

OFFICE OF INSPECTOR GENERAL
U.S. Department of Transportation

*Seminannual Report
to the Congress*



April 1, 2000 - September 30, 2000



Contacts

Inspector General

Kenneth M. Mead(202) 366-1959

Acting Deputy Inspector General

Todd J. Zinser(202) 366-1959

Assistant Inspector General for Auditing

Alexis M. Stefani(202) 366-1992

Acting Assistant Inspector General for Investigations

David H. Gamble(202) 366-1967

Senior Counsel

Roger P. Williams(202) 366-8751

Senior Counsel for Legislative and External Affairs

Brian A. Dettelbach(202) 366-8751

Public Affairs Officer

David Barnes(202) 366-6312

Deputy Assistant Inspector General for Aviation

David A. Dobbs(202) 366-0500

Deputy Assistant Inspector General for Financial/ Information Technology/Departmentwide Programs

John L. Meche(202) 366-1496

Deputy Assistant Inspector General for National Transportation Infrastructure

Vacant(202) 366-0687

Deputy Assistant Inspector General for Maritime and Highway Safety

Thomas J. Howard(202) 366-5630

Deputy Assistant Inspector General for Competition, Economic, Rail, and Special Programs

Mark R. Dayton(202) 366-9970

Table of Contents

<i>Introduction</i>	4
<i>Audits and Investigations</i>	6
<i>Focus: DOT Acting on Management Challenges Identified by OIG</i>	7
<i>DOT Needs to Eliminate Downtime on Rulemakings</i>	10
<i>OIG Organization and Management</i>	11
<i>Work Planned and In Progress</i>	12
<i>Focus: Limited Progress in Disposing of Obsolete Vessels</i>	17
<i>Flight Delays, Cancellation, and Customer Service</i>	18
<i>Web is Changing Ticket Purchasing Patterns</i>	19
<i>Audit and Investigative Results:</i>	
<i>April 1-July 30, 2000</i>	22
<i>Illinois CDL Prosecution Continues</i>	35
<i>Audit and Investigative Results:</i>	
<i>August 1-September 30, 2000...</i>	37
<i>PCIE Awards</i>	57
<i>Charts and Tables:</i>	
<i>Summary of Performance</i>	5
<i>Application of Resources</i>	47
<i>Completed Audits</i>	48
<i>Management Decisions Regarding Audit Recommendations</i>	49
<i>Reports with Recommendations That Questioned Costs</i>	50
<i>Recommendations That Funds Be Put to Better Use</i>	51
<i>Recommendations for Safety, Economy or Efficiency</i>	52
<i>Status of Unresolved Audit Recommendations</i>	53
<i>Profile of Pending Investigations</i>	54
<i>Investigative and Judicial Actions</i>	55
<i>List of Audits</i>	59



From the Inspector General

The first year of the 21st Century brought with it numerous challenges to the Office of Inspector General. During the past fiscal year, we issued 128 audit reports, testified before Congress 28 times and conducted criminal investigations that resulted in 235 convictions. These statistics indicate how seriously we take our statutory mission to detect and prevent waste, fraud and abuse while assisting DOT and Members of Congress in achieving a safe, efficient and effective transportation system.

Congress has authorized and appropriated record sums of Federal funds for highway, transit and aviation infrastructure projects. In 2000, Congress enacted the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21) and appropriated nearly \$58.5 billion to DOT for FY2001. This significant infusion of funds for transportation presents additional challenges to our oversight responsibilities. That is the reason why we have initiated a major proactive effort to prevent and detect possible fraud in transportation infrastructure projects. We investigated 58 such cases during the reporting period.

Our audit and investigative work covered diverse subjects on the transportation agenda of the Department and Congress. Highlights include: Amtrak's financial viability and the introduction of high speed rail on the Northeast Corridor; aviation system capacity and delays; airline customer service; aviation safety; runway incursions and operational errors; major infrastructure projects such as the Central Artery Project, San Francisco's Bay Area Rapid Transit system and the Woodrow Wilson Bridge; pipeline and hazardous materials safety; motor carrier safety and commercial drivers license fraud investigations; Coast Guard capital acquisitions, such as the Deepwater Project; computer security; financial accounting and management; timeliness of significant rulemakings; procurement and contracting practices and Government Performance and Results Act implementation.

We appreciate the cooperation, support and responsiveness of the Secretary, the Deputy Secretary, the Operating Administrations and Congress during our work on these and other efforts. We look forward to serving the American public by continuing our oversight of the Department's efforts to provide safe and efficient movement of people and goods.

Summary of Performance Office of Inspector General

April 1, 2000-September 30, 2000

Reports Issued	53
Congressional Testimonies	15
Total financial recommendations	\$750,205,000
— That funds be better-used	\$749,400,000
— Questioned costs	\$805,000
Referrals for prosecution	109
Cases accepted for prosecution	68
Indictments	105
Fines, restitutions, recoveries	\$40,156,119
Convictions	95
Contract terminations/debarments	11
Actions affecting DOT employees	28

Audits & Investigations

The Office of Inspector General includes a staff of auditors and evaluators who review DOT programs and make recommendations to enhance their effectiveness and improve their efficiency. Our aim is to ensure the Department spends taxpayer funds in a prudent and proper manner. Some audits focus on financial issues; others provide oversight of safety programs, contract management, computer security and program performance. The Inspector General's staff also includes trained criminal investigators who build criminal cases against lawbreakers — such as trucking firms that force drivers to work too many hours without rest, haulers who illegally transport hazardous materials, vendors who traffic in illegal, unapproved aircraft parts and Department employees who abuse the public trust.

Many factors go into determining what to audit. Some audits are required by law. Others are requested by key decision-makers, such as the Secretary of Transportation, heads of the operating administrations within DOT or Members of Congress. The OIG audit plan is also based on the past experience of an audited entity, the strategic goals of DOT, and priorities established each year by OIG itself.

Information for OIG investigations also comes from many areas. DOT's operating administrations and state government officials often will refer tips or information about suspicious activity to OIG special agents. Those agents, often with assistance from other law-enforcement agencies, conduct investigations utilizing, as necessary, judicial tools such as search warrants and subpoenas to obtain evidence.

Another source of investigative direction is the Office of Inspector General Hotline, an “800” number that lets citizens — including federal workers — have direct access to OIG staff. The number is 1-(800)-424-9071. Hotline users are not obliged to disclose their identities and “whistle-blowers” within the government are protected from reprisal by federal law. The Hotline staff can also be e-mailed at hotline@oig.dot.gov.

The Inspector General Act requires the Department to provide the Inspector General with all requested information and for the IG to report any instance in which access was denied. DOT officials withheld no information requested by OIG during the 6 months covered in this report. ■

DOT Acting on Management Challenges Identified by OIG

In each of the last several years, lawmakers have asked federal inspectors general to identify and report on the top management challenges within their agencies. Our 2000 list identified 12 program areas requiring continual attention to ensure safer transportation, those in which there are significant economic and efficiency concerns and others with questionable success in achieving results. Our 2001 list, due to be released in December includes 10 program areas.

At the request of Senator Fred Thompson, the chairman of the Senate Committee on Governmental Affairs, we also issued a report in August 2000 reviewing how well DOT's 1999 Performance Report and 2001 Performance Plan covered the management issues we identified and whether the department is making appropriate progress.



We grouped these management challenges into the categories of:

- Aviation Safety
- Surface Transportation Safety
- Air Traffic Control Modernization
- FAA Financing
- Surface, Marine and Airport Infrastructure
- Transportation Security
- Computer Security
- Financial Accounting/Chief Financial Officers Act
- Amtrak Financial Viability and Modernization
- Coast Guard Deepwater Replacement Project
- MARAD's Ship-Scrapping Program
- Government Performance and Results Act Implementation

We have also recently written lawmakers interested in the Government Performance and Results Act, to state that the Department's new Strategic Plan for 2000-2005 incorporates detailed information drawn from our annual top management challenges report. The Strategic Plan is measurably strengthened through its treatment of these areas. ■

Top 12 Management Issues Facing DOT

DOT has shown Government-wide leadership in implementing the Government Performance and Results Act (GPRA). A recent study by the Mercatus Center of George Mason University ranked the Department's March 2000 Performance Report/Performance Plan among the best in the Government. The Department was able to report prior year data for over 90 percent of its performance measures, a significant improvement over the 63 percent attained in the dry run of the performance report prepared in March 1999.

We believe that further progress is possible. Improvements could be implemented to both strengthen the Performance Report/Performance Plan and increase the likelihood of the Department meeting performance goals where it currently falls short. In our August 28, 2000 report to Congress, we commented on each of the top 12 management challenges. Our most important observations include having the Department:

Focus Efforts on Lowering Runway Incursions and Operational Errors

Runway incursions, which are incidents on the ground, which create a collision hazard, increased 34 percent (from 230 to 321) between 1995 and 1999. In the first eight months of 2000, there were 288 runway incursions, a 39 percent increase from the same period in 1999. Operational errors, which occur when air traffic controllers allow planes to get too close to each other, increased 27 percent (from 764 to 939) between Fiscal Years 1996 and 1999. In the first 11 months of Fiscal year 2000, there were 1,053 operational errors, surpassing the 939 operational errors that occurred in all of Fiscal Year 1999.

While DOT's Performance Plan/Performance Report lays out plans for reversing increases in both these areas, it is clear that FAA's management efforts have been insufficient. FAA needs to establish a system to ensure that planned initiatives are completed, develop local action plans to correct airport-specific problems and revise its runway incursion data to better identify causal factors and risks. FAA should also take actions needed to reduce operational errors at its air traffic facilities that continue to have increases in the number and rates of operational errors. [Aviation Safety Management Challenge]

Promulgate Statutorily Mandated Safety Rulemakings

Our June 2000 audit report on the Department's rulemaking process concluded that DOT took twice as long to issue rules and completed half as many significant rules in 1999 as it did in 1993. Our analysis of 54 open and completed significant rules showed that Operating Administrations did not work on rules for an average of almost 2 years, which is even greater than the average time spent developing or reviewing rules.

Lack of progress in issuing these rules is impeding progress in many important areas including motor carrier and pipeline safety and security at marine passenger terminals. As this report goes to press, the Secretary has committed to developing a tracking system to help ensure timely action and accountability on the overdue rules, as well as instituting permanent improvements to the process. (See related story, page 10). [Crosscutting, but particularly relevant to the Surface Transportation Management Challenge]

Airline Flight Delays and Cancellations

Flight delays have increased significantly since 1995, but DOT and the airlines' efforts to improve service are hampered by conflicting data provided by FAA and BTS. Without reconciling the data, it will be difficult to quantify the success of the Department's initiatives to identify the causes of delays and cancellation, enhance airspace design technology, improve airport infrastructure and identify best practices in providing better service and accurate information to air travelers.

The Department needs to develop a set of capacity benchmarks measuring the traffic departure and arrival rate by time of day at the top 30 airports that can be accommodated without experiencing major delays or compromising safety.

Over the past year, DOT has announced a number of actions to address the growth of flight delays and cancellations, including the Spring/Summer 2000 initiative for managing air traffic. The Secretary has also formed task forces to: determine the causes of delays and cancellations; identify best practices in providing better information and service to air travelers, and; expedite investment in technology and infrastructure. (See related story, page 18) [ATC Modernization Management Challenge]

Oversight of Central Artery Project

The need for greatly improved oversight was highlighted by the recent experience with the Central Artery Project in Massachusetts. (See related item, page 27.) In February 2000, the Department was surprised by a \$1.4 billion cost increase on the Central Artery/Ted Williams Tunnel after FHWA had ignored our warnings that the project's finance plan failed to accurately disclose continuing cost increases. The situation could have been avoided if both Federal and state officials had closely examined the Finance Plans and independently verified the data they were provided.

FHWA has since issued new guidance on finance plans and entered into an agreement with the state of Massachusetts to limit the Federal contribution to the project of \$8.549 billion. In addition, the state replaced top project management, committed to providing complete and accurate financial reports on a regular basis, and pledged to identify adequate funding to meet all of the cost overruns. [Surface Marine and Airport Infrastructure Management Challenge]



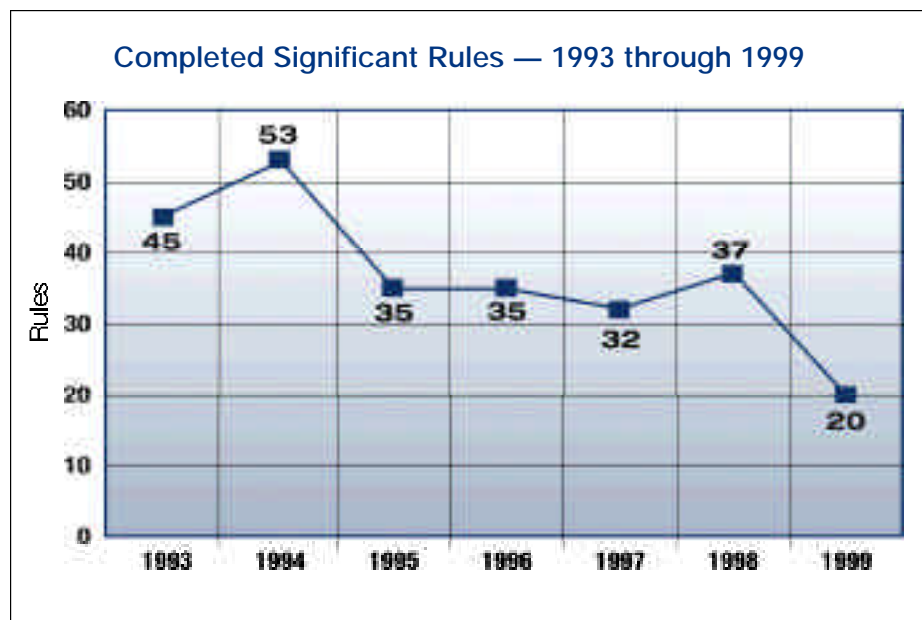
FOCUS:

DOT Needs to Eliminate Downtime on Rulemaking Process

DOT took more than twice as long and completed half as many significant rules in 1999 as it did in 1993, we found in an audit of the department's rulemaking process.

Conducted at the request of Rep. James Oberstar, Ranking Democratic Member of the House Transportation and Infrastructure Committee, our review found that for the significant rules completed in 1999, DOT took an average of 3.8 years and a median of 2.8 years to issue a final rule. We also found that in 1999 DOT met only 10 percent of its congressionally mandated deadlines, as compared to 16 percent in 1993.

