

Detecting and Preventing Fraud: A Law Enforcement Perspective



U.S. Department of
ENERGY

Office of
Inspector General

<https://www.energy.gov/ig/ig-hotline>

Agenda:

1. Introduction
2. Foundation
3. People & Relationships
4. Analytics
5. Hotline
6. Techniques in Action



Introduction:

- Who are we?
- Who is the Dept. of Energy?
- Why Does it Matter?



What We Are Up Against:

Corruption

Control
Weaknesses

1/4 = \$1M

16 Months

\$130K

Small Business
vs. Big
Business



Why What We Do Matters:

Analytics

Hotline

Internal
Audits

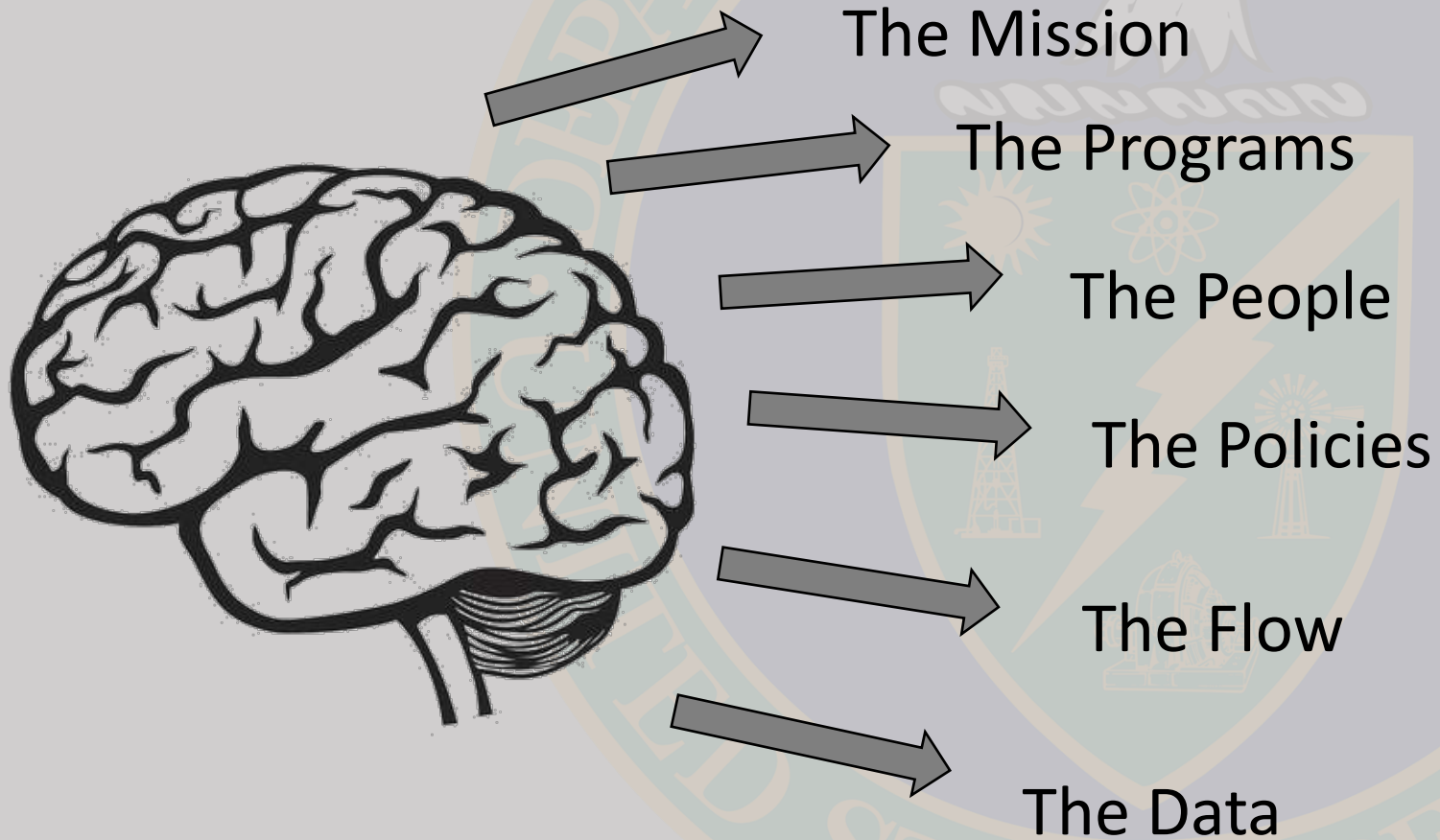
18
Controls

85%

10%



The Foundation



The Three Buckets



People/Relationships



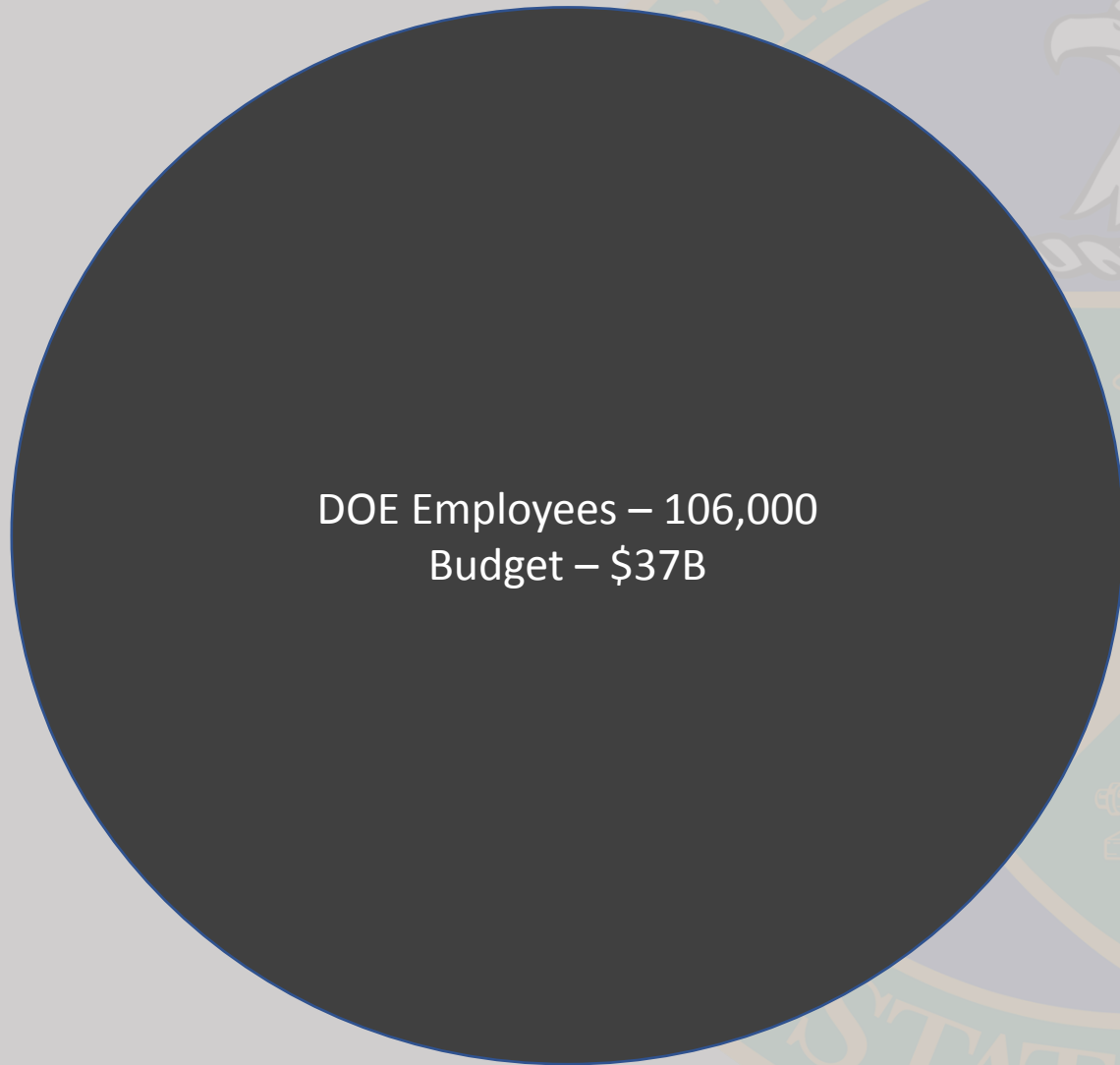
Analytics/Analysis



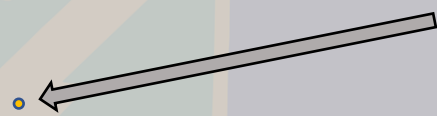
Avenues of Reporting



The Importance of People & Relationships



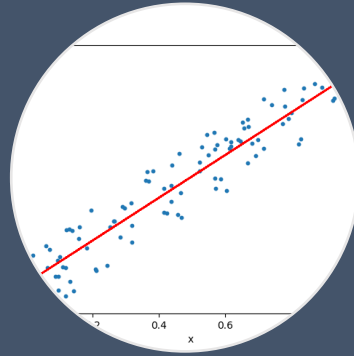
OIG Employees



Analytics and Analysis



Descriptive



Predictive



Prescriptive



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Analytics and Analysis

Proactive

Reactive

Force
Multiplier

Visualization

Detect
Anomalies

Business
Understanding



Avenues of Reporting

- Primarily use our hotline
- Located in DC – staffed by Investigative Analysts
- Anyone can make a complaint & any IG employee can take a complaint

Methods include:

- OIG Website
- Letter
- Email
- Fax
- Walk-in
- Phone call

Fun Fact: If your business/agency uses a hotline, 46% of cases are detected that way.



