

# Office of the Inspector General

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Description	FY 2004 Actual	FY 2005 Approved	FY 2006 Proposed	% Change from FY 2005
Operating Budget	\$9,748,844	\$11,294,985	\$12,642,345	11.9
FTEs	92.0	108.0	108.0	0.0
Community Investment	-	-	\$300,000	N/A
FTEs	-	-	5	N/A

The mission of the Office of the Inspector General is to conduct independent audits, investigations, and inspections to detect and prevent fraud, waste, and mismanagement, and help the District of Columbia improve its programs and operations by promoting economy, efficiency, and effectiveness. (See D.C. Code § 2-302.08).

The agency plans to fulfill its mission by achieving the following strategic result goals:

- By FY 2007, implement a risk-based methodology for all OIG Divisions/Units to address high-risk areas in the District and stakeholder needs and formalize coordination efforts with the General Accounting Office, the D.C. Auditor, and federal oversight agencies.
- By FY 2007, the OIG will implement an agency education/outreach program that reaches 100 percent of client agencies (agency managers) by FY 2010.
- By FY 2008, seek and request independent hiring authority from the District Council through DCOP, which includes:
  - Implementing flexible work schedule and/or compressed schedule;
  - Formalizing the mentoring program; and
  - Broadening recruitment efforts.

## Funding by Source

Tables AD0-1 and 2 show the sources of funding and FTEs by fund type for the Office of the Inspector General.

Table AD0-1

### FY2006 Proposed Operating Budget by, Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
<b>General Fund</b>						
Local Fund	9,872	8,705	10,052	11,346	1,295	12.9
<b>Total for General Fund</b>	<b>9,872</b>	<b>8,705</b>	<b>10,052</b>	<b>11,346</b>	<b>1,295</b>	<b>12.9</b>
Federal Grant Fund	1,015	1,043	1,243	1,296	53	4.2
<b>Total for Federal Resources</b>	<b>1,015</b>	<b>1,043</b>	<b>1,243</b>	<b>1,296</b>	<b>53</b>	<b>4.2</b>
<b>Gross Funds</b>	<b>10,887</b>	<b>9,749</b>	<b>11,295</b>	<b>12,642</b>	<b>1,347</b>	<b>11.9</b>

Table AD0-2

### FY 2006 Full-Time Equivalent Employment Levels

Appropriated Fund	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
<b>General Fund</b>						
Local Fund	82	78	96	96	0	0.0
<b>Total for General Fund</b>	<b>82</b>	<b>78</b>	<b>96</b>	<b>96</b>	<b>0</b>	<b>0.0</b>
Federal Grant Fund	15	14	12	12	0	0.0
<b>Total for Federal Resources</b>	<b>15</b>	<b>14</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0.0</b>
<b>Total Proposed FTEs</b>	<b>97</b>	<b>92</b>	<b>108</b>	<b>108</b>	<b>0</b>	<b>0.0</b>

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## Expenditure by Comptroller Source Group

Table AD0-3 shows the FY 2006 proposed budget for the agency at the Comptroller Source Group level (Object Class level)

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Table AD0-3

### FY 2006 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
11 Regular Pay - Cont Full Time	6,454	6,142	7,117	7,507	390	5.5
12 Regular Pay - Other	4	0	0	0	0	0.0
13 Additional Gross Pay	57	110	0	0	0	0.0
14 Fringe Benefits - Curr Personnel	972	959	1,096	1,162	66	6.0
<b>Subtotal Personal Services (PS)</b>	<b>7,487</b>	<b>7,210</b>	<b>8,213</b>	<b>8,669</b>	<b>456</b>	<b>5.5</b>
20 Supplies and Materials	39	45	60	62	2	3.8
31 Telephone, Telegraph, Telegram, Etc	96	74	121	78	-42	-35.1
32 Rentals - Land and Structures	821	820	861	887	26	3.0
34 Security Services	12	12	18	19	1	4.0
40 Other Services and Charges	2,326	1,410	1,930	2,815	885	45.8
41 Contractual Services - Other	0	0	0	0	0	0.0
50 Subsidies and Transfers	89	89	92	102	11	11.9
70 Equipment & Equipment Rental	17	89	0	10	10	100.0
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>3,400</b>	<b>2,539</b>	<b>3,082</b>	<b>3,973</b>	<b>892</b>	<b>28.9</b>
<b>Total Proposed Operating Budget</b>	<b>10,887</b>	<b>9,749</b>	<b>11,295</b>	<b>12,642</b>	<b>1,347</b>	<b>11.9</b>