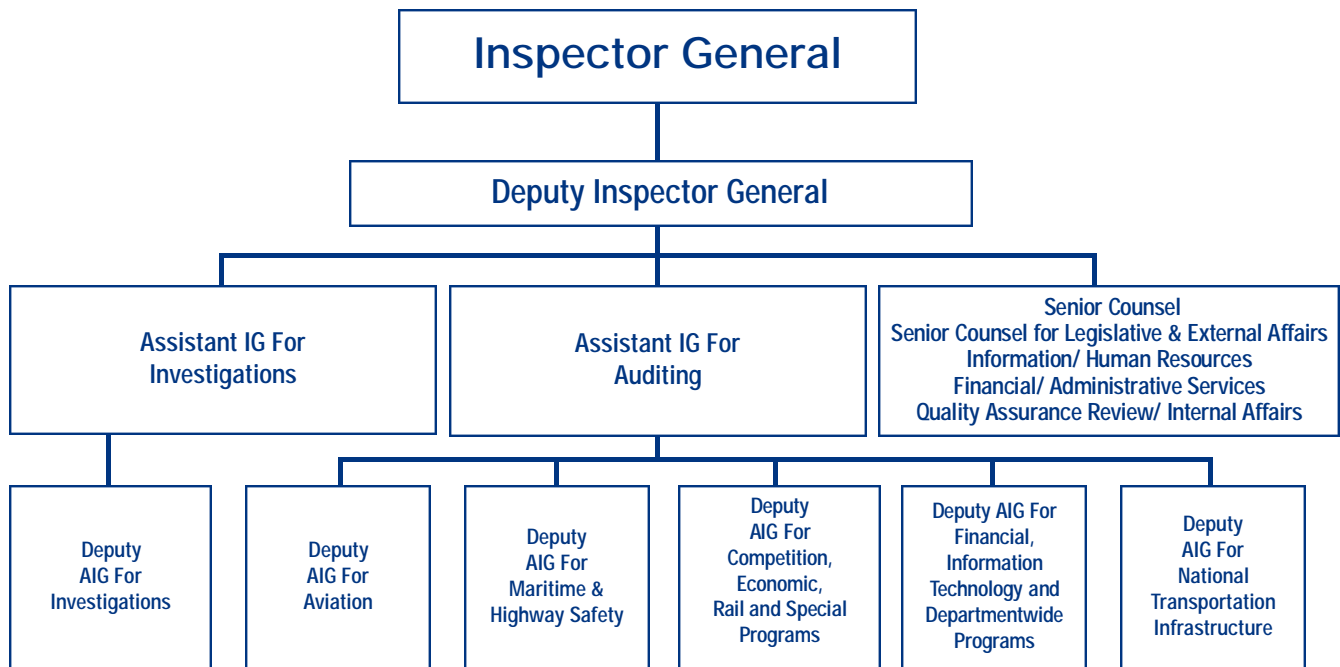
The Department's rulemaking process was slowed by significant periods of downtime, with an average of almost 2 years per rule passing without work being performed. Some operating administrations were not working on rules because they did not make timely decisions to advance the rules or did not consider the rules a priority.



We made several recommendations to the Secretary to help ensure that senior management officials are held accountable for the timely completion of rules, including establishing the timely completion of significant rulemaking actions as a priority within the DOT Strategic Plan, setting Departmentwide priorities and establishing schedules for significant rulemaking actions, and creating a Departmentwide rulemaking tracking and monitoring system to identify problems and take corrective actions to streamline the rulemaking process.

DOT concurred with our recommendations, including our suggestion to establish a rulemaking process training program for incoming senior managers. The Secretary also ordered Operating Administrations to identify high-priority rules for completion by the end of the year. In a letter to Rep. Oberstar, the Secretary said the Department will develop a tracking system to help institute timely action and accountability in the rulemaking process to prioritize key rulemakings in progress. ■

Organization/Management



The Office of Inspector General for the Department of Transportation was created by Congress through the Inspector General Act of 1978 (Public Law 95-452). The Act sets several goals for OIG:

- To conduct or supervise objective audits and investigations of DOT's programs and operations;
- To promote economy, effectiveness and efficiency within DOT;
- To prevent and detect fraud, waste, and abuse in the Department's programs;
- To review existing and proposed laws or regulations affecting the Department and make recommendations about them, and
- To keep the Secretary of Transportation and Congress fully informed about problems in Departmental programs and operations.

OIG is divided into two major units and five support units. The major units are the Office of Assistant Inspector General for Auditing and the Office of Assistant Inspector General for Investigations; each has headquarters staff and field staff. The support units are the Office of Legal Counsel, the Office of Legislative and External Affairs, the Office of Information Resource Management, the Office of Human Resources, the Office of Financial and Administrative Services and the Office of Quality Assurance Review/Internal Affairs.

Office of Inspector General

Work Planned and in Progress

In the interest of maximizing the benefits provided by DOT to citizens, the Secretary of Transportation has developed a Strategic Plan setting priorities for DOT staff and allocating of resources. This section illustrates major OIG work planned and in progress in relation to the Secretary's priorities of Safety, Mobility, Economic Growth and Trade, Human and Natural Environment, National Security and Corporate Management.

For example, in the area of safety, we are evaluating the Federal Aviation Administration's efforts to identify and deploy new technologies to reduce runway incursions and examining how well the Federal Motor Carrier Safety Administration is overseeing the Commercial Driver's License Program.

We are also reviewing the Department's efforts to improve the mobility of our nation's citizens and stimulate economic growth and trade through the construction of "mega projects" such as Boston's Central Artery Project and the Woodrow Wilson Bridge just outside of Washington, D.C.

In the coming months, we will continue examining the security of the Department's computer networks in support of DOT's national security strategic goal. We will also continue to conduct financial audits in support of the Department's management goal of providing effective and efficient services.

Department-Wide:

Fraud Detection and Prevention

■ Continue oversight of infrastructure projects authorized under TEA-21 and AIR-21, including audits of financial plans, cost schedules, project management, and prevention and detection of fraud. Not since the construction of the Interstate Highway System has there been such an infusion of federal funds. Our efforts are intended to avoid a repeat of historical scandals associated with the building of the interstate system. (Mobility and Corporate Management)

Computer Security

■ Evaluate whether sufficient controls are in place to prevent, detect, and respond to unauthorized access, including via the Internet, to critical systems on DOT Headquarters computer networks. (National Security and Corporate Management)

■ Determine the effectiveness of the Department's implementation of the new Delphi accounting system. (Corporate Management)

Financial Statements

- Determine whether FY 2000 financial statements prepared by the Department's Operating Administrations conform with Generally Accepted Accounting Principles; have adequate internal controls over financial reporting, and comply with laws and regulations that could have a direct and material effect on the financial statements. (Corporate Management)

Performance Goals

- Continue verifying selected DOT performance measures such as operational errors, flight delay statistics and railroad track safety for data quality, reliability and appropriateness. (Safety)

Rulemaking

- Audit the Department's implementation of a plan to expedite the rulemaking process. (Corporate Management)

Federal Highway Administration:

- Evaluate the methodology used by FHWA to develop its most recent cost estimate to replace the Woodrow Wilson Bridge over the Potomac River between Maryland and Virginia near Washington, D.C. (Mobility and Economic Growth & Trade)

- Evaluate the cost estimate for the Springfield, Va. Interchange Construction Project and review the adequacy of the funding and scheduling of the project. (Mobility)

- Determine the effectiveness of FHWA's monitoring of Intelligent Transportation Systems projects. (Mobility and Economic Growth & Trade)



- Assess the progress made on construction projects for which funds were congressionally earmarked. (Mobility)

- Provide oversight of infrastructure projects such as the \$14.1 billion Central Artery Project, including audits of cost schedules, project management and mechanisms to detect fraud, waste and abuse. (Mobility)

Federal Motor Carrier Safety Administration:

- Assess FMCSA's progress in implementing our April 1999 recommendations to improve motor carrier safety and validate the quarterly data submitted by the agency to Congress on the number of violations cited by safety investigators, the level of fines assessed and collected, and the number of enforcement cases citing extraordinary statistics. (Safety)

Office of Inspector General

Work Planned and in Progress

- Determine whether FMCSA is ensuring that state and third party testing facilities have sufficient oversight over the Federal testing and licensing requirements of the Commercial Drivers License program. (Safety)



Federal Railroad Administration/Amtrak:

- Assess the accuracy of information in FRA's safety inspection reports and database, and determine whether the database information is used appropriately to calculate defect ratios. (Safety)

- Evaluate the effectiveness of FRA's policies and actions to ensure railroads take appropriate remedial actions to correct safety deficiencies identified in the Safety Assurance and Compliance Program. (Safety)

- Perform an assessment of Amtrak's 2001 Strategic Business Plan and provide its overall financial status. (Mobility)

- Evaluate Amtrak's progress toward introducing high-speed rail service to the Northeast Corridor. (Economic Growth & Trade)

- Continue our review of efforts by Amtrak, the Long Island Railroad and New Jersey Transit to eliminate fire and other life-safety hazards under Penn Station and in tunnels connecting Manhattan with Queens and New Jersey. (Safety)

United States Coast Guard:

- Evaluate the Coast Guard's progress in implementing interim measures to address deficiencies in the National Distress System; whether the proposed cost and schedule for the National Distress and Response System modernization project are reasonable; and the Coast Guard's progress in implementing interim measures to address system deficiencies. (Safety)

- Determine whether the Coast Guard has adequately (1) planned the development, implementation, and operation of a centralized inventory system for spare and repair parts used on cutters, and (2) justified its decision to construct a parts warehouse at Curtis Bay.



■ Determine whether the Coast Guard has addressed issues raised in our March 2000 report on the Deepwater Capability Replacement Project, including remediating deficiencies in the planning process, justifying the planned budget requests and integrating the Deepwater Project's funding requirements with ongoing capital needs. (National Security and Safety, Corporate Management)

■ Analyze the management and direction of the Coast Guard's research and development program and the allocation and justification of research funds for R & D projects. (Corporate Management)

Federal Transit Administration:

■ Provide oversight of infrastructure projects authorized under TEA-21, including audits of cost schedules, project management oversight, and prevention and detection of fraud. (Mobility, Corporate Management)

■ Determine the current cost, funding and schedule data for the Minneapolis/Hiawatha Corridor Light Rail Transit Project and identify whether the project is at risk of exceeding costs; not having adequate Federal, state, and local funding; or not meeting the scheduled completion date. (Mobility)

■ Examine the FTA's oversight of the contracting practices of recipients of federal grants. (Economic Growth & Trade)



National Highway Traffic Safety Administration:

■ Evaluate how NHTSA identifies and investigates vehicle safety problems and issues consumer alerts and recalls; examine the agency's efforts to update its safety standards; identify notification, investigation, and recall requirements considered as "best practices" by other regulatory agencies that may be used as models for improving the Office of Defect Investigation; and assess NHTSA's efforts to enhance public awareness of its defects investigations. (Safety)

■ Assess NHTSA's efforts to increase seat belt use rate; evaluate whether NHTSA is allocating money to the projects most likely to achieve the Department's performance goals; and assess the quality and nature of the technical assistance provided by NHTSA to state and local governments. (Safety)

Research and Special Programs Administration:

■ Review DOT's implementation of President Clinton's recent directive to strengthen the Federal pipeline safety program and improve pipeline safety nationwide, including timeliness of key rulemakings. (Safety)

Federal Aviation Administration:

■ Evaluate FAA's efforts to identify and deploy new technologies to reduce runway incursions and evalu-

Office of Inspector General

Work Planned and in Progress

ate the agency's efforts to reduce operational errors. (Safety)

- Assess the progress of FAA's deployment of explosive detection equipment and whether cargo security requirements are adequate to prevent explosive devices and other contraband from being transported on commercial aircraft. (Safety & National Security)

- Assess acquisition, development and deployment strategy of FAA's technology programs, such as Free Flight Phase One, Wide Area Augmentation Systems, Automatic Dependent Surveillance-Broadcast, and new weather systems, that are designed to enhance the capacity of the National Airspace System, improve the flow of air traffic, and help reduce flight delays. (Mobility and Safety)

- Determine the effectiveness of FAA's efforts to deploy STARS on schedule and within budget. (Mobility)

- Assess FAA's progress in implementing its Air Transportation Oversight System and identify any barriers to successful implementation. (Mobility and Safety)

- Determine the effectiveness of plans by 17 airlines to improve customer service and assess the extent to which actual or potential barriers exist to consumer access to independent comparative ticket prices and service information. (Mobility and Economic Growth & Trade)

- Provide oversight of airport infrastructure projects authorized under AIR-21, including audits of cost schedules, project management oversight and tools to prevent and detect waste fraud and abuse. (Mobility, Corporate Management)

- Assess whether negotiated workplace changes in the Department's contract with its air traffic controllers have been effectively implemented at field locations, and whether anticipated cost savings from projected productivity gains are being realized. (Corporate Management)

- Determine whether FAA's telecommunications acquisition project reflects current and future user requirements and provides sufficient security for the transmission of air traffic control and administrative data on the same network platform. (National Security and Corporate Management)

- Evaluate whether pay disparities exist between Air Traffic Managers, supervisors and specialists and the controllers they supervise and if limiting FAA's MS&S pay system to field locations has had an impact on the staffing, management and oversight of the air traffic control system. (Corporate Management)

Limited Progress in Disposing of Obsolete Vessels

The Maritime Administration (MARAD) is required to dispose of obsolete vessels in the National Defense Reserve Fleet (NDRF). Currently, the NDRF consists of 115 vessels designated for disposal, most of which are deteriorating, contain hazardous substances, and pose an immediate environmental threat.

The approach of selling MARAD's vessels in the domestic market has not worked. Since 1995 only seven of these vessels have been scrapped. The Department faces a challenge in determining how to dispose of MARAD's fleet of environmentally dangerous vessels in a timely manner. Key factors contributing to the lack of progress are: 1.) The loss of overseas markets due to concerns about worker safety and the environment; 2.) Current limits on domestic capacity for scrapping, and 3.) A Navy pilot project that pays contractors to scrap its vessels.

We included this issue in our list of DOT's top 12 management issues in December 1999. We testified before the Congress three times during the reporting period before the House Budget and Transportation committees and the Senate Committee on Commerce, Science, and Transportation.

In each of the testimonies, we called for prompt development and implementation of a plan that identifies methods and milestones for disposing of all obsolete vessels in the fleet. Such a plan should pri-

oritize disposing of those ships that are in the worst condition. We also urged MARAD to develop a proposal for submission to Congress seeking approval and funding for a project to pay contractors for vessel scrapping.

Because of these heightened concerns, we are monitoring MARAD's efforts towards reducing the number of obsolete vessels.

