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# Office of the Inspector General

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Description	FY 2009 Actual	FY 2010 Approved	FY 2011 Proposed	% Change from FY 2010
Operating Budget	\$17,107,460	\$17,541,332	\$16,243,122	-7.4
FTEs	107.5	124.0	118.0	-4.8

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

## Summary of Services

OIG initiates and conducts independent financial and performance audits, inspections, and investigations of District government operations; serves as the principal liaison between the District government and the US Government Accountability Office; conducts other special audits, assignments, and investigations; audits procurement and contract administration on a continual basis; forwards to the appropriate authorities evidence of criminal wrongdoing that is discov-

ered as the result of audits, inspections, or investigations conducted by the Office; and enters into a contract with an outside audit firm to perform the annual audit of the District government's financial operations with the results published in the Comprehensive Annual Financial Report (CAFR), as well as chairing the CAFR oversight committee.

The agency's FY 2011 proposed budget is presented in the following tables:

## FY 2011 Proposed Gross Funds Operating Budget, by Revenue Type

Table AD0-1 contains the proposed FY 2011 agency budget compared to the FY 2010 approved budget. It also provides FY 2008 and FY 2009 actual expenditures.

**Table AD0-1**  
(dollars in thousands)

Appropriated Fund	Actual FY 2008	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Percent Change*
<b>General Fund</b>						
Local Funds	14,886	15,324	15,457	13,925	-1,532	-9.9
<b>Total for General Fund</b>	<b>14,886</b>	<b>15,324</b>	<b>15,457</b>	<b>13,925</b>	<b>-1,532</b>	<b>-9.9</b>
<b>Federal Resources</b>						
Federal Grant Funds	1,683	1,783	2,084	2,318	234	11.2
<b>Total for Federal Resources</b>	<b>1,683</b>	<b>1,783</b>	<b>2,084</b>	<b>2,318</b>	<b>234</b>	<b>11.2</b>
<b>Gross Funds</b>	<b>16,569</b>	<b>17,107</b>	<b>17,541</b>	<b>16,243</b>	<b>-1,298</b>	<b>-7.4</b>

\*Percent Change is based on whole dollars.

**Note:** If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2011 Proposed Full-Time Equivalents, by Revenue Type

Table AD0-2 contains the proposed FY 2011 FTE level compared to the FY 2010 approved FTE level by revenue type. It also provides FY 2008 and FY 2009 actual data.

**Table AD0-2**

Appropriated Fund	Actual FY 2008	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Percent Change
<b>General Fund</b>						
Local Funds	105.7	92.7	108.3	100.8	-7.5	-6.9
<b>Total for General Fund</b>	<b>105.7</b>	<b>92.7</b>	<b>108.3</b>	<b>100.8</b>	<b>-7.5</b>	<b>-6.9</b>
<b>Federal Resources</b>						
Federal Grant Funds	14.2	14.8	15.8	17.2	1.5	9.5
<b>Total for Federal Resources</b>	<b>14.2</b>	<b>14.8</b>	<b>15.8</b>	<b>17.2</b>	<b>1.5</b>	<b>9.5</b>
<b>Total Proposed FTEs</b>	<b>120.0</b>	<b>107.5</b>	<b>124.0</b>	<b>118.0</b>	<b>-6.0</b>	<b>-4.8</b>

## FY 2011 Proposed Operating Budget, by Comptroller Source Group

Table AD0-3 contains the proposed FY 2011 budget at the Comptroller Source Group (object class) level compared to the FY 2010 approved budget. It also provides FY 2008 and FY 2009 actual expenditures.

**Table AD0-3**

(dollars in thousands)

Comptroller Source Group	Actual FY 2008	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Percent Change*
11 - Regular Pay - Cont Full Time	9,202	9,559	10,040	10,367	327	3.3
13 - Additional Gross Pay	72	81	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	1,546	1,653	1,684	1,865	181	10.8
15 - Overtime Pay	1	0	0	0	0	N/A
<b>Subtotal Personal Services (PS)</b>	<b>10,821</b>	<b>11,292</b>	<b>11,724</b>	<b>12,232</b>	<b>508</b>	<b>4.3</b>
20 - Supplies and Materials	46	24	29	30	2	5.5
30 - Energy, Comm. and Building Rentals	0	0	2	1	-1	-73.5
31 - Telephone, Telegraph, Telegram, Etc.	51	66	83	13	-70	-84.3
32 - Rentals - Land and Structures	1,343	1,212	1,446	228	-1,218	-84.2
34 - Security Services	26	28	0	0	0	N/A
35 - Occupancy Fixed Costs	0	0	9	1	-7	-82.7
40 - Other Services and Charges	4,084	4,403	3,441	3,490	49	1.4
41 - Contractual Services - Other	0	0	600	0	-600	-100.0
50 - Subsidies and Transfers	0	0	207	236	28	13.7
70 - Equipment and Equipment Rental	198	81	0	13	13	N/A
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>5,748</b>	<b>5,815</b>	<b>5,818</b>	<b>4,011</b>	<b>-1,806</b>	<b>-31.0</b>
<b>Gross Funds</b>	<b>16,569</b>	<b>17,107</b>	<b>17,541</b>	<b>16,243</b>	<b>-1,298</b>	<b>-7.4</b>

\*Percent Change is based on whole dollars.

