FAA will implement these capabilities and at what cost," the IG said.

The FAA has scheduled a "call to action" at its headquarters on October 28 to raise awareness about the ADS-B equipage mandate, determine if avionics suppliers and repair stations are prepared to meet it, and seek direction on the policy guidance required from the agency.

Whitaker, the FAA's second-ranking executive after Huerta, has overall responsibility for the NextGen program and serves as the designated federal official on the NAC, an RTCA-organized committee that first met in 2010. He announced that his next industry counterpart will be Delta Air Lines CEO Richard Anderson, who will succeed former Alaska Air Group chair Bill Ayer as chairman of the NAC.

At the same meeting, the NAC recommended four priority areas—multiple runway operations, data communications, performance based navigation and airport surface data sharing—and target locations to demonstrate early NextGen efficiency and fuel-saving benefits to airlines.



EXPECT. EMPLOY. EMPOWER.

That's the theme to this year's "National Disability Employment Awareness Month." The campaign aims to raise awareness and recognize the many contributions of America's workers with disabilities.

NDEAM's roots go back to 1945, when Congress enacted a law declaring the first week in October "National Employ the Physically Handicapped Week." In 1988, Congress expanded the week to a month and changed the name.

On October 21, from 1:00 to 2:00, an informative event will be held at HQ. Secretary Foxx will provide opening remarks and introduce the invited speakers:

- *Schedule A Hiring Authority*, Veronica Villalobos, OPM, Director of Diversity and Inclusion
- *Workforce Recruitment Program*, Patrick Cokley, DOL/DOD, WRP
- *Diversity and Inclusion*, Mary N. Whigham Jones, DOT OST Deputy Director, Office of Civil Rights, Mamie Mallory, DOT FA A Director, Office of Civil Rights

NOTEWORTHY

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COMINGS & GOINGS

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THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

DEMONSTRATING YOUR POTENTIAL

Ann's October 15 leadership brown bag focused on a number of strategies we can use to demonstrate our potential. Over 70 participants attended and engaged in the discussion.

Ann began by introducing a key element for successfully showing what we can do—understand our job position, role, and responsibilities, and our manager's related expectations.

It is important to excel in our current position, demonstrate good judgment, promote our strengths, and start thinking about the bigger picture. The better we understand our job functions and what our managers expects of us, the more successful we will be in demonstrating our talent and skills.

Ann also noted that we need to prove our skills and abilities—use actions rather than promises. Quantify results, and provide status reports to our supervisor, as needed. Showing interest in our work and taking the initiative

to reach the next performance level are also ways of proving the quality of our work. She encouraged us to volunteer or to take the “hot seat” at meetings. Being seen and heard is the best way of ensuring that our skills and abilities are recognized by leaders.



It is equally important to sustain high performance—it speaks to the reliability of our work. Employees stand out when they become known as a reliable and high quality performer. And one way to sustain high performance is to understand the goals of assigned tasks and meet deadlines, and to assist colleagues in meeting deadlines.

Ultimately it is about understanding the mission and reaching a goal in a team effort.

Last, but not least, Ann said we should remember to thank our

supervisor for identifying and giving us opportunities to excel.

We all agreed that engaging in a recurring dialogues and communicating our abilities with managers is helpful—both in learning about our strengths and weaknesses,

and allowing us to demonstrate our potential. Consistent communication can allow us to understand what our supervisor really

thinks about our performance, which could create options to enhance our skills. Ann emphasized that we are your own best advocate, and it is ultimately up to us to demonstrate what we bring to the table.

Before closing, Ann asked us to look for the next leadership development exchange. Cal will be joining us and looks forward to hearing from us, as part of his ongoing assessment of the health and state of OIG.

— Jamila Mammadova, JA-30, HQ

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Ann: Presentation before the Women in Transportation Association, 6:00 pm	Cal: Hosts CIGIE Awards Ceremony, 10:00 a.m., Reagan Building			

NOTEWORTHY

A COUPLE TRAVEL REMINDERS

Approval of Travel Authorizations

Prior to Travel In accordance with the *Federal Travel Regulation Chapter 301 (Temporary Duty Travel Allowances), Part 301-2.1*, you must have written or electronic authorization prior to incurring any travel expense. If it is not practicable or possible to obtain authorization prior to travel, the agency may approve a specific authorization for reimbursement of travel expenses after travel is completed.

Although the FTR allows for authorization for reimbursement after travel is completed, it should be rare and not occur except in the most extreme circumstances. If extreme circumstances prohibit following established travel authorization procedures, it is highly recommended to the maximum extent possible, that travel be approved in advance in some form of written documentation, such as e-mail approval.

Travel Voucher Submission and Approval In accordance with the

DOT Travel Card Management Policy, Section 8: Cardholder Payment Responsibilities, and the *Federal Travel Regulation, Chapter 301 (Temporary Duty Travel Allowances), Part 301-52.7*, you must submit travel vouchers within five business days after trip completion.

Approving Officials: Once voucher is submitted, approval must be completed in a timely fashion. For OIG, that timeframe is established at 5 business days.



A REMINDER FROM OTD STAFF...3 EASY STEPS FOR CREDIT

To receive credit for OIG training, including brown bags, COPs,

- Register in TMS
- Sign the roster/sign-in sheet
- Complete the post-training evaluation in TMS

NOTEWORTHY

YOU CAN MAKE A BIG DIFFERENCE THROUGH CFC!

Charities provided the following information about what your few dollars a week can provide.

**\$1 A WEEK (\$52 A YEAR)
CAN PROVIDE...**

- 12 elementary school students with trained volunteer tutors to help with reading and math.
- 10 children with bilingual beginning-to-read books to build early literacy skills.
- Three 30-minute appointments for health assessment and counseling for individuals facing physical, developmental, or mental health challenges.
- One acre of unprotected tropical rainforest to protect natural areas vital to our climate and diverse species.
- One hour of expert training for a citizen's group interested in preserving natural areas in their communities.


**\$5 A WEEK (\$260 A YEAR)
CAN PROVIDE...**

- Two months of meals for a homebound person.
- Five wigs for children with cancer undergoing chemotherapy.
- Two nights of shelter for a troubled or neglected youth.
- After school care (food, health, recreation, and homework help) for one child for a year.
- Clothing, shoes, and a winter coat for one individual who has lost everything in a home fire.
- Temporary shelter for a family of four for three nights following a disaster, or shelter for 10 people for one night.



- Three bowling trips for seniors.
- Gas or power service for an elderly or disabled person who has been threatened with a utilities termination notice.

**\$10 A WEEK (\$520 A YEAR)
CAN PROVIDE...**

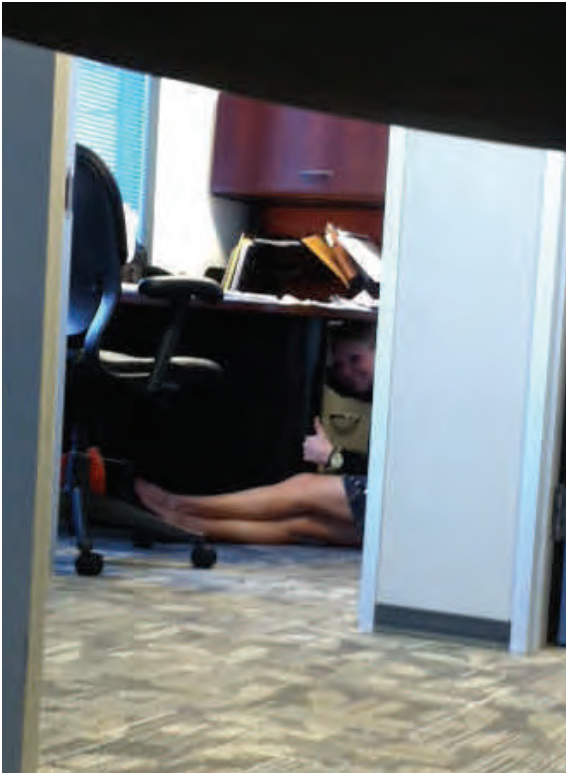
- Two days of care for a terminally ill individual.
- Baby formula for 52 low-income infants (one each week).
- A full year of scouting for two girls.
- Five and a half weeks of work training.
- One month of preschool for an at risk child.
- Funding for daily radio legislative updates, during the legislative session and monthly for interim committees.
- Lightweight wheelchair for a person who is physically challenged.
- Posters and other educational materials to inform national park visitors about steps they can take to help prevent increased air pollution in parks.
- Recovery classes that provide education, peer support, and healing strategies for five people being treated for mental illness.



NOTEWORTHY

HIDING FROM CFC?

No, it just Katy Novicky taking cover during last week's earthquake drill.



THANK YOU, THANK YOU, THANK YOU!

Rhonda Caver-Holmes for MC-ing a us in *Line Dancing R-O-C-K-S!* We have some dancers among us. I can't speak for everybody, but judging by the smiles on the faces in the room, I'll venture to guess they had at least as great a time as I did, though I'm not sure the "Wobble" that I did was technically as correct as Robin Redd-Miller's. Rhonda's event helped raise \$115 for OIG's CFC effort.

DOT OIG CFC

CHILI
COOK-OFF

10.23.2014

11:30 a.m. - 1 p.m.
7th Floor Elevators
(NJ Ave Side)



come prepared.

TO ENTER, EMAIL TIM.MCDOUGALL@OIG.DOT.GOV
OR FRITZ.SWARTZBAUGH@OIG.DOT.GOV | BOWLS
AND UTENSILS PROVIDED | PRIZES & JUDGES TO BE
DETERMINED | TO EAT, JUST SHOW UP | SUGGESTED
DONATION OF \$5 - \$8 🌶️ 🌶️ 🌶️ 🌶️ 🌶️

OIG IN THE NEWS

AGENCY NEEDS TO MAKE SURE INDUSTRY COMPLIES WITH...NEXTGEN MANDATE

FierceGovernmentIT
October 13, 2014

A top Federal Aviation Administration official said the agency is laying the groundwork for new technology that will enable aircraft with a global positioning system to continually broadcast data such as position, air speed and altitude to other nearby aircraft and air traffic control.

But the agency's deputy administrator, Michael Whitaker, said the FAA needs to make sure that airlines and other operators comply with the mandate for imple-

menting the Automatic Dependent Surveillance-Broadcast, or ADS-B, equipment in their aircraft by 2020.

"Now we come to the point where we're looking at how we are going to go operational, and that means equipage," he said. "We have only so much visibility into the plans of carriers."

FAA will hold a "call to action" day Oct. 28 for industry stakeholders to identify barriers in complying with the mandate.

In a report released a month ago, the Transportation Department's inspector general said the system's initial capabili-

ties and benefits are limited until more advanced capabilities are implemented. However, requirements for those advanced capabilities are evolving, the IG said, making it difficult for users to certify the technology and equip their aircraft. Additionally, the report said the total cost—which has increased by \$400 million—and implementation schedule remain uncertain.

"As a result, FAA's costs for the current ADS-B program now outweigh the potential benefits to users, and risks of further cost and schedule increases remain," according to the report.

FLIERS ARE SPENDING LESS TIME ON THE TARMAC

USA Today
October 14, 2014

The Transportation Department has nearly wiped out lengthy tarmac delays for airline passengers, but a watchdog report released Tuesday cites holes in enforcement.

The 25-page report from the department's inspector general said the department relies too heavily on airlines to describe what happened during a delay, rather than collecting additional information from crew statements or the plane's automated electronics.

The department also doesn't verify whether airline plans are complete on their websites, according to Matthew Hampton, the assistant inspector general for aviation.

After several highly publicized incidents...when passengers were left on planes for up to nine hours, the department adopted rules to get passengers off delayed planes faster.

Since April 2010, airlines have been forbidden from keeping passengers on planes on tarmacs for more than three

hours on domestic flights without giving them the option of disembarking, under threat of a \$27,500 fine per passenger.

The rule was extended in August 2011 to international flights with tarmac delays longer than four hours.

The department has levied \$3.5 million in fines so far, spanning 15 cases involving 43 flights. Warning letters have also been issued.

Those figures represent a small fraction of the flights, a stark decline from the 868 delays longer than three hours in 2009, before the rules took effect.

Problems that emerged in recent years usually involved storms, which can prevent planes from getting to airport gates. Also, airports might not have the equipment to deal with diverted planes from airlines they don't usually serve, so both groups are supposed to have contingency plans.

Hampton reported that all 20 airport contingency plans contained the proper assurances and only one of 23 airline planes was insufficient. The department

obtained a corrected plan from the airline.

But Hampton reported that four of the unnamed airline plans didn't post parts of their plans on their websites as required, explaining details such as the 30-minute notifications about the reasons for a delay and opportunities to deplane.

The plans can also be hard to find. One airline required the traveler to click through six links to find out what would happen during a lengthy delay, Hampton reported.

The report also questioned the thoroughness of department investigations. In one case where no violation was cited, a passenger complained she was held on a plane for four hours without working restrooms. But the airline said the door was open for passengers to leave and that the lavatory problem was temporary and fixed before the plane left the gate.

"Without robust requirements, DOT cannot be sure that passengers are being afforded the relief intended during lengthy flight delays," the report said.

COMINGS & GOINGS

(b)(6)

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October 27, 2014


THE INSPECTOR

Thank you, Cal



See story inside...

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
			HQ CFC Karaoke, noon, W71-101	

NOTEWORTHY

HAPPY 8TH ANNIVERSARY, CAL!

Eight years ago today, Cal was sworn in as DOT's sixth Inspector General.

Over his relatively short tenure, Cal has changed the culture of our organization—largely by focusing on our people, and empowering and developing OIG staff and leaders.

Cal made it a priority to develop leadership, strengthen employee morale, and thereby further enhance OIG's already high-quality work.