In September, MARAD announced plans to begin scrapping several of the vessels moored in the James River near Newport News, VA. The agency obtained funding for a \$10 million pilot program to help cover the cost of scrapping those ships in the United States as part of a recently passed Defense Department appropriations bill. ■



FOCUS:

Flight Delays, Cancellations, and Customer Service

Increasing numbers of flight delays and cancellations in recent years have fueled in large part the public's dissatisfaction with the major Airlines. In response, Congress requested that OIG look into the causes of flight delays and cancellations and the efforts being undertaken by the Airlines to improve customer service, including implementation of the Airline Customer Service Commitment agreed to by 17 major carriers in 1999.

During the 6 month period ending September 30, we issued one report and testified twice before Congress on flight delays and cancellations. We also released an interim report on the Airlines' efforts to improve customer service.

Statistics graphically illustrate the magnitude of the problem. Between 1995 and 1999, the Federal Aviation Administration reported a 58 percent increase (from 236,802 to 374,116) in delays. The Bureau of Transportation Statistics reported a 68

percent increase (from 91,905 to 154,311) in cancellations over the same period. These trends worsened during the first 7 months of 2000, with delays and cancellations up 11 and 10 percent, respectively, over the same period in 1999. Overall, we found that nearly 1 in 4 flights either arrived late or was cancelled in 1999, with the average delay totalling almost 50 minutes.

The delays and cancellations are symptoms that the nation's aviation system is reaching capacity. Another



symptom is the increase in safety incidents. Runway incursions, which are incidents on the ground that create a collision hazard increased 34 percent between 1995 and 1999. Operational errors, which occur when air traffic controllers allow planes to get too close to each other, increased 23 percent between Fiscal Years 1996 and 1999.

Over the past year, DOT has announced a number of actions to address the growth of flight delays and cancellation, including the Spring/Summer 2000 initiative for managing air traffic. The Secretary has also formed task forces to: determine the causes of delays and cancellations; identify best practices in providing better information and service to air travelers, and; expedite investment in technology and infrastructure.

Understanding the Causes of Delays and Cancellations

A major finding of our work, and one to which urgent attention is required, is the absence of a system for collecting causal data and reporting a reasonably complete picture of the causes of delays and cancellations. This was reinforced by Congress in the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century enacted in April. The new law directs the Secretary of Transportation to modify existing regula-

tions governing the air carrier data submissions to DOT "... to disclose more fully to the public the

Web is Changing Ticket Purchasing Patterns

Testifying July 20 before the Senate Committee on Commerce, Science, and Transportation, we said that the rapid growth of airline ticket sales over the Internet offers potential benefits to consumers, but also poses some challenges and risks. Marketplace changes and technological innovation are rapidly eclipsing rules that apply to airline computer reservation systems. DOT should revisit these rules without further delay.



Ticket sales over the Internet have increased from less than half of one percent in 1995 to an estimated six percent as of mid-2000. These sales are expected to grow to at least 11 percent by 2003. Airlines are encour-

aging that growth by offering deeply discounted "e-fares" available only on their web sites. These sales can result in cost savings of 75 percent or more, but consumers must be web-savvy to find these deals. The consumer who "clicks" on the wrong fare search button could wind up paying over 1000 percent more for the identical itinerary.

In October, the Department issued an order requiring airlines to tell customers seeking the lowest fare available for a flight that it may only be offered through the carrier's Internet site.

Orbitz, the new Internet travel agency jointly owned by several major airlines, could potentially benefit consumers and airlines, but certain competitive issues must be reviewed. Orbitz promises to provide a wider range of fare options, bias-free displays and reduced booking fees, but possible anti-competitive issues such as airlines potentially restricting their lowest fares exclusively to Orbitz must be resolved.

DOT and the Department of Justice need to evaluate the potential long-term benefits of Orbitz on the marketplace and determine whether prior intervention is needed to protect competition and consumers.

FOCUS:

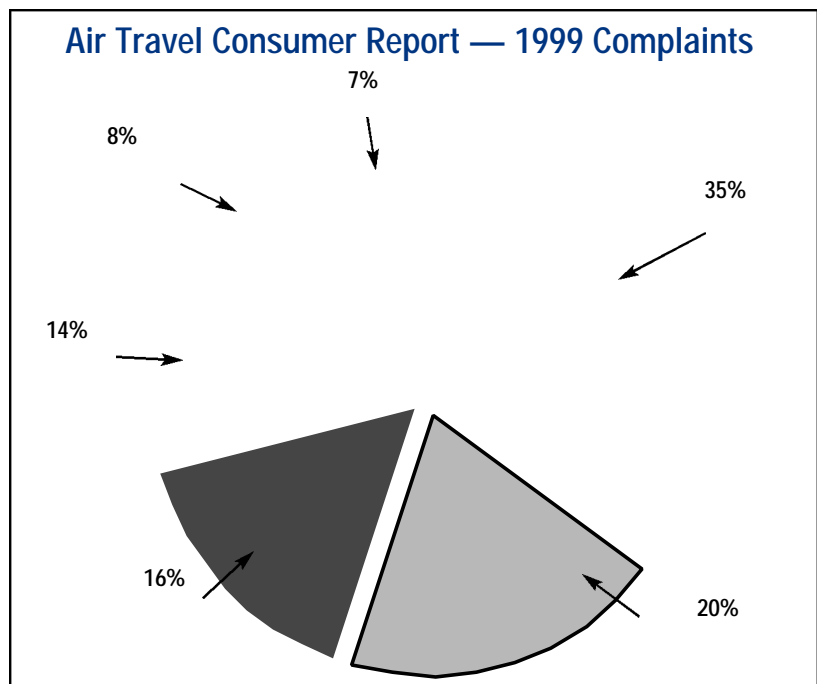
nature and source of delays and cancellations experienced by air travelers.” DOT cannot understand the causes of delays and identify effective long-term solutions for delays until better data are available.

In testimony before the Senate Committee on Commerce, Science and Transportation in September, we cited the need for a set of capacity benchmarks for the Nation’s top airports. A set of capacity benchmarks is essential in helping understand the true impact of airline scheduling practices and what relief can realistically be provided by new technology, revised air traffic control (ATC) procedures, and runway and airport infrastructure enhancements. We also discussed the need to determine exactly what impact ATC modernization will have on airport capacity and the traffic load in the short, intermediate, and long terms.

Congress Airs Concerns on Airline Customer Service

Congressional concern over increasing complaints in air travel soared following the January 1999 incident at the Detroit Metro Airport in which hundreds of passengers were stuck in planes on snowbound runways for up to 8 hours. Lawmakers debated whether to enact a “Passenger Bill of Rights.” Hearings were held in both the House and Senate to discuss the treatment of aviation passengers and specifically the “Passenger Bill of Rights.” Congress put legislation on hold after 17 major airlines agreed on June 17, 1999 to voluntarily adopt an Airline Customer Service Commitment pledging to improve air travel. The airlines agreed to develop individual customer service plans to implement the Commitment and to cooperate fully in any request from Congress for periodic review of compliance with the Commitment.

The Commitment addresses such matters as improved communication with passengers, quoting the lowest available airfare and meeting passengers’ essential needs during long on-board delays. However, the Commitment does not directly address underlying reasons for customer dissatisfaction, such as extensive flight delays, baggage not showing up on arrival,





long check-in lines, and high fares in certain markets. Until the Airlines, FAA, and others effectively address these areas, we believe there will continue to be discontent among air travelers.

Airlines have also implemented other initiatives to improve customer comfort and convenience. These initiatives include reconfiguring airplanes to increase the room between rows of seats and replacing overhead luggage compartments with large, easier to use storage bins.

In June, we reported our preliminary results in our Interim Report on the Airline Customer Service Commitment. In our initial observations and testing, we found the Airlines are making a clear and genuine effort at strengthening the attention paid to customer service, but bottom-line results are mixed, and the Airlines have a long way to go to restore customer confidence. The results include areas where the Airlines can improve upon disclosures provided passengers, such as fare and refund availability, and required check-in times.

We also noted several other important factors concerning customer service. Each Airline needs to have a credible tracking system for compliance with the Commitment. The Airlines also need to ensure that non-Airline employees who interact with passengers are trained on the Airlines' plans because non-Airline personnel such as skycaps are often mistaken for Airline employees. We found that some Airlines' contracts of carriage terms were less advantageous to passengers than the provisions found in the Airlines' Plans. Finally, we are concerned that oversight and enforcement expectations for DOT, the agency responsible for airline consumer protection, may significantly exceed its capacity to handle the workload, since staff has significantly declined over the years.

Congress directed that we issue a final report on the effectiveness of the Airlines' Plans to improve customer service, including recommendations for improving accountability, enforcement, and protections afforded to commercial air passengers. By December, the Airlines will have had a full year in which to fully implement their Plans.■

The Six Months

April 1, 2000-September 30, 2000

Improvements Needed in Aviation Security

April 6

Airport operators, airlines and airport users need to improve compliance with Federal regulations mandating background investigations for granting access to secure areas of airports, Alexis Stefani, Assistant Inspector General for Auditing said in testimony before the Senate Commerce Committee's Aviation Subcommittee. Stefani said the FAA needs to deploy technology that trains screeners in identifying threatening items in passenger baggage and establish a strategic plan that integrates employees and technology into a comprehensive, seamless security program.



Man Sentenced in Tank Truck Welding Fatality

April 7

Carl B. Johansson was sentenced to 15 months in prison by a U.S. District Court judge in Los Angeles for violating Federal transportation and hazardous materials laws that resulted in the death of a welder. Johansson pleaded guilty to violating Federal hours of service regulations limiting the amount of time a driver can spend behind the wheel of a truck. He also failed to obtain proper certifications for the repair of a gasoline tanker. A welder hired to repair a leaking gasoline tanker at Johansson's trucking facility was killed in an explosion ignited by his welding torch inside the tanker. OIG investigated this case with the FMCSA, FBI, and the California Highway Patrol.



DOT Spent Y2K Compliance Money Properly

April 11

The Department properly spent \$227 million appropriated for it in Fiscal Year 1999 to address anticipated Year 2000 computer problems. About 94 percent of these funds were for the FAA and the U.S. Coast Guard. Both agencies maintained adequate internal controls over these funds. We identified four FAA procurements totaling \$3.6 million that were not directly related to Year 2000 preparations, but which fell within the discretion of the agency as provided under law.

Van Line Owner Jailed

April 12

Yaron Tishby, president and owner of All American Van Lines of Pembroke Park, FL, was sentenced in U.S. District Court in Miami to 5-1/2 years in prison and ordered to pay \$1.5 million in restitution. He was ordered to report to the Immigration and Naturalization Service for deportation hearings following his sentence. Tishby pleaded guilty to violating Federal transportation-tariff laws, hiring illegal aliens, and illegally possessing a firearm. Tishby induced customers with low estimates and then grossly inflated costs of moves after customers' household goods were in the company's possession.

FAA Contract Tower Program Examined

April 12



Contract towers — air traffic control towers at relatively low-traffic airports staffed by non-FAA personnel — continue to provide cost-effective services that are comparable in quality and safety to those provided at FAA-operated towers, our audit found. Users remain supportive of the program, and previously identified staffing shortages have been addressed. We also found that an FAA study did not fully consider several key factors involved in expanding the program that should be further analyzed and reported to Congress. We recommended that FAA revise its study of expanding the contract-tower program to provide Congress with a better perspective of the feasibility, costs, and benefits of expanding the program.

Restitution and Probation Ordered in Illegal Hazmat-Shipment case

April 13

The president of a firm that attempted to secretly airfreight hazardous materials in violation of Federal law was ordered to serve 3 years' probation and pay \$4,920 in restitution by an U.S. District Court judge in Miami. Alejandro O. Craig, president of Alpa International, Inc., was also ordered to report for deportation proceedings. Employees of the air carrier LANChile discovered the hazardous materials in July 1999 while loading an aircraft; the goods had been packaged to conceal the hazardous nature of the cargo. OIG investigated the case with assistance from FAA and the Miami Police Department.



NTSB's Rapidraft System Needs Stronger Controls

April 13

An audit of the National Transportation Safety Board's Rapidraft system identified significant internal-control weaknesses. The audit of the third-party check system intended for use by NTSB investigators to obtain services at accident investigation scenes was requested by the Safety Board's chairman after irregularities were found in August 1999. A simultaneous investigation by OIG and the FBI found

that two former NTSB administrative employees embezzled approximately \$95,000 through the Rapidraft system. The IG testified on the audit and NTSB's corrective actions, which included cancelling the Rapidraft System, before the House Budget Committee's Task Force on Housing and Infrastructure.



Baggage-Handlers Sentenced in Airport Security Case April 18-May 4

Ricky B. Garner, Ronald Darby and Thomas Jacobs, baggage-handlers for American Airlines at the Dallas/Fort Worth International Airport, were sentenced by an U.S. District Court judge in Fort Worth, TX, for aiding the circumvention of airport security. Garner was given 5 years in prison. Darby was fined \$1,000 and placed on 5 years' probation and Jacobs was placed on 5 years probation. The men pleaded guilty to allowing unauthorized persons to use their security badges to bypass airport security in exchange for bribes. A separate indictment charges drug dealers with using the security badges to transport cocaine on passenger planes. The investigation was conducted with DEA.

Cost Doubles for Pennsylvania Station Redevelopment

April 19

The cost of New York City's Pennsylvania Station redevelopment has increased and its completion date has slipped, our audit found. The current \$768 million cost of the project is more than twice the original 1992 estimate. The project is currently slated for completion in 2005, 6 years later than planned. In addition, Amtrak and other railroads have identified, separately from the project, \$804 million in needed safety improvements in tunnels and areas beneath Pennsylvania Station. The Federal Railroad Administration must work with these parties to identify funding sources to ensure these requirements are completed in a timely manner. FRA is working with the Office of Management and Budget to address this issue in the President's Fiscal Year 2002 budget request.



Better Data Needed In Boat Safety Program

April 20

The U.S. Coast Guard is using inaccurate data to measure its performance in reducing recreational boating fatalities, our audit found. The Coast Guard also has not established criteria for monitoring the effectiveness of state recreational boat safety programs, and the formula for distributing funds does not consider the states' effectiveness in reducing fatalities. The Coast Guard agreed to improve data accuracy, develop a plan for monitoring state boating-safety programs, and develop a proposal for incentive funding.

Bay Area Rapid Transit Finance Plan Reasonable

April 21

A proposal by the Bay Area Rapid Transit District (BART) to extend rail mass-transit service to San Francisco International Airport and provide additional service in San Mateo County accurately portrays costs to complete the project and the manner in which BART expects to finance the project, our audit found. BART provided the Federal Transit Administration with a revised finance plan that increases the project budget by \$316 million, establishes a capital-reserve account of \$27 million, substitutes a \$70 million shop- and yard-improvement program for new vehicles budgeted to cost \$100 million, and extends the project's revenue operation date by 9 months.