Avenues of Reporting

Our Hotline Results Included (FY18):

- 2200 contacts
- 381 complaints predicated
- 36 complaints referred to OIG components
- 114 complaints referred to DOE management or other entity for information or action

Fun Fact: Most cases are identified from a tip (40%), which results in faster ID and less losses.

Techniques in Action:



Avenues of Reporting

People & Relationships

Analytics & Analysis



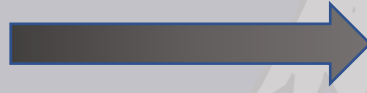
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Techniques in Action:

Avenues of Reporting



Hotline received anonymous complaint BPA employee stole property and fuel

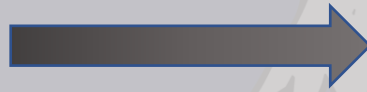
Referred to agents in Richland for investigation – substantiated

Subject confessed.
Agents recovered property.
BPA proposed termination – subject resigned.



Techniques in Action:

People & Relationships



Confided in Problems with a Vendor

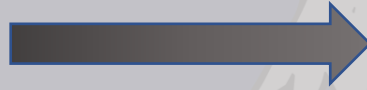
Product Quality was Bad/
Interviewed Contractor
Employees

Resulted in 53 Months in Jail
(Between 3 people) and \$8M
Recovery



Techniques in Action:

Analytics & Analysis



Force Multiplier: Able to View All Grant Recipients for DOE in a Specific Program on one Map

Identified Multiple Questionable Vendors to Proactively Review and “Desk Audit”

Opened Cases and Prepared Visualizations and Conducted Statistical Analysis to Show Variance/Anomalies





Questions?



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