



Exercise 4: Active Management of Risks to High Priority Objectives

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Managing High-Priority Risks



- The buck stops with the executive
- Risk management can identify threats and opportunities to critical agency processes and objectives



Risk to Ethical Behavior



U.S. DEPARTMENT OF TRANSPORTATION | OFFICE OF INSPECTOR GENERAL

SEMIANNUAL REPORT TO CONGRESS

APRIL 1, 2013 –
SEPTEMBER 30, 2013

www.oig.dot.gov
1200 New Jersey Avenue, SE
Washington, DC 20590

Over a 6 month period
42 indictments and 33 conviction

- 08.03.2015** Former CEO Sentenced To Pay \$1.2M and Over Five Years in Prison for Fraudulent Bonding Scheme in California
- 07.07.2015** South Carolina Contractor Agrees to Repay \$77,000 Involving False Claims for DBE Work
- 07.16.2015** Former Chicago PACE Transit Manager Indicted for Fraud
- 06.30.2015** Pennsylvania DBE Permanently Debarred From State-Funded Contracts
- 06.11.2015** Company and Owners Suspended by FHWA for Their Role in a \$1.2 Million Corruption Scheme
- 06.02.2015** Former PennDOT Inspector Pleads Guilty and is Sentenced for His Role in \$1.2 Million Corruption Scheme
- 06.30.2015** Washington Contractor Pays More Than \$140,000 to Settle DBE Fraud Allegations
- 06.16.2015** Four Charged in an \$18.7 Million DBE Fraud Scheme Related to Over 220 Pennsylvania Bridge Projects
- 05.28.2015** Civil Judgment of \$5.8 Million Entered Against Sound Solutions for Defrauding the FAA
- 05.26.2015** PennDOT Inspectors Sentenced for Their Roles in a \$1.2 Million Corruption Scheme
- 05.26.2015** Former Fresno Resident Pleads Guilty to \$1.2 Million Surety Bond Fraud Scheme
- 05.22.2015** Co-Owner of Nationwide Fence Agrees to Pay the Government over \$350,000 for DBE Fraud
- 04.14.2015** FHWA Suspends Eleven Individuals and Two Companies Related to an Ongoing PennDOT Fraud and Public Corruption Investigation

Managing Project Risks



- Project risk management is one of the most traditional and important forms of risk management
- Managing risks to cost, scope, schedule should be a basic competency



IT and Privacy Risks



- High profile data breaches illustrate the consequences of data security risks
- Applying a risk-based analysis can identify weaknesses and opportunities with data systems



Health and Safety



- Protecting workers and lowering insurance costs may be the most traditional form of risk management
- Executives can help their workers and their budgets by managing these risks

Safety and Eminent Domain



Rudy Malfabon

Nevada DOT Experience