ANNUAL SUMMARY OF FINDINGS AND RECOMMENDATIONS

July 1, 2018 - June 30, 2019

Report of the Inspector General

ig.dot.ca.gov
104 Complaints of Misconduct

15 Formal Investigations

11 Misconduct Substantiated

- 4 - Incompatible Activities / Conflict of Interest
- 3 - Misuse of Computer
- 2 - Falsification of Documents
- 1 - Neglect of Duty
- 1 - Misuse of Vehicle
152 New Complaints Reported

17 Complaints Substantiated

- 5 - Incompatible Activities/Conflict of Interest
- 4 - Harassment
- 2 - Misuse of State Resources
- 2 - Disruptive Behavior
- 2 - Hiring
- 1 - False Documentation
- 1 - Health and Safety
The Diversity Accountability Program within the Independent Office of Audits and Investigations was established to develop a compliance framework for Caltrans’ racial equity efforts in contracting and hiring. Senate Bill 103 (Chapter 95, Statutes of 2017) directs the Inspector General to provide oversight, audit, investigate, consult, advise and remove barriers to improve contracting performance, increase diversity, increase engagement with disadvantaged communities and prevent discrimination. The Deputy Inspector General of Diversity (DIG) manages the Diversity Accountability Program under the direction of the Inspector General.

The DIG’s vision for the Diversity Accountability Program is to institute a dynamic, sustainable compliance process that has lasting impacts on performance and values collaboration, inclusion, fairness, and transparency. The DIG serves as a resource to Caltrans as it seeks to achieve equity strides in contracting and hiring.

- Developed relationships with Caltrans management team, district small business liaison teams, key community resources/chambers, related state agencies, other transportation planning organizations, construction industry representatives, Caltrans large prime suppliers, small/disabled veteran/disadvantaged business enterprises and diverse caucus members.

- Synthesized SB 103 priorities to 6 key areas: outreach, partnerships, supplier development, disparity studies, program fraud and discrimination prevention.

- Established an annual observation report focused on diversity in hiring, contracting, and small business development.

- Created a Diversity Accountability Program.
COMMUNICATION STRATEGIES

Meet monthly with Director and Chief Deputy Director regarding new and ongoing investigations.

Meet quarterly with Secretary of CalSTA.

Meet monthly with Director of Caltrans.

CTC Commissioners and Staff.

Governor’s Office Representatives.

Other External Entities.

Local Agency Representatives (Ex. Counties, Cities, Planning Agencies).

Members and Staff of the Legislature.

Federal Agency Representatives.

Weekly and monthly reports provided to CalSTA regarding new and ongoing audits and investigations.
AUDIT SUMMARY: FISCAL YEAR 2018-2019

70

AUDITS

- 6 - Program
- 28 - Local Agency
- 20 - Construction Contract
- 16 - Proposition 1B Projects

CONSTRUCTION CONTRACT AUDITS

$208,022 IN DISALLOWED COSTS

$3,222,677 IN AVOIDED COSTS

PROPOSITION 1B PROJECTS

$7,563,395 TOTAL DISALLOWED COSTS
FINANCIAL DOCUMENT REVIEWS – ARCHITECTURAL AND ENGINEERING (A & E)

FINANCIAL DOCUMENT REVIEWS OF ARCHITECTURAL AND ENGINEERING CONTRACTS 351

VALUED AT $888,050,058
≈ AVOIDED COSTS $23,829,227

Between Caltrans and A&E Consultants:

64 Contracts
Valued at $423,210,784
≈ Avoided Costs $15,643,503

Between Local Agencies and A&E Consultants:

287 Contracts
Valued at $464,839,274
≈ Avoided Costs $8,185,724
208  Total Recommendations

142  Open Recommendations

66  Closed Recommendations
Key SB 1 AUDITS

• Evaluation of new efficiency measures instituted to achieve $100 million in savings.

• Progress of Caltrans towards meeting mandated SB 1 performance outcomes.

• Program oversight and accountability for various programs identified in SB 1.

• Effectiveness and accuracy of Caltrans Project Cost Estimates.

• Review of District Director’s Orders.

• Verification of SB 1 project costs for appropriateness.

• Caltrans efforts to enhance employee safety.
LOOKING AHEAD

Key SB 103 AUDITS

• Application of the Federal Commercial Useful function (CUF) requirement as well as related Caltrans policies/directives.

• Implementation of the Caltrans OBEO Outreach Plan.

• The Federal Good Faith Effort Program requirements.

• The Prompt Pay Act (timely payments made to all suppliers, including subcontractors).

• Federal and state program denial requirements for small DVBE and DBE businesses.