By 2013, our employee viewpoint survey scores increased dramatically, landing us in the top 25 percent of best places to work in the Federal Government—making us the second most improved sub-component governmentwide.

Through numerous successful change Initiatives—notably, ensuring accountability at all levels



of the organization and emphasizing the three T's: Training, Tools, and Time—high performance became OIG's culture.

For your exceptional skill, dedication, humility, and compassion in leading us through these efforts, we want to thank you, Cal, for making OIG a great place to work.

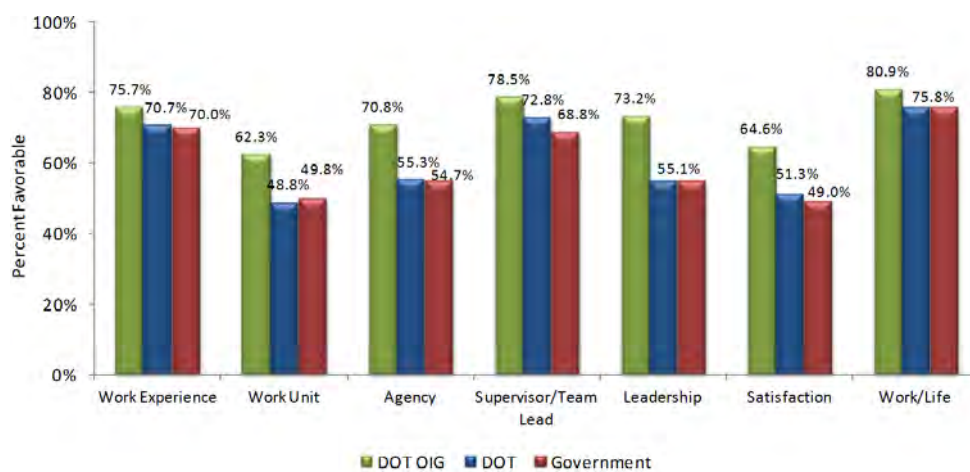
— OIG staff

PRE-OIG CAREER HIGHLIGHTS

- 29 years active service in the U.S. Marine Corps
- Senior judge on the U.S. Navy-Marine Corps Court of Criminal Appeals.
- Assistant Judge Advocate General of the Navy for Military Justice, principal advisor to the Secretary of the Navy, and Judge Advocate General on all criminal justice policy matters
- Commanded a military police battalion that provided security and law enforcement for Marine Corps Base, Quantico, VA
- Senior legal advisor for the 4th Marine Expeditionary Brigade, which included all Marine amphibious forces in Operation Desert Storm and in a NATO exercise above the Arctic Circle
- Legal advisor for a Marine amphibious unit deployed to the Western Pacific and Indian Oceans, where it conducted exercises in Hawaii, Japan, the Philippines, Kenya, and Australia
- Prosecutor, defense counsel, or judge in 250 courts-martial that included charges of murder, rape, child sexual assault, and drug trafficking
- Adjunct faculty member for the Defense Institute of International Legal Studies, leading instruction teams in the rule of law and civilian control of the military for senior civilian and military officials in Honduras, Mauritius, Albania, and Serbia
- Military awards include the Legion of Merit (four) and Combat Action Ribbon

NOTEWORTHY

HOW WE STACK UP (2013)



OIG'S NUMBERS UNDER CAL'S LEADERSHIP

Since Cal was sworn in as DOT's IG on October 27, 2006, OIG has put up some impressive totals*:

Reports issued

1,045

Recommendations

3,237

Testimonies

85

Financial Recommendations

Over \$10 billion

Indictments

813

Convictions

765

Fines, Restitutions, Recoveries

Over \$2.87 billion

Fiscal year 2013 ROI

\$41 : \$1

*Stats compiled from OIG's semi-annual reports from October 1, 2007, through September 30, 2014.

NOTEWORTHY

LEADERSHIP LESSONS FROM THE BATTLE OF GETTYSBURG

Earlier this month, Angie Thorpe, Elise Woods, Jason Carroll, Tom Ullom, and I attended the Gettysburg Executive Leadership Training. A total of 29 Federal Government employees attended the training.

The training focused on how lessons from the Gettysburg battle can translate to 21st Century professional leadership challenges. The course lessons can be applied to both our professional and personal lives.

Before the course, students were asked to read *The Killer Angels* by Michael Shaara, which along with the 1993 film adaptation, *Gettysburg*, provided the case studies used in the course. Course topics included:

- ***Seize the High Ground***, where we explored how to best positioned ourselves for success.
- ***Protect Your Left Flank***, where we identified individual and agency areas of vulnerability along with strategies to protect them.
- ***Beware the Dangers of Ineffective Communication***, where we explored the communications between General Lee and General Longstreet.
- ***Be a Leader of Character***, where we looked at the leadership qualities of Col. Joshua Chamberlain.

The course was a mix of classroom study, breakout sessions, and battlefield experiences. We toured many of the sites from our case studies, including Little Round

Top, Soldiers National Cemetery, and the hills of “Pickett’s Charge.”

The opening night included a visit from Jim Getty, who appeared as Lincoln in the Turner television film, *The Ironclads*, and provided Lincoln’s voice for the cell phone tour at the Lincoln Memorial.

The course tied together leadership techniques with an actual OIG case study, and explored different communication styles. It also included a couple of special surprises (talk to Tom for details.)

Classes were held at the David Wills House, where Lincoln spent the night before his Gettysburg address and finished writing his famous speech.

— Chuck Hiep, CFO



NOTEWORTHY

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NOTEWORTHY

**OIG NEXTGEN TEAM ACCEPTS CIGIE AWARD**

Congratulations to Audre Azuolas, Amy Berks, Michael Broadus, Francis Danielski, Barry DeWeese, Kevin Dorsey, Claudia Estrada, Joseph Hance, Kiesha Henson, Jennifer Hoffman, Won Kim, Katrina Knight, Robin Koch, Christina Lee, Andrea Nossaman, James Ovelmen, Craig Owens, Melissa Pyron, Arnett Sanders, Karen Sloan, Lillian Slodkowski, Victoria Smith, Coletta Treakle, Marvin Tuxhorn, Wayne Van De Walker, Sean Woods on their team award "in recognition of significant and sustained contributions to Congress and DOT in making recommendations to improve FAA's management and execution of the multibillion dollar Next Generation Air Transportation System."

CFC CHILI COOK OFF WINNERS...AND SUPRISSES

After much deliberation, judges Cal, Harry Adler, Matt Hampton, and Christina Lee named the winners:



The surprise? Tim's simple recipe, pictured below.



OIG IN THE NEWS

**INSURERS, FILMMAKERS,
SPORTS TEAMS ALL WANT
THEIR OWN DRONES***CQ Roll Call*
Oct 19, 2014

While lawmakers and policy wonks have for years focused on some of the more obvious sectors of the economy that want to get their hands on unmanned aircraft, other industries also are itching to experiment with drones.

The industry interest has meant that the manufacturers of drones aren't the only ones pushing the Federal Aviation Administration to lift its tight hold over who can operate them in U.S. airspace.

It's illegal to use drones commercially without an FAA permit and right now there are almost none for commercial operators. Drones are not allowed in U.S. airspace, which means they must be kept below a certain altitude and out of certain areas.

But in 2012, Congress gave the FAA three years to come up with a plan to safely integrate commercial drones into the national airspace system.

The plan is due by September 2015, although the Transportation Department's inspector general says the FAA is significantly behind and may miss the deadline.

One of the challenges for the FAA's drone permitting plans is that unlike manned aircraft, which come in standard classes and are usually used for a common set of jobs, drones can come in almost any size and the agency is just starting to see the beginning of their potential applications.

Still, the line of industries trying to pressure the FAA to get more permissive on drones is only growing.

Fresno State's football program has a drone hang behind its quarterback during drills. The vantage point...is really helping our guys have bigger vision down the field," coach Tim DeRuyter said.

DOT OIG AUDIT REPORT CRITICIZES ADS-B DELAYS*AIN Online*
October 20, 2014

ADS-B is without question a promising solution to the many safety, capacity and other suboptimal characteristics of today's air traffic management system. Moreover, most observers agree that ADS-B will be [key] to America's NextGen air traffic control system and comparable programs worldwide. All that is a given. Unfortunately, its introduction appears to be off to a rocky start.

A controversial hurdle...is in the mandatory installation of ADS-B OUT equipment by Jan. 1, 2020. FAA deputy administrator Michael Whitaker told the NextGen Institute that "the ADS-B infrastructure has been completed, so we have done our part of the bargain."

FAA estimates that just 3 percent of the 18,000 major air carrier airplanes and 10 percent of 223,000 general aviation aircraft, including business aircraft will be ADS-B OUT-equipped by October 1 this year.

So why are so many general aviation operators holding back?

Whitaker put his finger on one widely accepted reason, and this is the cost of installing ADS-B OUT. "We have seen the price of equipage come down."

But will aircraft owners and operators...willingly invest several thousand dollars today to buy and install avionics gear that is not officially required for another five years?

[An audit report by] the Inspector General of the Department of Transportation [concludes], "the Agency has yet to determine what the program will cost, how long it will take to fully implement, or what capabilities and benefits the system will ultimately provide air traffic controllers and pilots. Until FAA conducts comprehensive testing of ADS-B's overall per-

formance, determines how it will be used to support new capabilities for managing air traffic in complex and congested airspace, and establishes future baselines for the total program, the Agency may not be able to fully justify taxpayers' and users' investment in ADS-B."

[In response, Whitaker announced] FAA would hold a daylong "Call to Action" summit on October 28 to engage the aviation industry in meeting the Jan. 1, 2020 deadline to equip aircraft for ADS-B.

"The Inspector General's report highlights the profound problems associated with the 2020 mandate and the FAA's modernization program..." said Mark Baker, president of the AOPA. He added, "Equipping for ADS-B simply allows pilots to continue flying in the same airspace they use today at an added cost.

"And, the report suggests, the FAA's lack of advanced technical capabilities may prevent the technology from ever producing sufficient benefits to justify the costs.

"The Inspector General's findings raise significant questions about whether the system will be ready by 2020, adding to the aviation community's confusion about when and how to equip," Baker said.

Paula Derks, president of the Aircraft Electronics Association told AIN, "...the certified repair station industry has the capacity today to perform ADS-B installations at a rate necessary for more than 160,000 aircraft to equip and comply with the mandate by New Year's Day 2020."

Derks added, "The summit is a step in the right direction, and it will give industry leaders the opportunity to address some of the criticisms of the FAA noted by the Inspector General."

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COMINGS & GOINGS

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Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

TOYOTA TEAM RECEIVES TOP HONORS

At Thursday's DOT-wide ceremony, the Secretary will officially recognize the Toyota Investigative Prosecutive Team with a DOT-wide award. The team was also recognized by CIGIE, which awarded it the Gaston L. Gianni, Jr. Better Government Award.

The multiagency team—comprised of law enforcement personnel and prosecutors—conducted a 4-year criminal investigation of Toyota Motor Company that resulted in a deferred prosecution agreement, under which Toyota admitted that it misled U.S. consumers by concealing and making deceptive statements



Attorney General Eric Holder holds a news conference on the Toyota settlement in March. Investigative stakeholders were present, including Cal and Secretary Foxx (pictured)

about two safety issues affecting its vehicles.

The investigation also led to a \$1.2 billion civil forfeiture—the largest criminal penalty ever imposed by the Department of Justice on an automobile manufacturer.

During the course of the investigation, the team reviewed over 400,000 documents, interviewed more than 100 individuals, and closely reviewed Toyota officials' congressional testimony as compared to their public statements and statements made during interviews. The team overcame a significant hurdle when it discovered that nearly 50 percent

of the documentary evidence was in Japanese, as was several of the witnesses' testimonies.

The team's exceptional efforts not only brought about the largest civil penalty of its kind, but reinforced consumers' rights to expect auto manufactures to deliver vehicles that are safe.

CONGRATULATIONS TO THE TOYOTA INVESTIGATIVE PROSECUTIVE TEAM!

DOT Office of Inspector General

Kathryn Jones, Special Agent-in-Charge, JRI-3, Washington, DC

Dennis Ocampo, Special Agent, JRI-3, Washington, DC

Brian Smith, Special Agent, JRI-3, Washington, DC

Elise Woods, Special Agent-in-Charge, JI-2 OPS, Washington, DC

Ronald Wormsley, Assistant Special Agent-in-Charge, JRI-3, Washington, DC

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	Jeans Tuesday	OIG Awards Ceremony, 10:00, Media Center	DOT Awards Ceremony, 11:30	

NOTEWORTHY

SHADOWING PILOT PROGRAM IS HERE! APPLY BY NOVEMBER 10

On October 31, OIG kicked off its Job Shadowing Pilot Program. Under the program, staff can select **Leadership Shadowing**, where participants shadow Senior Executive staff (Cal or Ann), a Program Director (Tony Zakel, JA-30), or a Special Agent-in-Charge (Kathryn Jones, JRI-3).

The Pilot Program also includes **Functional Shadowing**, where participants shadow staff from another office. Offices hosting Functional Shadowing include J-3's Of-

fice of Congressional and External Affairs and JI's Chicago Regional Investigative Office (JRI-5).

The program is open to all employees—HQ and the field—who have been with OIG for at least 1 year; 8 to 10 participants will be randomly selected for the pilot.

Please read over the [Job Shadowing Pilot Program Guidelines](#), and if you are interested in participating, complete and email your application to Madeline Chulumovich by **Tuesday, November 10.**

Special thanks to Andrea Kropf for designing the pilot program and to our committee members for their input and review: Marshall Anderson, Cordelia Bostic, Jason Carroll, Dennis Ocampo, Kristi-Jo Preston, Jerrod Sharpe, Angie Thorpe, Mike Waters, and Ann Wright.

