

FOREWORD

We are proud to present the joint annual report of the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE), which records the highlights of the Inspectors General (IGs) during FY 1997. This report takes on special significance this year, as we mark the twentieth anniversary of the Inspector General Act of 1978, which established a framework of statutory and independent IGs and charged them with supervising audits and investigations, recommending policies and procedures that promote greater efficiency and economy, and rooting out fraud and abuse in government.

We believe that, in the years since its inception, the IG system has fulfilled the intent and objectives of the 1978 Act, employing techniques, activities, and programs much like those highlighted in this report. For example, PCIE/ECIE members, often working in close cooperation, carried out numerous audits and investigations to combat waste and fraud, protect an astonishing range of Federal programs and safeguard billions of taxpayer dollars. These activities enabled the IGs, during FY 1997, to successfully prosecute more than 15,000 wrongdoers, achieve \$3 billion in restitution and investigative recoveries, and disqualify more than 6,000 unscrupulous individuals or firms from receiving government contracts.

This report also demonstrates the way PCIE/ECIE members fulfill another important element of their mandate—overseeing Federal programs to identify and correct financial and organizational problems that impede their efficiency or expose them to abuse. Thus, in FY 1997, the PCIE/ECIE IGs identified a total of \$25 billion in funds that could be put to better use and made many other recommendations that improved their agencies' effectiveness, efficiency, and ability to serve the public.

During 1997 the IG community lost a valued colleague, Dr. James F. Hoobler, the IG at the Small Business Administration. Jim's distinguished career of public service, which spanned three decades and included seven agencies, demonstrated his personal and intellectual commitment to the goal of thoughtful, dedicated, and totally professional government management.

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THE INSPECTOR GENERAL COMMUNITY

Twenty years ago, Congress passed the Inspector General Act of 1978 (IG Act), which created independent audit and investigative offices within 12 Federal agencies. Before that time, most Federal audit and investigative resources were under the management of specific Federal program offices—meaning that Federal auditors and investigators were frequently under the direction of the programs they were reviewing. This splintered system also made it hard for these small audit and investigative offices to see a pattern of abuse against their agency’s programs.

In the last 20 years, the Inspector General (IG) concept has proven to be of significant benefit to the government—each year billions of dollars are returned to the Federal Government or better spent based on the recommendations from IG reports. Because of this success, the IG concept has been gradually expanded to most of the Federal Government. In FY 1997, there were 57 Offices of Inspector General (OIGs) providing oversight to 59 Federal agencies.

“Inspector General” may seem an unusual name for a civilian auditor/investigator. The modern civilian IG was derived from the military custom of having an independent “Inspector General.” IGs were first used in the American military during the Revolutionary War, when General Washington charged General von Steuben with providing an independent review of the combat readiness of the Continental Army’s troops. Today’s civilian IGs are charged with a similar mission: detecting and preventing fraud, waste, and abuse and promoting economy, effectiveness, and efficiency so that their agencies are ready and able to serve the public.

IG Independence

The major way IGs are different from other Federal officials is their independence. The Inspector General Act authorizes IGs to:

- conduct such investigations and issue such reports as the IG thinks appropriate (with limited national security and law enforcement exceptions);
- issue subpoenas for information and documents outside the agency (with same limited exceptions);
- have direct access to all records and information of the agency;
- have ready access to agency heads;
- administer oaths for taking testimony;
- hire and control their own staff and contract resources; and

IG Mission

- request assistance from any Federal, State, or local government agency.

This statutory independence is meant to ensure the validity of IG audits and investigations. The IGs articulated their view of how this independent, yet cooperative, relationship with management should work in their 1994 “Inspectors General Vision Statement and Strategies to Apply Our Reinvention Principles.” IGs are interested in input on what projects they should pursue. Except in special circumstances, IGs share drafts of their reports with their agencies and respond to agency comments in final reports. IGs also frequently provide “technical advice” on a particular issue or piece of legislation to the Administration and to members of Congress. Many IGs participate in the agency head’s senior council, and frequently OIG staff provide advice to agency “reinvention councils”—thereby providing advice as management policies are developed.

In simple terms, the IGs have two basic roles: to find and report on current problems and to foster good program management to prevent future problems. This report describes many examples of how the OIGs meet their specific statutory mission to:

- conduct and supervise audits and investigations relating to the programs and operations of their agencies;
- review existing and proposed legislation and regulations relating to the programs and operations of their agencies;
- provide leadership for activities designed to promote economy, effectiveness, and efficiency and fight fraud, waste, and abuse in their agencies’ programs; and
- inform their agency heads and the Congress of problems in their agencies’ programs

In implementing this mission, the IGs prepare a variety of reports, including:

Audit Reports. Most OIG resources are spent on audits. OIG audits evaluate the performance of agency programs and supporting administrative and financial systems; compliance with relevant laws and regulations; whether there are ways that funds could be put to better use; whether contractors and/or grantees have met their responsibilities to the government; and whether people or firms doing business or receiving benefits from the government have received funds to which they are not entitled and should make restitution. By law, OIG audits are performed under auditing standards set by the General Accounting Office (GAO). In FY 1997 alone, OIG audits (and the related discipline of OIG inspections) led to managers making decisions to better spend more than \$16 billion and to seek the return to the government of over \$3 billion.

IG Appointments

The President's Council on Integrity and Efficiency (PCIE)

Inspection Reports. Inspections are akin to policy and program evaluations. Several of the OIGs have adopted inspections as a quick way to spot test the effectiveness of their agency programs or to do a broad review on issues affecting agency programs. The IG councils have adopted professional standards to ensure the validity and independence of IG inspections

Investigation Reports. In accordance with professional standards and guidelines established by the Department of Justice (DOJ), OIGs perform investigations of both criminal and administrative wrongdoing against agency programs. When they deem necessary, IGs can conduct investigations of outside beneficiaries, contractors or grantees, or Federal officials—indeed, IGs are empowered to investigate anyone who may have defrauded their agency's programs. IGs are required to report suspected violations of criminal law directly to the Attorney General and frequently work cooperatively with DOJ on criminal investigations. In FY 1997 alone, OIG investigations led to the recovery of almost \$3 billion and the successful prosecution of 15,635, and the suspension or debarment of 6,365 people or businesses doing business with the government.

Semiannual Reports to Congress. These reports are specifically required in the Inspector General Act. IGs must summarize their most significant recent reports and management's action on significant IG recommendations. These reports provide a useful overview of OIG activity.

IGs are appointed on the basis of their personal integrity and their expertise in:

- accounting, auditing, financial analysis;
- law, management analysis, public administration; and
- investigations

The IGs serving at the cabinet-level departments and major subcabinet agencies are nominated by the President and confirmed by the Senate. These IGs can be removed only by the President. IGs at smaller independent agencies and corporations are appointed by their agency head, who can also remove them from office. In either case, both houses of Congress must be notified if an IG is removed from office.

The Presidentially appointed Inspectors General work together and coordinate their professional activities through the PCIE, which was created by an Executive Order dated March 26, 1981, and updated in 1986 and 1992. The PCIE works to promote collaboration on integrity, economy, and effectiveness issues that

**The Executive Council on
Integrity and Efficiency
(ECIE)**

transcend individual government agencies and to increase the professionalism and effectiveness of IG personnel throughout the government. The PCIE is chaired by the Deputy Director for Management of the Office of Management and Budget (OMB), who is responsible for reporting to the President on its activities. In addition to the Presidentially appointed IGs, members include the Controller of the Office of Federal Financial Management, the Special Counsel of the Office of Special Counsel (OSE), the Director of the Office of Government Ethics, the Deputy Director of the Office of Personnel Management (OPM), and a representative of the Director of the FBI.

Most of the work of the PCIE is done by its committees. That work is summarized below. The PCIE also maintains two training centers for OIG staff: the Inspectors General Auditor Training Institute at Fort Belvoir and the Inspector General's Criminal Investigator Academy at the Federal Law Enforcement Training Center. PCIE members also join together in a number of substantive working groups, including the Government Performance and Results Act Roundtable and the Information Technology Roundtable. Updated information on PCIE and individual OIG work can be found at the IG community webpage, known as IGNet, located at <http://www.ignet.gov>.

The ECIE, comprised primarily of the IGs appointed by agency heads, was created by Executive Order on May 11, 1992. The ECIE has the same mission as the PCIE: to address integrity and efficiency issues that transcend individual government agencies and to increase the professionalism and effectiveness of IG personnel throughout the government. The ECIE is also chaired by the Deputy Director for Management of the OMB. In addition to the agency-head-appointed IGs, members include the Controller of the Office of Federal Financial Management, the Special Counsel of the OSC, the Director of the Office of Government Ethics, the Deputy Director of the OPM, and the Assistant Director, Criminal Investigative Division of the FBI.

PCIE/ECIE PROJECTS AND COMMITTEES

The PCIE, in conjunction with the ECIE, maintains committees to examine important issues and to assist them in their ongoing efforts to improve the effectiveness of their members in fighting fraud, waste, and abuse throughout the Federal Government.