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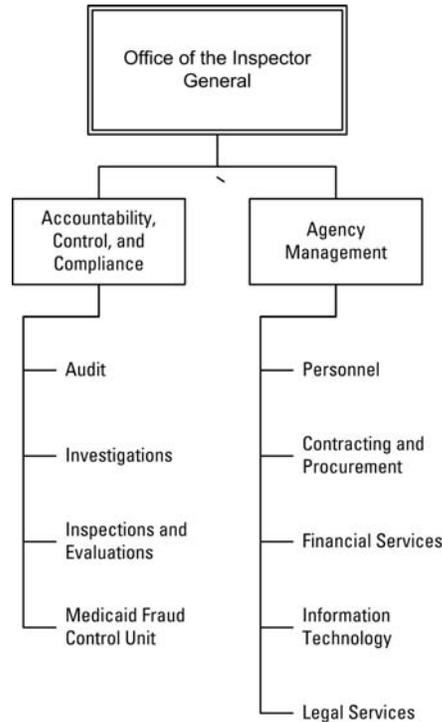
## Expenditure by Program

This funding is budgeted by program and the Office of the Inspector General has the following program structure:

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Figure AD0-1

### Office of the Inspector General



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## Gross Funds

The proposed Gross Funds budget is \$12,642,345, representing an increase of \$1,347,360 or 11.9 percent over the FY 2005 Gross Funds budget of \$11,294,985. There are 108 FTEs for the agency, no change from the FY 2005 approved level.

## Community Investment

The Mayor proposes additional Community Investment funding in the amount of \$300,000 and 5 FTEs for the Accountability, Control, and Compliance program.

## General Funds

Local Funds. The proposed budget is \$11,346,345, representing an increase of \$1,294,641 or 12.9 percent over the FY 2005 budget of \$10,051,704. This change is primari-

ly due to projected new contractor costs in producing the Comprehensive Annual Financial Report (CAFR). There are 96 FTEs for the agency, no change from the FY 2005 approved level.

In addition, the Mayor proposes additional local funding in the amount of \$300,000 and 5 FTEs for Community Investment. For more information on the OIG's Community Investment, please refer to the end of this chapter.

## Federal Funds

Federal Grants. The proposed budget is \$1,296,000, representing an increase of \$52,719 or 4.2 percent over the FY 2005 budget of \$1,243,281. There are 12 FTEs for the agency, no change from the FY 2005 approved level.

## Programs

The Office of the Inspector General is committed to the following programs:

### Accountability, Control, and Compliance

	FY 2005	FY 2006
Budget	\$9,316,682	\$10,428,053
FTEs	93.17	93.17

\*FY 2005 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY2005 for this agency because the agency had not yet created its performance-based budgeting structure.

#### Program Description

The **Accountability, Control, and Compliance** program provides audits, investigations, and inspections of and for the District government that focus efforts on mitigating those risks that pose the most serious challenges to District agencies and other stakeholders. Through this work, District government entities can better maintain fiscal integrity and operational readiness to reduce fraud, waste, and mismanagement.

The program has four activities:

- **Audit** - provides audit services to District agencies so that (1) agencies can be more efficient and effective and minimize the risk of fraud, waste, abuse, and mismanagement and (2) stakeholders may rely upon District and agency financial statements.
- **Investigations** - implements the requirement in D.C. Code § 2-302.08 (a-1)(1) that the Inspector General independently conduct investigations into allegations of waste, fraud, and abuse relating to the programs and operations of the District government.
- **Inspections and Evaluations** - provides District of Columbia government decision makers with objective, thorough, and timely evaluations and recommendations that will assist them in identifying and correcting problems, and achieving efficiency, effectiveness, and economy in operations and programs.
- **Medicaid Fraud Control Unit** - (1) implements federal law 42 CFR 1007.11(a) and (b)(1) to conduct a statewide program for investigating and prosecuting violations of all

applicable State laws pertaining to fraud in the administration of the Medicaid program, the provision of medical assistance, or the activities of providers of medical assistance under the State Medicaid plan; (2) reviews complaints alleging abuse or neglect of patients in health care facilities receiving payments under the State Medicaid plan; (3) reviews complaints of the misappropriation of patient's private funds in such facilities; and (4) implements the D.C. Code § 2-302.08 (a-1)(1) requirement to independently conduct investigations into allegations of waste, fraud, and abuse relating to the programs and operations of the District government.

#### Program Budget Summary

Since this agency transitions to a PBB agency in FY 2006, no analysis can be done between the FY 2006 request and the previous budget years on a program-by-program basis. However, changes within this program increased the overall gross funds budget level:

- An increase of \$1,221,042 in the Audit activity's other services for projected new contractor costs in producing the FY 2004 Comprehensive Annual Financial Report (CAFR). The total projected costs are \$2,442,083 and the other half is placed within the Non-Departmental account. The allocation of the Non-Departmental account is pending the final cost of the CAFR contract.
- An increase of \$20,159 in the Audit, Investigations, Inspections and Evaluations activities' other services for employee training.

**Key Result Measures**  
**Program 1: Accountability, Control and Compliance**

*Citywide Strategic Priority Area(s):* Promoting Economic Development

*Manager(s):* Cheryl Johnson, Deputy AIG for Audits; Alfred Miller, Deputy AIG for Investigations; Lawrence Perry, Deputy AID for Inspections and Evaluations (I&E); and Jane Drummey, Deputy Director, Medicaid Fraud Control Unit (MFCU)

*Supervisor(s):* William J. DiVello, AIG for Audits; Robert G. Andary, AIG for Investigations; Alvin Wright, Jr., AIG for I&E; and Susan Bieber Kennedy, Director, MFCU

**Measure 1.1: Percent of District agencies provided with audit coverage/presence**

	Fiscal Year	
	2006	2007
Target	30	30
Actual	-	-

**Measure 1.2: Percent of potential monetary benefits identified by OIG audits**

	Fiscal Year	
	2006	2007
Target	95	95
Actual	-	-

Note: This measures monetary benefits amounting to 5 times that year's audit costs excluding the cost of the CAFR and other audits on a return on investment of \$5 for every \$1 spent.

**Measure 1.3: Percent of OIG recommendations that have been implemented by District agencies**

	Fiscal Year	
	2006	2007
Target	N/A	N/A
Actual	-	-

Note: This measures implementation of audit recommendations made in the 3 fiscal years prior to the OIG follow-up review. The first target will be in FY 2008 with subsequent targets set every 3 years thereafter.