If you have any questions regarding the Job Shadowing Pilot Program, please feel free to contact Madeline or Michelle McVicker.

CAL TO HOST NOVEMBER 12 LEADERSHIP DEVELOPMENT EXCHANGE

Cal is hosting the next Leadership Development Exchange, scheduled for November 12. He is interested in hearing from career ladder staff about their experiences in DOT OIG. Cal would like to explore what's working well and come up with actionable items on those areas that can be improved. Cal's looking forward to this discussion on the health and state of our office.

MEET OIG'S NEW HIRES

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NOTEWORTHY

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GREY SUIT SALE AT THE MEN'S (AND WOMEN'S) WAREHOUSE?

TI liaison and frequent contributor Henning Thiel (JA-30, Seattle) alerted us to this interesting trend at the CIGIE Awards Ceremony: Grey is the new black!

Clearly, the NextGen and Toyota teams got the memo. Perhaps we'll see a sea of grey at OIG's Awards Ceremony on Wednesday.



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

OIG IN THE NEWS

REVIEW OF U.S. CAR SAFETY AGENCY IS RIGHT STEP*Bloomberg News***October 27, 2014**

The White House acknowledged missteps in the National Highway Traffic Safety Administration's handling of U.S. air-bag recalls and said it supports a review of the agency.

The review announced last week will...be done at the same time as the Transportation Department's inspector general evaluates NHTSA's slow response to an unrelated ignition-switch defect in General Motors Co. (GM) cars.

The issue being raised centers on Tokyo-based auto-parts supplier Takata Corp. and how the U.S. safety regulator has responded to reports that the company's air bags may inflate with so much force metal pieces can be flung at passengers.

The air bags or their components have led to recalls of 7.8 million cars by 10 auto companies in the U.S. in 2013 and 2014. They are also being examined to determine their role in at least four deaths involving Honda Motor Co. vehicles

Following the revelations this year about NHTSA's handling of a GM ignition-switch defect, the House Energy and Commerce Committee issued a report in September that concluded the agency doesn't hold itself to the same standards it uses to evaluate automakers. The report described this as the "NHTSA shrug."

"There is a tendency to deflect blame and point the finger at others rather than accept responsibility and learn from its own failures," the panel's investigators said.

That report came before revelations about the scope of the Takata air-bag defect.

DEMS PRESS...ACADEMY TO DEVELOP PROCEDURES TO COMBAT SEXUAL ASSAULT*The Hill***October 27, 2014**

Democratic Reps. Elijah Cummings (Md.) and Jackie Speier (Calif.)...urged the Merchant Marine Academy to develop a system to combat sexual assault and harassment in light of an inspector general report.

The Department of Transportation's inspector general released a new report on the U.S. Merchant Marine Academy and found it did not have effective procedures regarding sexual abuse on its campus in New York.

According to the report, USMMA did not have adequate record keeping practices, issue yearly reports on sexual assault or harassment "in a timely manner," establish concrete procedures to collect evidence in sexual abuse cases or use proper metrics to evaluate its Sexual Assault Prevention and Response program.

The report found that, on average, the annual reports on sexual harassment and assault were not issued until nearly two years after the end of the academic program year.

"Reporting delays and other weaknesses ultimately result in Congress receiving irrelevant and potentially misleading information on data such as survey results and action plans," the inspector general report said.

Cummings, the top Democrat on the House Oversight Committee, said the USMMA should enact changes as soon as possible.

"I will continue to hold USMMA's feet to the fire to ensure that they implement the Inspector General's recommendations," Speier said.

BUS OWNER GETS PROBATION IN 2008 CRASH*Associated Press***October 29, 2014**

The owner of a Houston bus company who was charged after a 2008 crash that killed 17 passengers...has avoided prison after a federal judge sentenced him to three years of probation in a plea agreement.

[Yen-Chi Le,] the daughter of one of the victims said she was "completely disappointed" and angered by the sentence given...to Angel de la Torre, the owner of Angel Tours.

[T]he bus plunged over a highway bridge near Sherman, 60 miles north of Dallas, on Aug. 8, 2008.

[NTSB] concluded the crash was caused when a retreaded tire...was punctured. Although the retread itself wasn't the cause, the panel noted that the tire was affixed to the front axle illegally, the bus company didn't have the authority to leave Texas after failing an inspection three months earlier, and the company that inspected the bus wasn't equipped to judge whether it was roadworthy.

De la Torre, Angel Tours, and an employee, Carlos Ortuno, were indicted in 2013 for making false statements.

In March, prosecutors dropped the charges against Ortuno, and de la Torre pleaded guilty to a charge of operating a commercial motor vehicle after an unsatisfactory rating. Five other charges...were dropped.

[Le] said the medical and funeral costs for those who were killed or injured have totaled more than \$3.7 million, while "the person responsible for all that grief and heartache has to pay \$25 for (30) months."

"With the lightness of the sentence, it's not a deterrent at all," she said

OIG IN THE NEWS

INDUSTRY, FAA FORM 'EQUIP 2020' GROUP TO PROMOTE ADS-B

AIN Online

October 29, 2014, 8:37 AM

U.S. aviation industry representatives and the Federal Aviation Administration have agreed to form an "Equip 2020" working group to rally aircraft operators behind automatic dependent surveillance-broadcast (ADS-B) technology.

[O]perators in the U.S. must equip their aircraft for ADS-B Out capability...by 2020. In September, the Department of Transportation inspector general released an audit of the program that found the initial benefits of ADS-B Out will be limited and that only a fragment of the industry—3 percent of major air carriers and 10 percent of general aviation users—have thus far equipped.

[At a Call to Action meeting,] representatives of industry identified some "key barriers" to equipping for ADS-B, which include the cost of upgrading GPS receivers, the need for lower-cost avionics, the availability of products, current certification procedures and ensuring that repair stations have the capacity to complete installations by the deadline.

They "agreed to work together to resolve" issues delaying equipage through the Equip 2020 working group. That group will meet under the aegis of the NextGen Institute, an organization formed in 2005 by the FAA and the National Center for Advanced Technologies, a non-profit research foundation affiliated with the Aerospace Industries Association. With the appointment in January of former Air Force Maj. Gen. Marke "Hoot" Gibson as its executive director, the institute is becoming more prominent in efforts to advance the FAA's NextGen ATC modernization, of which ADS-B is an important component.

WHY AGENCY IGS ARE MORE BARK THAN BITE

FCW

Oct 27, 2014

In September, nearly four dozen U.S. Inspectors General signed a letter to Congressional committee leaders protesting the lack of transparency and access to material needed for their watchdog investigations. Yet it's not usually inaccessible information that cuts the impact of the Inspectors. It's the indifference of their parent agencies and Congress to the important findings they do produce.

Consider the Nuclear Regulatory Commission's IG. In October of 2013 the NRC's IG reported the agency was failing to adequately regulate "active component aging" at nuclear plants nationwide, and recommended ways to improve oversight. Yet in July of this year the IG had to issue a stern written warning to the NRC that its response to the report had been too dismissive. In 2007, the IG warned the NRC it was then seven years overdue in addressing recommendations to improve safety oversight of uranium fuel production centers and other "major fuel cycle facilities."

It's part of a broader problem. In early 2009, the U.S. House Committee on Oversight and Government Reform reported that 13,800 IG recommendations made in reports from 2001 through 2008 had not been implemented, costing the nation \$26 billion in identified savings. In a new... report issued in 2013, the totals had jumped to 17,000 IG recommendations not fully implemented, at a cost of \$67 billion.

"What do you call someone with all of the authority to hold public officials accountable, but none of the power to enforce anything? An Inspector General," wrote Kevin Baron in a Foreign Affairs piece detailing the Pentagon's shucking off of findings from the Department of Defense IG.

Arkansas Republican Rick Crawford [introduced a bill] last year that would

have required centralization of IG reports from dozens of agencies at one site, under the Office of Management and Budget.

The way IG reports are warehoused online—in ever-growing reverse-date compendiums of scanned .pdf documents—all but guarantees today's headlines become tomorrow's digital landfill.

"One of the biggest misconceptions of those publishing lengthy PDF tomes is that their contents are going to be found and used. Data catalogs such as those commonly used to publish open data would allow IG reports to be made available in raw text form for easy searching along with the publishing of key attributes common across most reports, such as estimated dollar loss and resolution status, as actual data that can be searched, indexed, filtered and more—all in a web browser and with fairly modest investment on the back end," said Steve Spiker...Executive Director and Founder of Open Oakland, a volunteer-driven "brigade" of Code for America.

Spiker also praised the National Institute of Justice's crimesolutions.gov site for its user-friendly approach to parsing voluminous research on what works in crime prevention programs.

Eric Mill [a former software developer for The Sunlight Foundation] said, "Over the last year, I've led a volunteer-driven project to download every U.S. federal IG report. This means writing web scrapers to reverse engineer each website and download the report and as much metadata as we can get. A month or so ago, we completed this task, and have every published report for 65 IGs, totaling around 40 gigabytes when all downloaded. This data currently is used to power Sunlight's Scout search engine, and an unlaunched, work-in-progress dedicated website."

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NOTEWORTHY

ATLANTA RAISES CFC FUNDS WITH A CHILLING CHILI COOKOFF

OIG's Atlanta office, along with other DOT agencies on the floor, held a Halloween-themed Chili Cookoff to raise funds for CFC. Stefanie McCans proudly holds up the collection bucket. The event raised over \$400!

**GHOULISH TREATS SUPPORT FEDS FEED FAMILIES CAMPAIGN...**

Despite the gruesome eyeballs and severed fingers, Michelle Hill's cupcakes (donated to OIG's Fed Feeds Families raffle) eerily beckon, "Eat me!"

We suspect Jim Lonergan—the lucky winner of this raffle prize—would rather howl at the moon than share one of these delectable morsels.



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COMINGS & GOINGS

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Have news to share with the OIG community?

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Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL



LOOKING BACK AT 2014, AHEAD TO 2015

Fiscal year 2014 was another banner year for OIG. I plan to highlight many of this year's accomplishments at our All Hands meeting in January, but that's still 2 months

away—too long to wait to share our good news. So here's a preview.

OIG again racked up some remarkable numbers. We issued 129 audit reports with a total of 411 recommendations, and testified 6 times. Our financial recommendations totaled over \$553 million. Our investigations resulted in 58 indictments and 64 convictions, and almost \$1.4 billion (yes, that's a "b") in fines, restitutions and recoveries.

Bottom line: Our 2014 ROI was \$22 for every appropriated dollar.

Our investigations and audits covered many high-profile and front-burner issues, including Toyota and GM recalls, the effectiveness of the Department's DBE program, ongoing NextGen challenges, persistent

(Continued on page 3)

2014 OIG AWARDEES CELEBRATED

Last Wednesday, OIG staff at headquarters and the regions tuned in to applaud this year's recipients of OIG's 2014 awards.

Secretary Foxx was there to give a preview to the next day's DOT-wide awards, detailing the dedicated work of the Toyota Investigative Prosecutive Team—which along with NextGen, also won a CIGIE Award.

Thanks to behind-the-scenes staff for ensuring another smooth ceremony. Photo highlights of the event start on page 12.

November 11, 2014

SALUTING OIG'S OWN

Story on page 6

VETERANS DAY



OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	VETERAN'S DAY		CFC Game Day, noon to 2:00, HQ SES to OMB for updates	Cal: RATB Meeting

NOTEWORTHY

LAST CALL! SHADOWING APPLICATIONS DUE TODAY!

To sign up for the Shadowing Pilot Program, please read the [Job Shadowing Pilot Program Guidelines](#), and complete and email your application to Madeline Chulumovich today.

The program is open to all employees—HQ and the field—who have been with OIG for at least 1 year; 8 to 10 participants will be randomly selected for the pilot.

If you have any questions regarding the pilot program, please contact Madeline or Michelle McVicker.

UPCOMING COP: SA PURCELL ON OIG INVESTIGATIONS

Special Agent Mike Purcell (JRI-2, King of Prussia) will discuss one of the largest reported DBE fraud cases in DOT's history, describing the ins and outs of this complex investigation.

The event will be held on Thursday, November 20, from 1:30-2:30 EST, in the DOT Media Center and will be webcast to headquarters and field locations. We encourage HQ staff to attend in person.

The event has been scheduled in TMS. Click [here to register](#). The event has also been added to the Training Calendar with the link. We hope you will join us!

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NOTEWORTHY

(Continued from page 1)

departmental information security weaknesses, and the Merchant Marine Academy's efforts to reduce sexual harassment.

But our accomplishments extend beyond what we report semiannually. A number of our efforts were aimed at further increasing organizational efficiencies and excellence.

JI has used the Forensic Accounting and Analysis contract, and now has a task under this contract in every JI region, which will assist agents in conducting their high impact case work.

The Consolidated Appropriation Act of 2014 included language giving DOT OIG authority to receive funds from asset forfeiture proceedings. Building on the momentum that the act gave us, JI formally requested admittance into the Department of Justice's Asset Forfeiture Fund. While the act gave us authority to use funds we might receive from DOJ AFF, we still need to obtain DOJ's approval to become a participant in the fund. We expect to hear back from DOJ shortly about being admitted to the fund.

To better leverage our audit resources, JA merged two audit groups into one—JA-30—and established a Deputy PAIGAE. JA also

revamped and streamlined its 24-month audit planning process, enhanced audit report templates to make report writing easier, and put in place new processes for developing and better using staff. At the end of the year, the overall cycle-time for audits was down 8 percent from the previous year; the time devoted to writing reports after we set the message declined as well.

**In fiscal year 2014,
OIG returned**

\$22

**For every dollar
spent**

The Office of Quality Assurance Reviews and Internal Affairs completed seven internal reviews of OIG activities—three of investigative operations, one in audit, and three of the processes used to prepare testimonies.