Audit Committee

Committee Issues Quality Control Guide

In April 1997, the Audit Committee issued the revised 1997 PCIE External Quality Control Review Guide, a joint effort with the Federal Audit Executive Council (the organization of the Assistant Inspectors General for Audit). This guide, which will assist in ensuring the quality and professionalism of audit functions, incorporates recent changes to the Government Audit Standards and should improve the quality and completeness of future peer reviews.

Audit Guidance

During FY 1997, an Audit Committee task force worked to ensure that auditors have the most current guidance available to them when performing federal financial statement audits. In December 1996, the Committee issued an audit alert letter to highlight changes in accounting and auditing standards, legislation, and regulations since the PCIE Federal Financial Statement Audit Manual was published in January 1993. The task force has also been reviewing the Financial Audit Manual to provide the GAO with comments on intended revisions and assess the Manual's guidance relative to PCIE's established policies and related OMB requirements and professional standards. The task force is continuing this assessment and plans to provide the Audit Committee with its recommendations in FY 1998.

"Master Contract" Established

The Audit Committee established a PCIE-wide "master contract," which OIGs can use for their independent public accountant (IPA) contract needs. In addition to audit- and accounting-related services, the master contract has specialty services such as statisticians, actuaries, economists, electronic data processing auditing services, and other technical skills as they relate to audit activities. The first set of contracts was awarded to 17 small business IPA firms in October 1997. To meet specialized needs of some OIGs, a second set of contracts was awarded to seven large business IPA firms in December 1997. Much of the credit for this important initiative is due to the Department of Labor OIG, the master contract's host

agency. Labor OIG will administer both segments of the master contract.

*Report on Federal Civilian Agencies'
Aircraft Management Programs*

As an Audit Committee project, the General Services Administration OIG, during FY 1997, issued the Combined Report on Federal Civilian Agencies' Aircraft Management Programs, which identified shortcomings in aircraft program safety, operations, and administration. This report summarizes the results of 11 OIGs and 20 audit reports assessing the agencies' efforts to operate their aircraft in a safe, efficient, and effective manner and their ability to gather and report accurate, complete, and timely aircraft data. Several recommendations in these reports addressed the need to implement adequate maintenance systems and establish comprehensive safety programs. In the area of aircraft operations, the OIGs made numerous recommendations to their agencies which, if adopted, could collectively result in savings of \$63.4 million. The affected agencies concurred with most of their respective OIG's findings and recommendations and either have taken or plan to take corrective actions.

**Inspection and Evaluation
Committee**

Prescreening of Federal Grants and Loans by Offices of Inspector General and Their Agencies' Grant and Loan Offices. This report examined the procedures used by OIGs and their respective agencies to review federal assistance projects. It was intended to help IGs establish more effective methods for preventing as well as detecting waste, fraud, and abuse by federal grant and loan recipients.

Working Relationships of OIG Inspection and Evaluation Units. This study surveyed the working relationships of 15 inspection and evaluation units with components inside and outside their OIGs. Its aim was to identify practices for developing successful working relationships between inspection and evaluation units and the groups with which they work.

OIG Inspection and Evaluation Units: Examples of Impact. This report compiled examples of the impact of inspection and evaluation units located in 15 OIGs. It showed the varied nature of inspections and evaluations across the IG community and the kinds of impact they have had.

Throughout the year, the Committee worked closely with the Inspections Roundtable, whose primary focus was on staff development in inspection and evaluation units. The Roundtable sponsored a highly successful 3-day Executive Development Seminar for unit managers at the Federal Executive Institute. It subsequently initiated a program to coordinate staff training more effectively across the inspection and evaluation community and to promote career development.

Integrity Committee

The Integrity Committee is charged by Executive Order 12993 of March 1996 with receiving, reviewing, and forwarding for further investigation any allegations of wrongdoing by an Inspector General or, under certain circumstances, OIG staff members. The Committee is chaired by the Assistant Director for the Criminal Division of the Federal Bureau of Investigation (FBI). Under Executive Order 12993, the Special Counsel, the Director of the Office of Government Ethics, and three Inspectors General serve as members of the Integrity Committee.

Aside from reviewing specific cases, the Committee addressed several additional topics, including the adoption of Policy and Procedures to formalize the framework of its investigations. The Committee also established a working group to consider giving IGs integrity-related training upon their appointment and annually thereafter.

Investigations Committee

Quality Standards for Investigations

During FY 1997 the Committee updated The Quality Standards for Investigations, the guidelines applicable to Office of Inspector General criminal investigators. The committee worked closely with the full PCIE and ECIE in revising the standards. The revised booklet was published in September 1997.

Employee Pamphlet

The Committee also completed an informational pamphlet about employee rights and responsibilities during an OIG investigation. The pamphlet was developed in response to concerns expressed at a June 1997 hearing on oversight of investigative practices of IGs before the Subcommittee on Government Management, Information, and Technology of the House Committee on Government Reform and Oversight. The pamphlet is in electronic format, and each Office of Inspector General can adapt it for use within its agency.

Inspector General Criminal Investigator Academy Study

A study group formed by the Committee reviewed the operations of the Inspector General Criminal Investigator Academy.

Legislation Committee

The Legislation Committee's activities in FY 1997 focused on refining the relationship between IGs and the Congress. During the year PCIE and ECIE met with the Chairmen, Ranking Minority Members, and staffs of both the Senate Committee on Governmental Affairs and the House Committee on Government Reform and Oversight. These meetings facilitated exchanges of views and information and provided Members with an increased awareness of issues and problems the IG community faces.

Professional Development Committee

Also during FY 1997 the House Subcommittee on Government Management, Information, and Technology held a hearing on “Oversight of Investigative Practices of Inspectors General.” As a result the Legislation Committee, on behalf of the Subcommittee, surveyed PCIE IGs about the investigative practices they use in both criminal and administrative investigations.

During FY 1997, the Professional Development Committee hosted a number of symposia and courses allowing PCIE and ECIE members, along with others in the government, to exchange information and expertise on emerging issues that have an impact on OIG work. For example the Committee hosted, for ECIE members, two courses taught by the Federal Law Enforcement Training Center on “Employee Conduct Investigations” and “Continuing Legal Education.”

The Committee also hosted, for the PCIE and the Electronics Roundtable, a number of fora on issues ranging from “Year 2000 Problems,” “Clinger-Cohen Act,” and “Electronic Commerce” to “Research and Development Performance Measurements.”

INSPECTORS GENERAL ADDRESS MAJOR AREAS OF GOVERNMENT VULNERABILITY

The following narratives highlight how OIGs use audit, investigation, and inspection reviews to identify material weaknesses and propose solutions, particularly in areas vulnerable to breakdown in service, fraud, waste, or abuse.

OIGs devote the bulk of their resources to audits. These audits are performed by OIG audit staff, by other Federal auditors under cost-reimbursable agreement, or by nonfederal auditors under various contracting arrangements.

Inspections are similar to policy and program evaluations and are designed to support the overall mission of OIGs to promote economy, efficiency, and effectiveness in program administration. Inspections differ from audits in their comparatively short timeframes, their flexible methodologies, and their use of multidisciplinary teams.

The IG Act requires IGs to provide policy direction for and to conduct, supervise, and coordinate investigations relating to their entities' programs and operations. The OIG investigations cover a full range of criminal and administrative issues.

This report summarizes some of the results of OIG audits, inspections, and investigations during FY 1997. The examples provided are grouped into the following subject areas:

- Helping Federal Agencies Improve Program Management and Program Performance;
- Helping Federal Agencies Improve Financial Management;
- Preventing Fraud;
- Coordinating the Fight Against Fraud;
- Significant Fraud Recoveries; and
- OIG Fraud Investigations.

HELPING FEDERAL AGENCIES IMPROVE PROGRAM MANAGEMENT AND PROGRAM PERFORMANCE

OIG Focus on Environmental Practices and Costs

In FY 1997, NASA OIG's Environmental Audit group reviewed Agency practices and policies on environmental issues. Meanwhile, an OIG audit of a decommissioned nuclear reactor disclosed that, the longer NASA delays the decommissioning of the Plum Brook Reactor Facility, the greater will be the overall cost to the Agency. The audit estimated that, if current reactor waste disposal problems can be overcome and decommissioning of the facility were completed by year 2005, the Agency could avoid \$5.5 billion in operations costs. Another environmental audit found that NASA, which had been paying the full environmental cleanup costs at the Jet Propulsion Laboratory, could save \$57 million through cost-sharing agreements. (NASA)

OIG Evaluates HUD's 2020 Management Reform Plan

During FY 1997, OIG evaluated HUD's 2020 Management Reform Plan, an effort to overhaul and improve the Department's operations. While concurring with the need for reform and with some of the Plan's measures, OIG was cautious about the potential effectiveness of many Plan reforms and HUD's ability to implement them. OIG also expressed reservations about the effectiveness of the Plan's organizational changes. The study also stated OIG's concern about the absence of any formal consultation with interested parties, the lack of a cost-benefit analysis and other important studies before the 2020 reforms were announced. OIG will continue to report to the Congress on the results of its reviews of HUD's reforms. (HUD)

