

OFFICIAL TESTIMONY OF DANIEL W. LUCAS, INSPECTOR GENERAL

BEFORE THE

**COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE ON EXECUTIVE ADMINISTRATION AND LABOR**

**OFFICE OF THE INSPECTOR GENERAL
FISCAL YEAR 2025 PERFORMANCE OVERSIGHT HEARING**

March 2, 2026

Good afternoon, Chairperson Bonds and members of the Committee. I am Daniel W. Lucas, Inspector General for the District of Columbia. Joining me today are Karen Branson, General Counsel, and Matt Wilcoxson, Acting Principal Deputy Inspector General. My team and I are pleased to appear before the Committee and provide an overview of the OIG, highlight our accomplishments in Fiscal Year (FY) 25 and FY 26, to date, and discuss our plans for the rest of this year.

Before I begin, I want to thank the dedicated and talented OIG staff, who embody integrity, professionalism, and a dedication to government oversight. The successes I highlight today are directly attributed to the OIG staff.

THE OIG'S MISSION

Now, allow me to outline our agency's statutory mission. Specifically, the OIG:

- Conducts independent financial and performance audits,¹ inspections, evaluations, and investigations of District government operations;²
- Keeps the Mayor, Council, and District government department and agency heads fully and currently informed about problems and deficiencies and the necessity for and progress of corrective actions;³
- Reports expeditiously to the US Attorney when we believe there has been a violation of federal or District criminal law;⁴ and
- Provides leadership, coordinates, and recommends policies to promote economy, efficiency, and effectiveness, and to prevent and detect corruption, mismanagement, waste, fraud, and abuse in District government programs and operations.⁵

HOW THE OIG EFFECTUATES ITS MISSION

We achieve our mission through a systems approach. The OIG system encompasses all OIG divisions, units, and programs that work collaboratively to maximize our effectiveness and value to the District.

In the OIG System diagram on the following page, the OIG's operational functions – Risk Assessment and Future Planning (RAFP) Unit, Audit Unit (AU), Inspection and Evaluation (I&E) Unit, Investigations Unit (IU), and Medicaid Fraud Control Unit (MFCU) – conduct our external facing oversight work. These Units are supported by the OIG's Executive Secretariat

¹ D.C. Code § 1-301.115a(a)(3)(A) (2023).

² *Id.* at (a)(3)(D).

³ *Id.* at (a-1)(3).

⁴ *Id.* at (f).

⁵ *Id.* at (a-1)(2).

(ES), Business Management (BM), External Affairs (EA), and Quality Management (QM) divisions. The Office of General Counsel oversees the entire OIG System. While a significant portion of our annual appropriation is in direct support of audits, inspections, evaluations, and investigations, we must also utilize our finite resources to support OIG operations by maintaining essential internal services and infrastructure.

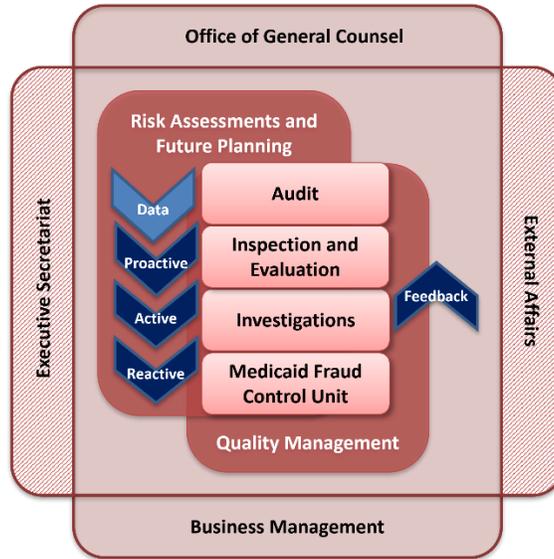


Figure 1: OIG System

PUTTING THE OIG’S OVERSIGHT RESPONSIBILITIES INTO PERSPECTIVE

With an understanding of the OIG System, let me now discuss how inputs to the OIG System are converted into outputs. On the following page, you will see a logic model that encapsulates the inputs to the OIG System; and correspondingly, how our collective efforts generated outputs and ultimately outcomes for the District.