**Measure 1.4: Percent of all complaints evaluated within 3 days of receipt in the Investigations Division**

	Fiscal Year	
	2006	2007
Target	75	80
Actual	-	-

**Measure 1.5: Percent of preliminary investigations**

**completed within one month of assignment to investigator in Investigations Division**

	Fiscal Year	
	2006	2007
Target	75	80
Actual	-	-

**Measure 1.6: Percent of pending administrative investigations closed at the beginning of the fiscal year**

	Fiscal Year	
	2006	2007
Target	60	65
Actual	-	-

**Measure 1.7: Percent of Hotline calls cleared in the Investigations Division**

	Fiscal Year	
	2006	2007
Target	80	85
Actual	-	-

**Measure 1.8: Percent of referral letters prepared within one week of complaint assignment to referral program**

	Fiscal Year	
	2006	2007
Target	80	85
Actual	-	-

**Measure 1.9: Percent of inspections/evaluations completed by I & E Division**

	Fiscal Year	
	2006	2007
Target	80	80
Actual	-	-

**Measure: 1.10 Percent of re-inspections completed by I & E Division**

	Fiscal Year	
	2006	2007
Target	70	70
Actual	-	-

**Measure:1.11 Percent of abuse/neglect complaints evaluated within 1 business day of receipt**

	Fiscal Year	
	2006	2007
Target	75	80
Actual	-	-

**Measure: 1.12 Percent of fraud complaints within 30 days of receipt**

	Fiscal Year	
	2006	2007
Target	75	80
Actual	-	-

**Measure: 1.13 Percent of complaints of funds/property misappropriation within 5 days of receipt**

	Fiscal Year	
	2006	2007
Target	75	80
Actual	-	-

**Measure: 1.14 Percent of relevant entities provided training/in-service education by MFCU staff**

	Fiscal Year	
	2006	2007
Target	60	80
Actual	-	-

Note: This percentage is based on 10 relevant entities.

**Measure 1.15 Percent of criminal/civil resolutions obtained (plea, settlement or verdict) in MFCU cases**

	Fiscal Year	
	2006	2007
Target	60	80
Actual	-	-

Note: This measure is based on 10 resolutions in a fiscal year

**Agency Management Program**

	FY 2005	FY 2006
Budget	\$1,978,303	\$2,214,292
FTEs	14.83	14.83

\*FY2005 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY2005 for this agency because the agency had not yet created its performance-based budgeting structure.

**Program Description**

The **Agency Management** program provides operational support to the agency so that they have the necessary tools to achieve operational and programmatic results. This program is standard for all Performance-Based Budgeting agencies. Additional information about the Agency Management program is provided in the Strategic Budgeting chapter.

**Program Budget Summary**

Since this agency transitions to a PBB agency in FY 2006, no analysis can be done between the FY 2006 request and the previous budget years on a program-by-program basis. However, changes within this program were done with a neutral impact to the gross funds budget:

- An increase of \$9,147 in the Contracting and Procurement activity's equipment to partially replace obsolete printers/computers.
- A decrease of \$8,775 in the Property Management activity's rent due to lower lease terms.
- A decrease of \$325 in the Communication activity's telephone due to a reduction in telecom services.
- A decrease of \$47 in the Property Management activity's telephone due to a reduction in telecom services.

**Key Result Measures**

**Program 2: Agency Management**

*Citywide Strategic Priority Area(s):* Making Management Work

*Manager(s):* Karen Branson, Acting Deputy Inspector General

*Supervisor(s):* Austin A. Anderson, Interim Inspector General

**Measure 2.1: Percent variance of estimate to actual expenditure (over/under)**

	Fiscal Year	
	2006	2007
Target	5	5
Actual	-	-

**Measure 2.2: Cost of Risk**

	Fiscal Year	
	2006	2007
Target	N/A	N/A
Actual	-	-

**Measure 2.3: Percent of the Mayor's Customer Service Standards Met**

	Fiscal Year	
	2006	2007
Target	63	63
Actual	-	-

Table AD0-4

**FY 2006 Proposed Budget and FTEs for Community Investments by Program**  
(dollars in thousands)

Program	Proposed FY 2006 Local Funds	Proposed FY 2006 FTEs
2000 Accountability, control/compliance	\$300	5
<b>Total for Community Investments</b>	<b>\$300</b>	<b>5</b>

Table AD0-5

**FY 2006 Proposed Budget for Community Investments by Comptroller Source**  
(dollars in thousands)

Comptroller Source Group	Proposed FY 2006 Local
0011 Regular Pay - Cont Full Time	\$255
0014 Fringe Benefits - Curr Personnel	\$45
<b>Subtotal Personal Services (PS)</b>	<b>\$300</b>
<b>Total for Community Investments</b>	<b>\$300</b>

**Measure 2.4: Percent of Key Result Measures achieved**

	Fiscal Year	
	2006	2007
Target	70	70
Actual	-	-

For more detailed information regarding the proposed funding for the activities within this agency's programs, please see schedule 30-PBB in the FY 2006 Operating Appendices volume.

**Community Investments**

The mayor's proposed budget includes additional Local Funds in the amount of \$300,000 and 5 FTEs to provide funding for the following initiatives:

- \$300,000 and 5 FTEs to fund the Accountability, Control, and Compliance program. The funding for this program will provide staffing for resident audit sites.