Criteria Not Followed For Highway Emergency Funds

An OIG review of records in five States (California, Florida, Georgia, Missouri, and Washington) that together received the bulk of emergency repair funds provided by the Federal Highway Administration (FHWA), found that FHWA needs to improve program guidance and adherence to regulations, particularly in addressing program improvements suggested through environmental reviews. While the Code of Federal Regulations requires such "betterments" to be economically justified, FHWA program guidance did not. OIG concluded that, had FHWA strictly followed these regulations, it could have made better use of \$104 million. (DOT)

Controls over Government Disbursements

In FY 1996, Treasury's Financial Management Service (FMS) processed over 850 million government payments totaling \$1.05 trillion. An OIG review found that, although FMS had implemented most of previous OIG recommendations to improve controls over agency disbursements, it still needed to address a material weakness on computer operations. Inadequate computer security controls risk the theft of or tampering with computer software and disbursement-related financial data. The review also showed that, because the government can lose interest on prematurely disbursed funds, FMS should closely monitor premature payments by the DOD, which escalated by over \$1 billion from FY 1994 to FY 1995. Unless justified, FMS concurred with OIG recommendations to strengthen computer security controls and monitoring of agency disbursements. In addition, as agencies convert to electronic payment systems, FMS will provide guidance to ensure that payments arrive as close to their due date as possible. (Treasury)

Performance Audits Reveal Inconsistencies

Shifting its emphasis from traditional compliance audits to evaluating environmental program results, OIG, in FY 1997, conducted performance audits of specific EPA program areas such as hazardous waste cleanups at Superfund sites and EPA's Air and Water Quality Programs, as well as crosscutting issue areas such as enforcement and automated systems. One such audit found that, for a variety of reasons, EPA regions and State and local delegated agencies have implemented environmental enforcement inconsistently, causing variations in penalties and numbers of enforcement actions taken. Inconsistent enforcement can also lead to reduced levels of environmental protection that put public health and the environment at increased risk and to unfair treatment of industry in cases where enforcement penalties are a function of locale rather than conduct. The audit also disclosed that few State and local delegated agencies used the economic benefit derived from being out of compliance to determine penalty amounts, thereby allowing violators an advantage over companies that had made the expenditures to return to compliance with environmental laws. OIG recommended that EPA work more closely with its regional offices and State and local agencies to resolve these inconsistencies and reinforce the importance of recovering the economic benefit of noncompliance. (EPA)

Investigation of FBI Laboratory

During FY 1997, OIG completed an 18-month investigation of alleged wrongdoing and improper practices within certain sections of the Federal Bureau of Investigation Laboratory. This investigation focused on some of the most significant cases handled by DOJ, including the World Trade Center and Oklahoma City bombing cases. Although the investigation did not substantiate

**OIG Discovers
Operational Disparities in
Federal Protective Service
(FPS)**

most allegations concerning the FBI Laboratory, the report made 40 recommendations, all accepted by the FBI, to enhance the Laboratory's performance, including recommendations that the FBI continue to pursue Laboratory accreditation, restructure certain sections of the Laboratory, change procedures for reporting results of scientific analyses, improve case documentation practices, and institute a coordinated training program for examiners. Since the report was issued, OIG has continued to monitor developments in the Laboratory and has worked with FBI managers to ensure the implementation of its recommendations for Laboratory improvement. (DOJ)

**OIG Monitors Tobacco
Sales in Military
Exchanges**

In an FY 1997 study GSA's OIG found that criminal investigators of the FPS, which is responsible for law enforcement activities in federal facilities, operate in a fragmented organization with imbalanced staffing resources, disparate lines of authority, and inconsistent approaches from region to region. The study concluded that the protection of federal employees and property is potentially being compromised because regional criminal investigation activities are operating autonomously, with no program accountability or measurable performance standards. Accordingly, OIG issued recommendations to improve accountability by establishing a regional Special Agent-in-Charge position, eliminating inconsistencies, setting measurable performance standards, emphasizing threat deterrence and clarifying the authority limits covering criminal investigations. (GSA)

**NASA International
Projects Examined**

An evaluation by the DOD OIG indicated that commissary and military exchange pricing policies for tobacco products resulted in prices up to 76 percent below commercial retail levels, thereby encouraging consumption levels that conflicted directly with DOD goals of a healthy military and reduced health care costs. OIG analysis also disclosed that, while tobacco product sales in the DOD retail system were running about \$103 million annually, DOD's health care and lost productivity costs attributable to tobacco use totaled about \$930 million. As a result of the OIG inquiry, commissary prices were raised to the higher exchange price level, which itself was subsequently increased during a 1-year test to determine the impact of price changes on sales. DOD also banned sales to minors and discouraged tobacco sales promotions. (DOD)

To maximize scarce dollars for science research and expand upon science and engineering breakthroughs, NASA has concluded international agreements to team with partners located all over the world. Teaming, however, brings with it risks that OIG needs to examine. For example, at the request of Congress, the NASA OIG

**Steps to Improve and
Protect Federal Employees
Health Benefits Program
(FEHBP)**

began looking into NASA's participation in the Russian Mir Space Station program. To date, three OIG reports have addressed conditions aboard the Mir for the U.S. crews, post-mission debriefing activities, and timeliness of independent assessments of Space Station activities. And, although international agreements pave the way for more computer communications/information exchanges, these exchanges also leave the Agency vulnerable to illegal systems intrusions. The OIG investigations staff is therefore developing the technical capability to detect, and subsequently prosecute, violations associated with improper disclosure of advanced technology, intellectual property, and proprietary data. (NASA)

In FY 1997, OPM's OIG continued to work closely with HHS to protect the integrity of FEHBP by debaring health care providers who have acted improperly or illegally. To meet the need for an administrative sanctions capability to FEHBP and the health care interests of its subscribers, OPM has used regulatory authority derived from the Nonprocurement Debarment and Suspension Common Rule to prevent providers who have previously been excluded by the HHS OIG from participating in Medicare and other programs under the Social Security Act. Since these providers have already been afforded due process opportunities by HHS, OPM is able to accomplish the common rule debarments with relatively brief notice and administrative review procedures. This manner, with only a modest level of expenditure, gives FEHBP and its subscribers greater protection, while meeting the federal policy objective of giving debarments governmentwide effect. (OPM)

**Quality Improvement
Teams (QITs) and the
FEHBP**

The QITs, partnerships between the OIG and OPM management designed to identify and address high risk areas in agency internal controls, continue to promote improvements in the agency's internal controls and financial management. One such team, in collaboration with several FEHBP experience-rated carriers (ERC) formed an ERCQIT to address the high risk areas in ERC financial reporting and audit requirements that had led to a disclaimer of opinion in FY 1996 and FY 1997 FEHBP financial statements. The ERCQIT produced and issued a draft FEHBP Experience-rated Carrier and Servicer Audit Guide, which details the financial reporting and audit requirements that are expected to improve controls over FEHBP financial statements. (OPM)

**Audit of SBA "LowDoc"
Program Reveals
Deficiencies**

In auditing SBA's "LowDoc" program, a new initiative designed to greatly reduce the documentation required to apply for SBA loans, OIG found that 13 out of 120 LowDoc loan applications sampled were deficient and should not have been approved. OIG

NASA OIG Assesses Information Technology (IT) Vulnerabilities

analysis revealed that the most common LowDoc deficiencies involved the

- failure to perform IRS verifications and/or to reconcile financial information;
- failure to require or document equity injections;
- improper use of loan proceeds or the failure to verify their proper use; and
- failure to use joint payee checks to disburse loan proceeds when required.

Based on these findings, OIG issued a set of recommendations designed to improve the LowDoc program. (SBA)

Because NASA is a significant IT investor, spending more than a billion dollars every year in technology, OIG has established an ambitious plan to detect and minimize IT system vulnerabilities and risks. Audit security reviews have been performed in several data centers, while other audits included evaluations of NASA cost studies in support of outsourcing laptops and workstations. OIG's Computer Crimes Unit, which investigates all forms of computer crimes, works proactively with NASA's Chief Information Officer to exchange data and provide crosstraining on systems vulnerabilities. OIG also performs inspections and assessments of information security issues, covering the full spectrum of NASA's security systems and processes. (NASA)

OIG Finds Deficiencies in Performance-Based Contracting Incentives

During 1997, the Department of Energy (DOE) OIG reviewed cost savings programs and DOE's development and administration of performance-based contracts and the associated incentives used to improve contractor performance. Reviews at the Richland Operations Office, the Rocky Flats Field Office, and the Nevada Operations Office revealed that some incentive fees were excessive in relation to the cost of the work, other fees were paid for work completed prior to establishment of the contract incentive, and, in some cases, fees were paid for work that was either not completed or was easily achieved by the contractor. As a result, DOE recovered approximately \$2.5 million in fees and penalties for work that was not performed and for incomplete work. DOE also developed a corrective action plan to strengthen the organizational structure, processes, and criteria for administration of performance-based incentives. (DOE)

OIG Audits National Park Service (NPS) Housing Costs

At congressional request, OIG audited costs incurred by NPS in constructing high quality, energy-efficient homes for its employees at Grand Canyon and Yosemite National Parks. The audit surveyed the average total costs to NPS of planning, designing, and

National Technical Information Service (NTIS) Operations and Procurement Deficiencies in the CyberFile Project

constructing 42 single-family houses and 34 apartments at these two parks and found that they exceeded comparable costs in the local private construction sector by as much as 100 percent. While the Park Service attributed these disparities to the additional expenses associated with improved energy efficiency, lower maintenance costs, and greater durability, OIG formally recommended that it meet its future housing needs in a more cost-effective way. (DOI)

An OIG evaluation revealed serious program and procurement deficiencies in “CyberFile,” an online tax-filing system being developed by NTIS for the Internal Revenue Service under an interagency agreement. The inspection also found that “CyberFile” planning was grossly inadequate and that its use of delivery order contract and interagency agreements was both highly questionable in concept and circumvented federal statutes and regulations in practice.