Wife of FHWA Official Sentenced to Prison in Kickback Scheme

April 28

The wife of an FHWA engineer was ordered jailed for 30 days by an U.S. District Court judge in Alexandria, VA., for her role in a kickback scheme. Brenda Clark was also ordered to pay \$23,000 in resti-

tution to DOT. James Clark maintained authority over FHWA contractors. In exchange for awarding contracts, he and his wife solicited and received approximately \$150,000 in personal loans and consulting contracts using a series of pass-through companies to conceal their activity. James Clark previously pleaded guilty to bribery and wire fraud. OIG investigated this case with the FBI.

The Washington Post

Highway Official, Wife Face Kickback Charges

By WILLIAM BRANNIGAN
Washington Post Staff Writer

In a continuing probe of corruption in the Federal Highway Administration, a senior engineer at the agency and his wife have been indicted on charges of taking bribes, paying kickbacks and rigging contract bids worth millions of dollars over a five-year period.

James Clark, 47, of Herndon, and his wife, Brenda Clark, 41, amassed more than \$170,000 in personal loans and consulting fees from private firms in return for helping them obtain lucrative government contracts, officials said yesterday. The two were charged in a four-count indictment issued Thursday by a federal grand jury in Alexandria. Neither has been arrested.

Reached at the couple's home in Herndon, Brenda Clark denied the charges and said she was unaware that an indictment had been issued. She declined further comment.

Officials at the Federal Highway Administration said James Clark no longer works there but declined to elaborate. They said he worked at the agency for 17 years, most recently as a highway engineer at its research center in McLean. The indictment described him as a "contracting official" who oversees the awarding of millions of dollars in federal contracts for the agency, a division of the U.S. Department of Transportation.

The indictment charges that Brenda Clark, who was not a federal employee, benefited from consulting contracts given to her by private firms that received large federal contracts from her husband. Brenda Clark had no training or expertise in transportation or engineering, the indictment says.

In another case last year, Alberto Santiago, also a top Federal Highway Administration contracting official from Herndon, pleaded guilty to conspiracy, bribery and misdealing

money and has been sentenced to three years in prison. Two others—Hobbit Chen, the owner of Viggo Corp., a Northern Virginia traffic engineering firm, and Ajay Rathi, an employee of the Oak Ridge National Laboratory in Tennessee—also were charged in the case.

Although Clark formerly was Santiago's deputy, Clark's alleged corruption scheme apparently was separate, said Jeff Nelligan, a spokesman for the Transportation Department inspector general's office, which conducted the two-year investigation with the FBI.

"There was no relationship between the two," he said. He declined to say what had triggered the investigation of Clark.

The latest indictment "is part of a continuing investigation into corruption at the Federal Highway Administration," the Justice Department said.

In all, the five who have pleaded guilty or have been charged received at least \$320,000 in payoffs, Nelligan said.

Among those involved in the conspiracy with the Clarks were a program manager in the Oak Ridge National Laboratory's Center for Transportation Analysis, a private corporation based in Colorado Springs, another unidentified private contractor, Brenda Clark's brother and at least four intermediaries who channeled illegal consulting fees between the companies and the Clarks, the indictment says. Investigators would not identify any of the other alleged conspirators.

In 1997, the indictment alleges, James Clark used his position to rig the bidding on a \$19 million Federal Highway Administration contract so that it would be awarded to a firm identified only as "Constructor A."

If convicted, James Clark faces up to 75 years in prison and \$2 million in fines, while Brenda Clark faces up to 30 years and more than \$1 million in fines.

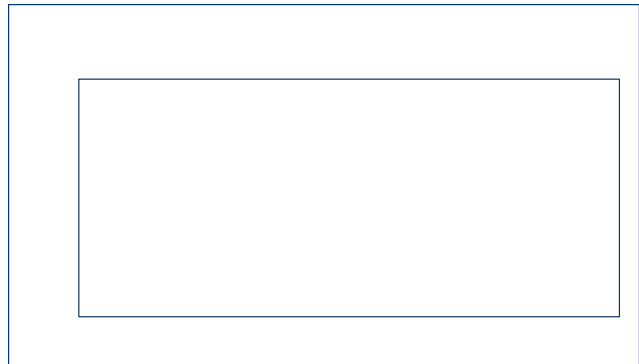
© The Washington Post



Cost Overruns Increase Price of Central Artery Project

May 3

Continuing construction cost overruns on Boston’s Central Artery project have raised the expected cost of the project to as much as \$13.6 billion, the IG



said in testimony before the Senate Commerce Committee. Project managers failed to disclose the rising cost trends in finance plans and manipulated data to prevent detection. This occurred because FHWA’s

guidance on finance plans was inadequate to ensure complete and accurate financial reporting. As a result, the project’s finance plan understated construction costs by at least \$942 million. Following our Feb. 10 report on the project, the Secretary of Transportation directed FHWA to implement our recommendation that the agency issue comprehensive guidance specifying minimum reporting requirements for finance plans. In response, FHWA issued new guidance and finance plans and entered into an agreement with the state of Massachusetts to limit the Federal contribution to the project to \$8.549 billion.

Defendant in Chop-Shop Probe Sentenced for Fraud

May 5

Dorin Bosancu was ordered imprisoned for 21 months and to pay \$35,748 in restitution by an U.S. District Court in Seattle following his guilty plea to bank, mail and wire fraud charges and engaging in illegal monetary transactions. Bosancu defrauded insurance companies by stripping vehicles of parts and then claiming the parts were stolen; the removed parts subsequently were sold. OIG, the FBI, the U.S. Coast Guard, the U.S. Customs Service, the INS, and the Washington State Highway Patrol investigated the case.

Former FAA Employees Sentenced in Fraud Cases

May 11

Former FAA electronics technician Charles Goffi was sentenced to 6 months home confinement and required to resign his FAA job by a U.S. District Court judge in Brooklyn, NY after pleading guilty to filing \$32,800 in fraudulent travel-voucher claims. Goffi was ordered to reimburse the government for the money stolen. Separately, former FAA accountant Rodney D. Davis was sentenced to 6 months in jail and ordered to pay \$28,000 to the agency in restitution for the funds he embezzled by accessing a protected computer without authorization and transferring funds from FAA into his own checking account. Davis resigned while he was being investigated. The case was investigated by OIG and prosecuted by the Department of Justice.

Changes Needed in FAA's Use of RTCA as Advisory Committee

May 11

While RTCA, Inc. has made valuable contributions as a federal advisory organization in helping FAA shape the direction of air traffic control modernization initiatives, the lines have blurred between RTCA giving advice and providing elements of program decision-making and management, we found in this audit. We recommended that FAA officials no longer serve in voting and decision-making roles on RTCA boards, committees, subcommittees, and working groups; that RTCA adopt policies to ensure potential conflicts of interest and paid representation are disclosed and properly addressed; and RTCA provide adequate information to the public about closed meetings. FAA agreed to implement our recommendations and has taken steps to provide information to the public via the Internet.

Recommendations Made on Pipeline Safety Program Reauthorization

May 11



The Research and Special Programs Administration needs to implement critical safety regulations for hazardous liquid and natural gas pipelines mandated by Congress in 1992, the IG said in testimony before the Senate Committee on Commerce, Science and Transportation. Other needed improvements include expanding pipeline safety research and development on pipeline inspection technologies; improving the collection of pipeline accident data and enhancing the training of pipeline inspectors and operators. President Clinton directed the Secretary to implement the Inspector General's recommendations.

Stronger Controls Needed on MARAD Contracts

May 12

While MARAD had implemented effective policies and procedures for awarding ship-manager contracts, our audit found MARAD has not consistently adhered to established procedures for overseeing management contracts. For example, MARAD paid for work before it was performed and did not ensure that subcontracts were awarded based on competition. MARAD took action to strengthen its controls for administering ship-managers' and general-agency contracts.



Recommendations Made on MARAD Reauthorization

May 16



The Deputy Inspector General testified May 16 before the Senate Committee on Commerce, Science and Transportation on the reauthorization of the Maritime Administration. The statement involved three issues addressed in recent audit reports: the Title XI loan guarantee to the Massachusetts Heavy Industries Quincy shipyard; MARAD's growing inventory of obsolete vessels and the need for a disposal plan; and internal controls over maintenance contracts for Ready Reserve Force vessels. The DIG told the committee that the Quincy ship-

yard had defaulted on its \$55 million MARAD Title XI loan guarantee in January 2000. Considerable work needs to be done to make the shipyard operational and the Environmental Protection Agency has advised MARAD that there are environmental problems in the shipyard that require remediation. After MHI missed its December 1999 payment, its bank made a payment demand on the loan guarantee. MARAD paid \$59.1 million to settle the guarantee on February 25, 2000. The amount that MARAD can recover through liquidation cannot be determined at this time. He also warned that MARAD would not meet its legislative mandate to dispose of 115 obsolete vessels awaiting disposal at a profit and discussed the findings of a previous audit that recommended strengthening internal controls over maintenance contracts for ships in the Ready Reserve Fleet. MARAD took action in response to recommendations contained in the reports that were summarized in this testimony.

Minnesota Man Pleads Guilty to Shipping Undeclared Hazmat

May 22



Sean Barton turned himself in to federal authorities in Minneapolis, MN and pleaded guilty to shipping materials on commercial passenger aircraft without declaring the hazardous nature of the shipments. Barton had shipped large volumes of spray paint in cans and the express-shipping firms used to move the cargo were not informed of the hazardous nature of the shipments. OIG investigated the case jointly with the FBI and the FAA.

Better Computer Security Needed at FTA

May 23

Computer-security controls for a Federal Transit Administration financial-management computer system



were not adequate to ensure operational integrity and continued operations, our audit found. Using a widely known user identification code, we were able to gain unauthorized access to the system's computer. We also identified seven system weaknesses and vulnerabilities, which occurred because FTA had not assigned a sufficient priority to computer security. These security weaknesses could significantly reduce FTA's ability to carry out its business mission and could cause FTA to lose its

automated capabilities to maintain financial, project oversight, and operational control. FTA agreed with our findings and recommendations and has taken corrective actions.

Sentencing in Fire Extinguisher Fraud Case

May 24

Peter C. Freund of East Hampton, CT, was sentenced to 4 months in jail, 4 months home confinement and fined \$5,000 after pleading guilty in U.S. District Court in New Haven, CT to mail fraud charges. Freund, as the owner and operator of AAA Fire and Safety — an inspection service for fire-protection systems — caused fire extinguishers to be falsely stamped as having been hydrostatically tested and billed customers for the testing even though it had not been done. The investigation by OIG, the DCIS and the FBI arose from an RSPA referral. ■



Contractor Gets Five Years in Fraud Case

June 5



Kermit Bunn, president of Bunn Construction Company, was sentenced to 5 years' imprisonment and fined \$18,000 fine for fraud against the Federal Disadvantaged Business Enterprise program on five FHWA-funded subcontract projects in West Virginia. Bunn also was convicted of obstruction of justice in U.S. District Court in Wheeling, WV for threatening the OIG special agent investigating the case. OIG investigated the case with the West Virginia Department of Transportation.

Aviation Parts Manufacturer Gets Jail Time and Fines

June 13

West Coast Aluminum Heat Treating Co. was fined \$1.6 million by a U.S. District Court judge in Los Angeles for falsely recording aircraft parts as heat treated and tested. Company president June Fitch was ordered to pay a \$70,000 fine and serve 3 years' probation. Vice president Eugene Fitch was sentenced to 55 months in prison for his role in the crime. OIG investigated the case with the Defense Criminal Investigative Service and NASA-OIG.

Airlines Fined For Obstructing Crash Probe

June 20

Fine Air Services, formerly known as Fine Airlines, was fined \$3.5 million and Aeromar Airlines was fined \$1.5 million by a U.S. District Court judge in Miami, following their guilty pleas for their roles in the August 7, 1997 crash in Miami of Fine Airlines Flight 101A. Fine Air was charged with obstruction of justice and Aeromar, with falsification of documents. The two cargo air carriers also must serve 4 years' supervised probation and be under a court-approved, supervised air safety program. The crash killed four crewmembers and a man sitting in a car parked near the airport. OIG investigated the case with the U.S. Customs Service and the FBI.



Pair Sentenced in Water-Testing Case

June 21



Glenn Kelly Johnson, owner and operator of the largest chain of wastewater treatment facilities in Louisiana, and Carol Rowell, president of Enviro-Tech Labs, Inc., were sentenced in U.S. District Court in New Orleans, LA for violations of the Clean Water Act. Johnson was ordered to serve 3 years in prison, pay a \$500,000 fine and restitution of \$250,000. Rowell received 4 months home confinement and was ordered to pay a \$2,000 fine. Johnson failed to properly operate and maintain six wastewater treatment plants in and around Houma and Thibodaux, LA, which caused the discharge of untreated sewage into Louisiana's Intercoastal Waterway. In an effort to conceal the poor maintenance and operation of the facilities, Johnson and Rowell submitted fraudulent discharge monitoring reports and laboratory analysis to the Environmental Protection Agency and the Louisiana Department of Environmental Quality. Johnson also attempted to impede the Federal investigation by offering money to a cooperating witness in exchange for false testimony.

Johnson also pleaded guilty in August to conspiracy to commit bank fraud in connection with a \$1.2 million loan used to buy more than 60 private sewage treatment facilities. Johnson was sentenced to 51 months' incarceration and ordered to pay \$1.1 million in restitution and \$75,000 in fines on top of his initial sentence. OIG investigated with the FBI, the U.S. Postal Service, and Louisiana Department of Environmental Quality.

Road Construction Manager Gets Jail Term

June 23

David G. Webb, the former manager of a firm that contracted with the Virginia Department of Transportation on Federally-funded projects was ordered to serve 2 years in prison and to pay \$435,038 in restitution for fraudulently inflating charges for aerial photography and ground surveys. Webb's employer, Photogrammetric Data Service Inc. of Sterling, VA, was ordered to pay \$435,038 in restitution, a \$522,045 fine and was placed on a year's supervised probation. OIG and the FBI investigated the case.

Airport Paving Contractor Agrees to Settle False Claims Suit

June 23

Ball, Ball & Brosamer, a paving contractor for paving at two major airports, agreed to pay a settlement of \$300,000 to dismiss a civil complaint. The company also agreed to pay \$130,000 to the parties who advised the government of the circumstances, to cover attorneys' fees; those parties also will share equally in 22 percent of the settlement payment. It was alleged that Ball, Ball & Brosamer altered the concrete mix design without approval from the resident engineer on contracts at Denver International Airport and John Wayne International Airport in Santa Ana, CA.





