Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

### A. GENERAL INFORMATION

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**3. Organizational Placement (Division/Branch/Office Name)**

Independent Office of Audits and Investigations

**4. CEA Position Title**

Deputy Inspector General

**5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)**

The Deputy Inspector General serves as the principal investigations, business intelligence and administrative advisor to the Inspector General and Chief Deputy Inspector General and directs staff in the development and timely performance of highly sensitive Investigations. This position requires a high degree of integrity, confidentiality, responsibility, and sensitivity.

**6. Reports to: (Class Title/Level)**

Chief Deputy Inspector General/Governor Appointee

**7. Relationship with Department Director (Select one)**

- [✓] Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.

- [□] Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

*(Explain):* 

**8. Organizational Level (Select one)**

- [□] 1st
- [□] 2nd
- [□] 3rd
- [□] 4th
- [✓] 5th (mega departments only - 17,001+ allocated positions)
B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Deputy Inspector General (CEA) serves as the principal investigations and business intelligence policy advisor to the Inspector General and Chief Deputy Inspector General and directs staff in the development and timely performance of highly sensitive and confidential investigations and develops policies and procedures for the business intelligence and administrative units. Specifically:

- Develops and implements policies and procedures for the investigations program, including the provision of guidance for addressing allegations of staff misconduct, investigative strategies, the Inspector General Hotline, and investigative work conducted to assist other outside law enforcement entities. The Deputy Inspector General serves as the principal investigative policy advisor to the Inspector General and Chief Deputy Inspector General and directs staff in the development and timely performance of highly sensitive and confidential Investigations.

The Investigations Unit conducts independent and confidential administrative investigations involving allegations of employee misconduct. Investigations can result from complaints from Caltrans management and/or employees, Ethics Hotline, audit findings, and/or direct contact from members of the public. Investigative staff work collaboratively with Caltrans management at all levels (districts, programs, and divisions) to investigate and report on allegations of employee misconduct. The Investigations Unit also assists external entities, including the California State Auditor and law enforcement agencies, including the Federal Bureau of Investigations, with investigations involving Caltrans employees and contractors.

The Inspector General Hotline is a phone- and internet-based, site available 24 hours a day, seven days a week. Examples of complaints received include allegations of abuse of state resources (i.e., time, vehicle, equipment), conflict of interest, falsification of documents, discrimination, health and safety violations, and hostile work environment. The ethics staff conducts the first level review of complaints from the Hotline. The complaints are analyzed and triaged to determine the appropriate course of action, which may include inquiry from Caltrans management, formal investigations by IOAI, and/or referral to law enforcement.

- Develops and implements policies and procedures for the office's business intelligence unit. This includes the use of data analytics and data visualization tools that aid in risk-based decision-making for audit and investigation purposes including data reliability assessments and sampling methodologies. The Deputy Inspector General serves as the principal business intelligence policy advisor to the Inspector General and Chief Deputy Inspector General.

- Develops and implements policies and procedures for the administration program including non-audit services, budget preparation, hiring and general human resource services, information technology services, training, office space, and general office management. This position also serves as the primary liaison for coordination with Caltrans regarding shared services.

- Advises and assists the Inspector General and Chief Deputy Inspector General in keeping the Director and Chief Deputy Director of Caltrans informed on a continuous basis. Drafts summaries of findings and recommendations for inclusion in annual reports required of the Inspector General to the Governor, Legislature, Secretary of Transportation, and the California Transportation Commission. In the absence of the Chief Deputy Inspector General, will represent IOAI at meetings, committees, task forces, and in dealings with external entities and the public.
10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.

- Program is indirectly related to department's primary mission.

- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: All functions of the CEA directly support and advance Caltrans’ mission. Senate Bill 1 (SB 1), also known as the Road Repair and Accountability Act, Chapter 5, Statutes of 2017, was approved by the Governor and signed by the Secretary of State on April 28, 2017, and was published on May 1, 2017, as “an urgency statute” taking effect immediately.