OIG also noted that NTIS was not clearing its interagency agreements with Commerce’s General Counsel and that the agency had undertaken expansionary activities based on an overly broad interpretation of its legislative authority. The OIG evaluation also concluded that NTIS efforts to consolidate and relocate its operations have been slow and costly. Accordingly, OIG issued recommendations to resolve these problems and improve NTIS operations. OIG also recommended that Commerce defer proceeding with proposed legislation to convert NTIS to a performance-based organization. (DOC)

Review of INS’ Monitoring of Nonimmigrant Overstay

In its continuing effort to address illegal immigration issues, an OIG inspection found that the Immigration and Naturalization Service (INS) did not have an effective enforcement program to identify, apprehend, and remove overstays. Although the overstay population is estimated at about 2 million, with annual increases of 125,000, in FY 1996 only about 10,000 were apprehended and about 5,000 deported. To improve INS oversight of nonimmigrant overstays, OIG recommended that INS develop an internal enforcement strategy to cope with the growing overstay population and remedy deficiencies found in the information system it uses to deal with nonimmigrants. (DOJ)

OIG Audits Reveal Significant Visa Shortcomings

Three OIG reviews revealed important deficiencies in the State Department’s visa programs and operations. An audit of the machine-readable visa (MRV) program disclosed that, despite significant improvements since OIG’s 1993 audit, serious problems still exist, including the lack of electronic authentication for the MRV at ports of entry, the inability of the name check system used

Overseas Inspections Find Deficiencies in Security Resources and Policy Guidance

at some posts to identify individuals ineligible to enter the United States, and lax oversight and guidance on MRV equipment and supplies. OIG also found that the Diversity Visa Program, which provides for 55,000 visas to be issued annually to persons from low admission regions and countries, is vulnerable to fraud because of difficulties in verifying applicant eligibility and the ease of obtaining fraudulent documentation. Finally, the immigrant visa process, because of weaknesses in determining eligibility and problems in sharing information and coordinating with the multiple agencies involved in evaluating the applicant's qualifications, may not adequately protect against visas being issued to unqualified applicants. (DOS)

OIG Tightens Collection Procedures for Blue Cross and Blue Shield (BCBS) Insurance Premiums

In the course of inspecting diplomatic missions in 27 countries during FY 1997, State OIG found that officials in the U.S. Mission in China charged with protecting national security information lacked the resources to maintain secure working conditions, including an ability to meet increasing demand for secure office space within Embassy Beijing and in our Consulates General in China. OIG field inspections also found that closures and downsizing of USAID and U.S. Information Service offices in Africa have severely impeded U.S. ability to pursue important foreign policy objectives in that region and that our embassies in Africa suffered from lack of adequate policy guidance. The OIG finding of insufficient guidance caused concern among senior Department officials and resulted in a concerted effort by the executive branch to refocus attention on this critical region. (DOS)

OPM disburses FEHBP health insurance premiums to Blue Cross and Blue Shield through a letter of credit (LOC). However, OIG audits have found that, in recent years, participating plans have not been complying with the requirements of the LOC account, which specifies that draw downs from the account must be made on a "checks presented" basis. OIG found, however, that funds were being drawn from the LOC account several days in advance of the checks clearing the bank accounts, causing FEHBP to lose a substantial amount of investment income. OIG is now working with OPM program officials and the BCBS Association to find a mutually acceptable method of determining the amount of lost investment income due the government as a result of the early withdrawal of funds. In addition, OPM officials aggressively moved to reassign the LOC account from the BCBS Association to individual participating BCBS plans, thereby enhancing accountability for the proper management of the LOC accounts. (OPM)

OIG Reviews Draft Performance and Strategic Plans

During FY 1997, after a review of the Railroad Retirement Board's draft Strategic and Annual Performance plans, OIG recommended that management include previous performance agreements, customer service standards, and performance measures from annual financial statements in the final plan; RRB management subsequently changed both plans to reflect these concerns. The review, which concluded that the RRB's Strategic Plan meets the requirements of the Government Performance and Results Act (GPRA), is the first of several reviews to monitor the implementation of the strategic plan and the reporting of performance data. (RRB)

Loan Guarantee Purchase Process Audited

Another OIG audit recommended centralizing the SBA loan guarantee purchase process to eliminate the conflict inherent in asking SBA district offices to act as both loan marketers and loan regulators. The audit found that some of the purchase decisions reviewed were inappropriate because of SBA errors. Others, however, resulted from a leniency arising from the district offices' conflicting roles of maintaining a positive working relationship with lenders while, at the same time, monitoring their performance or even, if they violate SBA regulations, imposing sanctions on them. (SBA)

Joint Audit Efforts With General Accounting Office

During FY 1997, OIG continued to work with officials from the Department and the Treasury Bureaus to address major financial management and internal control problems that inhibit the production of timely, reliable, and auditable information. At the same time, OIG established close and effective working relationships on audits with the GAO under a Memorandum of Understanding (MOU) that maximizes the efficiency of the GAO, the OIG, and the Department in meeting their joint audit objectives. The MOU specifies the responsibilities of each organization, provides for joint audit efforts, and establishes reciprocal review processes. (Treasury)

Planning Assistance to Bureau of Engraving and Printing (BEP)

At BEP's request, OIG assessed the Bureau's strategic planning process and its consistency with the GPRA. While from an overall perspective, OIG found BEP's strategic planning process to be consistent with GPRA, it also identified ways that planning could be improved through better product forecasting, strengthening links between tactical planning and goal accomplishment, bolstering BEP's performance appraisal system, and better managerial practices. (Treasury)

OIG Analyzes USAID Financial and Information Management Systems

During FY 1997, OIG focused its audit efforts on information management systems, financial management systems, and implementation of requirements under the GPRA. OIG audits concluded that, while USAID continues to make progress toward developing the plans, performance indicators, and performance measurement systems needed to meet GPRA requirements, the agency needs to implement an effective computer security program and increase its efforts to avoid the adverse effects of the year 2000 problem. Further, USAID's New Management System had been deployed before technical problems were corrected, disrupting USAID operations and increasing USAID's vulnerability to fraud and abuse in its programs. OIG also found that USAID's financial management systems do not comply with the federal financial management system requirements. (USAID)

Inquiry Identifies Visa Abuses

An OIG review of the Appalachian Regional Commission (ARC) visa waiver program, which permits foreign physicians to practice in medical shortage areas of Appalachia, found instances of sponsor misuse of physicians and failure to perform the approved medical specialty at the correct location. Actions taken in response to OIG recommendations, which included increased review of physician/sponsor eligibility, periodic monitoring, sponsor certifications of compliance, extension of physician waiver periods, and sponsor debarments, have drastically reduced cases of program abuse. (ARC)

Improvements in Equal Employment Opportunity Commission (EEOC) Benefits Process

In FY 1997, EEOC's OIG completed a nationwide review of discrimination complaints that were closed as "withdrawals with benefits," i.e., withdrawn at the request of the complainant because they had been satisfactorily resolved by the receipt of monetary and/or nonmonetary benefits. The complaints surveyed represented \$88.6 million in benefits received by complainants. The study found serious discrepancies between the values of benefits as reported and those which could be supported by documentation, leading OIG to project that \$13 million, or 15 percent of the benefits reported as received by complainants, were either inaccurate or unsupported. EEOC management agreed to improve the benefit decision process by improving documentation requirements and stepping up reviews to ensure data accuracy. (EEOC)

Improvements in Federal Communications Commission (FCC) Funds Collections

The FCC's OIG continues to focus on remedying deficiencies in the Commission's system for collecting revenues from the spectrum auction program, which totaled \$23 billion in FY 1997. OIG worked closely with FCC's Collections Steering Committee to create a more timely, accurate, and reliable collections system,

Federal Reserve OIG Studies Travel Costs

including steps to analyze the existing system and identify more cost efficient and effective alternatives. The Collections Steering Committee supported OIG's recommendations to obtain and initiate implementation of a commercial, off-the-shelf collections system in FY 1998. (FCC)