J-3 continued to update JI's "Wiki" page, adding new sample indictments along with sections on the False Claims Act, IG subpoenas, and common investigator forms.

J-3 also managed the design and implementation of several upgrades to OIG's public Web site, including improvements to make the site more responsive to a variety of mobile phones and devices.

Speaking of upgrades, JM-40 significantly improved the bandwidth for three regional sites, and five more are scheduled to be completed in the next 3 months to address issues with mission applications, webcasts, and teleworking.

JM-40 and JI worked together to make ALERTS PIV compliant, allowing JM to move all JI staff to mandatory PIV. As of October, OIG was 75 percent mandatory PIV, and is well on its way to being 90 percent this month.

JM-40 is also decommissioning TIGR this month, following the completed migration from TIGR to TeamMate for recommendation tracking.

We also continued to "brand" ourselves. JI worked with the Bureau of Engraving and Printing to design more professional and secure credentials, and we anticipate replacing and reissuing credentials in early 2015. In addition, J-3, with assistance from JA-2, designed, developed, and produced a new OIG tri-fold brochure, which is par-

Continued on page 4)

NOTEWORTHY

(Continued from page 3)

ticularly useful to give new Hill staff, committee members, and the public a quick overview of what we do and how we do it. If you haven't seen it yet, take it look. It's succinctly informative and quite eye-catching.

Of course, one of the biggest stories of 2014 was our hiring initiative. Our 2014 budget enabled us to lift a 2½-year hiring freeze and hire 49 new employees between March and October. All new employees were put through the "rigors" of our 4-day New Employee Orientation seminar and were assigned sponsors to give them a solid start from day 1. Using some of its additional FTEs, JI opened offices in Columbus, OH, and Oklahoma City, staffing each office with two Special Agents.

To prepare for these changes, as well as ensure we continue to meet our professional requirements, we conducted a number of specialized training courses. J-3 rolled out "Ethics Trivial Pursuit," which covers important ethics topics with spirited competition. JM-20 conducted Interview training for hiring officials. JM-20 also obtained SES performance management system certification from OPM.

All these accomplishments are the result of your dedication to our mission and refusal to rest on OIG's many laurels. As we move into fiscal year 2015, we have some challenges to address, as well as opportunities to act on.

With the retirement of PAIGI Tim Barry and AIGM Susan Dailey, and the departure of AIG Jeff Guzzetti (JA-10), we have three open senior executive positions. Their shoes will not be easy to fill, and we are carefully deliberating our selections while we continue to meet our mission. We will fill these positions early in the new year.

We are again operating under a Continuing Resolution, which extends through December 11, 2014, at a pro-rated fiscal year 2014 budget level. The fiscal year 2015 President's budget request includes an adjustment for the anticipated 1 percent pay raise in January and, if approved, will provide a budget level of \$86.2 million—which would hold us steady at 407 FTEs with a small bump to cover the proposed pay raise.

On the congressional landscape, we know changes will take place in leadership, membership, and staff on key committees. As always, we'll rely on J-3 to keep us posted on developments.

Congress will consider several important reauthorizations in the 115th Congress, such as FAA, Surface, and Rail. So no matter what, we can expect another busy year.

Secretary Foxx, Deputy Secretary Mendez, and General Counsel Thomson have voiced support for working together on a "Memorandum of Cooperation" that would state mutual expectations for our relationship, addressing such issues as our authority and access to departmental information. Our dialogue continues, and I hope that we can come to an agreement over the next few months.

Regarding our work, we've kept the bar high for the upcoming year. JI's high priority case work will continue to prioritize OIG's investigative efforts in three program areas—Transportation Safety, Employee Integrity, and Grant Fraud. These efforts will be linked directly to JI's performance objectives, including ensuring a minimum of 85 percent of new investigations are within high priority case categories.

JA will continue to focus on producing high quality audit work in response to congressional requests, statutory mandates, and pressing issues we identify. JA

(Continued on page 5)

NOTEWORTHY

(Continued from page 4)

plans additional initiatives to improve audit processes and reduce audit cycle times, and develop staff and use this resource wisely. To further maximize our resources and provide additional development opportunities, we plan to revamp our Staff Rotation Program.

J-3 is undertaking a project with JA-2 to unlock new potential on OIG's Web site to report the status of OIG recommendations to DOT.

The Offices of Training Development and Human Resources will begin work on OIG's IPT/admin positions—developing competency models and identifying curriculum to fulfill competency requirements. They plan to complete this work by the end of calendar year 2015.

The Adjunct Faculty Program expects to offer courses in the spring. Courses will include "History of the IG Act and OIG Authority," scoping an audit, and suspension and debarment referrals. Congratulations to the eight staff who completed instructional skills training as part of the Adjunct Faculty Program.

On October 31, we kicked off our Job Shadowing Pilot Program. For information and application pro-

cedures, see Job Shadowing Pilot Program Guidelines. The deadline to apply is November 10. Regarding OIG's Mentoring Program, we will soon announce the open season for applying to participate in individual and group mentoring.

And in the spirit of continuous improvement, our assessment of the health and state of OIG is ongoing. Last year, Ann and I conducted several field visits—including one together—and will continue to do so as long as the budget allows. OIG's Leadership Brown Bags and Leadership Development Exchanges are also going strong. In a few days, I will hear from our staff about their OIG experiences as I host the next exchange and brownbag. We have also received the results of the government-wide Employee Viewpoint Survey, and I sent you a link to those reports on our SharePoint site. We are analyzing those results now, and early indicators show that we've made some notable improvements in key areas but still have additional opportunities for improvement. We should have analyses in time to share at the All Hands meeting. The results will also help shape our next SES on-site, planned for mid-December.

Finally, we have a couple of human resource related initiatives under way. First, our Telework

Policy has been extensively revised and should be issued by December, so stay tuned.

Second, "phased retirement" is now official, and we intend to implement it for our staff in appropriate circumstances. We are temporarily stymied, however, by the fact that DOT's payroll provider will not complete adjusting its systems until next spring.

In the meantime, we will see what the Department proposes to do, which will serve as a guidepost for us, and determine how best to make this option available when all systems can accommodate it. I will have more on this at our All Hands meeting, but before you start thinking of "phasing out," I should remind you of two key points from the statutory authorization: (1) law enforcement employees and employees found eligible under an approved voluntary early retirement are not eligible to participate, and (2) phased retirement must be mutually agreeable to the eligible employee and the agency.

With all our accomplishments, it's no wonder that I wear my pride on my sleeve whenever IGs talk about their offices. Thank you again for all your hard work and unwavering dedication to our mission.

Cal

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NOTEWORTHY

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***Thanks to all our Veterans for your service, sacrifice, and commitment to our Country.
It is an honor to work alongside you.***



OIG 2014 AWARDS CEREMONY

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OIG 2014 AWARDS CEREMONY

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OIG 2014 AWARDS CEREMONY

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AND THE NEXT DAY AT THE SECRETARY'S AWARDS...



OIG IN THE NEWS

FRONT PAGE, ABOVE (AND BELOW) THE FOLD HEADLINE...

newsday.com
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Tuesday
Nov. 4, 2014

Newsday

SPORTS FINAL
THE LONG ISLAND NEWSPAPER



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To
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newsday.com



MERCHANT MARINE ACADEMY

FEDS ALLEGE KICKBACK SCHEME



HOWARD SCHNAPP

Anchor at academy's entrance in Kings Point.

Official accused
of making
contractors pay
to get work **A3**

OIG IN THE NEWS

ACADEMY OFFICIAL CHARGED

Feds: Kickback
plot at USMMA

BY ROBERT E. KESSLER
robert.kessler@newsday.com

An official at the U.S. Merchant Marine Academy has been charged with operating a 13-year scheme to force contractors to pay him kickbacks of 10 percent of the amount of work he helped award.

The official, John McCormick, 58, of Atlantic Beach, was identified as a planner/estimator who oversaw contracts for maintenance work at the federal academy, according to sources and a federal complaint.

The McCormick case is part of a larger ongoing investigation into possible corruption in the awarding of contracts at the academy, sources familiar with the investigation said.

McCormick "has participated in the awarding of millions of dollars in construction contracts," according to the complaint filed at Eastern District federal court in Central Islip.

In 2013, McCormick received the Maritime Administration Excellence in Customer Service Award "for extraordinary commitment and dedication to providing the highest level of maintenance and repair services for the faculty, staff and midshipmen of the USMMA."

McCormick was arrested and arraigned late Thursday on a charge of conspiracy to defraud the federal government, officials said. He was not required to enter a plea and was



Vickery Gate at the Merchant Marine Academy, Kings Point.

released on \$500,000 bail, officials said. Jeffrey Groder of Mineola, McCormick's attorney, said his client had been arrested by federal agents a day before he planned to retire from the academy.

"It's a tremendous shock," Groder said, adding that his client had "never been in any trouble — it's a big deal." Groder said he was "confident that down the road that he'll be vindicated."

Groder said his client began working at the academy in 1996, and before that had started his government career with the Coast Guard in 1974. The federal complaint said the fraud scheme began in 2001. A woman who answered the phone at McCormick's home yesterday said he was not available for comment and asked a reporter not to call back.

Spokesmen for the Eastern District U.S. attorney's office, the academy and the Department of Transportation, which operates the academy, declined to comment.

The academy, on 82 acres in Kings Point, celebrated its 71st year of service this year. It has an enrollment of about 950 midshipmen, who will serve as

licensed officers on civilian ships when they graduate.

The academy has had a rocky history in recent years. In 2010, a federal report said the academy needed \$300 million in repairs, and superintendent turnover has been frequent. But there have been signs of upgrades, and in June the christening of a new training ship was hailed by the academy superintendent as a symbol of improvement.

Court papers said investigators began probing McCormick's work after "numerous complaints had been made . . . that McCormick was increasing the cost of USMMA-related contracts by fixing bids and steering USMMA contracts to contractors who would pay him cash 'kickbacks.'"

An unnamed general contractor and a painting contractor are listed as cooperating with investigators.

On Oct. 20, the federal complaint said, agents witnessed and recorded a general contractor paying McCormick \$1,000 in cash "at the USMMA for arranging to award [the contractor's] company construction work at the USMMA."

CONTRACTOR LIED ABOUT USING MINORITY BUSI- NESSES...

Staten Island Live
Nov. 4, 2014

A former manger of a construction firm lied about using minority-owned businesses, as required, on multimillion-dollar contracts for renovations at the St. George Ferry Terminal and the Bronx-Whitestone Bridge.

Aaron Tubbs, 43, of upstate Hastings-on-Hudson, was charged with wire fraud stemming from the scheme, which occurred in 2008 and 2009.

Under the contract's terms [valued at \$192 million], Tubbs' firm had a goal of 10 percent participation by minority-owned subcontractors on the job.

The general contractor claimed in compliance reports that a certified minority-owned business would supply structural steel; however, other companies actually provided those materials.

Tubbs skirted the requirements by arranging to place purchase-order information on the minority business' letterhead.

The minority business obtained only a "small fraction" of the funds Tubbs' employer claimed it had received, prosecutors said.

Tubbs used a similar scheme on the St. George Ferry Terminal construction project, which was funded in 2009 under the federal stimulus act, prosecutors said.

Tubbs, who is free on \$50,000 bail, potentially faces up to 20 years in prison, if convicted of wire fraud, said prosecutors.

The case was investigated...with the Offices of Inspector General for the U.S. Department of Transportation, the Port Authority and the Metropolitan Transportation Authority, and the state Department of Transportation's Investigations Bureau.

OIG IN THE NEWS

STOUT SENTENCED TO 5 YEARS FOR AIRCRAFT-INSPECTION SCAM*Lancaster Online*

Nov. 4, 2014

A local aircraft-inspection business owner, convicted of fraud in April, was sentenced Tuesday to five years in prison.

Jay Stout, owner of now-defunct Flying Tigers in the Donegal Springs Airpark, also was ordered to pay \$503,000 in restitution.

Stout, 55, formerly of Elizabethtown, must surrender to authorities and begin serving his sentence by Dec. 29.

When his prison time is completed, Stout will be on probation for three years.

Stout was convicted of performing hundreds of aircraft inspections, maintenance and repairs that he no longer had federal certification to do.

He then duped customers in various ways—including forging signatures and altering documents—into believing the work was done by a certified inspector or mechanic.

The scheme lasted more than six years, ending in 2010.

Prosecutors said at least 41 customers paid \$503,000 for work they believed was done by Flying Tigers employees who were certified.

Stout was convicted on eight counts of wrongdoing—one count of conspiracy, three counts of fraud involving aircraft parts, two counts of mail fraud and two counts of obstruction of justice.

Stout, an airplane mechanic who had his federal certifications revoked, was found not guilty of three counts of mail fraud and three counts of wire fraud.

AIR TRAFFIC CONTROLLERS CHARGED IN PAYROLL SCHEME*Newsday*

Nov. 5, 2014

An air traffic controller from Long Island was charged in federal court in Brooklyn on Thursday in a scheme to steal more than \$170,000 from the Federal Aviation Administration by manipulating payroll records.

Kennedy Airport controllers Jeffrey Evagues, 54, of Manorville and Asof Ali, 38, of Queens are charged with modifying computer records at least 300 times from 2011 to 2014 to indicate they worked when they were...out sick, on vacation or taking weekly time off, records show.

Evagues...made an entry Feb. 22 to indicate he worked eight hours on Feb. 9, when his cellphone records indicated he was in Mililani, Hawaii, 4,900 miles away. He was paid \$578.16 for the time he didn't work, prosecutors said.

The government said it had security camera footage showing Evagues and Ali entering the room with the payroll computer at Kennedy Airport minutes before the time when modifications were made in their records.

Evagues, a 27-year FAA employee who has been at Kennedy Airport since 2002, claimed unearned pay of \$87,000, the government charged. Ali, who has been at Kennedy since 2009, took \$83,000, according to authorities.