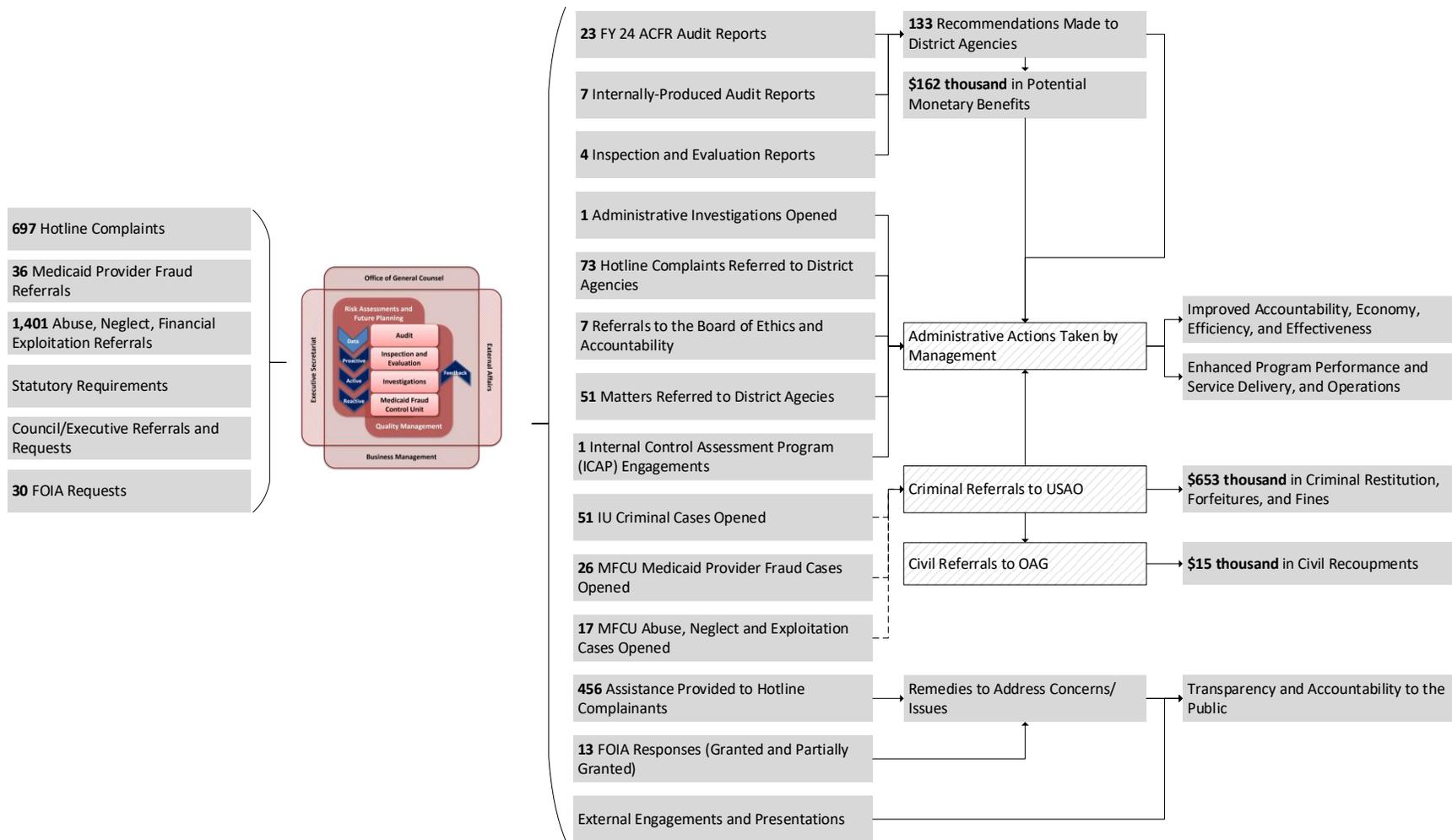


Figure 2: OIG FY25 Inputs, Outputs, and Outcomes

On the left side of the diagram are the inputs the OIG received through our Hotline Program, referrals from District agencies, mandated requirements, and referrals and requests from both the Council and the Executive.