Household-Goods Movers Sentenced **June 26**

Two men involved in a household-goods moving scheme in which customers' goods were held for ransom were sentenced to 33 months' imprisonment and jointly ordered to pay \$484,765 in restitution to victims following their guilty plea in U.S. District Court in Los Angeles. Micha Grinberg and Eddie Tsitron admitted defrauding customers, some of whom were federal government employees, by offering a low bid to move goods, then upping the costs. Customers who refused to pay the higher prices were unable to get their property back. On June 6, in a related case, Amir Ben-David of Prime Moving and Storage was sentenced to 3 years' probation, fined \$5,000 and ordered to pay \$14,500 in restitution. OIG investigated this case with the U.S. Department of Agriculture and the U.S. Forest Service, with assistance from FMCSA and the IRS's Criminal Investigations Division.

Federal CDL Program is Not Disqualifying Unsafe Drivers **June 30**

The Commercial Driver's License program has achieved its primary objective of limiting commercial drivers to one license, we found in the first of a series of audits of the CDL program requested by the House Committee on Transportation and Infrastructure. However, Federal oversight of state CDL programs did not ensure that unsafe commercial drivers were disqualified. When Federal oversight reviews identified deficiencies in states' CDL programs, available sanctions were not imposed. The Federal Motor Carrier Safety Administration agreed there is a need to strengthen the CDL program and concurred with all our recommendations for improvement, and began implementation actions.



Manufacturing Manager Admits Selling Bogus Aircraft Parts **June 30**

David Taeschler, general manager of Tam Metal Products of Mahwah, NJ, pleaded guilty in U.S. District Court in Trenton, NJ to charges of conspiracy to commit wire fraud for his role in a scheme to sell non-standard aviation parts. In 1996, Menasco, a Canadian company, ordered metal parts for Boeing 757 aircraft wheel assemblies from Tam and specified that the parts were to be heat-treated by a Boeing-authorized treater. Heat-treating strengthens certain aircraft parts. Tam did not get some parts heat-treated, but instead faxed the Canadian firm a falsified certification that the parts had been heat-treated. The case was investigated by OIG, based on information received from the FAA. ■

July

Bus Shelter Supplier Sentenced for Violating “Buy American Act”

July 13

Daytech Manufacturing, Inc., of Orchard Park, NY was sentenced in U.S. District Court in Buffalo, NY to 12 months probation and ordered to pay a \$110,000 fine for falsely certifying to the Public Transportation Benefit Corporation of Snohomish County, WA, that it would comply with “Buy America Act” requirements on a proposal to supply bus shelters. The “Buy America Act” requires FTA grantee projects to use components of United States origin or products manufactured in the United States. OIG investigated this case jointly with the FBI and with assistance from the FTA.

DOT Computer Security Needs Improvement

July 13



DOT Headquarters’ computer networks had security weaknesses that made its computers and web servers vulnerable to unauthorized access and attack by intruders, we found in reports issued on July 13 and Sept. 25 and our subsequent Sept. 27 testimony before the House Committee on Science. The computer networks are used to support transmission of critical administrative and financial data such as payroll, grant payments, safety statistics and research information throughout DOT. Hundreds of DOT computers were accessible by unauthorized Internet users as well as being vulnerable to insider attack. Internet users were allowed to bypass DOT’s “firewall” security and gain access to DOT’s private networks. We also found that DOT web sites were vulnerable to attack. We recommended: strengthening personnel security for DOT employees and contractor personnel authorized to access DOT systems; improving network security to prevent unauthorized access by Internet users or insiders; and increasing security on DOT’s web sites. DOT agreed with our results and is taking corrective actions.

Couple Pleads Guilty In Avionics Repair Kickback Case

July 20

Marshall and Helen Bryant pleaded guilty in U.S. District Court in Fort Worth, TX to violating the Anti-Kickback Act and to conspiracy to commit mail and wire fraud for their roles in a scheme to inflate avionics repair contracts. The Bryants created a front company, Silver Jade Business Services, which would send parts to a parts broker, which would then forward the repair work to another Texas repair station, RTS Services for repair. Marshall Bryant would authorize payment to RTS for an inflated price, then receive a kickback. Some

of the kickbacks involved repairs for FAA and USCG. On Aug. 22, RTS vice presidents Gertrude Sickler and Timothy Couch were indicted on charges of money laundering and wire fraud for allegedly paying kickbacks to the Bryants. OIG, FBI and the Defense Criminal Investigative Service are investigating the case.

Miami-Dade Aviation Department Receives \$50,000 in Restitution

July 27



The Miami-Dade County Aviation Department received a \$50,000 check from Aviation Safeguards in partial payment of the \$100,000 owed the department for falsely certifying the completion of background checks on screeners who had access to secure areas at Miami International Airport. OIG received assistance from FAA in this investigation.

FAA Needs to Expand Oversight of WAAS Contracts

July 28

It is unclear when the FAA's new satellite-based navigation system (Wide Area Augmentation System) will be available to provide pilots with precise landing directions, according to testimony prepared for a June 29 House Aviation Subcommittee hearing. In addition to reducing contract expenditures until solutions to technical problems are identified, the IG called for a series of Defense Contract Audit Agency reviews of the WAAS contract. FAA agreed with our recommendations and reviews of the WAAS contract, including floor checks to assess labor charges, are underway. ■



Illinois CDL Prosecution Continues

The probe of the illegal sale of commercial drivers licenses by employees of the Illinois Secretary of State's Office continued during the reporting period, with 9 people indicted, 7 convicted and 6 sentenced between April 1 and Sept. 30.

Since the investigation of the illegal sale of CDLs by Illinois Secretary of State employees to unqualified individuals, dubbed "Operation Safe Road" began in October 1998, local, state and federal officials have obtained evidence that at least 750 CDLs have been illegally issued. As of Sept. 30, 39 people have been indicted, including two third-party testers operating a driving school in Florida who sold in excess of 2,000 CDLs through the Florida state-licensing program. Twenty-nine individuals have been found guilty since the probe began. The ongoing probe is being conducted jointly by OIG, the FBI, the Postal Inspection Service and the Internal Revenue Service.

Other highlights of the investigation during the reporting period include:

■ The June 5 conviction by a Federal jury of Alex McLeczynsky, a trucking company instructor on charges of extortion, racketeering and conspiracy. McLeczynsky accepted \$1,200 to \$1,500 per applicant to assure that “sponsored” applicants passed both written and driving portions of the exam. McLeczynsky then would pay Illinois Secretary of State managers a portion of each applicant’s bribe.

■ The 6 month jail term and deportation order handed Medbadreddin Djebli, an Egyptian citizen on Aug. 2 in U.S. District Court in Chicago following his guilty plea to counterfeiting Illinois driver’s licenses, Social Security cards and immigration visas. Based on a OIG Hotline call, agents discovered Djebli and others had bribed Illinois Secretary of State employees to obtain driver’s licenses that allowed illegal immigrants to work in the United States. Djebli agreed to provide information on co-conspirators after OIG and U.S. Immigration and Naturalization Service agents arrested Djebli earlier this year. The FBI also participated in the investigation.

■ A July 18 indictment by a Federal grand jury in Chicago expanded the corruption charges brought against former state Inspector General Dean Bauer in February. The former state watchdog is charged with racketeering, mail fraud, obstruction of justice, and making false statements to the FBI for allegedly covering up bribery and other corruption by state employees . The grand jury also indicted five additional driving instructors for paying bribes to state employees to guarantee that their students would pass their road tests.

■ The Aug. 30 sentencing of veteran commercial drivers license supervisor Kenneth Golumb to 33 months in prison and a \$20,000 fine after pleading guilty in U.S. District Court in Chicago to accepting bribes to pass people taking their CDL road tests. Golumb, a 26-year veteran of the Illinois Secretary of State’s Chicago West Side facility, collected more than \$120,000 in bribes (an average of \$180 per day) during a two-year period.

■ The Sept. 5 guilty pleas by driving school instructors Valdez Araceli and Cristobal Gonzalez in U.S. District Court in Chicago to perjury and bribery charges involving the sale of drivers licenses to unqualified drivers.

■ The Sept. 7 conviction of Bhurat Patel, owner of the defunct New Delhi Driving School on charges of bribing at least seven road-test examiners at the Chicago West licensing facility in 1998 and 1999.

■ The sentencing of Waitung “Tony” Chan to five months in prison by a U.S. District Court judge in Chicago on Sept. 14. Chan, former owner of Advance Driving School in Chicago was also fined \$3,000 for falsifying road exams for more than 170 unqualified motorists, including 20 who fraudulently obtained CDLs.



Transit Authority Employee Pleads Guilty to Stealing Fares

Aug. 4

David Gast pleaded guilty in U.S. District Court in Cincinnati, OH to stealing \$120,000 in bus fares from Cincinnati's Metro bus system between May 1996 and October 1999. As a principal driver, Gast transported cash fare vaults to the bank for deposit from Metro, an FTA-funded entity. Metro auditors contacted federal authorities for assistance after an audit identified fare shortages. OIG and the FBI planted 1,000 one dollar bills marked with invisible ink and detection powder in the portable vaults. These bills were ultimately traced to Gast's personal bank account.



Company Owner Sentenced in Fire Extinguisher Cylinder Fraud Case

Aug. 7

Martin Albert, proprietor of Flashover Fire Equipment, Inc., was sentenced by a state superior court judge in New York to his choice of 6 months in prison or 840 hours of community service and ordered to pay \$40,000 restitution for falsely stamping DOT re-tester numbers belonging to another company onto school district fire extinguishers. Albert and the now-defunct Flashover Fire Equipment pleaded guilty earlier in 2000 to state charges of fraud, larceny, and forgery. OIG investigated this case with the Suffolk County, New York, Police.



Third Party CDL Testers Sentenced for Falsifying Test Results

Aug. 7

Two brothers were placed on 3 years' probation after pleading guilty in U.S. District Court in Wilmington, NC to charges of falsifying test results of commercial driver's license applicants. Leroy Searsey was also placed on six months home confinement. He and Elmer Searsey were also ordered to

jointly pay \$17,649 in restitution to the state of North Carolina for the retesting of more than 200 truck drivers who improperly received CDL licenses. OIG investigated this case along with the North Carolina Department of Motor Vehicles.

Trucking Company Fined for Hours of Service Violations

Aug. 8

Ameri-Cana Transport, Inc, was ordered Aug. 8 by a U.S. District Court judge in Portland, ME to pay a \$45,000 fine after pleading guilty to causing the falsification of log books of its truck drivers. The company also agreed to cease trucking operations and indicated that it was liquidating its assets. Ameri-Cana created approximately 100 false logs over a one-year period to understate the amount of time worked by its drivers. OIG investigated this case along with the Maine State Police and the FMCSA.

Former NTSB Employee Jailed for Rapidraft Scheme

Aug. 10

Delia Jones was sentenced to 10 months incarceration and ordered to pay \$74,095 in restitution by a U.S. District Court judge in Washington, DC after pleading guilty to charges of stealing government funds. While employed as a secretary for the National Transportation Safety Board, Jones embezzled over \$74,000 using the Board's third-party check writing system, known as the Rapidraft Payment System. The Rapidraft Payment System was established to provide investigators a method to quickly procure materials, equipment and services needed during the course of accident investigations. OIG investigated this case with the FBI.



Fraudulent DBE Contractors Sentenced

Aug. 11

Executives of two engineering firms were fined and placed on home confinement for defrauding the Federal Highway Administration's Disadvantaged Business Enterprise program. Paul Carey, co-owner of MTA, Inc., was sentenced to 6 months' home confinement and ordered to pay \$40,000 restitution and \$22,826 in fines by a U.S. District Court judge in Springfield, IL for claiming that MTA used Hsiong Associates as a minority subcontractor in order to meet FHWA's DBE program goals. MTA employees conducted the work on the Federal highway projects and the time sheets would be changed to reflect that the employees worked for Hsiong. Hsiong President Nancy Boyer was sentenced to 3 months' home confinement and ordered to pay \$12,250 restitution for her role in the crime. Upon sentencing on the Federal charges, the state of Illinois agreed to accept a payment of \$141,446 to recoup

the money stolen from the state construction program. OIG and FBI investigated the matter based on a referral from the Illinois Department of Transportation.

SabreTech Sentenced in ValuJet Crash Case

Aug. 14

The company convicted in 1999 for its role in the 1996 crash of a ValuJet plane in the Florida Everglades was ordered to make \$9,064,000 in restitution to family members and victims of the crash and to pay \$2 million in criminal fines. SabreTech, Inc. was also placed on 3 years probation and ordered by an U.S. District Court judge in Miami to implement a comprehensive safety program. The investigation was conducted jointly by OIG and FBI and was prosecuted by the United States Attorney's Office in Miami.



Guilty Pleas in Pensacola Dumping Case

Aug. 23

A Florida company and several of its employees pleaded guilty in U.S. District Court in Pensacola, FL, to charges of violating the Clean Water Act. Oderbrecht-Metric, Inc. and company employees, Steven Spry, Frank R. Doddi and Marcellino Romero admitted to dumping cement, bridge pilings and reinforcement bars into Pensacola's East Bay during construction of the Garcon Point Bridge. Oderbrecht agreed to pay more than \$4.2 million in fines, site cleanup costs, restitution and payments to an environmental crime trust fund. OIG, the Coast Guard Investigative Service, EPA's Criminal Investigation Division, the FBI and the Florida Department of Environmental Protection participated in the investigation.



Los Angeles Subway Contractor Pleads Guilty

Aug. 28



William H. Benson, manager of inspection services for Twinning Laboratories of Southern California Corp. pleaded guilty Aug. 28 in U.S. District Court in Los Angeles to charges of submitting false non-destructive testing examination certifications to the Metropolitan Transportation Authority. The transit authority had contracted with Twinning to test the integrity of welds of various portions of the Metro Red Line, also known as the Hollywood Corridor project. The Metro Red Line is a \$1.45 billion project receiving \$695 million in funds from the Federal Transit Administration.

Separately, the U.S. Attorney's Office on Aug. 29 filed a civil complaint against Twinning alleging the company conducted fraudulent inspections of defective welds at two subway stations in the Hollywood area. The case was investigated with the FBI and the MTA-OIG.