Both men were arrested Thursday and charged with stealing federal employee benefits and payroll. They were released on bail after a court appearance.

"For three years these air traffic controllers engaged in a high-flying scheme to redirect public funds into their own bank accounts," Brooklyn U.S. Attorney Loretta Lynch said. "Today they were grounded."

GEORGIA MAN VIOLATED OUT-OF-SERVICE ORDER*HDT Trucking Info*

Nov. 6, 2014

A Georgia man has been sentenced by a federal judge to 12 months probation after pleading guilty early this year to violating a Federal Motor Carrier Safety Administration out-of-service order.

The sentence was handed down to Corey Daniels on Oct. 24 in Macon, Georgia, according to a news release from the U.S. Department Transportation's Office of Inspector General. He along Devasko Lewis, Lacey Lewis and Calvin Outlaw were indicted in May 2013 for false statements and conspiracy to criminally violate an imminent hazard out-of-service order issued.

"Our investigations revealed that in October 2008, Devasko Lewis, doing business as Lewis Trucking Co., was placed under an order to cease all operations due to serious violations discovered during an FMCSA compliance review which was conducted after a fatal crash in Alabama that killed seven State of Alabama prison guards," said a statement from the Inspector General's office. "Subsequently, Lewis formed DDL Transport LLC, which was ultimately placed under another order. In May 2012, Lewis pleaded guilty to violating the orders and was subsequently sent to jail for 90 days to be followed by 12 months supervised release."

According to the Inspector General's office around the time Lewis pleaded guilty and before his sentencing, Lewis obtained DOT numbers for Eagle Transport and Eagle Trans using the identity of friends, including Daniels, and failing to reveal his involvement to FMCSA as owner/operator of the companies. After reporting to Federal prison in November 2012, Lewis continued operating Eagle Trans with the assistance of Daniels and others.

LAST PAGE

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COMINGS & GOINGS

There are no comings or goings this week.

To OIG staff, our contributors: We do our best to ensure each issue of *The Inspector* is error free. If you find errors—such as a misspelled name, incorrect title, or other substantive error—please let us know. We will correct them immediately and the TI link will automatically take readers to the corrected file. Thanks for your help and understanding...and for all the wonderful stories you submit!

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

FAA REFORM HEARING KICKS OFF 2015 FAA REAUTHORIZATION TALKS

It seems like only yesterday that Congress passed the FAA Modernization and Reform Act of 2012 (a 145-page bill). But the House of Representatives' 2015 reauthorization effort kicked off in earnest at last Tuesday's full House T&I Committee hearing.

Chairman Shuster began the hearing with kind words for several Members who will not return to the House next year, including Ranking Member Nick Rahall.

The Committee then turned to its first witness: Cal, who set the tone of the hearing, summarizing the preliminary results of our assessment of FAA's progress since Congress granted agencywide acquisition and personnel reforms in the 1990s. In his prepared statement, Cal said that FAA has not used business-like practices to improve efficiency or cost-effectiveness, and noted that FAA's workforce has remained relatively constant, while operating costs have grown and productivity has fallen.

Cal also stated that FAA's procurement rules did not translate into speedier and cost-effective delivery of new air traffic control technologies, as acquisitions critical to NextGen remain over budget by billions of dollars and years behind schedule.

Finally, he listed key challenges FAA faces in delivering concrete benefits, such as ADS-B, performance-based navigation, and integrating unmanned aircraft systems into the National Airspace System.

Testifying alongside Cal were representatives from major aviation interest groups and labor organizations—the Business Roundtable, the Airline Owners and Pilots Association, the Air Line Pilots Association, Airlines for America, and the National Air Traffic Controllers Association—who offered differing views on the quality of FAA's cooperation with the aviation community and progress towards implementing NextGen.


Cal and the other witnesses faced questions on a variety of subjects that inform FAA's reauthorization. The ADS-B mandate and FAA's progress in drafting rules for safe operation of UAS drew the most attention, with Cal noting in both cases that FAA was behind schedule, making FAA's ability to meet its deadlines far from certain.

While most agreed that FAA does a good job running the most complex airspace in the world, Rep. Peter DeFazio reiterated that FAA procurement is "worse than the Pentagon's."

Members were also interested in the witnesses' perspectives on reorganizing FAA and how to fund the air traffic control systems of the future—an issue that will likely feature prominently in the Committee's agenda for the 114th Congress. As the reauthorization debate continues, Cal and OIG will certainly be back on the Hill to provide reliable, objective analysis.

—Aaron Malinoff, JA-60

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
				

NOTEWORTHY

JOB SHADOWERS READY TO ROLL

Thank you for your interest in the Job Shadow Pilot Program. We received 25 applications—14 from Headquarters and 11 from the Field—with 12 staff selecting Leadership Shadowing and 13 selecting Functional Shadowing. Congratulations to the following 10 shadowers who were randomly selected to participate in the pilot program.

Shadowing Cal and Ann: Ann Marie Joseph (JA-30 HQ) and Darren Murphy (JA-60 Seattle)

Shadowing the Office of Congressional and External Affairs: Marguerite Nealon (JA-60 HQ) and Julia Wascom (JRI-1 Cambridge)

Shadowing Kathryn Jones, Special Agent-in-Charge, Washington DC Regional Investigations Office (JRI-3): Dory Dillard Christian (JA-20 Baltimore) and Jamila Mam-madova (JA-30 HQ)

Shadowing the Chicago Regional Investigations Office (JRI-5): Ashley Strickland, (JRI-9 Cerritos) and Andrew Olsen (JA-10 HQ)

Shadowing Tony Zakel, Program Director, JA-30 HQ: Kevin Sanders (JA-30 HQ) and Meredith Howell (JA-60 HQ)

CAL SEEKS INPUT ON THE STATE OF OIG AT LEADERSHIP EXCHANGE

Cal hosted the November 12 Leadership Development Exchange session to hear from career ladder staff on what is working well at OIG, what areas need improving, and proposed actions that might be taken. The idea was prompted by a presentation onboarding staff made to Cal and senior leaders during a new hire orientation session. On the last day of orientation, the new em-

ployees reported out the issues they considered most pertinent for the future of OIG.

During the Leadership Development Exchange, participants discussed several OIG initiatives that have furthered professional development and employee morale, such as the group mentoring program. Attendees agreed that the program provides a great venue for exchanging information and

mutually benefits peers who speak and those who prefer to listen. Participants noted that maintaining the confidentiality of shared information has been key to the program's success. Participants also highlighted the benefits of JA staff rotations, such as expanding staff knowledge about transportation issues and enhancing skills, and noted that Share-

(Continued on page 3)

NOTEWORTHY

(Continued from page 2)

point has been a great tool when matching the personnel skills across JAs to establish audit teams. Participants also pointed to the success of OIG's flexible work schedule and telecommuting initiatives, noting that supervisors have become more comfortable with staff working remotely. Connecting with fellow team members when traveling or telecommuting has become much easier and efficient with Microsoft Lync.

Positive changes to our culture were also discussed, and attendees agreed that OIG's leaders have greatly contributed to OIG's overall positivity and productivity. Special appreciation was given to Cal and Ann for being open and providing opportunities like this forum for staff to share their experiences and offer constructive feedback for improvements. Attendees noted that with OIG's leadership, negativity has been greatly reduced and staff interact more positively. Constructive feedback is more prevalent, and OIG staff are more willing to share knowledge and experience across the organization to maximize collaboration. Over the past few years, OIG has also offered various professional and educational training opportunities to staff, and attendees highlighted the educa-

tional repayment program, which makes it possible for staff to further their careers. Internal training and mentoring opportunities promote leadership skills among junior staff and help them prepare for the next rung in the ladder. Attendees also mentioned the positive impact supervisory training for management has had on junior staff, as managers who attended these training sessions shared new techniques and ideas with staff. Ultimately, all of these initiatives and programs have led to higher productivity.

While Cal was clearly pleased to hear that senior leaders' efforts are paying high dividends, he agreed that constructive feedback helps us to achieve positive outcomes. Under the "what didn't work well" column, attendees suggested soliciting staff input into their supervisor's performance, as they have the most experience with their supervisor's management and leadership. Attendees also suggested revising the 360 review process to better ensure confidentiality of individual responses. Participants noted that in some instances, managers' heavy workload can affect their ability to manage staff, which might have a cumulative effect on their teams. Another area that could be addressed involves "lag

time" during the report writing phase, and the various management reviews and approvals that extend a project's life and affect the timeliness and relevance of our reports—as well as generate questions from Congress.

Before wrapping up the session, participants made some valuable suggestions. To further encourage productivity, attendees suggested leveraging employee input when staffing teams on the skill sets needed and their areas of interest. To ensure confidentiality on 360 management reviews, staff suggested conducting the reviews anonymously, with all team members' responses aggregated into one. To address concerns related to report development, as well as boost productivity and morale, participants suggested issuing shorter reports, allowing lower levels of management to approve low-risk reports, and adding a draft report meeting to the audit process where management and SES comments are discussed and understood.

In closing the session, Cal thanked everyone for the great discussion and looked forward to his upcoming discussions with us.

— Jamila Mammadova, JA-30

NOTEWORTHY

JA-10 LAUNCHES TEAM BRIEFING INITIATIVE

Last month, AIG Matt Hampton initiated an effort to better leverage knowledge by having audit teams brief JA-10 auditors on their work. The initiative aims to provide teams a chance to learn from one another about topics that may relate to their audit or areas of interest. The initiative also fosters professional development and allows staff to enhance their communication skills.

I was on the first team to present, along with Coletta Treakle, James Ovelmen, Robin Koch, and Michael Scott, which is auditing FAA's progress in developing and deploying air traffic controller automation



tools for use with performance based navigation.

The team presented what we learned in the research and survey phases and what the next steps are for verification. We were peppered by questions from our colleagues but made it through un-

scathed. Having survived the trial by fire, Coletta Treakle passed the torch on to the next team scheduled to brief, and presented the team members with "immunity" necklaces.

— Dominique Lipscomb, JA-10

LEARNING CONFLICT RESOLUTION SKILLS IN WV

I recently attended a 4-day class on Conflict Resolution Skills at OPM's Eastern Management Development Center at Shepherdstown, WV, along with 34 other participants from a variety of Federal agencies around the country.

The 4-day class focused on elements of conflict resolution involving (1) thinking—how one frames the conflict, gathers information, and is open to differing perspectives; (2) assertiveness—one's comfort level and skill in driving to achieve goals during a

conflict; and (3) communication—one's capability to understand and validate the other person by active listening and effective questioning.

Throughout the week, we reviewed a "thinking model," which displayed individual thinking preferences and how preferences change while under conflict, assessed case studies on conflict and how they were conducted, and performed role playing activities to demonstrate methods of conflict resolution.

On the final day, we presented a group project focusing on a member's real conflict situation and how we would now manage the situation based on what we learned.

I learned that conflict is inevitable in a workplace with diverse views and opinions, but if managed effectively, it can be used as opportunity to strengthen teams and work relationships.

— Arnett Sanders, JA-10

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NOTEWORTHY

DHS ORDERS INCREASED SECURITY AT FEDERAL FACILITIES

Homeland Security Secretary Jeh Johnson ordered increased security at Federal buildings in Washington and other major cities and locations throughout the country. These precautionary measures are to safeguard U.S. Government personnel, facilities, and visitors to those facilities. The Federal Protective Service has been directed to increase various security measures at all federal buildings under their purview.

Enhanced security measures are also being initiated in our headquarters locations. Field personnel may notice similar measures in their locations if they work in facilities that are protected by FPS.

OST's Office of Security (M-40) and Office of Intelligence, Security and Emergency Preparedness (S-60) is closely monitoring this situation and will provide updates as circumstances warrant.

We remind all DOT employees to remain vigilant and exercise a heightened state of awareness and report any suspicious activities to FPS, local law enforcement or to building security.

If you have any questions or require any guidance on these increased measures, please contact Keith Szakal, Deputy Director, Office of Security, at (202) 366-9422, or via Keith.Szakal@dot.gov

If you observe people acting suspiciously, be prepared to answer the following questions when reporting suspicious activity:

1. **WHAT** is happening?
2. **WHO** is doing it?
3. **WHERE** is it taking place?
4. **WHEN** did you observe it?
5. **WHY** are you suspicious?



EMERGENCY PHONE NUMBERS

DOT Headquarters (SEFC): 202-366-0333/0337

FAA Headquarters (10A): 202-267-8829

FAA Headquarters (10B): 202-267-0326

FPS (Nationwide): 1-877-437-7411

Local Law Enforcement: 911 (check your local listing)

<http://dotnet.dot.gov/news/announcements/2014/2014-10-31-See.html>

OIG IN THE NEWS

**AIR TRAFFIC CONTROLLERS
'STOLE' \$165K IN COMPEN-
SATION***New York Post*
November 7, 2014

A pair of shady JFK air traffic controllers stole more than \$165,000 in pay, overtime, sick leave and vacation compensation by submitting fake payroll information, according to Brooklyn federal prosecutors.

Between September 2011 and October 2014, Asif Ali and Jeffrey Evagues modified timesheets to indicate that they were busy directing airplane traffic when they were actually on vacation or off duty, according to a criminal complaint.

"For three years, these air traffic controllers engaged in a high flying scheme to redirect public funds into their own bank accounts," said US Attorney Loretta Lynch. "Today they were grounded."

Using security camera footage, investigators captured the men entering a room where payroll computers were located just before the modifications were made, court papers state.

Cell phone records also showed that the men were out of the country on days that they claimed to be toiling at the Queens airport.

Asif, 38, of Queens, and Evagues, 54, of Manorville, Long Island, were both released on \$50,000 bond posted by their wives Thursday afternoon.