To the right of the OIG System, you see discreet outputs generated from our work. Our work goes beyond the typical report or press release that is available on our website. Many activities we conduct are not easily discernible to the public; however, these activities directly promote the District government's accountability, economy, efficiency, and effectiveness, and help prevent and detect corruption, fraud, waste, abuse, and mismanagement in District programs and operations.

The success of our oversight work requires the support of those outside of the OIG System. While we produce a considerable number of outputs, ultimately, outcomes benefiting the District can only be realized by acting on our work – this includes District agencies implementing our recommendations, successful prosecution by the United States Attorney's Office (USAO), or civil recoupment by the Office of the Attorney General (OAG).

PROMOTING ECONOMY, EFFICIENCY, AND EFFECTIVENESS

We promote the accountability, economy, efficiency, and effectiveness of District programs and operations. We carry out this responsibility by issuing reports that assess:

- whether resources were obtained at reasonable costs while meeting timeliness and quality considerations (economy);
- how well resources were converted into an operational output (efficiency); and

- the extent to which a District program or operation is achieving its goals and objectives (effectiveness).

Now, allow me to highlight some AU and I&E accomplishments from the last fiscal year.

Audit Unit (AU). AU's successes during the performance period include:

- Publication of six reports authored by OIG staff;
- Oversaw the administration of 32 individual contractor-prepared reports, which include 18 audit opinions and five management recommendation reports related to the District's FY 2024 Annual Comprehensive Financial Report audit, as well as seven audit opinions and one management recommendation report related to the District of Columbia Housing Authority's FY 2024 financial audit.

In total, AU's work identified:

- 133 recommendations to improve District programs and operations.
- \$162 thousand in potential monetary benefits.

A notable AU report was the [*Audit of District of Columbia Agencies' Contract Administration Effectiveness*](#). This report focused on the effectiveness of contract administration to ensure that the District receives the goods and services it procures. Our report highlighted areas in which District agencies could:

- Improve practices related to the acceptance of goods and services;
- Ensure compliance with contract modification and vendor eligibility requirements;
- Reduce risks of delegating inherently governmental functions to contractors;

- Improve contract administrator delegations and training;
- Comply with Quick Payment Act requirements; and
- Bolster vendor performance evaluation practices.

The report made a total of 31 recommendations to six agencies for enhancing controls that ensure contracts are administered effectively and in compliance with District laws and regulations.

Inspections and Evaluations Unit (I&E). I&E published four reports and provided 20 recommendations to District agencies to improve programs and operations.

I&E work I want to highlight is its evaluation report entitled [*Measures to Combat Gun Violence in DC Public Schools*](#). The evaluation assessed the implementation and effectiveness of gun violence prevention, intervention, and reduction measures and activities within District of Columbia Public Schools. We found:

- Safety- and security-related repairs exceeded the Department of General Services (DGS) 45-day completion time, creating vulnerabilities in school security;
- Reduced School Resource Officer staffing created coverage gaps, with DCPS schools lacking regular officer presence despite school administrators reporting their value in violence prevention;
- Safety protocols varied significantly across schools, creating a disparate protection level for students and staff.

The report made five recommendations to DGS and identified six additional opportunities for DCPS to improve measures to protect students and staff.

PREVENTING AND DETECTING CORRUPTION, MISMANAGEMENT, WASTE, FRAUD
AND ABUSE

When risks remain unmitigated, or internal controls are circumvented, the OIG's work turns to preventing and detecting corruption, mismanagement, waste, fraud, and abuse within the District government.