FAA's Procurement System Needs Improvement

Aug. 29



FAA's Integrated Product Development System (IPDS), a key team concept of FAA's new Acquisition Management System designed to reduce the cost and time to field new air traffic control systems, is not working as intended. FAA continues to operate by vertical management hierarchy, also called "stovepipes," which limits the effectiveness of IPDS team operations. Our survey of IPDS team members found that improvements are needed to address additional IPDS training, organizational barriers to communicating, and the lack of authority to make program decisions. Team members also perceived that FAA's senior management was not fully supportive of IPDS. FAA provided additional IDPS team training and is developing agreements with the unions and key associate administrators that include revised decision-making processes. ■



Truck Driver Pleads Guilty to Filing False Certification

Sept. 1

A former driver for Speidel Transportation pleaded guilty in U.S. District Court in St. Louis to falsifying his medical history to obtain a commercial driver's license. In 1998, Dennis Auten's tractor-trailer crashed into a passenger vehicle, killing its two occupants. An investigation of Auten's DOT medical certification found that he had lied during his medical examination by hiding a pre-existing medical condition involving seizures, convulsions and fainting spells. OIG investigated this case with the FMCSA.

St. Louis Business Sentenced for Shipping Undeclared HazMat

Sept. 1

A St. Louis restaurant was fined \$100,000 in U.S. District Court in St. Louis after pleading guilty to charges of shipping undeclared flammables via Federal Express. Banana Joe's of St. Louis, Inc., pleaded guilty earlier in 2000 to attempting to illegally ship propane cylinders and several cases of paint to one of its restaurants. Federal Express discovered the undeclared hazardous material and rejected the shipment. Banana Joe's then re-packaged the material in unmarked boxes and again attempted to ship them. A Federal Express aircrew discovered the shipment when they smelled fumes from the boxes in the belly of the aircraft. The flight crew removed the boxes and OIG agents seized them. OIG investigated this case with FAA.

Contractor Pays \$112,000 to Settle False Certifications Case

Sept. 6

Paul Vibhandik, president and owner of Communications Network Systems, Inc. was ordered by a U.S. District Court judge in Seattle to pay a settlement of \$112,000 after pleading guilty to charges of engaging in deceptive pricing and submitting false claims on two contracts awarded by the FAA for digital computer systems at Denver International Airport. OIG investigated this case with the FAA.



Former NTSB Employee Sentenced For Theft of Rapidrafts Sept. 7

Michelle E. Prentice, a former administrative assistant in NTSB's Southeast Region was sentenced in U.S. District Court in Atlanta to 6 months' home confinement and 5 years' probation. Prentice pleaded guilty in June to embezzling NTSB funds in the Rapidraft payment system by converting Rapidrafts (similar to bank checks) totaling approximately \$21,000 to her own use. As part of her sentence, Prentice was also ordered to pay \$20,183 restitution to NTSB.

Construction Company and Owner Debarred in Fraud Case

Sept. 7

As a result of a criminal investigation conducted by OIG and FBI, the FAA debarred Max South Construction, Inc., of Miami, and its owner and president, Eric Pitchman, from Government contracting and subcontracting until Sept. 7, 2003. In March, Pitchman was sentenced to 12 months in jail. He was also fined \$30,000 for submitting an application and certificate for payment to the FAA that incorporated more than \$40,000 in inflated change orders on a contract to renovate FAA's Air Route Traffic Control Center in Miami. OIG investigated this case with the FBI and assistance from FAA.

Airport Security Employee Sentenced for Falsifying Records

Sept. 8



Sandra Lawrence, former administrative assistant of Argenbright Holdings LTD., was placed on 5 years' probation and fined \$15,000 in U.S. District Court in Philadelphia as a result of her guilty plea to charges of fraudulent and inadequate training, testing and background checks of airport security employees at Philadelphia International Airport. Argenbright and two other employees who previously pleaded guilty were scheduled to be sentenced in October. OIG investigated this case with the FAA.

Pennsylvania Airport Manager Sentenced for Theft of FAA Funds

Sept. 12

William Santoro, former general manager of the Johnstown-Cambria County Airport Authority was sentenced to 4 months' home confinement and ordered to pay \$11,055 in fines and restitution by a U.S. District Court judge in Philadelphia as a result of his guilty plea to theft, receiving stolen property and tampering with public records. An investigation by OIG and the airport authority found that Santoro commingled state and local monies with FAA Airport Improvement Program funds and then fraudulently converted \$9,555 for his own use.



Final Sentencing in Massive Scheme to Forge NHTSA Documents

Sept. 15

A former union official was sentenced by an U.S. District Court judge in Toledo, OH on charges of perjurying himself before a federal grand jury. David C. Poland, former business agent in Toledo for the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, was placed on 2 years' probation and fined \$2,000 for perjurying himself before a federal grand jury probing activities of the operators of Central Trux & Parts, Inc., of Sylvania, Ohio. An OIG, IRS and U.S. Customs Service investigation determined that Central Trux imported several hundred tractor-trailer trucks and then affixed counterfeit NHTSA stickers to falsely indicate the Canadian manufactured trucks complied with U.S. standards. Poland is the final defendant in this case.

Amtrak's Finances Examined

Sept. 19

Although Amtrak's ridership and revenue trends are positive, increases in labor costs, depreciation, and train operation expenses have contributed to significant growth in operating expenses. Amtrak will need to take major corrective actions if it is to achieve operating self-sufficiency in 2003, as required by law. Amtrak's strategic business plan relies on \$737 million of unspecified management actions to spur revenues and cost savings. In addition, delays in the introduction of high speed rail service on the Northeast Corridor are likely to reduce Amtrak's 2001 revenue below projections and increase pressure on Amtrak to reduce expenses and improve performance in both its passenger and non-passenger services. Finally,



Amtrak will face serious shortfalls in the capital investment funds necessary to maintain Amtrak's infrastructure and assets in a steady state through 2003. Amtrak plans to initiate revenue operations of its high-speed Acela Express service in the Northeast Corridor on December 11.

Fourth Conviction in Trucking Safety Case

Sept. 21

Alan Archibald, former president of Aulenback, Inc., a trucking company in Mexico, ME, pleaded guilty in U.S. District Court in Portland, ME, to charges of failing to comply with a 1996 Federal order to cease operation. The out-of-service order had been issued for failing to maintain adequate records and accepting false drivers' logs. Three other defendants, including the trucking firm, were previously convicted on related charges. The prosecutions are the result of an investigation by OIG and FMCSA.



Ex-FAA Engineer Pleads Guilty to Computer Fraud

Sept. 21

A former FAA electronics engineer pleaded guilty in U.S. District Court in Chicago to charges of computer fraud involving theft and destruction of FAA-owned computer software. Thomas Varlotta led a four-person team that worked for 5 years to develop an air traffic control navigation program dubbed the Automated Flight Data Processing System (AFDPS) that relayed critical flight data between Chicago O'Hare Airport and the Elgin, IL, Terminal Radar Approach Control facilities. Varlotta resigned his FAA

TINLEY PARK**Man guilty in code theft**

A former engineer for the Federal Aviation Administration pleaded guilty Thursday to stealing the lone copy of a crucial computer code necessary to fix glitches in the automated system used to relay flight information between the tower at O'Hare International Airport and controllers at an air-traffic facility in Elgin.

Thomas A. Variotta headed the team that worked several years to develop the so-called source code and took the software program when he resigned from the FAA a month after learning of plans to bump him down a pay grade, prosecutors said.

Variotta, 43, of Tinley Park pleaded guilty "blind" to the single felony count, meaning he hadn't worked out any deal with prosecutors on the length of his sentence.

His prison term will largely hinge on how valuable a federal judge finds the software code to be.

Experts for both sides are expected to testify on the code's value at a hearing Nov. 11 in federal court. U.S. District Judge William H. Hibler scheduled sentencing for Jan. 4.

position in June 1998, telling his supervisor that he had destroyed the original source code for the AFDPS program, for which FAA had spent more than \$1,000,000 to develop. OIG special agents conducted a search of Variotta's residence and discovered a floppy disk that contained an encrypted version of the AFDPS program source code.

Former FHWA Contract Employee Admits Theft Sept. 25

A former contract employee at the Federal Highway Administration's Turner-Fairbank Highway Research Center pleaded guilty in U.S. District Court in Alexandria, VA, to theft of Government property and embezzlement totaling \$8,000. Christopher M. Remaley stole a Government test vehicle and auto parts from the McLean, Va., laboratory and used a Government credit card for personal fuel purchases. As a result of OIG's investigation, Remaley was removed from the contract and terminated by the contractor.

Audit Identified \$35.4 Million in Inactive Obligations on Contracts Sept. 25

We identified about 4,500 contractual obligations totalling about \$143 million within DOT that had no activity within the last 36 months. Working with the Operating Administrations, we identified about \$35.4 million of obligations on contracts that no longer represented valid financial liabilities. These occurred because contracting officers generally were not reviewing obligations on an annual basis and were not closing contracts quickly. Freeing up these unneeded funds earlier could allow their use to purchase other services or return of the taxpayers' money to the United States Treasury. DOT agreed with our results and is taking corrective action.

Aviation Parts Company Sentenced for False Statements Sept. 25

International Helicopter, Inc. of Northvale, NJ was placed on 5 years' probation by an U.S. District Court judge in Newark, NJ following its guilty plea to charges of making false statements to the Federal Aviation Administration. The aviation parts distributor deceived an aircraft parts broker in the Netherlands by substituting turbine blades manufactured by an unapproved source. IHI applied to the FAA for an airworthiness approval tag for use in export to Indonesia and provided an altered invoice to the FAA to falsely indicate traceability to an approved source. Under the terms of its probation, IHI must retain a court appointed trustee, whose responsibility will include implementing a quality control system subject to periodic audit. OIG and the U.S. Customs Service investigated this case.

MARAD Needs to Improve Maritime Security Program Controls Sept. 26

The Maritime Administration had not established written internal control procedures for the review of Maritime Security Program vouchers, did not determine whether vessels were under charter to the U.S. Government, and did not conduct timely reviews of vouchers and associated payments at the completion of



the fiscal year, our audit found. MARAD concurred with our findings and took immediate action to implement all our recommendations.

Coast Guard Employee Sentenced for Welfare Fund Theft Sept. 27

Andrew Yantek, assistant manager of the Coast Guard Welfare Club for the Cleveland Area was sentenced in U.S. District Court in Cleveland, OH to 6 months' home confinement and ordered to pay \$36,131 restitution after pleading guilty to stealing funds from Coast Guard club accounts and using them to pay his personal expenses between 1997 and October 1999. OIG investigated this case with the Coast Guard Investigative Service.

Guilty Plea in Air HazMat Case

Sept. 28

Concepcion Leon of Puerto Rico pleaded guilty in U.S. District Court in Brooklyn to charges of illegally offering concealed automotive paint and related flammable materials to an air carrier for shipment at New York's LaGuardia Airport. Leon was indicted in August on charges of concealing the box's DOT-required hazardous materials placard and telling a skycap that the box contained books. OIG investigated this case with the assistance of FAA.



Better Oversight of Technical Support Services Contract Needed

Sept. 28

FAA has not exercised effective management oversight or followed its own guidelines on the \$875 million Technical Support Services Contract to ensure that support services are cost-effective and efficiently meeting FAA requirements. As a result, FAA is at substantial risk for inflated and overpriced contract services. These weaknesses in FAA's oversight of the TSSC undercut one of the primary objectives of acquisition reform, which was to provide more timely and cost-effective acquisitions and improve the quality of equipment and services acquired by operating more like a business.

South Boston Piers Transitway Finance Plan Found Reasonable

Sept. 28

We issued a memorandum to the Acting FTA Administrator on our review of the February 2000 Massachusetts Bay Transportation Authority (MBTA) South Boston Piers Transitway finance plan. We found that the plan documents the estimated costs-to-complete the project and how MBTA expects to pay



those costs. Our review determined that, based on current trends and projections, the projected funding for and the total cost to complete the Transitway were supportable and reasonable. Our analysis determined that MBTA would exhaust all project contingency funds and MBTA may have to use some of the reserved \$50 million in local bond authority to cover future cost growth. However, our analysis concluded that this could be avoided because the project budget contains \$13.7 million in costs that should be allocated to other MBTA cost centers. FTA had not certified the finance plan to Congress by the end of the fiscal year.

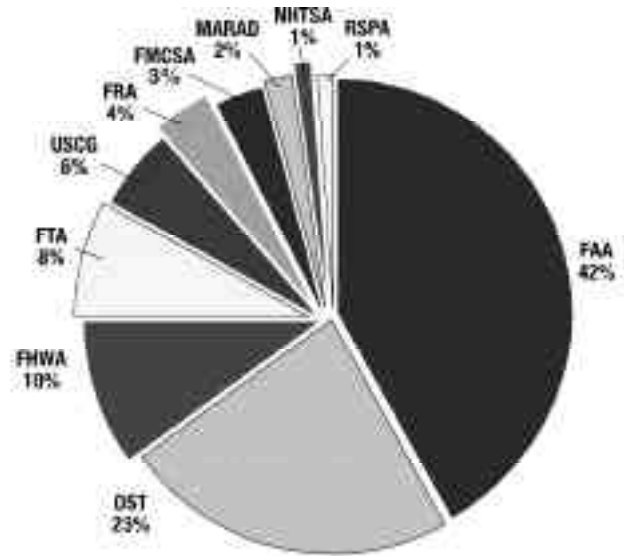
Passenger Ferry Safety Inspections Reviewed

Sept. 29

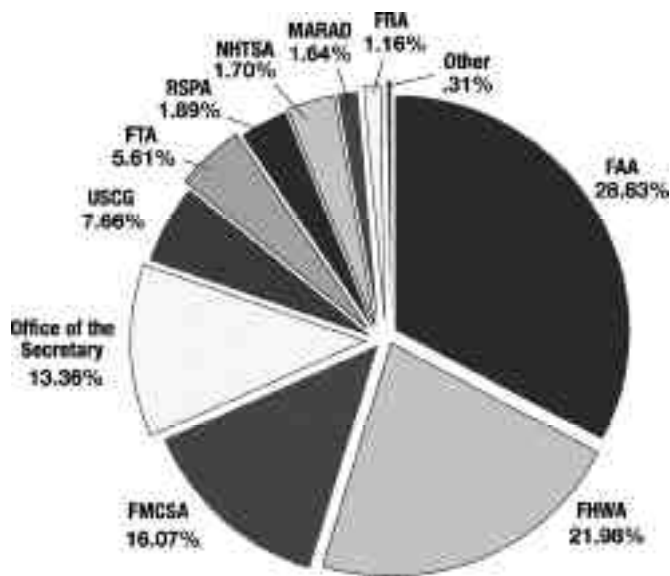
A review of passenger ferry safety inspections found high levels of compliance with Coast Guard standards. When violations occurred, they were corrected. We did not assess the operation of ferries or the qualifications of crews. For the 50 passenger ferries reviewed at New York and Puget Sound, we found that Coast Guard performed 87 percent of the required quarterly or annual inspections and that 97.8 percent of the deficiencies identified during inspections were corrected. We attributed this level of compliance to the limited number of ferries operating in a port, the Coast Guard's knowledge of ferry operators, and the risk associated with operating without a valid inspection in waters continuously monitored by the Coast Guard. Based on the results at these two ports, we determined no further work on whether inspections were conducted was warranted. ■



Application of Audit Resources
by Operating Administration
April 1, 2000 - September 30, 2000

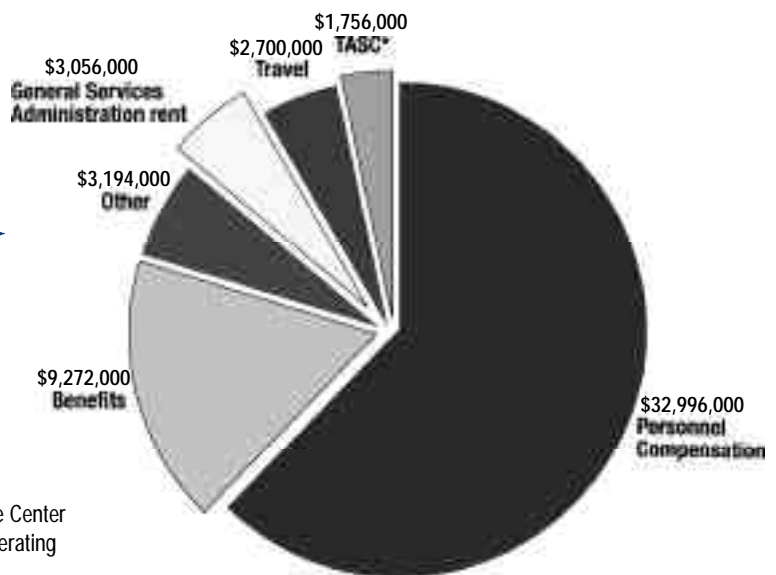


Note: Resources shown for OST include time spent performing the financial statement audit of DOT which includes all OAs.
Time expended on SLSDC, STB and BTS was less than 1 percent.



