OIG – Fraud Awareness

US Department of Transportation

Office of Inspector General (OIG)
Region 1 OIG, Cambridge, MA
What is Fraud?

Knowingly and willfully making:

- False statements
- False claims
- Fraudulent schemes

Examples:
- Time and materials overcharging
- Quality control misrepresentation
- Product substitutions
- Disadvantaged Business Enterprise (DBE) fraud - misrepresentation
Fraud Consequences

- Fines
- Suspension
- Debarment from bidding on federal projects
- Imprisonment
Fraud Awareness Video

3 Examples

1) Chicago Airport project won’t show video but will discuss DBE fraud

2) Massachusetts Big Dig concrete video

3) Connecticut DOT catch basin video
Prime contractor claimed DBE was responsible to do certain work
DBE was actually a pass-through (did not do work)
DBE had no “Commercial Useful Function” (CUF)
Civil Settlement
- $11 million fine
- Hire integrity person or face debarment
Massachusetts Big Dig & Connecticut DOT Catch Basin Examples

- Watch excerpts from OIG video
- Listen to consequences
FRAUD AWARENESS

- Contact OIG:
  1-800-424-9071
  www.oig.dot.gov

- On-site inspection first line of defense
- Make sure contractors understand you will be monitoring work