In FY 1997, OIG evaluated the efficiency and effectiveness of the Federal Reserve Board's travel administration, proposing actions to foster the design and implementation of an automated process. OIG proposals included outsourcing the transportation reservation process, maximizing the use of discount airfares and expanding the government travel card program Boardwide. Streamlining FRB procedures for authorizing travel, expense reconciliation, billing for air and rail tickets, and collecting funds due also formed part of these recommendations, which could result in cost savings of \$267,000 annually. (FRB)

OIG Examines National Science Foundation (NSF) Antarctic Program

OIG reviewed NSF's logistical support for the Antarctic Program operations and identified ways to improve its efficiency and cost effectiveness. The U.S. Navy currently provides logistical support services for the program, but, by the end of FY 1999, it will relinquish support services in Christchurch, New Zealand, to NSF's prime contractor and turn flight operations over to the Air National Guard. The OIG review identified and recommended ways that the transfer of Antarctic Program support services can be done more efficiently and cost effectively, with estimated potential cost savings of \$16 million over a 5-year period. A review of the transfer of flight operations is currently under way. (NSF)

Smithsonian OIG Finds Records Deficiencies

During FY 1997, Smithsonian's OIG, as part of its ongoing program of auditing and reviewing the National Collections, reviewed collections management procedures at the National Museum of American History, which has about 1.5 million artifacts, items, and objects in its collections. OIG found that the Museum needed to improve the methods used in inventorying and maintaining up-to-date records of the collections because some records were inaccurate. Museum staff were also not systematically following up on objects and artifacts loaned to other museums. OIG therefore recommended that Museum officials improve their procedures for periodic inventories and update the status of collection items, objects, and artifacts to ensure that records are accurate and complete. (Smithsonian)

HELPING FEDERAL AGENCIES IMPROVE FINANCIAL MANAGEMENT

OIG Assesses Financial Management

OIG audited the Department of Labor's financial statements for FY 1996, noting the continuing lack of audit assurance for tax revenues for the Unemployment Trust Fund and the Black Lung Disability Trust Fund which, as of September 30, 1996, owed the U.S. Treasury more than \$5 billion. These problems resulted from issues related to the verification of data DOL received from other Federal agencies. The OIG semiannual report raised concerns about the continued solvency of the Trust Fund. DOL agreed that, under current operating conditions, a change in the statutory operating structure of the Trust Fund will be necessary to meet its obligations. OIG's report on internal controls also identified three material weaknesses related to:

- the Wage and Hour Division's Civil Money Penalties and Back Wage systems;
 - allowances for uncollectible accounts; and
 - controls over user access and segregation of duties in certain data processing systems. (DOL)
-

Excess Funding of National Oceanic and Atmospheric Administration (NOAA) Satellite Programs

OIG's inspection of NOAA satellite funding in FY 1997 reviewed how large balances of unspent NOAA funds had accumulated at the National Aeronautics and Space Administration (NASA) and how NOAA managers identify and report unspent funding. OIG found that, in FYs 1994-96, NOAA received more funding than it needed for the joint NOAA-NASA Polar-orbiting Operational Environmental Satellite system because it failed to adjust its budget requests to reflect slowed spending in the program and inappropriately transferred ground systems funds to the Polar Satellite account at NASA. OIG identified \$101.3 million in funds to be put to better use as a result of the excess funding that had accumulated during those years. Excess funds represent funding not needed to meet NASA current year or forward funding requirements and therefore are available to support other NOAA program needs or reduce NOAA's future satellite budget requests. OIG also identified an additional \$79.3 million in accumulated NOAA funds at NASA that exceeded the amounts needed for NASA's weather satellite work. NOAA's practice of sending funds to NASA went unquestioned for years because NOAA lacks adequate financial controls to ensure the efficient use of its budget authority. OIG took steps to prevent such an accumulation of excess funds in the future. (DOC)

**Audit of the International
Law Enforcement
Academy (ILEA)**

In FY 1997, OIG audited financial and procurement practices at the International Law Enforcement Academy (ILEA) in Budapest, Hungary, which receives \$11.2 million in federal funding. While OIG was able to verify that funds were spent as intended, the audit faulted both the American Embassy at Budapest and ILEA management charged with oversight responsibilities for using inappropriate procedures to obligate and expend ILEA funding. OIG recommended that ILEA hire an experienced financial assistant and take other steps to enhance controls over these funds. (DOS)

**Federal Aviation
Administration (FAA)
Needs To Effectively
Close Out Airport Grants**

An OIG inquiry found that FAA grant managers did not routinely or speedily review the status of funds remaining in airport improvement grants, often lacked the information needed to track the progress of projects, and did not deobligate unneeded funds promptly. As a result, an OIG review of 39 projects identified more than \$28 million in idle grant funds and \$1.3 million in unneeded funds. OIG recommended that FAA make deobligation a regular part of the project financing process and that managers get enough information about projects' status to monitor them effectively. FAA concurred with these findings. (DOT)

**OIG Stresses Improving
Financial Procedures**

During FY 1997, the Corporation for National and Community Service (CNS) OIG continued to work with CNS management to improve the effectiveness of CNS financial management. A series of OIG reports assessed the Corporation's financial operations, addressed significant deficiencies in its financial systems, analyzed the documentation used to support CNS financial statements, and examined material weaknesses in the management control structure. These reports produced over 125 recommendations to improve the efficiency and effectiveness of the Corporation's financial operations and reduce vulnerability to fraud. A remedial plan was put in place, many of the simpler issues were resolved quickly, and a longer term plan for addressing the more complex problems was established. (CNS)

**OIG Takes Steps to
Improve Financial
Management**

To strengthen the Nuclear Regulatory Commission's financial management, OIG has emphasized the tasks required under the Chief Financial Officers Act. Since the NRC is required by law to collect approximately 100 percent of its budget through fee assessments, the agency is regarded as a commercial activity, making NRC's financial statements subject to audit. Based on joint efforts by OIG and the agency, NRC has received, and continues to retain, its unqualified opinion on its financial statements. NRC has also taken corrective actions based on OIG recommendations to improve its overall financial management. (NRC)

OIG Performs Audit of Health Care Financing Administration (HCFA) Program

Pursuant to the Government Management Reform Act of 1994, in FY 1997 HHS prepared, and OIG audited, consolidated departmentwide financial statements. As part of this review, and for the first time in the history of the Medicare program, a comprehensive, statistically valid sample of fee-for-service claims was taken. The audit also noted insufficient documentation to support the amounts reported in HCFA's financial statements and in the consolidated statements of the Department as a whole. In addition, the Department lacked important internal controls over grants and had systemic weaknesses in several accounting controls. Recognizing the benefits of audited financial statements, the Department has made a commitment to achieving financial discipline and to ensuring accountability for federal dollars. OIG believes that HHS has taken important first steps toward reaching those goals. (HHS)

Amtrak OIG Identifies Gaps in Financial Controls

The Amtrak OIG found that, due to an internal control weakness, \$7.4 million of ticket revenues in the Corporation's bank accounts were neither earning investment income nor available for current operations. Another audit revealed that Amtrak, through inefficient monitoring, had failed to realize \$7.1 million in cost savings from an information technology outsourcing agreement. OIG recommended steps to remedy these situations and prevent a recurrence. (Amtrak)

PREVENTING FRAUD

Data Match Identifies \$109 Million In Excess Pell Grant Awards

An OIG review of system controls over the student eligibility process found that, for award year 1995-96, at least 102,000 students were overawarded approximately \$109 million in federal Pell Grants because they either failed to report or underreported their income on their student aid applications. It also found that almost 1,200 students illegally improved their Pell Grant eligibility by falsely claiming to be veterans, thereby receiving over \$1.9 million in grants to which they were not entitled. OIG therefore recommended that the Department of Education compare reported income with Internal Revenue Service (IRS) computer records and initiate a data-matching agreement with the Department of Veterans Affairs (VA) to verify the status of applicants claiming to be veterans. IRS has advised OIG that it will seek congressional authority for the match; similar arrangements with the VA are in progress. (ED)

Joint Investigation to Prevent Fraudulent Acquisition of Bank

As a result of a case worked jointly with the FBI, Federal Deposit Insurance Corporation OIG was able to protect a financially troubled California bank from an attempt by an Israeli citizen and two American security brokers to fraudulently acquire the institution. The Israeli citizen allegedly attempted to raise funds for the purchase of the bank through an offering of certificates of deposit (CDs) through a firm controlled by the two security brokers. The CDs were offered, purportedly on behalf of the bank, at grossly inflated prices in an attempt to obtain brokered deposits. In response to the offering, the brokers allegedly collected more than \$7.5 million in a 2-day period, of which over \$4.7 million was wired to another California bank in an account held by the Israeli's attorney. The Israeli allegedly then intended to use a portion of the funds to purchase the troubled institution, with the remainder to be used for his personal benefit. Through coordination with Federal Deposit Insurance Corporation's Division of Supervision, the FDIC froze the funds and returned them to the investors. The three involved in the scheme were indicted on charges of wire fraud and aiding and abetting. (FDIC)