## Program Description

The Office of the Inspector General operates through the following 3 programs:

**Accountability, Control, and Compliance** - provides audits and inspections of, and for, the District government that focus efforts on mitigating 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.

This program contains the following 2 activities:

- **Audit** – provides audit services to District agencies so that agencies can be more efficient and effective and minimize the risk of fraud, waste, abuse, and mismanagement, and stakeholders can rely upon District and agency financial statements; and
- **Inspections and Evaluations** – provides District 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.

**Law Enforcement and Compliance** – conducts investigations into allegations of waste, fraud, and abuse relating to the programs and operations of the District government.

This program contains the following 3 activities:

- **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;
- **Medicaid Fraud Control Unit 75 Percent Match (MFCU)** – represents the Federal funding for this activity associated with the MFCU grant, which 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;

reviews complaints alleging abuse or neglect of patients in health care facilities receiving payments under the State Medicaid plan; reviews complaints of the misappropriation of patients' private funds in such facilities; and 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; and

- **Medicaid Fraud Control Unit 25% Match** – represents the Local match associated with the MFCU Federal grant.

**Agency Management** – provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

## Program Structure Change

The Office of the Inspector General had no program structure changes in the FY 2011 Proposed Budget.

## FY 2011 Proposed Operating Budget and FTEs, by Program and Activity

Table AD0-4 contains the proposed FY 2011 budget by program and activity compared to the FY 2010 approved budget. It also provides FY 2009 actual data.

**Table AD0-4**

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010
<b>(1000) Agency Management</b>								
(1010) Personnel	196	214	411	197	1.3	1.5	1.5	-0.1
(1020) Contracting and Procurement	315	279	284	5	2.3	2.5	2.5	-0.1
(1030) Property Management	1,024	1,185	36	-1,149	0.0	0.0	0.0	0.0
(1040) Information Technology	469	412	435	23	3.3	3.5	3.5	-0.1
(1050) Financial Management	260	290	291	0	2.3	2.5	2.5	-0.1
(1060) Legal	666	641	654	12	5.2	5.5	5.5	-0.1
(1070) Fleet Management	6	7	3	-5	0.0	0.0	0.0	0.0
(1080) Communication	53	66	0	-66	0.0	0.0	0.0	0.0
(1085) Customer Service	114	110	110	0	1.3	1.8	1.3	-0.5
<b>Subtotal (1000) Agency Management</b>	<b>3,104</b>	<b>3,206</b>	<b>2,224</b>	<b>-982</b>	<b>15.8</b>	<b>17.4</b>	<b>16.6</b>	<b>-0.8</b>
<b>(2000) Accountability, Control/Compliance</b>								
(2010) Audit	7,666	7,423	6,859	-564	34.8	40.5	37.5	-3.1
(2020) Investigations	15	0	0	0	0.1	0.0	0.0	0.0
(2030) Inspections and Evaluations	1,389	1,431	1,470	40	13.3	15.6	14.5	-1.1
<b>Subtotal (2000) Accountability, Control/Compliance</b>	<b>9,071</b>	<b>8,854</b>	<b>8,329</b>	<b>-525</b>	<b>48.2</b>	<b>56.1</b>	<b>52.0</b>	<b>-4.1</b>
<b>(3000) Law Enforcement and Compliance</b>								
(3010) Investigations	2,555	2,772	2,760	-12	23.9	29.5	26.5	-3.1
(3020) Medicaid Fraud Control Unit 25% Match	595	626	612	-13	4.9	5.2	5.8	0.5
(3030) Medicaid Fraud Control Unit	1,783	2,084	2,318	234	14.8	15.8	17.2	1.5
<b>Subtotal (3000) Law Enforcement and Compliance</b>	<b>4,933</b>	<b>5,482</b>	<b>5,690</b>	<b>209</b>	<b>43.6</b>	<b>50.5</b>	<b>49.5</b>	<b>-1.1</b>
<b>Total Proposed Operating Budget</b>	<b>17,107</b>	<b>17,541</b>	<b>16,243</b>	<b>-1,298</b>	<b>107.5</b>	<b>124.0</b>	<b>118.0</b>	<b>-6.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

**Note:** For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary By Activity** in the **FY 2011 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## **FY 2011 Proposed Budget Changes**

**Intra-Agency Adjustments:** In the FY 2011, the Office of the Inspector General (OIG) aligned its fleet budget by a reduction of \$3,678 per revised estimates from the Department of Public Works.

**Transfers In/Out:** OIG will transfer out \$1,297,265 in facility and telecom fixed costs to the new fixed costs agency and the Office of Finance and Resource Management in FY 2011.

