

COLLABORATION AMONG AUDITORS AND INVESTIGATORS FOR IMPROVED RESULTS

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Agenda

- ▶ The role of an OIG focusing on the Offices of Audits and Investigations.
- ▶ The complementary roles of Audits and Investigations in criminal investigations.
- ▶ A brief overview of the investigative process.
- ▶ Examples of success.

Audits

- ▶ Evaluates and, when necessary, critiques operations and activities, recommending ways for DHS to carry out its responsibilities most **effectively, efficiently**, and economically.
- ▶ Protects the public interest by bringing about **positive change in the performance**, accountability, and integrity of DHS' programs and operations.
- ▶ Audits DHS grants and contracts awarded to State, local, and other organizations to determine if services have been provided according to agreements, and if costs incurred are eligible for reimbursement.
- ▶ Supports DHS managers and Congress by providing reports and testimony on homeland security-related operations and programs.

Investigations

- ▶ Investigates allegations of criminal, civil, and administrative misconduct involving DHS employees, contractors, grantees, and programs. These investigations can result in criminal prosecutions, fines, civil monetary penalties, administrative sanctions, and personnel actions.
- ▶ Strengthens DHS' **effectiveness and efficiency**. Secures and Protects the Nation from dangerous people and dangerous things. Protects the civil rights and civil liberties of citizens, immigrants, and non-immigrants in the United States. **Enforces and enhances departmental priorities and programs.**
- ▶ Provides oversight and monitors the investigative activity of DHS' various internal affairs offices. Investigative staff are working on Gulf Coast and Hurricane Sandy recovery operations.

Investigative Process

- ▶ Criminal vs. Administrative
 - Proactive (Audits) vs. Reactive (Investigations)
 - Employee Rights
 - Investigative Tools
 - Level of Proof

Roles – Investigators

- ▶ Audits should not be used to conduct an investigation under the pretext of conducting an audit.
- ▶ If working with Office of Audits on a parallel matter, first check with an AUSA to make sure witness interviews don't conflict.
- ▶ Define lanes clearly up front - what is the auditors and what is investigators work.
- ▶ Brief Audits staff on evidence practices, interview warnings and rights, 6e-Grand Jury, represented party issues.
- ▶ Audits' and Investigations' mutual goal is to identify deficiencies/weak internal controls.
- ▶ Ensure that recommendations to DHS are consistent and do not conflict.

Roles – Auditors

- ▶ Educate the investigators on what skills you can you bring to the table.
- ▶ Collaboration works best at the audit manager to case manager level.
- ▶ Don't forget that you are an auditor.
 - Internal control failures
 - Program management failure
 - Auditing this or other programs to improve them and reduce risk

Case Studies

USCG Reutilization and Disposal

- ▶ Collaborative effort involving DHS OIG, USCG Surface Fleet Logistics Center-Baltimore, USCG Investigation Service (CGIS), the US DA (Baltimore, MD), and the Office of Audits.
- ▶ Investigation involved the transportation and disposal of excess property and items no longer needed for the military services.
- ▶ Millions of dollars of USCG and other military-grade equipment slated for disposal or reutilization and at risk of ultimately being sold on eBay. Items included computers, radios, navigational aids, and other high-risk, electronic equipment.
- ▶ More than 795 items valued at more than \$94,000 were seized from eBay reseller.

Case Studies

USCG Reutilization and Disposal

- ▶ Auditor compiled and conducted an extensive review and analysis of documentation.
- ▶ Auditor participated in search warrant of eBay reseller with DHS OIG Office of Investigations, USCG, and CGIS.
- ▶ Auditor participated in search of suspect's residence with DHS OIG Office of Investigations, USCG, and CGIS.

Case Studies

USCG Reutilization and Disposal

- ▶ Outcomes
 - Multiple arrests and convictions
 - Identification of more suspects and arrests at DHS and the General Services Administration (GSA)
 - Impetus for audit of the reutilization program, which identified numerous internal control failures
- Inadequate policies, procedures, and processes to properly identify and screen, reutilize, and dispose of excess personal property
- Did not screen excess personal property for reutilization and did not follow existing disposal policies, which were sometimes inadequate or contradictory

Case Studies

Purchase Card Audit

- ▶ Audit team mined data from all DHS PC transactions for FY 2010 (1.2 million transactions worth \$514 Million)
- ▶ Audit Manager (AM) and Assistant Special Agent in Charge (ASAC) met and conferred with all team members involved
- ▶ Audit Team targeted suspicious transactions and manually reviewed sample of purchase cardholder files
- ▶ During audit site visits, noted and confirmed possible fraudulent activities
- ▶ Audit findings and evidence supported legal actions, which resulted in several employees' administrative separation and removal from Federal service

Case Studies

Office of Program Integrity– Department of the Interior

- ▶ Embedded auditors
- ▶ Evaluations that require both skill sets
 - Dam Security
 - Firearms
 - OffShore Deepwater Drilling

Other Ongoing Work

- ▶ EB-5 Visa Program
- ▶ H-60 Helicopters / National Aviation Maintenance Contract

Questions



Individual commitment to a group effort—that is what makes a team work, a company work, a society work, a civilization work.

—Vince Lombardi