OIG Audit Finds Dual Compensation Payments

During FY 1997 OIG audited VA procedures and controls to identify veterans illegally receiving both VA compensation payments and military reservist pay. The audit revealed that, in 90 percent of the cases of active military reservists also receiving military reserve pay, VA had failed to offset disability compensation payments. The inquiry further established that dual compensation payments of \$21 million had been made between fiscal years 1993 and 1995

with an additional \$8 million projected annually in subsequent years. OIG concluded that these dual payments had occurred because procedures established between VA and the DOD were either ineffective or not fully implemented. OIG recommended that VA and DOD improve their cross-check and other procedures to eliminate these abuses. (VA)

OIG Focus on Pension Fraud

During FY 1997, the Pension Benefit Guaranty Corporation OIG, after learning that the Corporation was not systematically referring pension fraud cases to their investigators, opened an investigation into the agency's reporting of checks that were cashed after a pension plan participant's death. Aside from an investigation that has already resulted in a conviction, OIG has taken the initiative to assist the agency in making systemic improvements, including timely OIG notification of fraud and administrative follow-through on cases where fraudulently received amounts are not accepted for prosecution. (PBGC)

Investigating Worker's Compensation Fraud

The Government Printing Office's OIG, in cooperation with the Department of Labor, is participating in the Vice President's Task Force on Workers' Compensation Fraud. The OIG audit and investigative team currently has 13 active criminal investigations and is also examining the administration and program controls of the GPO worker's compensation program, which provides benefits of about \$6 million annually. (GPO)

Fraud Awareness Briefings

The CNS OIG continued its Fraud Awareness Briefings for CNS employees and grantee staff. Briefings designed for new employees were used to explain OIG's purpose and function, while other briefings for staff with oversight responsibilities focused on areas where early intervention by program managers can identify potentially fraudulent acts. Since initiating the briefings program, OIG has noted positive changes in employee and grantee attitudes about OIG's role and, as witnessed by an upswing in hotline calls and contacts, an increase in the reporting of possible cases of fraud, waste, and abuse. (CNS)

CNS Fraud Prevention Program

OIG's Fraud Prevention Program combines investigation with prevention. Information about weaknesses in internal controls and other systemic conditions with the potential to encourage or permit fraud is shared by OIG with CNS and grantee staff, as are all OIG recommendations designed to reduce or eliminate that potential. CNS managers are required to report back to OIG on actions taken under this program. (CNS)

COORDINATING THE FIGHT AGAINST FRAUD; TASK FORCES AND MAJOR JOINT INVESTIGATIONS

Fighting Health Care Fraud and Abuse

FY 1997 saw the culmination of Operation “Restore Trust,” a multistate project that targeted fraud, waste, and abuse in three high-growth areas of the health care industry: home health, nursing homes, and durable medical equipment. As the project’s coordinator, OIG assembled multidisciplinary teams from within its own organization, the Health Care Financing Administration, the Administration on Aging, the State Medicaid agencies and fraud control units, Department of Justice, and the State Attorneys General offices. OIG also enlisted the support and participation of the public and the industry by establishing a confidential hotline to receive allegations of fraud and abuse. The success of “Restore Trust,” which yielded \$23 in identified overpayments for every \$1 spent, was underscored by measures taken by the administration and the Congress in response to OIG’s findings and recommendations. For example, largely as a result of OIG’s disclosure of abusive practices in the home health industry, HHS suspended certification of new home health agencies for participation in Medicare to permit the introduction of program safeguards. In another step to eliminate inappropriate expenditures, the Balanced Budget Act of 1997 made fundamental changes in the way Medicare pays for home health services. The lessons of “Restore Trust” were also incorporated in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), which enabled OIG, in cooperation with other Federal, State, and local agencies, to further intensify and extend its antifraud efforts; in FY 1997, the first year of HIPAA implementation, this collaborative effort yielded a record \$1.2 billion in judgments and settlements from health care fraud cases. (HHS)

Operation “Safe Home” Fights Violent Crime, Fraud, and Abuse

During FY 1997, OIG continued its strong support of, and participation in, Operation “Safe Home,” a program to combat violent crime in public and assisted housing, fraud in public housing administration, and equity skimming in multifamily insured housing. OIG continues to work with law enforcement agencies on all levels to identify and follow through on cases involving drugs and crime, embezzlement, false claims, and illegal use of any assets/income of HUD properties. During FY 1997, more than 3,000 arrests were made for violent crime and drug activities, and in excess of \$1 million in cash was seized. In the fraud area, a contractor was sentenced for accepting \$250,000 from a housing authority and kicking back \$100,000, even though he did not work. And, in the multifamily equity skimming area, HUD repossessed a hospital after one of the owners admitted to diverting over

“Operation Talon” Nets 2,930 Fugitive Felons

\$6 million, which he used to make cash payments and no-interest loans to himself. (HUD)

“Operation Talon,” a nationwide law enforcement initiative led by OIG, has resulted in the arrest of 2,930 fugitive felons, most of whom were illegally receiving food stamps. Carried out in conjunction with other law enforcement agencies and State and local social service agencies across the country, this ongoing initiative matches felony fugitive files with food stamp recipient records, enabling OIG agents and other law enforcement officers to apprehend the fugitives. The operation has taken a significant number of dangerous and violent criminals off the streets, while saving millions in taxpayer dollars. (USDA)

College Officials Plead Guilty To Multiple Fraud Charges

A joint investigation by the OIGs of the Departments of Education and Interior, the IRS, and the FBI found evidence that, from 1991 to 1994, a total of \$2.6 million dollars in federal funds was embezzled from Oglala Lakota College (OLC), Kyle, South Dakota. The investigation revealed that OLC checks were being written and deposited into bank accounts of fictitious businesses and/or companies that OLC did little if any business with. The embezzled funds were used to purchase real estate, automobiles, drugs, art work, and trips to Las Vegas for gambling and other entertainment. As a result of this investigation, OLC’s former vice president for business affairs, under a plea agreement, pled guilty to conspiracy, theft of federal funds, theft from tribal organization, money laundering, and asset forfeiture. Another participant in the conspiracy pled guilty to conspiracy, theft of federal funds, theft from tribal organization, money laundering, and criminal forfeiture. (ED)

Fighting Fraud in Emergency Assistance Programs

Because the Federal Emergency Management Agency (FEMA) is responsible for coordinating the activities of all U.S. Government agency responses to Presidentially declared disasters, its OIG has taken the lead in establishing and directing task forces that investigate fraud and misconduct associated with disaster activities. These task forces, which often include law enforcement personnel from the Small Business Administration, Postal Service, FBI, and other Federal agencies involved in disaster programs, operate under the direction of the Assistant U.S. Attorney responsible for criminal or civil prosecutions within the affected area. The task forces also attempt to deter crime by publicizing these fraud prevention efforts through the media and by encouraging citizens to report fraud to the task forces or the FEMA OIG hotline. These task forces have made more than 130 arrests and indictments, and recovered over \$7 million. (FEMA)

Racketeer Influenced and Corrupt Organizations (RICO) Act Actions

OIG also continued its efforts to remove associates of organized crime from some of the nation's largest labor unions by working closely with court-appointed monitors to remove corrupt officials from unions and restore democratic representation for their membership. One case involved Hotel Employees and Restaurant Employees Local 54, which, following the OIG investigation, was placed under monitorship after a civil RICO action was filed by the Federal Government. The monitorship has since been dissolved and the union returned to control of its members. OIG investigations also helped the court-appointed monitor of the Teamsters Local 282 to remove four individuals from the union for their association with the Gambino organized crime family. (DOL)

“Operation Badfellas” Produces Arrests and Convictions

A multiagency undercover investigation, “Operation Badfellas,” conducted by the Department of Justice OIG in cooperation with the Bureau of Prisons (BOP), and the FBI/New York Police Department Organized Crime Task Force, resulted in the arrest of 11 current or former BOP correctional officers, 6 inmates, and 8 civilians. The investigation revealed that the correctional officers had accepted bribes to allow the smuggling of drugs, food, and other contraband into the prison, moving organized crime inmates to facilitate “mob business,” permitting unauthorized visits, providing access to BOP computer systems, and switching urine samples in order to defeat random drug tests. During FY 1997, 15 defendants, including 5 correctional officers, pled guilty; another 8 await trial, and 2 have been acquitted. Three defendants have received sentences ranging from 6 months' incarceration and 36 months' supervised release to 87 months' incarceration and 60 months' supervised release. (DOJ)

Eleven Convicted In Massive Fraud Scheme

OIG participated in a multiagency investigation of a massive student loan, IRS tax, and Department of Housing and Urban Development (HUD) benefits fraud scheme, which involved bribing Social Security Administration (SSA) and California Department of Motor Vehicles employees to obtain fraudulent Social Security numbers and drivers licenses. These bogus documents were then used to support over 30 applications for federal Parent Loans for Undergraduate Students loans on behalf of individuals who were not attending the college, federal tax returns and applications for HUD housing benefits. As a result of this investigation, eleven people pled guilty or were convicted during a federal criminal trial. (ED)

Joint Investigation Finds Theft of Government Property

As the result of a joint investigation by the General Services Administration (GSA), Defense Criminal Investigative Service, Department of Transportation, and the FBI, three government officials were given sentences ranging from 18 months in prison