Application of Investigative Resources
by Operating Administration

OIG Fiscal Year 2001 Budget
Total: \$52,974,000



• The Transportation Administrative Service Center provides reimbursable services to DOT operating administrations.

Completed Audits April 1, 2000-September 30, 2000

(Dollars in Thousands)

Estimated Amounts*

Type of Review	Number of Reports	Number of Recommendations	Costs Questioned	Costs Unsupported	Funds That Could Be Put To Better Use
<u>Internal Audits</u>					
Program/Functional	34	79	\$0	\$0	\$749,400
Chief Financial Officer					
Financial Statements	0	0	\$0	\$0	\$0
Total Internal Audits	34	79	0	0	\$749,400
<u>Grant Audits</u>					
Audits of Grantees under Single Audit Act	19	11	\$805	\$0	\$0
Other Grant Audits	0	0	\$0	\$0	\$0
Total Grant Audits	19	11	\$805	\$0	\$0
TOTALS	53	90	\$805	\$0	\$749,400

* The dollars shown are the amounts reported to management. The actual amounts may change during final resolution.

Department of Transportation programs and operations are primarily carried out by the Department's own personnel and recipients of federal grants. Audits by DOT's Office of Inspector General, as a result, fall into 3 categories: internal audits of Departmental programs and operations, audits of grant recipients, and reviews of work and spending by contractors. The table above shows OIG's results in the 3 categories for the 6 months covered by this report.

Management Decisions Regarding Audit Recommendations

(Dollars in Thousands)

Description	Number of Reports	Number of Recommendations	Questioned Costs	Unsupported Costs*	Funds to be Put to Better Use
Unresolved as of 04/01/00	39	111	\$276	0	\$137,702
Audits with Findings During Current Period	26	90	\$805	0	\$749,400
Total to be Resolved	65	201	\$1,081	0	\$887,102
Mgt. Decisions:					
A. Audits Prior Period	30***	82	\$184	0	0
B. Audits Current Period	15***	50	\$470	0	\$749,400
Total Resolved	45	132	\$654	0	\$749,400
Unresolved as of 9/30/00**	25	69	\$427	0	\$137,702
Aging of Unresolved Audits:					
Less than 6 mos. old	12	40	\$336	0	0
6 mos. - 1 year	9	19	\$91	0	\$136,000
1 year - 18 mos.	2	3	0	0	0
18 mos. - 2 years	2	7	0	0	\$1,702
Over 2 years old	0	0	0	0	0
TOTALS	25	69	\$427	0	\$137,702

*Unsupported costs included with the figure shown as questioned costs.

**Considered unresolved if management decisions have not been made on all report recommendations.

***Includes some reports and recommendations where costs were both allowed and disallowed.

Audit Reports with Recommendations That Questioned Costs

(Dollars in Thousands)

	Number of Reports	Number of Recommendations	Questioned Costs	Unsupported Costs*
A. For which no management decision had been made by start of the reporting period	12	17	\$276	0
B. Which were issued during the period	5	5	\$805	0
Totals (A+B)	17	22	\$1,081	0
C. For which a management decision was made during the reporting period	14	17	\$654	0
(i) dollar value of disallowed costs	7**	8***	\$506****	0
(ii) dollar value of costs not disallowed	9**	10***	\$341	0
D. For which no management decision has been made by the end of the reporting period	4	5	\$427	0

The Inspector General Act requires explanations of reasons for significant revisions to management decisions made during the reporting period. OIG follows up on audits reported in earlier semiannual reports. During this reporting period, there were no significant revisions of Departmental management decisions reported to OIG.

The Inspector General Act also requires this report to describe any significant management decision with which the Office of Inspector General disagrees. At the close of this reporting period, there were no significant management decisions with which OIG disagreed.

*Unsupported costs are also included in the figures shown as questioned costs.

** Includes reports in which costs were both allowed and disallowed.

*** Includes recommendations in which costs were both allowed and disallowed.

****Management committed to an amount greater than that recommended.

Audit Reports with Recommendations that Funds be Put to Better Use

(Dollars in Thousands)

	Number of Reports	Number of Recommendations	Dollar Value (in thousands)
A. For which no management decision had been made by the commencement of the reporting period	3	3	\$137,702
B. Which were issued during the reporting period	2	2	\$749,400
TOTALS (A+B)	5	5	\$887,102
C. For which a management decision was made during the reporting period	2	2	\$749,400
(i) dollar value of recommendations that were agreed to by management	2	2	\$749,400
(ii) dollar value of recommendations that were not agreed to by management	0	0	0
D. For which no management decision had been made by the end of the reporting period	3	3	\$137,702

Audit Reports Recommending Changes for Safety, Economy or Efficiency

	Number of Reports	Number of Recommendations
A. For which no management decision had been made by the commencement of the reporting period	36	91
B. Which were issued during the reporting period	20	83
TOTALS: (A + B)	56	174
C. For which a management decision was made during the reporting period	38	113
D. For which no management decision has been made by the end of the reporting period	22	61

Status of Unresolved Audit Recommendations Over 6 Months Old

CITED IN SEMIANNUAL REPORT FOR OCTOBER 1, 1998-MARCH 31, 1999

Motor Carrier Program for Commercial Trucks at U.S. Borders by the Office of the Secretary	TR-1999-034	12/28/98	Working with OST and FMCSA to resolve all open issues
Deployment of EDS, FAA	AV-1999-001	10/05/98	Working with FAA to resolve all open issues

CITED IN SEMIANNUAL REPORT FOR APRIL 1, 1999-SEPTEMBER 30, 1999

Independent Assessment of Amtrak	CE-1999-116	7/21/99	Working with Amtrak to resolve all open issues
Motor Carrier Safety Program	TR-1999-091	4/26/99	Working with FMCSA to resolve all open issues

CITED IN SEMIANNUAL REPORT FOR OCTOBER 1, 1999-MARCH 31, 2000

Follow-up Review on the Progress of the Los Angeles Metro Rail Red Line	RT-2000-073	3/24/00	Will be resolved during first quarter of FY 2001
The Coast Guard's Planning Process for the Deepwater Replacement Project	MA-2000-065	3/09/00	Working with USCG to resolve all open issues
City of New York	QC-2000-027	12/21/99	Working with FHWA to resolve all open issues
Baseline Review of the St. Clair Extension, Federal Transit Administration	RT-2000-025	12/17/99	Will be resolved during first quarter of FY 2001
Airport Access Control, Federal Aviation Administration	AV-2000-017	11/18/99	Working with FAA to resolve all open issues
Cost Allocations by the Transportation Administrative Service Center	MA-2000-015	11/05/99	Working with TASC to resolve all open issues
ATA Foundation Affiliates	QC-2000-006	10/25/99	Working with FHWA to resolve all open issues
Suburban Mobility Authority for Regional Transportation	QC-2000-007	10/25/99	Will be resolved during first quarter of FY 2001
Review of the Alameda Corridor Project Federal Highway Administration, Federal Railroad Administration	TR-2000-004	10/22/99	Working with FHWA and FRA to resolve all open issues

Profile of Pending Investigations

DOT Operating Administration	Number of Cases	Types of Cases					
		Contracts/ Grants	Employees	Aviation Safety	Motor carrier Safety	HazMat	Other*
U.S. Coast Guard	43	10	10	1	0	15	7
Federal Aviation Administration	185	17	31	60	0	15	62
Federal Highway Administration	105	51	7	0	6	1	40
Federal Railroad Administration	8	3	0	0	0	2	3
Federal Transit Administration	26	23	0	0	0	0	3
Maritime Administration	7	3	1	0	0	0	3
Federal Motor Carrier Safety Administration	85	0	1	0	38	22	24
Office of the Secretary	10	3	3	0	0	0	4
Research and Special Programs Administration	19	2	0	0	0	15	2
National Highway Traffic Safety Administration	12	0	6	0	0	0	6
Other agencies	2	0	0	0	0	1	1
TOTALS:	502	112	59	61	44	71	155
Percent of Total	100	22	11	12	9	14	31

*Includes, for this reporting period, categories such as bribery/gratuities, motor fuel excise tax evasion and graft.

Investigations

Indictments	105
Convictions	95
Years Sentenced	88
Years Probation	188
Supervised Release	78
Hours of Community Service	2,230
Fines	\$10,229,121
Restitutions/Civil Judgments	\$25,667,299
Federal Recovery	\$4,080,678
State Recovery	\$179,021
TOTAL	\$40,156,119

OIG investigations in this reporting period spurred **\$40,156,119** in recoveries including fines, restitution, civil judgments or settlements, and federal and state recoveries. Federal recoveries go to the U.S. Treasury. State recoveries are retained by the states.

The 6 months covered by this report opened with a pending case-load of 491. During the period, 117 cases were opened and 106 were closed, leaving a pending case-load of 502.

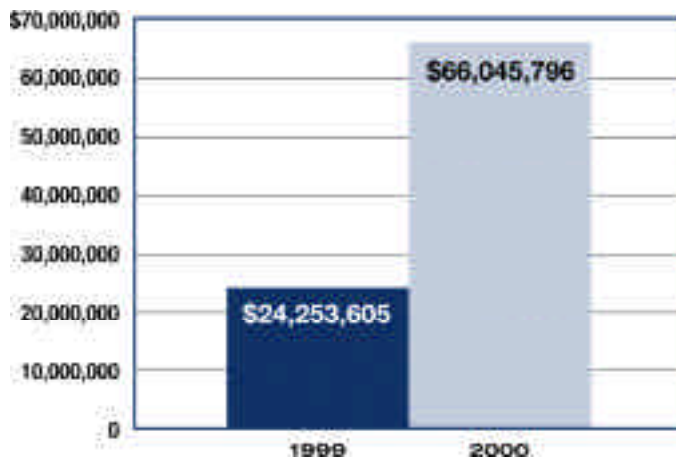
During the period, 68 cases were not accepted for prosecution, while 17 were declined.** The number of cases pending before prosecutors as of September 30, 2000 was 75.

Administrative Actions April 1, 2000-September 30, 2000	
Employee Suspensions	4
Employee Terminations	4
Employee Resignation/Retirements	3
Employee Reprimand	1
Employee Counseled	14
Debarments/Suspensions	11
Other Corrective Action	19
Regulation/rule revised	1
TOTAL	57

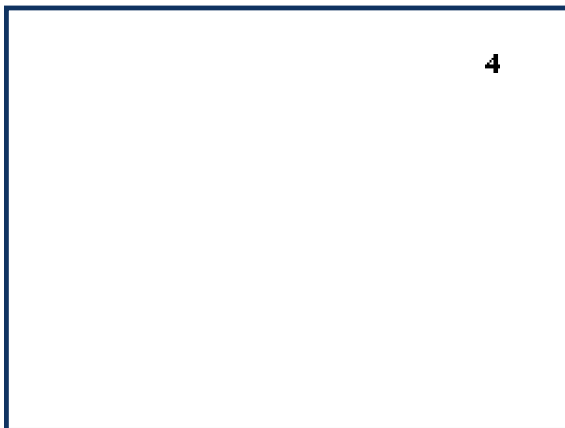
**These figures include action on cases referred during prior reporting periods.



Fiscal Year 1999 and Fiscal Year 2000 comparison of:
Fines, Restitutions and Recoveries



Fiscal Year 1999 and Fiscal Year 2000 comparison of:
Indictments and Convictions



List of Acronyms Found in This Report:

- ATC Air Traffic Control
- BTS Bureau of Transportation Statistics
- CDL Commercial Driver's License
- DBE Disadvantaged Business Enterprise
- DCIS Defense Criminal Investigative Service
- FAA Federal Aviation Administration
- FBI Federal Bureau of Investigations
- FMCSA Federal Motor Carrier Safety Administration
- FHWA Federal Highway Administration
- FRA Federal Railroad Administration
- FTA Federal Transit Administration
- INS Immigration and Naturalization Service
- MARAD Maritime Administration
- NDRF National Defense Reserve Fleet
- NASA National Aeronautics and Space Administration
- NHTSA National Highway Traffic Safety Administration
- NTSB National Transportation Safety Board
- OIG Office of the Inspector General
- OST Office of the Secretary
- RSPA Research and Special Programs Administrations
- SLSDC St. Lawrence Seaway Development Corporation
- STD Surface Transportation Board
- TASC Transportation Administrative Service Center
- USCG United States Coast Guard



PCIE Awards

Established by executive order in 1981, the President’s Council on Integrity and Efficiency (PCIE) is comprised of all Presidentially-appointed Inspectors General as well as the director of the Office of Government Ethics, special counsel of the Office of Special Counsel, the Federal Bureau of Investigations, and the deputy director of the Office of Management and Budget (OMB).