**Cost Savings:** The Office of the Inspector General will save \$600,000 in Local funding by reducing contractual services for its Comprehensive Annual Financial Report (CAFR) contract, \$196,918 by reducing funding for 2.0 vacant FTEs, and \$16,655 in employee parking subsidies.

**Cost Increase:** Increases of \$182,490 in fringe benefits based on historical growth rates and \$64,591 in other services and charges and supplies are made across multiple programs.

**Policy Initiatives:** Increases in Local funds include \$193,371 for staff promotions in various programs and \$56,268 to provide 25 percent Local funding match for salary and fringe benefits for 2.0 new FTEs in the Federal Grant program. Increases in Federal grants include \$147,099 for 75 percent funding of the costs of 2.0 additional FTEs in the Law Enforcement and Compliance program and \$46,934 for cost increases in nonpersonal services for the 2.0 new FTEs.

## FY 2010 Approved Budget to FY 2011 Proposed Budget, by Revenue Type

Table AD0-5 itemizes the changes by revenue type between the FY 2010 approved budget and the FY 2011 proposed budget.

**Table AD0-5**  
(dollars in thousands)

	PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2010 Approved Budget and FTE</b>		<b>15,457</b>	<b>108.3</b>
Cost Decrease: Reduce funding for contractual services	Accountability, Control and Compliance	-600	0.0
Cost Decrease: Align fleet budget with revised DPW estimates	Agency Management Program	-4	0.0
Cost Increase: Provide 25 percent local funding match for salary and fringe benefits for 2.0 new FTEs in Federal Grant program	Law Enforcement and Compliance	56	0.5
Cost Increase: Increase funding for other services and inflation	Multiple Programs	63	0.0
Cost Increase: Increase funding for general office supplies	Multiple Programs	2	0.0
Cost Increase: Align Personal Services to reflect expected expenditures	Multiple Programs	146	0.0
Cost Increase: Adjust fringe benefits based on historical growth rate	Multiple Programs	182	0.0
Transfer Out: Transfer facility and telecom fixed costs to new fixed cost agency and OFRM	Agency Management Program	-1,297	0.0
Cost Increase: Increase funding for employee promotions	Multiple Programs	193	0.0
Cost Decrease: Eliminate employee parking subsidies	Agency Management Program	-17	0.0
Cost Decrease: Reduce funding for 2.0 vacant FTEs	Multiple Programs	-197	-2.0
Reduce: Hold salary steps constant	Multiple Programs	-61	0.0
Reduce: Remove unfunded FTEs	Multiple Programs	0	-6.0
<b>LOCAL FUNDS: FY 2011 Proposed Budget and FTE</b>		<b>13,925</b>	<b>100.8</b>
<b>FEDERAL GRANT FUNDS: FY 2010 Approved Budget and FTE</b>		<b>2,084</b>	<b>15.8</b>
Cost Increase: Provide 75 percent Federal grant funding for salary, and fringe benefits for 2.0 new FTEs	Law Enforcement and Compliance	147	1.5
Cost Increase: Nonpersonal Services for 2.0 new FTEs, including funding for new office equipment, rental, phones and other services and charges.	Medicaid Fraud Control Unit	47	0.0
Cost Increase: Adjust fringe benefits based on historical growth rate	Multiple Programs	26	0.0
Cost Increase: Align fleet budget with revised DPW estimates	Agency Management Program	1	0.0
Cost Increase: Align Personal Services to reflect expected expenditures	Multiple Programs	28	0.0
Reduce: Hold salary steps constant.	Medicaid Fraud Control Unit	-15	0.0
<b>FEDERAL GRANT FUNDS: FY 2011 Proposed Budget and FTE</b>		<b>2,318</b>	<b>17.3</b>
<b>Gross for AD0 - Office of the Inspector General</b>		<b>16,243</b>	<b>118.1</b>

## Agency Performance Plan

The agency's performance plan has the following objectives for FY 2011:

**Objective 1:** Through the Accountability, Control, and Compliance Program, conducts audits and inspections for the District government, focusing

efforts on mitigating risks that pose the most serious challenges to District agencies and other stakeholders.

**Objective 2:** Use the Law Enforcement and Compliance program to conduct investigations into allegations of waste, fraud, and abuse relating to the programs and operations of the District Government.

## Agency Performance Measures

Table AD0-6

Measure	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Projection	FY 2011 Projection	FY 2012 Projection
Number of final audit reports issued (financial /performance)	32	26	34	28	28	28
Potential monetary benefits resulting from audits (\$ million)	55.5	17	50.3	19	21	21
Percent of all fiscal year assigned inspections/evaluations conducted	80	N/A	N/A	N/A	N/A	N/A
Number of final inspection/evaluation reports issued	N/A	10	16	10	10	10
Percent of complaints evaluated within ten days of receipt in investigations	94	82	90.43	83	85	85
Number of criminal/ civil resolutions obtained in MFCU* cases	17	12	19	16	20	20

\*MFCU- Medicare Fraud Control Unit