**GEORGIA MAN SENTENCED
FOR VIOLATING FMCSA OOS
ORDER***CDL Life News*
November 10, 2014

The FMCSA last week announced that a Georgia man has been sentenced for violating an Imminent Hazard Out-of-Service Order.

On October 24, 2014, Corey Daniels was sentenced in U.S. District Court in Macon, Georgia, to 12 months of probation for violating the OOS order.

In October 2008, Devasko Lewis, doing business as Lewis Trucking Company, was ordered by the FMCSA to cease all operations due to "serious violations discovered during an FMCSA compliance review," which was conducted after a fatal crash in Alabama that killed seven State of Alabama prison guards.

Following the OOS order, the FMCSA alleges Lewis formed DDL Transport, LLC. That company was OOS.

In May 2012, Lewis pleaded guilty to violating the OOS orders and was sent to jail for 90 days and was ordered to 12 months of supervised release.

After pleading guilty, but before serving his sentence, Lewis obtained yet another DOT number for Eagle Transport and Eagle Trans by using his friend's names, including Daniels.

"At around the time he pleaded guilty and before his sentencing, Lewis obtained DOT numbers for Eagle Transport and Eagle Trans using the identity of friends, including Daniels, and failing to reveal his involvement to FMCSA as owner/operator of the companies," the Office of the Inspector General states.

After reporting to federal prison in November 2012, Lewis operated Eagle Trans with the help of Daniels and others.

**DOT STILL NEEDS WORK ON
SUSPENSIONS AND DEBAR-
MENTS, IG SAYS***FEDweek*
November 11, 2014

The [Department of] Transportation has made only limited progress in carrying out recommendations of a report issued four years ago finding weaknesses in the process to suspend and debar contract or grant awardees when appropriate, the department's IG has said.

The IG noted that in a 2010 report, it reported significant delays in the department's decision making and reporting [of suspended and debarred parties] and a lack of internal controls to safeguard against awards to excluded parties.

In the follow-up report, the IG said that 40 percent of the decisions it reviewed were made after the 45-day time limit in government-wide regulations. "We also identified significant data errors in the DOT S&D system, which undermine the system's effectiveness as a management tool," it said. The department continues to provide untimely and inaccurate reporting of its decisions to the government-wide System for Award Management, the report said.

"Failure to report excluded parties puts the Federal Government at risk of doing business with prohibited parties found to be unethical or irresponsible." It said DOT management fully or partially concurred with all of the IG's recommendations.

OIG IN THE NEWS

REPORT OFFERS MIXED VIEW OF EX-WATCHDOG

The New York Times
November 14, 2014

He incessantly “busted” the “chops” of the officials he was supposed to be investigating to get his wife a job. He had his staff doing research for his doctoral dissertation and reviewing his wife’s graduate school homework. And when Charles K. Edwards, the acting inspector general for the Department of Homeland Security from 2011 to 2013, met with his Ph.D. adviser in Florida, it was on a taxpayer-financed trip.

These conclusions were contained in a 21-page report written by a special federal investigator.

But the report clears Mr. Edwards of wrongdoing on 13 other accusations, saying that there was no evidence he had awarded contracts to unqualified companies or destroyed telephone records. It also...says that Mr. Edwards did not make significant changes to a report about the Secret Service’s 2012 prostitution scandal in Cartagena, Colombia.

Calvin L. Scovel III, the Department of Transportation’s inspector general who was appointed to investigate Mr. Edwards, said “we found no evidence these changes were for any improper reason” in the Secret Service report or three others that were scrutinized.

Mr. Scovel’s report paints Mr. Edwards as a sloppy executive who leaned on his staff to help him and his wife pursue degrees, and it raises questions about whether he violated federal nepotism laws by advocating [DHS] to hire his wife.

Marc J. Smith, a lawyer for Mr. Edwards, said that Mrs. Edwards’s hiring was approved by the department’s general counsel. He said that he had sent Mr. Scovel a lengthy response in August that rebutted all of the report’s accusations.

HUGE TRUCKING FRAUD... ENDS WITH BOTCHED CONTRACT MURDERS

Washington Examiner
November 17, 2014

A fraudulent commercial trucking operation that sparked a Federal Motor Carrier Safety Administration investigation...has left eight people dead.

Devasko Lewis...is awaiting an early December murder trial for allegedly hiring a hit man to kill one of his co-defendants in the fraud case.

According to the indictment, [Jamarcus] Clark and Lewis drove to the house of Corey Daniels, who was indicted along with two others in May 2013 for the FMCSA fraud, in mid-January with the intention of killing him.

However, one of the two ended up shooting someone else.

Trouble began for the Georgia trucking operation in 2008, when Lewis’ business ...came under FMCSA review because of its involvement in a fatal Alabama crash that left seven State of Alabama prison guards dead.

FMCSA ordered Lewis to shut down his company immediately after finding violations that “posed an imminent threat to public safety.”

Lewis skirted the order by forming a new company.

The new business was ultimately put under the same shut-down order...and, after pleading guilty to violating the DOT ban, Lewis spent three months in federal prison in 2012.

But being behind bars didn’t stop Lewis from continuing the trucking scheme, this time under false identities.

With Daniels’ and others’ assistance, Lewis ran Eagle Trans from prison, the DOT IG said.

TWO AIR CONTROLLERS ARRESTED FOR ALLEGEDLY STEALING TIME FROM FAA

TimesLedger
November 17, 2014

Two air traffic controllers at JFK were arrested for allegedly stealing about \$165,000 in time from the Federal Aviation Administration, said Loretta Lynch, U.S. Attorney for the Eastern District.

Lynch said the suspects modified payroll system entries indicating they were working at times when they were not.

According to the complaint, the suspects modified the reports on more than 300 occasions between September of 2011 and October of this year.

Lynch identified the suspects as Asif Ali, 38, from South Ozone Park, and Jeffrey Evagues, 54, of Manorville, L.I.

“For three years, these air controllers engaged in a high flying scheme to redirect public funds into their own bank accounts,” Lynch said. “Today they were grounded.”

According to federal authorities, there is security camera footage where allegedly the defendants are in the room where the computer from which the payroll changes occurred is located.

“This is a clear signal that federal employees will be held responsible from maintaining the highest level of integrity,” said Douglas Shoemaker, regional agent for the U.S. Department of Transportation.

OIG IN THE NEWS

HOUSE PANEL CONSIDERS PRIVATIZING FAA'S AIR TRAFFIC CONTROL SYSTEM

Wall Street Journal

November 18, 2014

Capping months of studies and deliberations about possible privatization by industry officials and outside experts, a hearing on Tuesday morning highlighted bipartisan support for taking up the issue as part of the Federal Aviation Administration reauthorization bill.

In addition, the broad concept of privatization was supported by a string of witnesses.

John Engler, president of the Business Roundtable, said the FAA's history of "slow and uncertain progress" ...demands a major shift in governance.

Mr. Engler said proposals to remove air traffic control budgets from direct FAA purview mark an "excellent starting point" for committee debate.

Nicholas Calio, chief executive of Airlines for America, ...urged further analysis of the advantages of privatized systems in other countries. "We just might find our answers outside the U.S.," he testified.

A portion of the hearing also concentrated on nagging technical and schedule problems affecting NextGen.

Calvin Scovel, the Transportation Department's inspector general, told lawmakers the FAA has made some progress but continues to suffer from long-standing management weaknesses, combined with lack of reliable cost and schedule projections.

FAA Administrator Michael Huerta has signaled a willingness to at least discuss possible structural changes for the agency. Neither the FAA nor White House officials have staked out a position about whether they support some form of privatization.

HOUSE COMMITTEE LOOKS AT TROUBLED AIR TRAVEL

Moneynews

November 19, 2014

While the Republicans will not assume actual control until the turn of the year, the House Committee on Transportation and Infrastructure moved quickly to hold a hearing on the pending reauthorization of the Federal Aviation Administration.

A sign that the Committee means business is that it assembled nearly all of the leading players in one hearing. FAA Inspector General Calvin Scovel led off the hearing with a presentation on the state of the infrastructure.

Not surprisingly, the IG has documented the waste of billions of dollars.

Scovel noted, "In general, FAA is not using business-like practices to improve its operational efficiency and cost effectiveness."

Nicholas Calio, CEO of the industry lobby Airlines for America, stressed the need to reduce chronic travel delays and called for inclusion of a five-pronged National Airline Policy as part of the authorization.

Captain Lee Moak, president of the Air Line Pilots Association, agreed that modernization is needed but also addressed the funding issues directly, joining Calio in blaming the federal budget process.

Former Michigan Gov. John Engler, now president of The Business Roundtable, ...quoted a recent speech by FAA Administrator Michael Huerta calling for a new, business-like funding plan developed by the FAA's Management Advisory Council.

Engler concluded by endorsing the Council's three recommendations: 1) creation of a funding stream separate from the federal budget ...; 2) a new governance structure for Air Traffic Control, and 3) separating Air Traffic Control from FAA safety regulation.

DOT CITES KEY SAFETY IMPROVEMENTS

NSC Safety+Health

November 19, 2014

The Department of Transportation has highlighted its contributions to safety in response to an annual report from the Office of Inspector General that outlined key DOT management challenges for fiscal year 2015.

In documents released Nov. 17, OIG said it supported DOT but the agency must address recommendations that include proactively identifying vehicle safety defects, acting on risk-based analyses for bridges, creating a national tunnel safety program, and ensuring oversight of pipelines and hazardous materials.

In a response to OIG, DOT officials said they were "actively engaged" in addressing each recommendation. The department also noted progress in key areas, including the following:

- From 1995 to 2013, DOT recorded a 20 percent decrease in fatalities on the nation's highways despite increased vehicle miles traveled and other factors.
- The use of safety belts increased to 87 percent of vehicle occupants in 2013, compared with 60 percent of vehicle occupants in 1995.
- Serious pipeline incidents that were recorded in 2012 (24) and 2013 (21) marked the lowest numbers on record in the past 30 years.
- In 2012, more than 790 million travelers flew on U.S. commercial air carriers with zero fatalities. Tentative data for 2013 also indicates zero fatalities for passengers on U.S. commercial air carriers.

OIG IN THE NEWS

MAN ACCUSED OF CONDUCTING FRAUD SCHEME FROM HOME*Southampton Patch***November 18, 2014**

A Southampton man who was arrested last Thursday after conducting a fraudulent scheme was indicted in federal court according to the U.S. Attorney's Office.

Gregory Sclafani, 62, was charged with conducting the scheme...related to his ownership and operation of numerous automobile transportation brokerage companies. To date, his scheme victimized at least 100 individuals and caused an aggregate loss amount of approximately \$600,000 to the victims.

The New York State General Attorney's Office began investigating Sclafani after receiving hundreds of complaints.

This revealed that...customers were required to provide Sclafani with information allowing him to withdraw funds directly from their checking accounts.

In November 2009, the New York State General Attorney's Office filed a civil action against Sclafani and the four transportation brokerage companies he was operating.

The Supreme Court then ordered a Consent Order and Judgment [and required him] to pay \$60,000 in restitution and \$65,000 in penalties. He was also permanently enjoined from participating in the auto transportation business and had to pay an additional \$255,000.

[T]he Federal Motor Carrier Safety Administration [revoked] his authority to operate the company was revoked in January 2012.

In January 2013, Sclafani created...New Logisitcs, LLC in North Carolina to continue his scheme, officials said. [T]he address of the company...is the address of a graveyard, authorities said.

AT FAA, BIGGER BUDGETS FOR LESS WORK LEAD TO WASTE*The Washington Times***November 20, 2014**

In a scathing testimony to the House Committee on Transportation and Infrastructure on Tuesday, Calvin Scovel, III, the Department of Transportation's inspector general, declared, "In general, FAA is not using businesslike practices to improve its operational efficiency and cost-effectiveness."

"Since 1995, FAA has completed several personnel and organizational reforms, undergone multiple reorganizations, and implemented measures aimed at improving its internal operations and reducing costs," Mr. Scovel told Congress.

"Despite these reforms, the agency's total budget, operations budget and compensation costs have nearly doubled, while productivity at its network of air traffic facilities has decreased substantially."

Robert Poole, the director of transportation policy at the Reason Foundation, said the inspector general's report points to three fundamental problems for the agency: "funding, governance and culture."

"The governance of the FAA Air Traffic Organization is a mess," Mr. Poole said. "It has to answer to the FAA Administrator, the DOT Secretary, the Office of Management and Budget, the Government Accountability Office, the DOT inspector general...and 535 members of Congress."

Cost overruns and delays...are costing taxpayers billions and may, ultimately, put passenger safety at risk.

Citing one example, Mr. Scovel said that a satellite-based navigation system is currently "about 12 years behind the original schedule and will have a total cost increase of about \$1 billion."

FAA IG: NEXTGEN BY 2020 A "TALL ORDER"*FierceGovernmentIT***November 20, 2014**

The Federal Aviation Administration could have a tough time meeting its deadline for the Next Generation Air Transportation program...according to the Transportation Department's inspector general.

While the agency has made progress on NextGen, the undertaking is massive. Checking remaining items off the agency's list could be a "tall order" given continued management weaknesses, and the lack of reliable cost and schedule projections, said DOT IG Calvin Scovel.

Acquisition reforms at FAA haven't helped NextGen smoothly advance either, said Scovel, who said they fell short in improving the delivery of new technologies and capabilities.

Meanwhile, FAA touted its progress on the air-traffic modernization program. It announced Nov. 19 the NextGen air-traffic system had successfully been launched for the North Texas Metroplex. The agency implemented similar changes in the Houston area in May with more than a dozen project underway or in progress nationwide.

The Texas NextGen rollout required FAA to implement 80 new procedures, such as using "optimized profile descent" to reduce fuel consumption and carbon emissions, establishing a dedicated arrival route from the northwest into DAL to eliminate airspace congestion and creating global positioning system-based arrival and departure paths for Love Field.