To prevent and detect these matters, the OIG's Risk Assessment and Future Planning Unit (RAFP), Investigations Unit (IU), and Medicaid Fraud Control Unit (MFCU) work to examine conduct that may constitute a violation of governing law, rule, regulation, or policy.

In this regard, complaints brought to the OIG's attention are carefully evaluated to ascertain their veracity. If the matter is within our jurisdiction and the allegation appears credible, we will investigate. During our investigations, when we find reasonable grounds to believe there has been a criminal violation of federal or District law, we report these findings expeditiously to the U.S. Attorney's Office. Beyond criminal matters, we also investigate allegations of government waste, abuse of position or authority, and other activities that may have impeded an agency's ability to accomplish its mission.

Risk Assessment and Future Planning (RAFP). RAFP operates the OIG's Hotline and conducts administrative investigations of non-criminal matters involving allegations of waste, abuse, and mismanagement. RAFP also supports the OIG's oversight work through data analytics, aggregating and distilling open-source information to inform our oversight work,

developing our annual Audit and Inspection Plan, and communicating risks to District agencies through various mechanisms.

During the performance period, RAFP evaluated almost 700 hotline complaints, which resulted in referring:

- 456 complainants to an alternative avenue of redress;
- 49 complaints to District agencies for appropriate action;
- Seven complaints to the Board of Ethics and Government Accountability (BEGA); and
- Transferring 89 complaints to one of the OIG's operational units.

The remaining complaints lacked sufficient actionable information, or were made anonymously, and RAFP could not follow up to obtain additional details.

Regarding prevention, RAFP aggregated information from various sources, including Hotline complaints, to develop the OIG's *[FY 2026 Audits, Evaluations, and Inspections Plan](#)*. The plan includes our annual "High-Risk List," which identifies opportunities to strengthen internal controls within specific District programs and operations, or areas that may have a heightened vulnerability to fraud, waste, abuse, or mismanagement.

Regarding detection, the OIG's IU and MFCU conduct criminal and civil investigations of misconduct related to District programs and operations.

Investigations Unit (IU). IU's work during the performance period focused on complex public corruption and financial fraud matters. The outcomes of IU's work resulted in:

- Criminal restitution, judicial orders, and fines totaling \$358 thousand; and
- Six criminal convictions.

A significant investigative outcome was the guilty verdict of a former DCPS contract specialist for her role in a conspiracy to commit bribery and wire fraud that illegally steered lucrative DCPS business to local vendors while also agreeing to defraud DCPS by accepting significantly fewer quantities of supplies than had been ordered.⁶ According to court records, the former DCPS contract specialist and her co-conspirators defrauded DCPS by falsifying purchase orders and authorizing payments for inflated quantities of goods that were never delivered. In return for approving these fraudulent overpayments, she received kickbacks from local vendors. This past November, the former contract specialist was sentenced to 24 months' imprisonment for her role in the conspiracy.⁷

Medicaid Fraud Control Unit (MFCU). The MFCU conducts criminal and civil investigations of alleged fraud committed against the District's Medicaid program and allegations of abuse, neglect, and financial exploitation of individuals who reside in Medicaid-funded facilities or who received Medicaid-covered services. MFCU attorney-advisors are designated as Special Assistant United States Attorneys (SAUSAs), who work with the USAO DC to prosecute MFCU cases.

The outcomes of MFCU's work resulted in:

⁶ Press Release, U.S. Dep't of Justice, United States Attorney's Office District of Columbia, Former District of Columbia Public Schools Official Found Guilty in Bribery Scheme, (June 24, 2025), <https://www.justice.gov/usao-dc/pr/former-district-columbia-public-schools-official-found-guilty-bribery-scheme> (last visited Feb. 25, 2026).

