

ASSEMBLY TRANSPORTATION COMMITTEE  
OVERSIGHT HEARING  
Wednesday, November 30, 2011  
10:00 a.m. to 12:00 p.m.  
State Capitol, Room 4202

**CALTRANS STRUCTURES INTEGRITY**

Purpose:

The purpose of today's hearing is twofold: 1) to review the facts surrounding incidents of misconduct by two employees of the California Department of Transportation (Caltrans) and the results of subsequent investigations; and 2) to consider an appropriate course of action to better manage risk in the department prospectively.

Background:

A recent article published in *The Sacramento Bee* disclosed incidents of malfeasance related to two employees of the Caltrans. In one case, the Foundations Inspection Branch manager, Brian Liebich, was found to have used and/or directed the use of state property for his personal use. In the other case, an inspection technician, Duane Wiles, was found to have falsified inspection data, among other improprieties. The two cases are related in that Liebich was Wiles' direct supervisor at the time it was initially discovered that Wiles had falsified inspection data and Liebich failed to respond appropriately to the allegations and subsequent investigation. In fact, evidence suggests that Liebich attempted to cover up evidence of the falsification.

These cases have garnered substantial public attention in large part because of the nature of the work that these employees were involved in and the potentially dire consequences of error or neglect in that work. Specifically, both employees had responsibility for testing the structural integrity of foundations for bridges and structures on the state highway system.

Following a series of investigations, both internal and external, Caltrans concluded that Wiles falsified data on three structures:

- 1) La Sierra Avenue bridge (near State Route 91 in Riverside);
- 2) Braddock Drive retaining wall on Interstate 405; and,
- 3) Interstate 580 overhead sign.

In each of the three structures, Caltrans conducted a subsequent engineering analysis and concluded that each location is structurally safe. Furthermore, investigations conducted by the Federal Office of Inspector General, Federal Highway Administration, and others have concluded that these locations are the only sites in which data was falsified.

Unfortunately, the incident involving the falsification of data has brought into question the integrity of the department's operations generally. For example, *The Sacramento Bee* noted that Wiles had at one point years earlier been assigned to inspect the tower foundation piles for the east span of the San Francisco-Oakland Bay Bridge (Bay Bridge), currently under construction and scheduled to open in 2013. Naturally, this prompted concerns for the structural integrity of the Bay Bridge.

The Department has since concluded that no tests were falsified for any of the Bay Bridge's tower foundation piles and both state and federal investigations have confirmed this. Nonetheless, doubts about the bridge's structural integrity and the integrity of Caltrans structures around the state still linger.

These incidents, as isolated as they are, beg a much broader question: How can the integrity of the department's program be jeopardized by one or two employees, whether they are acting out of incompetency, malice, mischief, or greed. Caltrans employs thousands of hard-working, dedicated professionals that collectively produce some of the world's most impressive engineering structures. In fact, *Popular Science* just named the Bay Bridge's east span as one of the 100 best innovations of the year. Yet, the integrity of this iconic span--this "emerging icon of California's engineering and aesthetic prowess, as *The Sacramento Bee* referred to it--is being denigrated in the press. Why? Because the department could not easily prove that Wiles *didn't* falsify related data.

Investigations are concluding and appropriate actions are now being taken by the department regarding the incidents involving Wiles and Liebich. But there are still lessons to be learned, for example:

- Does Caltrans have in place adequate risk management protocols to protect itself and its employees against, say, a worst-case scenario wherein one employee seeks to create intentional mischief or malice?

- Does the culture at Caltrans lend itself to ferreting out the bad apples or does it encourage employees to look the other way when they see improprieties taking place?

In its "Safety System Handbook," the Federal Aviation Administration (FAA) perhaps points us in the right direction regarding the issue of appropriate risk management and cultural expectations. According to the handbook risk management is pre-emptive rather than reactive and is based on the philosophy that it is irresponsible and wasteful to wait for an accident to happen, and then figure out how to prevent it from happening again. Managing risks allows agencies to modify the way they do something to make their chances of success as great as possible, while making the chances of failure, injury or loss as small as possible.

The handbook also states that, "Risk management must be a fully integrated part of planning and executing any operation, routinely applied by management, not a way of reacting when some unforeseen problem occurs...Managers are responsible for the routine use of risk management at every level of activity, starting with the planning of that activity and continuing through its completion."

Caltrans has already begun a corrective course of correction, following in the wake of the Liebich and Wiles incidents. For example, the Toll Bridge Program Oversight Committee has asked its Expert Peer Review Panel to examine all Bay Bridge foundation records to further confirm the safety of the bridge. Additionally, the department has changed the procedures for testing to prevent falsification from occurring in the future and it has also initiated a third-party review of the Foundation Testing Branch to verify that adequate controls, practices, and procedures are in place.

While these are all good, appropriate steps to take, had these procedures and practices been in place originally, it is likely that the integrity of the department's work would not now be under question. Furthermore, had the department more actively fostered a culture of transparency and encouraged employees to come forward when concerns arise, perhaps the inappropriate behaviors of Leibich and Wiles would not have been allowed to fester within the Foundation Testing Branch.

At today's hearing, the committee will explore, along with the State Auditor, Elaine Howle, the appropriate steps state agencies such as Caltrans should take to ensure a reasonable but robust risk management philosophy is operationalized so that the work of thousands of talented, hard-working employees cannot be jeopardized by the mischief of a few. Caltrans will also explain what it has done to date and what it will be doing to protect its integrity and the integrity of its employees.