SB 1 created IOAI and the position of Inspector General to ensure Caltrans and external entities that receive state and federal transportation funds from Caltrans are spending those funds efficiently, effectively, economically, and in compliance with applicable state and federal requirements. Pursuant to Government Code section 14460, the Inspector General is vested with the full authority to exercise all responsibility for maintaining a full scope, independent, and objective audit, and investigation program.

Further, under the Infrastructure Investment and Jobs Act of 2021 (IIJA) California is estimated to receive over $23 billion in guaranteed formula transportation funding and millions more for new and existing transportation discretionary grant programs between 2022 and 2026. With the significant increase in transportation funds, including several new programs and increased number of projects, IOAI anticipates an increase in audit and investigation workload. The increased volume of IIJA funds also puts Caltrans’ programs at a higher risk for fraud, waste, and abuse. One of the primary goals of the new Business Intelligence Unit is to proactively identify early indicators of potential misuse to ensure Caltrans’ maintains good stewardship of funds it administers.

As stated by the Inspector General of the US Department of Transportation, “Responding to the recently passed Infrastructure Investment and Jobs Act (IIJA) will be one of the Department of Transportation’s (DOT) highest priorities this year and in the years to come. IIJA authorized more than $660 billion for transportation funding over the next 5 years, which directed the Department to establish new discretionary and formula programs. The Office of Inspector General (OIG) shares DOT’s commitment to maximize the effectiveness of IIJA funds and ensure taxpayer dollars are used for their intended purpose.” (Memo dated February 12, 2022, from the U.S. Office of Inspector General to the U.S. DOT)
B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

IOAI has recently reorganized its structure to better effectuate its performance and responsiveness to its stakeholders with respect to its auditing and investigating mandate of California’s transportation system. Within the last couple of years, Caltrans budget has increased substantially to $19.7 billion (a 28 percent increase from five years ago when Caltrans’ budget was $14.2 billion). In addition, the IIJA will provide California over the next several years with even more billions of dollars for its transportation system. We agree with the Inspector General of the US Department of Transportation (as indicated above) that these dollars will need oversight in the form of auditing and investigations to ensure California has spent its money as the federal government intended. These additional investments create new auditing opportunities and IOAI must ensure that its audits are relevant and timely, so policy makers and the Administration have the most reliable information on which to base their decisions.

This new environment has put tremendous pressure on IOAI to consider new, forward-thinking, strategies designed to detect potential instances of waste, fraud, and abuse. Toward that end, IOAI has established a new business intelligence unit to conduct advanced data analysis utilizing Caltrans’ information systems. Among other duties, the CEA will oversee the investigations and business intelligence function to ensure IOAI can meet these pressures and produce reports that meet its stakeholders’ expectations.
C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The CEA will be the principal policy maker for three of the office’s units: Investigations, Business Intelligence, and Administration.

For the Investigations Unit, the CEA will serve as the principal policymaker in implementing regulations and standards applicable to the Investigations Unit and the 24-hour Hotline within the Inspector General’s office.

As the CEA over the Investigations Unit, the CEA will adopt and implement investigation industry best practices such as the Principles and Standards for Offices of Inspector General issued by the Association of Inspector General. This includes developing policies for the Hotline, which is available statewide to Caltrans employees and the public to report possible violations of any transportation law, regulation, policy, or waste, fraud, bribery, falsification of records or reports, and/or misuse or waste of state resources. These policies require collaboration with legal counsel and state and federal law enforcement agencies when applicable.

Additionally, audit and investigation entities serve as change agents of an organization and their objective audits and investigations often impact statewide department policies. Specifically, the Investigations Unit has issued reports and/or worked with state and federal law enforcement agencies on cases related to misuse of state resources, (i.e., time, vehicle, equipment), conflict of interest, falsification of documents, discrimination, health and safety violations, hostile work environment, and contractor fraud. Many cases can be systemic and as a result, require new or revised policies that have statewide impact. Examples include investigations related to time keeping fraud, misuse of state vehicles, and bid rigging and bribery cases, all of which have led to statewide departmental policy changes.