⁷ Press Release, U.S. Dep't of Justice, United States Attorney's Office District of Columbia, Former D.C. Public Schools Official Sentenced to Prison, (Nov. 13, 2025), <https://www.justice.gov/usao-dc/pr/former-dc-public-schools-official-sentenced-prison> (last visited Feb. 25, 2026).

- Almost \$300 thousand in criminal and civil recoveries for the District; and
- Six criminal convictions.

I'd like to highlight two investigations during the performance period that demonstrate the MFCU's investigative and prosecutorial mission. Specifically:

- In September 2025, a home health aide was sentenced to 180 days in jail (suspended) and probation for one year for the physical abuse of a vulnerable adult in his care. According to the government's evidence, the home health aide was caught on camera striking a victim who was bedridden and required 24-hour care.⁸ The MFCU investigated the case, and our SAUSA, an OIG employee, successfully prosecuted the case in DC Superior Court.
- In June 2025, a physician was sentenced in US District Court to 18 years in prison for illegally distributing prescriptions for narcotics in exchange for cash from his medical clinic. According to court records, the physician's conduct spanned at least 45 states and resulted in hundreds of thousands of units of oxycodone and promethazine with codeine prescribed nationwide. The OIG's MFCU, along with our federal partners, began investigating after receiving information from law enforcement agencies nationwide regarding prescriptions from the doctor being connected to local drug trafficking networks.⁹

⁸ Press Release, U.S. Dep't of Justice, United States Attorney's Office District of Columbia, Caregiver Who Abused Vulnerable Adult in His Care Gets Sentenced, (Sept. 4, 2025), <https://www.justice.gov/usao-dc/pr/caregiver-who-abused-vulnerable-adult-his-care-gets-sentenced> (last visited Feb. 25, 2026).

⁹ Press Release, U.S. Dep't of Justice, United States Attorney's Office District of Columbia, Physician Sentenced to 18 Years in Prison for Operating a Pill Mill from His Northwest D.C. Medical Practice, (Jun. 26, 2025), <https://www.justice.gov/usao-dc/pr/physician-sentenced-18-years-prison-operating-pill-mill-his-northwest-dc-medical> (last visited Feb. 25, 2026).

For additional insights into our past year's successes, I recommend reading the OIG's [FY 2025 Report on Activities](#).

PLANS FOR THE REMAINDER OF FY 26

In the first four months of FY 26, the OIG has continued to build on the successes I have shared today. As we consider our oversight work for the remainder of the fiscal year, I am keenly aware of the resource constraints that will impact the District's programs and operations. In this regard, we continue to promote actions to strengthen internal controls through our recommendations and [Internal Control Assessment Program \(ICAP\)](#).

This year, subject to resource availability, we intend to leverage technology and contractor expertise to develop a system that will continually monitor organizational drift across the District – what I am calling the E³ Drift / Early Warning System. By monitoring organizational drift, the OIG will help District agencies identify gradual, often unnoticed, divergence in activities and performance from statutory and regulatory mandates, as well as from internal policies, goals, processes, and procedures. The success of this endeavor will be the proactive identification of drift before it accumulates into a catastrophic incident. I look forward to discussing this initiative and the required resources during the OIG's Budget Oversight Hearing later this spring.

CONCLUSION

In conclusion, Chairperson Bonds and members of the Committee, the OIG's oversight work has never been more important. Together, we must safeguard taxpayer dollars and maximize District resources.

In advance of the Council's budget deliberations, I want to emphasize that even in an environment of declining resources, investing in the OIG is a net positive for the District, both in quantitative and qualitative value. During my tenure, our investigations have resulted in over \$190 million in criminal and civil recoveries, and our reports have made over 1,100 recommendations, which, if implemented, could yield \$337 million in benefits to District programs and operations through improved economy, efficiency, and effectiveness.

Our successes during the performance period are due to the extraordinary dedication of the OIG staff and the unwavering support of the Executive and the Council.

Thank you for the opportunity to discuss the OIG's performance over the past year. I welcome your questions.