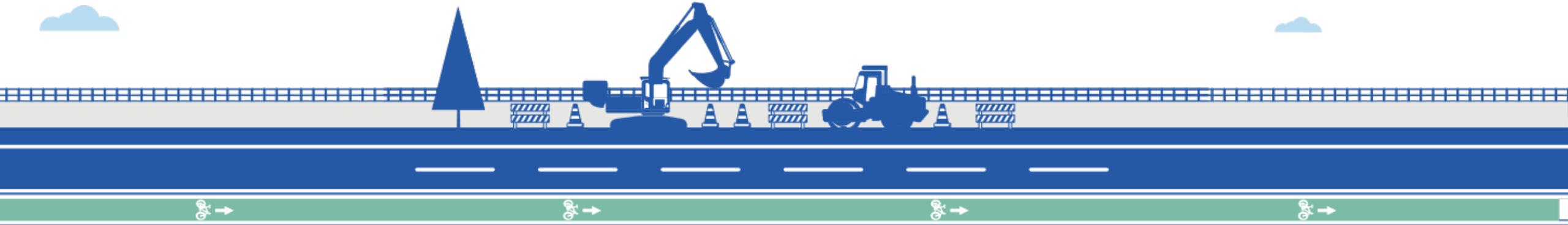


ANNUAL SUMMARY OF FINDINGS AND RECOMMENDATIONS

July 1, 2018 - June 30, 2019

Report of the Inspector General

ig.dot.ca.gov





INVESTIGATIONS



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



ETHICS HOTLINE



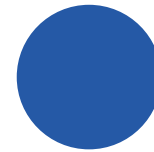
152

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



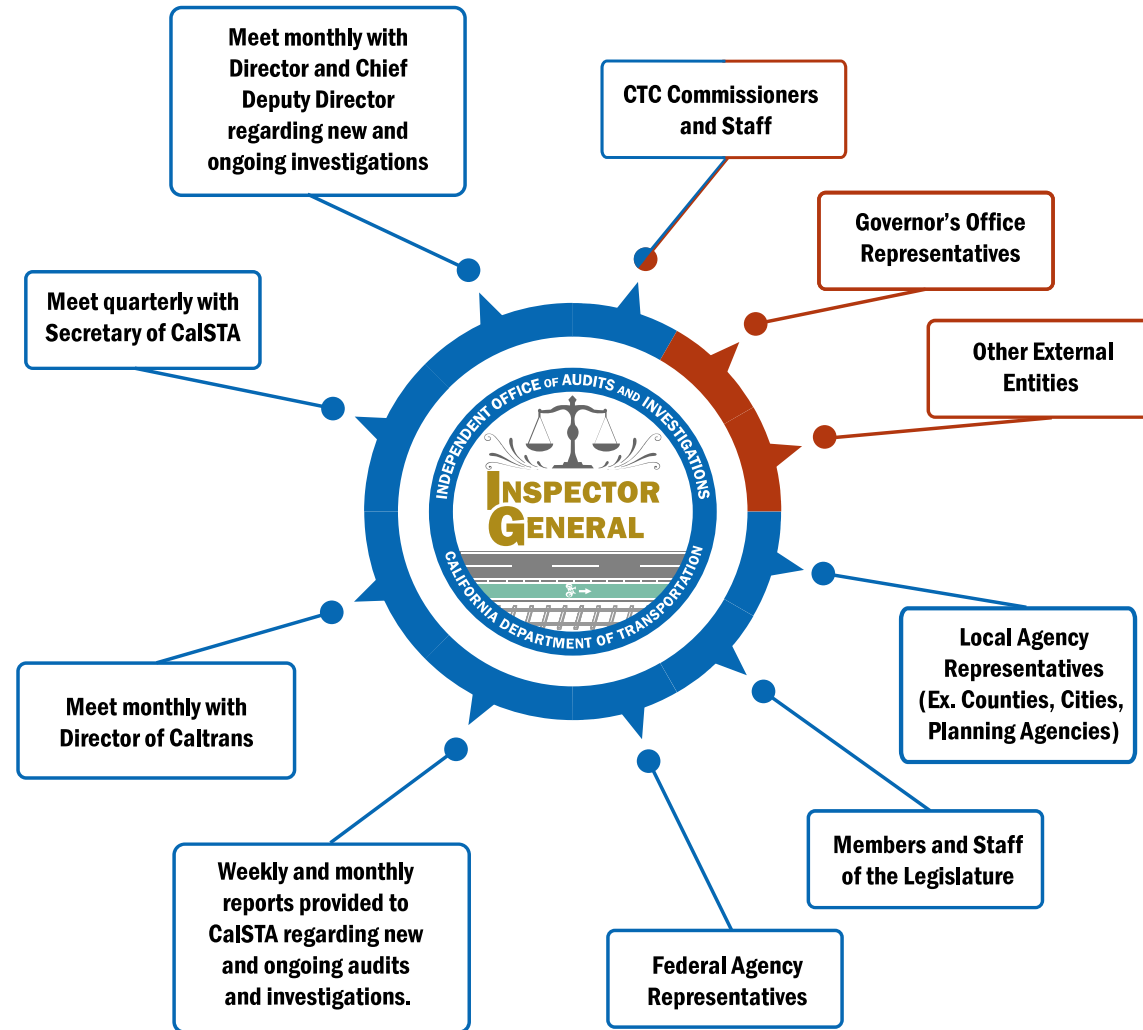
DIVERSITY AND SMALL BUSINESS DEVELOPMENT