For the Business Intelligence Unit, the CEA will provide new strategic direction by incorporating modern technology and utilizing data analytics into investigation and audit operations. This includes developing policies over data analytics and data visualizations and criteria for which the office will select investigations. The CEA will be responsible for collaborating and partnering with state and federal law enforcement and oversight agencies to proactively identify new emerging areas of fraud, waste, and abuse on a statewide level. For example, the CEA will continue to foster and grow collaborative efforts with federal taskforces including, but not limited to, the Procurement Collusion Strike Force (PSCF) which was formed to coordinate a nationwide response in combating antitrust crimes and related schemes in government procurement and grant funding at all levels of government. The task force is comprised of several law enforcement agencies including the U.S. Department of Justice, U.S. Attorney’s Offices, the FBI and Inspectors Generals for federal agencies.

For the Administration Unit, the CEA will oversee the development of the office’s administrative policies related to budgets, human resources, training, property control, and facilities management and will also oversee the development of the office’s administrative policy manual, which will be applicable for all IOAI employees.
### 13. What is the CEA position’s scope and nature of decision-making authority?

The CEA will report directly to the Chief Deputy Inspector General, a Governor’s appointee. The CEA will serve as the principal investigator, business intelligence, and administrative policy advisor to the Inspector General and Chief Deputy Inspector General and will direct staff in the development and timely performance of sensitive and high-risk investigations of Caltrans employees and external entities that receive state and federal funds from Caltrans. The CEA will also manage a team of auditors who perform advanced data analytics and administrative support staff. The CEA will work closely with in-house legal counsel and with representatives of the California State Auditor and law enforcement agencies, as needed.

The CEA will lead the development of the Office’s annual report, and in the absence of the Chief Deputy Inspector General (Governor appointee), represent the IOAI at meetings, committees, task forces, and in dealings with external entities and the public.

### 14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA will be developing and implementing new policies and interpreting existing policies for three of the office’s units: Investigations, Business Intelligence, and Administration.  

For the Investigations Unit, the CEA will serve as the principal policymaker in implementing regulations and standards applicable to the Investigations Unit and the 24-hour Hotline within the Inspector General’s office.  

As the CEA over the Investigations Unit, the CEA will adopt and implement investigation industry best practices such as the Principles and Standards for Offices of Inspector General issued by the Association of Inspector General. This also includes developing policies for the Hotline, which is available statewide to Caltrans employees and the public to report possible violations of transportation law, regulation, policy, or to report allegations of waste, fraud, bribery, falsification of records or reports, and/or misuse or waste of state resources. A primary function of this unit is to interpret existing statewide policies and determine if a violation of law, regulation or policy has occurred. The Hotline policies will also require collaboration with legal counsel and state and federal law enforcement agencies as investigation cases can lead into criminal investigations where collaboration with law enforcement is critical. Additionally, audit and investigation entities serve as change agents of an organization and their objective audits and investigations often impact statewide department policies. Specifically, the Investigations Unit has issued reports and/or worked with state and federal law enforcement agencies on cases related to misuse of state resources, (i.e., time, vehicle, equipment), conflict of interest, falsification of documents, discrimination, health and safety violations, hostile work environment, and contractor fraud. Many cases can be systemic and as a result, require new or revised policies that have statewide impact. Examples include investigations related to time keeping fraud, misuse of state vehicles, and bid rigging and bribery cases, all of which have led to statewide departmental policy changes.

For the Business Intelligence Unit, the CEA will provide new strategic direction by incorporating modern technology and utilizing data analytics into investigation and audit operations. This includes developing new policies over data management, data visualization, and data analytics and criteria for which the office will select investigations. The CEA will be responsible for collaborating and partnering with state and federal law enforcement and oversight agencies to proactively identify new emerging areas of fraud, waste, and abuse on a statewide level. The CEA will also provide policies and procedures for consultation to the Inspector General’s Audit Unit related to data reliability assessments required by Government Auditing Standards.

For the Administration Unit, the CEA will oversee the development of the