"FAA and its workforce have collaborated with the industry to convert the busy and complex airspace around North Texas into some of the most efficient in the nation," said FAA Administrator Michael Huerta in a Nov. 19 press release.

(b)(6)

COMINGS & GOINGS

There are no comings or goings this week.

The Inspector needs a nap, so we'll be skipping next Monday's issue.

Look for the next issue the second week of December.

Happy Thanksgiving!



THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

CAL'S BROWN BAG ELICITS FEEDBACK

On November 19, Cal met with OIG managers to gather feedback on what's working and what's not.

To set the stage for the session, Cal pointed out that OIG has always done great work—that was the case before he arrived and will be the case long after his tenure is up. But he also noted that OIG's past successes were sometimes at the expense of staff, and made it clear that driving staff out to achieve great mission results is not acceptable. Cal now sees OIG succeed with staff, and emphasized that we must not backslide on this front.

While the 2014 employee viewpoint results and field office visits indicate we have many successes since he took the helm 8 years ago, there are still improvements to be made, and we should not rest on our laurels.

Over the past 6 months, we have been fortunate to have the opportunity to "staff up," and through the extraordinarily successful new employee orientation program,

we have created enormous expectations among new hires—that OIG is an exceptional place to work, and a place where they can make a difference. Now managers need to deliver on that promise.

With that, managers began discussing successes and areas that need attention.

Virtual Teams. These are working, but improvements are needed, particularly in training managers on how to effectively direct staff when team members are geographically dispersed. Angie Thorpe was present and stated that the Office of Training and Development is designing courses to help managers maximize the use of available communication technology and develop the skills needed to effectively coach and oversee remote staff.

Increased Teleworking. Also working, but a concern was expressed that it is not completely understood that telework is primarily a Mission First tool intended to make staff more effective. Cal noted that as we address

the challenges associated with virtual teaming arrangements, we should expect to see improvements in how staff telework, with quality of life as a side benefit.

Core Hour Limits. It was suggested that the core hours be expanded to increase flexibility. OIG generally operates from 6 am to 6 pm, with core hours from 10 am to 3 pm. Some staff think that extending work hours beyond the 12-hour block could be beneficial for a variety of reasons—including better facilitating virtual teaming and telework arrangements across time zones. Cal indicated he will support inquiry into whether core hour revisions can be made without running afoul of OPM rules.

Backfilling JA Field Offices. A question was also raised about filling JA vacancies in the field. Cal indicated that as long as he is IG, HQ seats that are already "bought and paid for" would generally be prioritized before empty seats at JA field offices. If a JA field office were to close (and that's not in the plans for now), no staff mem-

(Continued on page 3)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
		Cal: S1/S2 briefing, 2:30 pm	SES onsite	SES onsite

NOTEWORTHY

INSTRUCTOR TRAINING PROGRAM UNDER WAY

The Office of Training and Development designed the Instructor Training Program to augment OTD's capabilities in meeting OIG's full range of learning needs by developing a cadre of skilled in-house instructors who can provide instruction to OIG staff utilizing their specific subject matter expertise. The program had three steps.

Identify Initial Course Offerings

Fiscal year 2015 course offerings, described in the 2015 Business Skills Catalog, were identified through an informal needs process conducted by the SES:

- Getting Up to Speed on Computer Crimes Unit—Virtual Machines

- Suspension and Debarment Issues
- History of the IG Act and OIG's Authority
- Congressional Relations 101
- Effective Hill Briefings
- Best Practices: Preparation and Testimony
- OIG Investigations for Non-Investigators
- Scoping 101
- Using Experts to Improve Audits
- Admin Professionals—Maximizing Your Potential

Invite Pilot Cadre of Course Developers and Instructors -OIG instructors can provide a level of expertise and understanding not available from external contrac-

tors or off-the-shelf training programs. Additionally, developing a course, serving as an OIG instructor, or both provide opportunities for professional and career development.

Conduct OIG Instructor Skills Training Michele Ginnerty conducted the pilot session of this training this fall.

Implement and Evaluate for Further Expansion A needs assessment will be conducted this month to determine when and how many sessions of the new courses will be offered in fiscal year 2015. Please be sure to add these courses to your IDP and/or Learning Plans if you are interested in attending any of them.

Congratulations to the first round of OIG instructors, identified by OIG's SES, who completed OIG instructor training and certification!

- Tom Denomme
- Shannon Jarvis
- Seth Kaufman
- Betty Krier

- Omer Poirier
- Sherry Reck
- David Wonnemberg

NOTEWORTHY

(Continued from page 1)

ber would be forced to choose between moving to another location (like HQ) or leaving OIG. Our telework policy and other workplace flexibilities put us in a good position to consider options should space utilization and field locations again emerge as concerns with Appropriations Committee staff and our other budget overseers.

Excess Office Space. Some noted that teleworking and vacancies have created excess space, particularly in some field offices. While prudence dictates that OIG continually look for ways to reduce its footprint, Cal cautioned that we need to ensure that any reductions do not jeopardize the effectiveness of our current HQ-field office structure. Cal said he is closely considering options for San Francisco, where the lease has expired.

JI Posts of Duty. While JI's single agent locations have been productive, Cal said new single agent locations will not be established. OIG recently opened two-agent locations in Columbus, OH, and Oklahoma City, and outcomes look promising.

JI-JA Matrixing. A question was raised about training for JA staff

on what makes for a good case referral to JI. JI managers suggested that an internal training module developed several years ago and led by Max Smith could perhaps be given to JA staff.

PAIGAE and Deputy PAIGAE Roles. Some managers said the distinction between the two roles is not completely clear. Cal asked that staff be patient as the process has not fully caught up with decision making. Amanda Barton also noted that the audit process chapters are being updated to reflect and clarify the differences.

S-1/S-2 Process. When it was suggested that these processes needed clarification, heads nodded. Cal committed to improving guidance on how to execute the processes.

Electronic Signatures. When multimillion dollar transactions routinely use electronic signatures, Cal agreed that the time has come to use this tool for report processing forms, such as the yellow grid, and other forms that require signatures.

Shorter Reports. Using shorter reports to decrease cycles times was also considered. Some suggested using management advisories when timeliness is critical. While Cal agreed the concept of

using other types of deliverables should be explored, he cautioned that audit standards, such as completeness of facts to support findings, could not be compromised.

SES Training. It was mentioned that it would be beneficial for the SES to take the in-house supervisory courses that the rest of the managers have taken so we are all singing from the same song sheet. Also, it was suggested that we have a core training curriculum for SES.

Management Coaching Contract. Regarding the status of the management coaching contract, delays were caused in part to negotiations on the proposal and cost. (Update from Ann: Discussions are now concluded, and the contract is to be awarded and ready after first of year.)

New employee orientation program. Finally, a question was raised about rotating the leadership opportunity afforded by the program. Cal praised the efforts of Amanda Seese, detailed from JA-30, and the other leaders who made the program so successful. He added that if we have additional rounds of hiring, he envisions giving other managers the opportunity to lead.

— Chuck Ward, JA-60, Seattle

NOTEWORTHY

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OIG IN THE NEWS

IG FINDS BIG DOT CYBER SECURITY FLAWS*Washington Examiner*
November 22, 2014

More than 5,600 cybersecurity problems plague the Department of Transportation's numerous information technology systems, but officials there have yet to decide when fixes for just one-fifth of those problems will be made, according to a government watchdog.

About 21 percent of the 5,628 known problems in the department's 458 IT systems "did not have planned start dates for remediation of the weaknesses, and almost 52 percent — including some that were moderate and high risk — did not document costs of remediation," the DOT inspector general said in a report made public this week.

Two-thirds of the IT systems are operated by the Federal Aviation Administration and are integral to management of the nation's commercial airline flights, the IG said. About \$90 billion in payments are processed annually by DOT IT systems.

The IG said DOT officials responsible for the department's IT systems "have not addressed all weaknesses we previously identified." Among those unaddressed problems are establishment of an automated continuous monitoring system for cybersecurity threats.

DOT officials "have also not finalized procedures, oversight and risk assessment for common security controls," the IG said.

IG: FAA HAS DONE LITTLE WITH MAJOR REFORMS APPROVED IN 1995*Washington Examiner*
November 25, 2014

Congress exempted the Federal Aviation Administration from major civil service and procurement rules 19 years ago but the Department of Transportation inspector general says little has been accomplished as a result.

"FAA has completed several personnel and organizational reforms, undergone multiple reorganizations, and implemented measures aimed at improving its internal operations and reducing costs," DOT IG Calvin Scovel III told Congress Nov. 18 in testimony before the Committee on Transportation and Infrastructure.

"Despite these reforms, the agency's total budget, operations budget, and compensation costs have nearly doubled, while productivity at its network of air traffic facilities has decreased," Scovel said.

The personnel reforms "provided greater flexibility in hiring, training, and compensating personnel, as well as assigning personnel to duty locations," Scovel said.

But FAA has mostly ignored the reforms and continued doing bureaucratic business as usual, according to the DOT IG.

"While FAA is exempt from most federal personnel laws and regulations...many of its personnel policies, such as premium pay, leave, and grievances, continue to mirror federal rules," he said.

On the acquisition side, the 1995 reforms included "relief from principal acquisition and personnel laws and regulations, such as the Office of Federal Procurement Policy Act and the Federal Acquisition Regulation," Scovel said.

Measured in dollars and cents, the FAA has gone in the opposite direction from that intended by Congress.

"Between fiscal years 1996 and 2012, FAA's total budget grew by 95 percent, from \$8.1 billion to \$15.9 billion," Scovel said. "Also, during this timeframe, FAA's total personnel compensation and benefits costs increased by 98 percent."

"Further, FAA's operational productivity has significantly decreased. Between fiscal years 1998 and 2012, FAA's air traffic operations dropped 20 percent, and between fiscal years 2008 and 2012, air traffic activities per controller dropped 25 percent at terminal facilities and 16 percent at en route facilities," he said.

Other problems have hindered efforts to reform FAA, especially in reducing its operational costs.

"[T]he agency has not converted any of its FAA-operated towers to the Federal Contract Tower Program since 2000," Scovel said. "Contract towers have proven to cost less and have safety records comparable to FAA-operated towers."

The agency has also failed to consolidate its facilities by closing those that inefficient or obsolete, he said. As a result, FAA still operates 317 facilities, [although] "air traffic operations have decreased by 20 percent since fiscal year 1998."

Scovel said FAA's continuing problems are "largely due to its failure to fully adopt sound management practices, make knowledge-based decisions, and assign clear accountability."

Scovel's testimony did not come as a surprise to the committee, according to the panel's chairman, Rep. Bill Schuster, R-Pa.

"In report after report, the Inspector General of the Department of Transportation...has identified costly problems with the FAA's management of air traffic control modernization programs," Schuster said.

OIG IN THE NEWS

NEXTGEN COMPONENTS
COME TO D.C., TEXAS*FedScoop***November 25, 2014**

Parts of the Federal Aviation Administration's Next Generation Air Transportation System are coming to the Washington, D.C., metro area and airports in northern Texas, according to two recent announcements from the agency.

[T]wo new additions to the NextGen network use Optimized Profile Descent technology, which allows aircraft to descend from their cruising altitude to the runway in a continuous arc.

Airports in...the D.C. metropolitan area are now officially equipped with the technology, centered around [the area's three major airports]. The system also accommodates and integrates with flights from Andrews Joint Base Airport, Richmond International Airport and other small airports in the region.

With the OPD procedures in place in D.C. and northern Texas, airliners will be able to reduce flights by as many as 1.1 million miles annually in Texas and burn at least 2.5 million fewer gallons of fuel in the skies above D.C.

The announcement of NextGen's arrival in the D.C. Metroplex comes just a week after the House of Representatives held its first hearing to start the 2015 FAA reauthorization process. During the hearing, the FAA's inspector general said it would be difficult for the agency to put the full extent of NextGen in place across the country by 2020.

"FAA is in the midst of a multibillion-dollar effort to improve the efficiency of the nation's air traffic control system through NextGen," FAA Inspector General Calvin Scovel said at the hearing. "FAA's acquisition reforms have fallen short in improving the delivery of new technologies and new capabilities."

PIPELINE INSPECTOR GUILTY OF LAPSES

*PaintSquare***November 26, 2014**

Randy Jones, an onshore corrosion coordinator for Shell Pipeline Company L.P., has pleaded guilty to two violations of the Pipeline Safety Act and one charge of making false statements to the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration.

The charges stem from a January 2012 leak in Shell's pipeline at the General Mitchell International Airport in Milwaukee, WI—a line that Jones was responsible for taking bi-monthly cathodic protection readings from pipeline rectifiers and conducting an annual cathodic protection survey.

However, from January through December 2011, Jones failed to conduct the readings and the survey, later entering fraudulent data into a computer system.

The charges were filed Nov. 14 in an information in U.S. District Court in Milwaukee, WI, the DOT Office of Inspector General announced.

Jones pleaded guilty the same day.

Each charge carries up to 5 years in prison and a \$250,000 fine, as well as a mandatory special assessment of \$100 and up to 3 years of supervised release.

In January 2012, officials at the airport starting receiving complaints from residents about a jet fuel odor in the sewer system. A few days later, jet fuel could be seen in soil around the airport and in a nearby creek. The fuel eventually reached the airport property, where it melted asphalt and filled underground drainage pipes and culverts.

Shell confirmed that the release was from the pipeline and shut it down. By that time, about 9,030 gallons (or 215 barrels) of jet fuel had leaked.

As part of his plea, Jones agreed to pay a restitution of \$19,337,785—the cost of the cleanup.