The Diversity Accountability Program within of 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

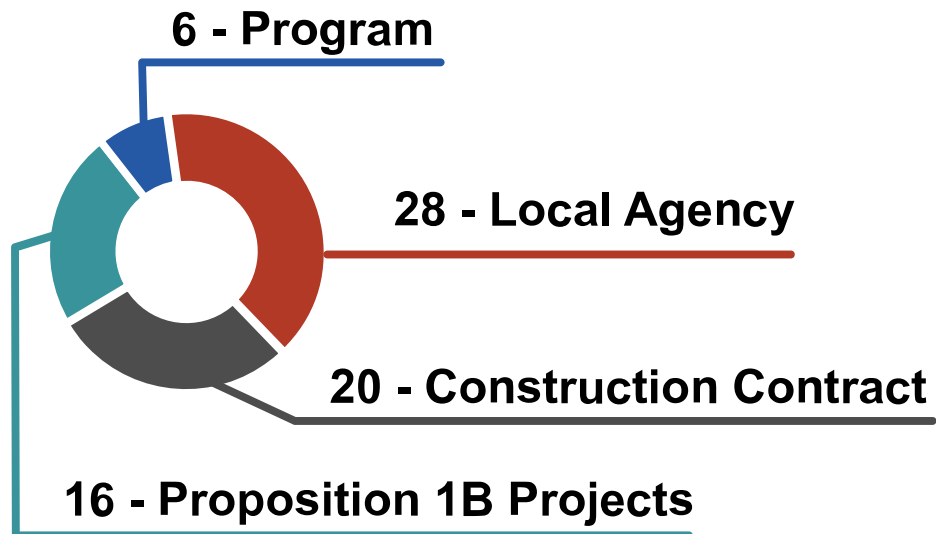


AUDIT SUMMARY: FISCAL YEAR 2018-2019



70

AUDITS



**CONSTRUCTION CONTRACT
AUDITS**

\$208,022

IN DISALLOWED COSTS

\$3,222,677

IN AVOIDED COSTS

PROPOSITION 1B PROJECTS

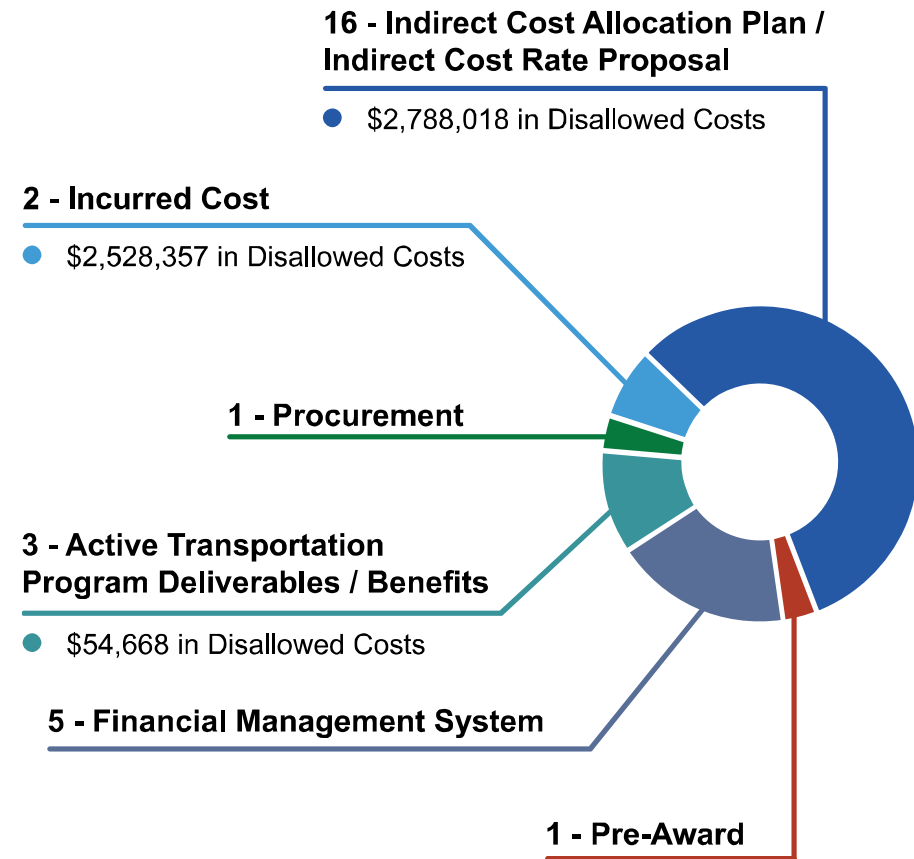
\$7,563,395

TOTAL DISALLOWED COSTS