OIG Investigation of Professional Misrepresentation and Fraud

and restitution of \$277,000 to 3 years' probation for removing property with an acquisition cost of \$1,034,000 from a federal surplus property site. Approximately \$500,000 of the stolen property has been recovered. (GSA)

A joint investigation by the OIGs of Interior and Labor revealed that the president of a Colorado environmental engineering and consulting firm had, by misrepresenting his academic qualifications to provide mine safety training to underground miners, issued bogus training certifications to numerous employees of private companies and of the U.S. Geological Survey. As a result of this joint investigation, the company official was charged with making false certifications, a federal offense. After fleeing to avoid prosecution, the company official pled guilty to that charge and was sentenced to 21 months' imprisonment and 2 years of probation. He and his company were also barred from participating in all federal procurement and nonprocurement programs for 15 years. (DOI)

Investigation Finds Indian Officials Engaged in Corruption

OIG and the U.S. Attorney's Office, District of Minnesota, jointly investigated allegations of federal program fraud, civil rights violations related to election fraud, bribery, embezzlement of tribal funds, and other corrupt activities by elected officials of a Minnesota Indian tribe. The investigation focused on the tribe's construction of a gaming casino and the award of a \$2.8-million construction subcontract to a company owned by the tribal councilman and retaining the tribal chairman as a silent partner. The investigation resulted in the indictment and conviction of the chairman of the tribe, its secretary/treasurer, and the tribal councilman, who received sentences totaling 134 months' imprisonment and 108 months' probation and were ordered to make payments of \$67,000 and \$844,000 in fines and restitution respectively. (DOI)

Interagency Investigation Reveals VA Benefits Fraud

Following a joint OIG and Postal Inspection Service investigation, three college instructors were indicted for their roles in the fraudulent payment of VA educational assistance benefits to veterans enrolled at a community college. This 3-year investigation disclosed that, from 1988 to 1995, more than 300 student veterans had received over \$3.8 million in benefits without attending regular classes by paying kickbacks of up to \$200 per student each semester. As a result of the investigation, the VA announced administrative sanctions against the college and a program of frequent, onsite compliance inspections. In a collateral action, the U.S. Attorney's Office has recovered \$370,000 in restitution and efforts to recover additional funds are continuing. (VA)

SIGNIFICANT FRAUD RECOVERIES

HHS Recovers \$1 Billion in Health Care Fraud Funds

OIG has broadened its fraud-fighting efforts to include more emphasis on civil remedies, an approach which has proven highly effective in fighting abuses perpetrated by large corporations and other schemes involving health care related services. In FY 1997, the 1,255 civil actions resulting from OIG's efforts yielded more than \$1 billion, greatly exceeding both the number of actions and dollar amounts recorded in any previous year for civil judgments and settlements. One of the most productive initiatives targeted marketing and billing practices of the nation's largest independent laboratories. In coordination with DOJ and other law enforcement agencies, OIG found a common abuse in which profiles ordered by physicians and other tests performed in a single automated analysis were "unbundled" to obtain higher Medicare reimbursement. Three major laboratories agreed to settlements of \$642 million to resolve this liability under the False Claims Act for this practice. The success of the cases resulted in two salutary movements: a series of *qui tam* actions against other laboratories for similar violations, and a project that was initiated targeting hospital laboratories that both unbundled and double billed tests. The latter project has thus far resulted in settlements with 40 hospitals for recoveries of more than \$10.7 million. (HHS)

Multiagency Investigation Reveals Laboratory Fraud

An investigation by the OIGs of DOD and five other agencies resulted in a laboratory agreeing to pay \$325 million to resolve issues of civil false claims to Medicare, Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), and other Federal and State health care programs. The issues concerned greatly inflated insurance billings through unbundling of clinical test profiles, e.g., inflating reimbursement by billing multiple laboratory procedures separately rather than jointly. The laboratory was also found to have fabricated test codes and double billed for tests not actually performed. (DOD)

Department of Defense OIG Finds Aircraft Parts Fraud

An OIG investigation found that a senior quality inspector at a major DOD contractor had falsified inspection records, directed others to falsify records, and knowingly caused defective equipment to be provided to the Department of Defense. The equipment affected approximately 3,000 critical flight parts used by the military. The inspector was fined and sentenced to prison. The contractor pled guilty and was fined \$18.5 million in addition to a civil settlement of \$88 million. (DOD)

\$35-Million Settlement for Export Program Violations

An OIG investigation completed in FY 1997 examined fraud related to the export of commodities to Iraq through USDA export credit guarantee programs. The Government of Iraq, with the help of guaranteed loans obtained through these programs, was able to import various commodities from the United States; however, after invading Kuwait, Iraq began to default on the loans. In FY 1997, these investigations culminated in a global settlement between the U.S. Government, a prominent international grain company in New York, and the company's foreign affiliate. The grain company paid \$25 million to the U.S. Government in settlement of any potential civil claims, while its affiliate paid a \$10-million fine after pleading guilty to a criminal charge of conspiracy to defraud USDA. Three associated entities agreed to permanent debarment from federal programs. (USDA)

\$32 Million in Contractor Overcharges Recovered

In FY 1997 the Department of Veterans Affairs OIG recovered, from various contractors, over \$32 million in overcharges on Federal Supply Schedule (FSS) contracts. These recovered funds were the subject of 15 audit reports and a number of settlement agreements stemming from the contractor's noncompliance with the defective pricing and price reduction provisions contained in their contracts, or overcharges resulting from computational errors in their Public Law 102-585, (Veterans Healthcare Act of 1992) prices. As a result of one investigation conducted jointly with the Department of Justice, one contractor paid VA \$22.1 million, the largest FSS program settlement in VA's history. (VA)

Investigations of Environmental Protection Agency (EPA) Contracts Result in Indictments and Settlements

In FY 1997, OIG investigated high cost program and administrative areas such as assistance agreements and contracts, with special emphasis on removals and remediation at Superfund cleanup sites and environmental programs and employees with the potential to undermine the integrity of the EPA and/or the public trust in its ability to carry out its mission to protect public health and safety. During FY 1997, OIG's investigations produced 20 criminal indictments, informations, and criminal complaints; 10 convictions and guilty pleas; \$4 million in total settlements, recoveries, fines and restitutions; and 36 suspensions, debarments, and other actions. OIG investigations also identified various systemic vulnerabilities that resulted in program improvements. (EPA)

Investigations of Small Business Administration (SBA) Loan Discrepancies and Fraud

In FY 1997 OIG focused on preventing and detecting waste, fraud, and abuse by monitoring SBA policies and procedures and cooperating with other federal programs and entities. OIG's ongoing program of verifying all federal tax information submitted in support of SBA loan applications with the IRS resulted in

denial of about \$4 million in potential loans because of significant tax information discrepancies. In another instance, OIG used the Department of Justice's Affirmative Civil Enforcement program, which targets for civil action fraud cases that might not be prosecuted criminally, to achieve more than \$2.9 million in recoveries and fines. (SBA)

OIG Looks at "Work for Others" Program

After an earlier review revealed possible fraud, OIG investigated the "Work for Others" program at a DOE national laboratory in California, which permits other Federal agencies and commercial entities the use of unique laboratory capabilities. An investigation of discrepancies among program cost accounts revealed that the laboratory contractor wrongly assessed costs associated with certain program customers to avoid cost overruns and compensate for mismanagement of the program. Coordination with the U.S. Attorney's Office resulted in the contractor reimbursing DOE over \$2.9 million in FY 1997. This investigation has led to closer scrutiny of the "Work for Others" program and has enhanced DOE's ability to guard against future abuses and losses in this area. (DOE)

Excessive Expenses Found and Recovered

In August 1997, DOE recouped \$11.7 million, plus \$2.2 million in interest, from Westinghouse Savannah River Corporation as reimbursement for excessive relocation and travel expenses paid to employees of Westinghouse and another DOE contractor. The OIG auditor who had originally identified the unallowable costs was awarded the Department's Exceptional Service Award for his outstanding work with Departments of Energy and Justice attorneys in pursuing the government's claims. (DOE)

\$2.4-Million Settlement Reached

Following one OIG investigation, an EPA contractor, CDM Federal Programs Corporation, agreed to a \$2.4-million administrative settlement connected with the \$8-million cleanup of the asbestos dump site in Meyersville, New Jersey. After completion of the cleanup, OIG investigated allegations that, instead of replacing the asbestos-contaminated soil with clean fill, CDM used soil that had been obtained from a hazardous waste site. After examining the soil, EPA concluded that it did not meet the contract specifications because it contained debris and chemical contaminants at levels not acceptable for use at the site. The agreement requires CDM to pay up to \$2.4 million in cleanup costs for the removal and disposal of the defective backfill, the installment of clean fill, and the performance of any additional asbestos work at the site. (EPA)

Legal Fee Bill Audit and Investigation Lead to Guilty Plea and \$2.9-Million Settlement