The PCIE is charged with conducting interagency and inter-entity audit, inspection and investigation projects to effectively and efficiently deal with government-wide issues of fraud, waste and abuse. On September 29, numerous members of the DOT-OIG team, as well as individuals from other agencies working with DOT-OIG were honored by their peers at an awards ceremony in Washington, DC.

The following employees received AWARDS FOR EXCELLENCE:

Runway Incursion Team

- In recognition of significant contributions made in evaluating and improving FAA’s Runway Incursion Program.

Richard A. Kaplan Kevin Dorsey Robert L. Drake

Aviation Safety Team

- In recognition of outstanding performance, dedication, and contribution to a major Congressional, Department and public transportation issue, improving aviation security.

Robin K. Hunt A. Robert Lund Humberto U. Melara Judy W. Nadel
Robert Y. Lee Paul Nagulko Scott C. Seaborn James H. Yeager
Lisa H. Stone Kim P. Tieu James K. Wahleithner Gerald L. Blumenthal

Suspected Unapproved Aviation Parts Team

- In recognition of outstanding joint criminal investigation by three OIGs in the area of suspected unapproved aviation parts.

Paul L. Blake Fred Cosby (DCIS) Keith Tate (NASA)

AWARD FOR EXCELLENCE — EVALUATION:

Hazardous Materials Program Evaluation Team

- In recognition of outstanding efforts in performing the Department-wide evaluation of DOT’s Hazmat Program.

Jackie A. Goff Edward M. Stulginsky Gregory S. Bond Kirk A. Gillett
George A. Whitney (RSPA) Delmer F. Billings (RSPA) Mark Lendvay (FAA) Raymond Kasey (FRA)
Curnis King (FMCSA) Capt. Geoffrey Powers (USCG) Mark R. Dayton Bahar Barami (VOLPE)

AWARD FOR EXCELLENCE — MULTIPLE DISCIPLINE

National Transportation Safety Board Team

- *In recognition of the thorough and well-coordinated audit and investigations of internal controls for the National Transportation Safety Board's check writing program. This joint effort identified fraud, abuse, and mismanagement, prompting swift and comprehensive corrective actions.*

Stephen J. Rybicki	Theodore M. Kilby, Jr.	Keith A. Bonanno	Christopher R. Smith
George C. Hardin	Harry Schaefer	Richard C. Beitel, Jr.	Eric A. Johnson
Ray Sanchez	Kevin P. Trebel		

AWARD FOR EXCELLENCE — LAW AND LEGISLATION

Motor Carrier Safety Team

- *For the dedication and perseverance exhibited to ensure audit recommendations resulted in timely legislative actions to improve highway safety.*

Barbara M. Cobble	Joseph W. Come	Margaret Uckert	Al J. Ruth
Kerry R. Barras	James W. Bess	David W. Brown	Carl H. Hamilton
Ann Kruszewski	Harriet E. Lambert	Kristen Massey	Frank H. Ochs
Petra Rose	Al J. Ruth	William E. Savage	Al Schenkelberg
Maurice Toval	Brian A. Dettelbach		

AWARD FOR EXCELLENCE — MANAGEMENT AND ADMINISTRATIVE SERVICE

Y2K Team

- *For outstanding leadership in auditing Y2K issues within the U.S. Department of Transportation.*

John L. Meche	Rebecca C. Leng	Philip J. DeGonzague	Kari M. Beitel
Nathan J. Custer	Clarence S. Fujimoto		

JOINT AWARD — INDIVIDUAL ACCOMPLISHMENT

- *In recognition of his tireless efforts to advance, and enhance the legislative work of the PCIE/ECIE*
Brian A. Dettelbach

AWARD FOR EXCELLENCE — INDIVIDUAL ACCOMPLISHMENT

- *In recognition of outstanding effort conducting criminal investigations of hazardous material violations in the aviation industry.*

Barbara Porraspita

CAREER ACHIEVEMENT AWARD

- *For superior leadership and career contributions to the Inspector General community.*

Raymond J. DeCarli

AWARD FOR EXCELLENCE — JOINT AWARD

The DOT Members of the Cross Agency Team

- *For superior efforts in establishing the "Business Side" of IGMET and improving communications among members of the IG community.*

Jeffrey W. Davis	Brian A. Dettelbach
-------------------------	----------------------------

Office of Inspector General Audit Reports

April 1, 2000-September 30, 2000

FEDERAL AVIATION ADMINISTRATION INTERNAL AUDITS - 6 reports

REPORT	DATE	SUBJECT	FOCUS OF REPORT/ RECOMMENDATIONS:
AV-2000-127	09/28/00	•Technical Support Services Contract	Better management oversight and sound business practices needed
AV-2000-110	08/29/00	•Survey of the FAA's Integrated Product Development System (IPDS)	Improve the effectiveness of IPDS team operations
AV-2000-102	06/21/00	•Interim Report on Airline Customer Service Commitment Plan	Improve passenger service
AV-2000-095	05/15/00	•FAA's Use of RTCA, Inc. as an Advisory Committee	Strengthen FAA's use of advisory committee
FE-2000-087	04/27/00	•Proposed Rulemaking on Collection Costs Associated with Passenger Facility Charges	Perspectives on airlines' cost to collect PFC's
AV-2000-079	04/12/00	•Contract Towers: Observations on FAA's Study of Expanding the Program	Revise draft study of expanding the Contract Tower Program

GRANT AUDIT — POST-AWARD - 4 reports

QC-2000-114	02/29/00	•City and County of Denver, CO	\$335,822 questioned costs
QC-2000-083	05/23/00	•Rhode Island Airport Corporation	Improve grantee oversight
QC-2000-077	04/04/00	•Gulfport-Biloxi Regional Airport Authority	\$144,893 questioned costs
QC-2000-105	06/21/00	•City of St. Louis, MO	Improve grantee oversight

OTHER - 2 reports

AV-2000-113	07/26/00	•Observations of FAA's Satellite Navigation Efforts	Testimony before Congress
AV-2000-076	04/06/00	•Aviation Security Hearings	Testimony before Congress

Office of Inspector General Audit Reports

April 1, 2000-September 30, 2000

FEDERAL HIGHWAY ADMINISTRATION

INTERNAL AUDITS - 2 reports

REPORT	DATE	SUBJECT	FOCUS OF REPORT/ RECOMMENDATIONS:
TR-2000-090	05/09/00	•Review of Alternative Fuel Vehicles Purchased with Congestion Mitigation and Air Quality Improvement Funds	Improve information
TR-2000-088	05/07/00	•Central Artery/Ted Williams Tunnel Project Highlights Need for Effective Federal Oversight	\$714,000,000 Better use

GRANT AUDIT - POST-AWARD - 5 reports

QC-2000-101	05/30/00	•State of Arizona	\$310,877 questioned
QC-2000-078	04/04/00	•Grand Valley Metropolitan Council	\$13,820 questioned
QC-2000-115	08/18/00	•Southern California Association of Governments	Improve grantee oversight
QC-2000-116	08/18/00	•State of Connecticut	Improve grantee oversight
QC-2000-117	08/18/00	•State of Rhode Island	Improve grantee oversight

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

INTERNAL AUDITS - 1 report

MH-2000-106	06/30/00	•Disqualifying Commercial Drivers	Improve safety
-------------	----------	-----------------------------------	----------------

FEDERAL RAILROAD ADMINISTRATION

INTERNAL AUDITS - 2 reports

CR-2000-121	09/19/00	•2000 Assessment of Amtrak's Financial Performance and Requirements	Implement major corrective actions to its strategic business plan
RT-2000-081	04/19/00	•Pennsylvania Station Redevelopment Project	Improve oversight and fund safety needs

MARITIME ADMINISTRATION

INTERNAL AUDITS - 3 reports

MA-2000-097	06/21/00	•Limited Progress in Disposing of Obsolete Vessels	Environmental protection
MA-2000-096	05/12/00	•Report on Ready Reserve Force Ship Managers' Contracts	Improve financial controls
MA-2000-123	09/26/00	•Follow-up of Audit Payments Under the Maritime Security Program	Improve financial controls

OTHER

INTERNAL AUDITS - 1 report

MA-2000-093	06/21/00	•Reauthorization of Maritime Administration	Testimony before Congress
-------------	----------	---	---------------------------

Office of Inspector General Audit Reports

April 1, 2000-September 30, 2000

OFFICE OF THE SECRETARY OF TRANSPORTATION INTERNAL AUDITS - 9 reports

REPORT	DATE	SUBJECT	FOCUS OF REPORT/ RECOMMENDATIONS:
FI-2000-125	09/25/00	•Inactive Obligations on Contracts	\$35,400,000 Better use
FI-2000-124	09/25/00	•Headquarters Computer Network Security	Improve security
FI-2000-119	09/08/00	•Third Interim Report on Travel Policies and Practices of Political Appointees	Reporting of travel and campaigning
CR-2000-112	07/24/00	•Air Carrier Flight Delays and Cancellations	Improve data collection
FI-2000-107	07/14/00	•Second Interim Report on Travel Policies and Practices of Political Appointees	Reporting of travel and campaigning
FI-2000-108	07/13/00	•Interim Report on Computer Security	Improve computer security
MH-2000-109	07/20/00	•The Department of Transportation's Rulemaking Process, Department wide	Improve rulemaking
FE-2000-089	05/01/00	•Interim Report on Travel Policies and Practices of Political Appointees	Reporting of travel and campaigning
FE-2000-080	04/11/00	•Use of Funds for the Year 2000 Computer Program	Proper use of funds
OTHER - 1 report			
CR-2000-111	07/20/00	•Internet Sales of Airline Tickets	Testimony before Congress

UNITED STATES COAST GUARD INTERNAL AUDITS - 2 reports

MA-2000-084	04/20/00	•Audit of the Performance Measure for the Recreational Boating Safety Program	Improve boating safety data
MH-2000-128	09/29/00	•Coast Guard Program for Overseeing Passenger Ferry Safety	High level of compliance with regulations found

FEDERAL TRANSIT ADMINISTRATION INTERNAL AUDITS - 3 reports

RT-2000-085	04/21/00	•Bay Area Rapid Transit District Extension to San Francisco International Airport	Financial Plan reasonable
RT-2000-091	05/08/00	•Report on the Financial Plan for the Tren Urbano Rail Transit Project	Financial Plan reasonable
FE-2000-098	05/23/00	•Computer Security Controls of Financial Management System	Improve computer security

Office of Inspector General Audit Reports

April 1, 2000-September 30, 2000

GRANT AUDITS — POST-AWARD - 10 reports

REPORT	DATE	SUBJECT	FOCUS OF REPORT/ RECOMMENDATIONS:
QC-2000-082	04/13/00	• Metropolitan Atlanta Rapid Transit Authority	Improve grantee oversight
QC-2000-085	04/21/00	• San Francisco Bay Area Transit Authority	Improve grantee oversight
QC-2000-094	05/23/00	• Pioneer Valley Transit Authority	Improve grantee oversight
QC-2000-099	05/25/00	• Bi-State Development Agency	Improve grantee oversight
QC-2000-100	05/30/00	• City of Seattle, WA	Improve grantee oversight
QC-2000-103	06/21/00	• Santa Clara Valley Transportation Authority	Improve grantee oversight
QC-2000-104	06/21/00	• Kansas City Area Transportation Authority	Improve grantee oversight
QC-2000-120	07/18/00	• Regional Transit District	Improve grantee oversight
QC-2000-118	08/29/00	• Utah Transit Authority	Improve grantee oversight
QC-2000-126	09/28/00	• Chicago Transit Authority	Improve grantee oversight

BUREAU OF TRANSPORTATION STATISTICS

OTHER REPORTS - 1 report

CR-2000-122	09/15/00	• Flight Delays and Cancellations	Testimony before Congress
-------------	----------	-----------------------------------	---------------------------

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

OTHER REPORTS - 1 report

RT-2000-069	03/13/00	• Pipeline Safety Program	Testimony before Congress
RT-2000-092	05/11/00	• Reauthorization of the Pipeline Safety Program	Complete rulemaking and improve oversight

Office of Inspector General — Other Congressional Testimonies

April 1, 2000-September 30, 2000

CONTROL NO.	DATE	SUBJECT	BEFORE
FEDERAL AVIATION ADMINISTRATION			
CC-2000-380	10/05/00	• Observation on FAA and Industry Efforts to Address Concerns about Aircraft Wiring	Subcommittee on Oversight, Investigations and Emergency Management Committee on Transportation and Infrastructure, House of Representatives
CC-2000-359	06/26/00	• Observations on FAA's Satellite Navigation Efforts	Subcommittee on Aviation of the House Committee on Transportation and Infrastructure
CC-2000-079	06/28/00	• Airline Customer Service Commitment	Senate Committee on Commerce, Science and Transportation
CC-2000-356	09/14/00	• Flight Delays and Cancellations	Senate Committee on Commerce, Science and Transportation
CC-2000-303	07/25/00	• Air Carrier Flight Delays and Customer Service	Subcommittee on Transportation and Related Agencies of the Senate Appropriations Committee
CC-2000-111	07/20/00	• Internet sales of airline tickets	Senate Committee on Commerce, Science and Transportation
CC-2000-076	04/06/00	• Aviation Security	Subcommittee on Aviation of the Senate Commerce, Science and Transportation Committee
OFFICE OF SECRETARY OF TRANSPORTATION			
CC-2000-359	09/27/00	• Computer Security Within the U.S. Department of Transportation	House of Representatives Committee on Science
FEDERAL RAILROAD ADMINISTRATION			
CC-2000-351	09/26/00	• Assessment of Amtrak's Financial Performance and Requirements	Senate Committee on Commerce, Science, and Transportation
MARITIME ADMINISTRATION			
MA-2000-097	06/09/00	• Maritime Administration: Disposal of obsolete ships	Budget Committee Task Force on Housing and Infrastructure, U.S. House of Representatives
MA-2000-097	05/24/00	• Maritime Administration: Limited Progress in Disposing of Obsolete Vessels	Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure
FEDERAL HIGHWAY ADMINISTRATION			
TR-2000-088	05/03/00	• Central Artery/Ted Williams Tunnel Project Highlights Need for Effective Federal Oversight	Senate Committee on Commerce, Science, and Transportation
NATIONAL TRANSPORTATION SAFETY BOARD			
ntsbrapid	04/13/00	• National Transportation Safety Board — Rapidraft Payment System	Budget Committee Task Force on Housing and Infrastructure, U.S. House of Representatives