LOCAL AGENCIES



LOCAL AGENCY AUDITS 28



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**

STATUS OF AUDIT RECOMMENDATIONS

208 Total Recommendations



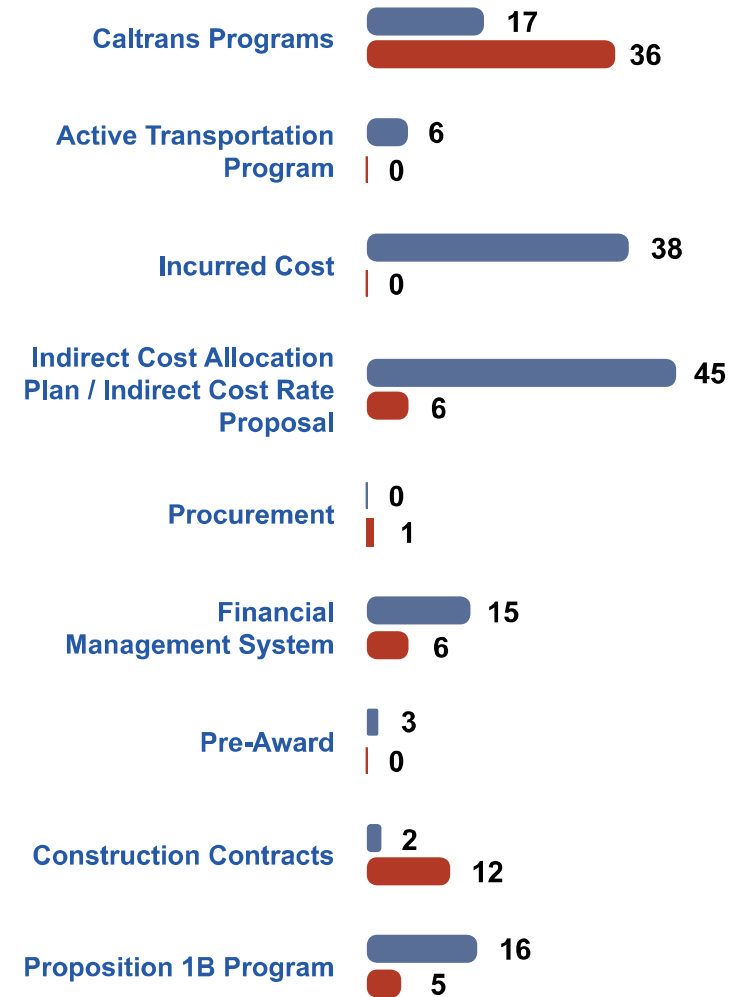
142

Open Recommendations



66

Closed Recommendations



LOOKING AHEAD

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 OBE0 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.