According to court documents, Jones first traveled to MKE in September 2010 to take cathodic protection readings. During his visit, he found that the location's two rectifiers weren't operational, but he was able to get them back in service. He returned to the airport twice in November 2010 to oversee repairs...and to install remote monitoring units that would allow him to remotely read the rectifiers.

However, when Jones tried to access the monitoring units in January 2011...he discovered one of the rectifiers wasn't registering voltage. He contacted a contractor to check on the rectifier, and was told it was broken, but never made any repair arrangements.

After that, he reportedly stopped checking the remote access system to take the bi-monthly readings.

Once Jones found out PHMSA scheduled an audit of the pipeline for December 2011, he entered false rectifier readings and false annual survey data.

During the audit, the PHMSA inspector noticed low cathodic protection readings along the length of the pipeline and told Shell to fix the rectifier. Since the inspector only had Jones' false data to go on, he had no idea that the rectifier had been down for over a year.

[T]he government will recommend an increase his sentencing guideline score because of the "loss amount" and because the offenses involved "substantial cleanup" and "use of a specialized skill."

[T]he government also agreed to recommend a decrease in his sentencing guideline score because Jones accepted responsibility and gave timely notification to authorities of his intention to enter a guilty plea.

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COMINGS & GOINGS

(b)(6)

Have news to share with the OIG community?

Email suggested articles to karen.sloan@oig.dot.gov by COB Wednesday to be published in the following week's issue. Please send unformatted Word files and attach any photographs and graphics separately to the email.

Want to join the TI team?

If you are interested in joining *The Inspector* team when an opening becomes available, please email karen.sloan@oig.dog.gov and madeline.chulumovich@oig.dot.gov. Any OIG staff member can sign up. No specific skills are needed.

The Inspector supports OIG's commitment to excellence in communication by providing timely news and information about our work and people across the organization.

THE INSPECTOR

A WEEKLY NEWSLETTER BY, ABOUT, AND FOR THE U.S. DOT OFFICE OF INSPECTOR GENERAL

HAMPTON, DRONES ON THE HILL

Last week, AIG for Aviation, Matt Hampton, testified before the House Committee on Transportation and Infrastructure's Subcommittee on Aviation on safely integrating unmanned aircraft systems into U.S. Airspace—a high-profile and controversial issue. Matt was joined by Peggy Gilligan, Associate Administrator for Aviation Safety, FAA; Gerald Dillingham, Director of Civil Aviation Issues, GAO; Lee Moak, President, Air Line Pilots Association; Jesse Kallman, Head of Business Development and Regulatory Affairs, Airware; and Nicholas Roy, Associate Professor of Aeronautics and Astronautics, MIT.

Given the widespread interest in the topic, the House was packed with industry representatives and members of the media, including the *Washington Post*, the *New York Times*, *USA Today*, the *Huffington Post*, and the *Wall Street Journal*.

Demand for UAS technology is sky high. FAA predicts there will be roughly 7,500 active UAS in the United States in 5 years, with over

safely integrating UAS into the NAS; and the key actions needed to advance UAS integration.



\$89 billion invested worldwide in the emerging technology over the next 10 years. They've grown so popular that small drones are this year's "it" gift on holiday lists for tech lovers.

Matt shared our office's recent and ongoing work about FAA's efforts to safely integrate UAS. He specifically focused on FAA's progress in meeting UAS-related milestones in the FAA Modernization and Reform Act of 2012; the technological, regulatory, and management challenges FAA faces in

Matt's powerful statement noted that although FAA has made some commendable progress, including selecting six sites to test UAS operations, the Agency has a long way to go before UAS can safely operate in the same airspace as other aircraft. Numerous challenges stand in the

way, starting at limitations in the technology itself: UAS technology is not yet advanced enough to effectively detect and avoid other traffic. FAA also lacks the regulations, standards, and policies for certifying UAS, and has not established standardized training, tools, or procedures for managing UAS traffic.

Matt closed his statement with several key actions needed to advance UAS integration, drawing in part on recommendations we

(Continued on page 3)

OIG WEEKLY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
		Cal: GAT Board meeting	Retirement reception for Debbie Bryant at 2:00 pm in the front office	

NOTEWORTHY

IDP AUTO CLEAN UP

A new feature in TMS was implemented Friday, December 12, which will enable expiration of approved Individual Development Plans once the final date of the IDP has passed. Once expired, users will be able to access the IDP in the Completed Work section for review and printing but will no longer be able to copy Goals or Activities to the next IDP.

This year, all IDPs with an end date of September 30, 2014, expired last Friday. This will keep the accounts “clean,” ridding them of old, no longer useful items.

Next year and every year thereafter, the process will be automatic, and IDPs will expire on September 30, the end of the fiscal year to which they apply.

— Sherry Reck

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NOTEWORTHY

(Continued from page 1)

made in our June 2014 report.

Needed actions include gathering and analyzing critical operational safety data; determining the research needed from test sites; finalizing a key rule about small UAS operations (that is, drones under 55 pounds); and creating an integrated budget document. He made a powerful case that until FAA is able complete these actions, it remains unclear when and at what pace UAS will be safely and fully integrated into the NAS.

After Matt finished his hard-hitting and eye-opening statement, Chairman LoBiondo uncharacteristically paused before introducing the next witness and said, “Thank you, Mr. Hampton...that’s,

uh, wow. OK, we’ll leave it at that right now.”

To underscore the potential threat drones pose to safety, Capt. Moak presented a quadcopter drone—which he purchased online “for a few hundred dollars” several days before the hearing—and noted that the drone could be flown from the Hill’s courtyard to the runway at Reagan National.

After the witnesses read their prepared statements, Subcommittee members had many questions. Matt fielded questions on how integrating UAS relates to FAA’s NextGen modernization efforts, as well as whether FAA’s organization is positioned to manage the effort.

The high-impact hearing demonstrated how OIG remains at the forefront of emerging safety issues. Matt’s testimony—supported by JA-10’s Robin Koch, Andrew Farnsworth, Curt Boettcher, and Mark Perril—made it clear why Congress and other stakeholders call on us time and time again: we perform powerful work with independent insights into complex issues you can’t get anywhere else. So all we can say is: Drone on, OIG, drone on!

If you missed the testimony, you can watch it in its entirety online: <http://transportation.house.gov/calendar/eventingle.aspx?EventID=398520>.

— Audre Azuolas, JA-2

DPAIGAE JOE COME SIGNS OFF ON NAFTA AUDIT REPORT



NAFTA audit by the numbers:

- **5** team members
- **3** objectives
- **4** months, **5** days from start to finish
- **2** site visits
- **3** agencies interviewed at each site
- **2** trips to DC for MCSAC subcommittee meetings
- **351** workpapers completed and reviewed
- **99** TeamMate procedures completed and reviewed

NOTEWORTHY

FEDERAL NEWS RADIO: WISHFUL FISMA THINKING

On December 1, Federal News Radio's Jason Miller wrote an article on the call for more risk-based assessments of Federal agencies' cybersecurity, and highlights the work of OIG's Louis King. Here's the article:

What could be the last set of the mostly dreaded annual Federal Information Security Management Act reports are arriving from agency inspector generals.

The White House's recent acceptance that smaller cyber bills may just be better than one big one have buoyed the hope that Congress may actually pass a cyber bill in the next year. And an update to FISMA surely would be included in that smaller bill approach—right?

The long-held criticism of FISMA has been it's a compliance or checklist exercise, and the audits of agency compliance are too much pass or fail instead of taking into account agency risk-based decisions.

The State Department's recent report highlights what many see as a problem with FISMA. First off, a good portion of the State IG's report is redacted for national security reasons. But one fact that is in the open is State doubled the cybersecurity budget of the chief information security officer in the Bureau of Information Resource Management, Office of Information Assurance to \$14 million in 2013, in part to hire contractors to better comply with FISMA.

Therein lies the biggest problem with FISMA. Not to play semantics but "improve FISMA compliance efforts" is the key phrase.

Not to improve its cybersecurity or better protect its data, but to comply with the law. Now, maybe within that phrase, State's IG means to say the agency is using the additional funding to address the 29 recommendations in the fiscal 2013 report, or the 33 recommendations in this year's audit. But that's not what the IG wrote so it's hard to say exactly what auditors meant.

So does the IG's findings mean State's systems are insecure or full of holes? Traditionally, State has been a leader in cybersecurity, implementing continuous monitoring and risk based scoring before nearly every other agency, which leads one to believe they are in better shape than other agencies in terms of understanding their risks and protecting the most important systems or data.

The IG community also recognizes the problem with following the FISMA mandate and understands the changing nature of cybersecurity practices where decisions are made based on risk rather than the blanket protection approach.

Last February, I wrote about the Council of IGs' effort to develop a new maturity model for agency cybersecurity as a way to get away from the typical FISMA assessment that many believe have little value.

And it seems that maturity model is almost ready for a test run.

During the September Federal Audit Executive Council conference, Andy Patchan, the associate IG for IT at the Federal Reserve Board and Consumer Financial Protection Bureau, and Louis King, the assistant IG for financial and IT audits at the Department of Transportation, presented the proposed maturity model for the information security and continuous monitoring (ISCM).

The draft model includes four levels starting with policies and procedures and ending with continuously improving ISCM practices.

IGs would assess agencies across five areas: ISCM policies and procedures, strategy, implementation for IT assets, security controls assessments, and security status reporting.

As of September, Patchan and King wrote that the plan is to pilot the maturity model in late 2014 and early 2015, and then improve upon it so it can be included in the Homeland Security Department's fiscal 2015 FISMA metrics for IGs. Eventually, the goal is for the IGs and DHS to develop a FISMA maturity model reporting framework for all 11 information security areas.

But it's not just the IGs that need to change. DHS has to write risk-based metrics and, most of all, Congress must update the 10-year-old law.

OIG IN THE NEWS

REINCARNATED HORSE-HAULER SENTENCED...

Land Line

December 8, 2014

Theresa Vincent, who owned and operated Terri's Farm in Murfreesboro, Tenn., was sentenced to 120 months of probation at a hearing in U.S. District Court on Nov. 21. In August, Vincent and another owner-operator, Dorian Ayache, of Three Angels Farms in Lebanon, Tenn., pleaded guilty to violating an imminent hazard order issued by the Federal Motor Carrier Safety Administration [in June 2012].

[T]he order requir[ed] Ayache to cease all commercial vehicle operations—due to unacceptable safety practices.

Ayache continued his commercial operations under the name and authority of Terri's Farm. FMCSA categorized Terri's Farm as a "chameleon" carrier and placed it under an imminent hazard order.

According to court documents, Ayache was accused of selling or transferring truck and trailers belonging to Three Angels Farms, contrary to the provisions in the imminent hazard order, to Vincent.

The indictment claims that Ayache tried to conceal and destroy emails to Vincent. She is accused of making false statements while testifying before the grand jury.

In January 2012, a Three Angels Farms driver fell asleep behind the wheel, veered off...the road, and lost control. The trailer carrying 38 horses overturned, [killing three horses]. The driver claimed he...only had 30 minutes of rest in a 24-hour period.

Six months later the company was involved in another wreck in which a trailer carrying 36 horses collapsed and snapped in half. One horse had to be euthanized. The investigating agency found that the driver of the truck did not have a valid CDL, and the second driver in the vehicle had only a suspended CDL.

DRONE DREAM QUESTIONED AS U.S. COMPANIES PUSH COMMERCIAL USE

Bloomberg News

December 10, 2014

Battle lines were drawn today at a hearing before a House subcommittee that raised more questions about how the Federal Aviation Administration can safely integrate small unmanned aircraft into the national airspace at the same time the industry demanded swifter approvals for flights.

Amazon put pressure on the FAA this week, saying it's begun drone testing in other countries and will divert more research abroad if the U.S. doesn't loosen restrictions.

The FAA has received at least 167 requests this year from companies seeking special exemptions to use drones for commercial purposes, including filmmaking, land surveying and oil-field inspections. The FAA earlier today said it granted five waivers to four industrial companies for commercial drone uses, adding to seven waivers given to various film companies earlier this year.

Still, companies are becoming frustrated with the stop-gap approval process and want to know when the agency will propose formal regulations for commercial drone flights.

While drone technology holds promise for the future, "before the vision can become reality, there are currently significant technology gaps," [Nicholas Roy, MIT] said in his testimony.

Roy...agreed with industry groups on one point: The FAA is moving too slowly on granting approvals for testing.

Testimony at the hearing from the Government Accountability Office and the Transportation Department's Inspector General found that the FAA won't meet a deadline set by Congress to begin al-

lowing drone flights alongside traditional aircraft in the U.S. by September.

A proposed FAA regulation allowing commercial flights on drones weighing less than 55 pounds (25 kilograms) is due by the end of the year. Before it can become law, the agency must weigh thousands of comments from a public and industry that doesn't agree on what the standards should be.

"[I]f the Germans, French, and Canadians can do some of these things today, then why can't we also be doing them?" Representative Frank LoBiondo...said in opening remarks.

[T]he falling costs of drones has also made them accessible to recreational users, creating a new breed of drone operators who haven't been schooled in aviation safety. The FAA has recorded almost 200 safety incidents involving drones since February, including cases in which airline pilots said they almost collided with unmanned aircraft.

While conceding it has taken too long to propose rules for small commercial drone operations, the FAA has been taking a gradual approach to unmanned approvals to ensure safety, Margaret Gilligan, the agency's safety chief, told the committee.

The U.S. also has far more aircraft and a more complicated aviation system than any other country, Gilligan said.

The FAA is attempting to educate drone users...Gilligan said.

Lee Moak, president of the Air Lines Pilots Association, who showed a photo of the damage to a military plane's wing after it was hit by a drone, said lawmakers and the FAA shouldn't allow pressure from industry to speed approvals.

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Holidays...

from *The Inspector* gang.
See you in 2015!

