

# New Inspector General Keeps SB 1 Watch

## Eraina Ortega Uses Audits to Oversee Spending for Transportation Funding Law

Caltrans' independent Inspector General, Eraina Ortega, and her staff are making sure that agencies travel a fiscally responsible road when spending revenue from the Road Repair and Accountability Act of 2017 (Senate Bill 1).

Ortega was appointed as the first Inspector General in Caltrans history by then-Gov. Edmund G. Brown Jr. in October 2017. The position was created by the SB 1 legislation to ensure that revenues raised by the fuel tax and vehicle registration would be spent under the watchful eye of an independent administrator. Ortega's six-year term began Jan. 1, 2018, and she was confirmed for the post by the California Senate.

The Independent Office of Audits and Investigations that Ortega leads has a staff of about 60, including auditors and special investigators. She previously was Chief Deputy Director of Policy at the California Department of Finance.

Ortega says her office released a plan last July that identifies key audits to be conducted into Caltrans operations and contracts, and of entities that receive state and federal transportation funds from the Department during the 2018-19 fiscal year.

Under Ortega, the office has had a busy first year fulfilling its oversight responsibilities. The annual summary of activity can be viewed on the office's [new website](#).

A total of 126 audits were performed through the end of June 2018, including a first review of SB 1 performance and efficiency measures.

That audit concluded that Caltrans is making progress in developing processes and procedures to reach performance targets set by SB 1. The report noted that Caltrans needed to bolster its culvert inventory and inspection process, and is doing so, and make progress toward establishing a SB 1 performance baseline for pavement and traffic management systems. The new law requires Caltrans to fix more than 17,000 lane miles of pavement, 500 bridges, 55,000 culverts and 7,700 traffic management systems by 2027.



*Eraina Ortega is leading a staff of about 60 persons in her position as Inspector General, the first in Caltrans history, required by SB 1 provisions.*

Ortega's office also completed 151 reviews of architectural and engineering contracts with consultants during the last fiscal year, and concluded those reviews produced \$7.8 million in avoided costs. Auditors also combed through contracts with local agencies involving transportation funding, performing 75 reviews and 19 more extensive audits.

Another area of review involved Proposition 1B, approved in 2006 for various transportation projects sponsored by Caltrans or local agencies. Of the 84 projects scrutinized, \$33.6 million of the \$266.2 million spent was either questioned or disallowed, and the audits also uncovered various procedural deficiencies such as delayed reporting or lack of fiscal controls.

Ortega's office also is responsible for conducting internal investigations when incidents of misconduct are alleged. In the previous fiscal year, 91 allegations were made that resulted in 31 formal investigations. Of those cases, 28 were substantiated and disciplinary action taken.

The Independent Office of Audits and Investigations is required under SB 1 to report annually to the Legislature, Governor's Office and the California Transportation Commission. **MM**

*Source: Eraina Ortega, Inspector General, Independent Office of Audits and Investigations*