The importance of the work done by the FDIC OIG in auditing legal fee bills was underscored in FY 1997 when the managing partner of a Manhattan-based law firm was successfully prosecuted for defrauding the Resolution Trust Corporation (RTC) and FDIC. The firm, which had served as outside counsel for both agencies, had been the subject of one of the 236 legal fee bill audits conducted by the RTC and FDIC OIGs that have questioned millions of dollars related to fees that were not adequately supported with original time records. The investigation of the managing partner disclosed that he had defrauded the two agencies of approximately \$1.4 million in an overbilling scheme. As part of the scheme, the managing partner altered original time records, then attempted to cover up his actions during the OIG audit by destroying records and by instructing others to make false statements to the auditors. As a result of the investigation, conducted with OIG assistance by the FBI and the U.S. Attorney's Office for the Southern District of New York, the managing partner pleaded guilty to criminal charges of mail fraud, false claims, false statements, and obstructing a Federal OIG audit. The managing partner and the successor law firm also agreed to pay over \$2.9 million to settle the government's potential civil claims arising from the false billing. The circumstances of this case dramatically illustrate the potential for serious risks that the Federal Government faces in its contracts with outside counsel and the critical need for strong oversight and strict controls over billings submitted by firms conducting business on behalf of the government. (FDIC)

Investigation into Concealed Assets Results in Successful Prosecution

Working with a task force established by the U.S. Attorney's Office in the District of Massachusetts to locate hidden assets of those failing to satisfy their criminal or civil financial penalties, OIG made significant progress in pursuing individuals who fail to pay their court-ordered restitution. The first such investigation began after an FDIC attorney reported suspicions that three convicted felons were concealing their assets and lying to probation officials about their financial ability to pay combined restitution of \$1.5 million to FDIC after their conviction for defrauding a Massachusetts bank. After their release from prison, the three men paid less than 2 percent of the restitution owed to FDIC over their 2-year probationary period, claiming to their probation officers that they were indigent. The investigation, however, found that, while on probation, the men in fact lived lavish life-styles and transferred millions in assets to their wives and numerous corporations they controlled. Based on evidence developed by the OIG investigation, a judge in U.S. District Court, District of Massachusetts, found that the men could have made restitution in full during their 2 years of supervised release, but had instead conspired to

hide their assets. A subsequent civil proceeding to seize their assets to prevent funds from being diverted or drained resulted in payment of \$1.1 million in restitution to FDIC. (FDIC)

GSA OIG Recovers \$5.1 Million in Overcharges

In FY 1997, a company that sells office furniture to the government made a final payment of \$2.3 million to resolve its potential civil False Claims Act liability. The payment brought the total paid by the company to \$5.1 million for overcharging federal customers between 1987 and 1993 by failing to offer the government the same reductions in price it had offered its dealers, as required under the contracts. OIG also found that the company had received rebates or discounts from freight companies which the company did not pass on to its government customers, resulting in overcharges to the government. (GSA)

Bogus Per Diem Claims and Environmental Crimes

Investigations conducted by the Tennessee Valley Authority's OIG, in some instances with the cooperation of the FBI, revealed that a number of TVA contractors' employees had submitted fraudulent per diem for temporary living expense claims. These investigations led to realized or potential recoveries to TVA of more than \$379,700 during 1997. OIG also joined the FBI, DOE, EPA and agencies of the State of Tennessee in forming an Environmental Crimes Joint Task Force, aimed at enhancing law enforcement efforts to identify and prosecute those committing environmental crimes in eastern Tennessee. (TVA)

Civil Suit Leads to \$245,000 Reimbursement

OIG found that a former USAID contractor had illicitly received advance payments by inflating its invoices for equipment shipped early in the life of the contract. The company agreed to settle a civil suit brought against it in the U.S. District Court, District of Columbia by paying \$245,000 to reimburse the government for lost interest on unallowable advance payments. (USAID)

Supplier Fraud Settlement Reached

An OIG investigation resulted in a civil suit charging that one USAID supplier had filed false and inaccurate invoices and shipping documents to obtain payments for materials that had not been shipped. The settlement agreement reached in this case required the company and its president to pay the U.S. Government \$50,000; the defendants also were barred from government contracting for five years. (USAID)

OIG FRAUD INVESTIGATIONS

OIG Finds Criminal Involvement in Employee Benefits and Pension Plans

During FY 1997, OIG contributed to the government's effort to reduce the influence of organized crime and labor racketeering in unions and the workplace. OIG successfully identified, targeted, and investigated cases involving investment brokers and plan administrators who have ties to organized crime and who abuse or defraud union pension funds. Accomplishments in this area included the conviction of four individuals who were trustees, advisers or service providers to the Teamsters Local 875 Pension Fund in New York. The four engaged in a scheme to temporarily divert pension assets to invest in an offshore, lucrative but high risk investment scheme, which lost approximately \$10 million of the pension fund's \$30 million when offshore investors stole the money. (DOL)

Abuse and Deficient Management Found in Child and Adult Care Food Program (CACFP)

In its FY 1997 reviews of sponsors administering CACFP, OIG continued to find widespread problems, including serious deficiencies in their administration of the program and some cases of program fraud. OIG also found unsafe or unsanitary conditions and licensing violations at some day care homes; these were reported to local health or licensing authorities. Of the original 12 sponsors reviewed, OIG is conducting criminal investigations on 4; 24 additional investigations are ongoing in 12 states. In one case, OIG obtained four convictions of a husband and wife who owned and operated a sponsoring organization and of another couple who ran the day-to-day operations for them. All four were charged with defrauding the program of approximately \$2.3 million by submitting inflated budgets and by diverting CACFP funds to themselves. One couple received prison sentences of 3 and 2 years and paid \$2.2 million in restitution; the other couple was sentenced to 7 months each and ordered to pay a total of \$60,000 in restitution. Also, the government has seized four residential and commercial properties valued in excess of \$2 million that were fraudulently acquired by the subjects. These problems led OIG to launch a national initiative to identify abusive CACFP sponsors that will include "sweeps" of sponsors and providers by OIG auditors and investigators with the assistance of USDA Food and Nutrition Service and State agency personnel. Sponsors found to be abusing the program will be removed from sponsorship; ineligible payments will be recovered; and, if warranted, prosecutions will be sought. (USDA)

Bogus Social Security Documentation and Credit Card Fraud

OIG investigates and forwards for prosecution cases of those who use the Social Security number (SSN) card for fraudulent purposes such as the practice of counterfeiting the SSN card, obtaining SSN cards through false information, and using the card to obtain benefits and services fraudulently from government agencies, credit card companies, etc. In one case, OIG found that one applicant, Howard T. Porter, by submitting counterfeit birth certificates and other documentation, had obtained over 1,300 fraudulent SSNs. In FY 1997, Porter was arrested and charged in a 16-count federal indictment with conspiracy and knowingly submitting false information to obtain SSNs, while a collateral investigation by California Department of Motor Vehicle Investigators determined that 250 persons, using names and bogus SSNs obtained by Porter, had received California drivers licenses, thereby assuming new identities. Another investigation by the U.S. Secret Service determined that two other persons, also employing names and false SSNs obtained from Porter, were currently in federal prison for using fictitious names to carry out credit card fraud exceeding \$7 million. The Secret Service also identified approximately 60 other credit card fraud suspects who, using names and SSNs obtained by Porter, had committed credit card fraud exceeding \$20 million. (SSA)

Cannibalized Plane Parts Tracked; Traffickers Prosecuted

OIG, acting on information supplied through FAA's Suspected Unapproved Parts Notification Program, determined that an Illinois-based aviation parts broker had purchased parts from a British Airways 747 damaged beyond further use by Iraqi forces during the Persian Gulf war. Although British Airways had submitted an insurance claim for this plane and its insurer had ordered the aircraft to be dismantled and destroyed, parts of its engines were obtained by an unlicensed parts broker who shipped them to the United States using false Customs declarations. The parts were later resold and installed in other aircraft. As a result of OIG's investigation, the parts broker and a Kuwaiti national both pleaded guilty to mail fraud and the unapproved parts were removed from the aircraft in which they had been reinstalled. (DOT)

Operation "Border Vigil" Uncovers Fraudulent Payments

"Border Vigil" is designed to identify and resolve situations where aliens and citizens are illegally receiving Supplemental Security Income (SSI) payments for which they are unqualified by residency requirements. For example, a pilot "Border Vigil" program in El Paso, Texas, found that more than 7 percent of SSI recipients were not residents of the United States, while in Niagara Falls, New York, almost 10 percent of all recipients were fraudulently collecting SSI benefits. Given the hundreds of thousands of

OIG Identifies Social Security Payments to Prisoners

SSI recipients in border areas, these pilot program samples demonstrate the likelihood of substantial fraud. As a result of these initial surveys, during FY 1997, SSA's El Paso office stopped payments to 156 unqualified recipients and identified \$1.6 million in fraudulent payments. (SSA)

An OIG audit found that not all prisoners in correctional facilities, who are not entitled to receive SSA benefits during their incarceration, were being identified in a timely manner, or at all, by SSA. As a result, SSA initiated aggressive efforts to terminate benefit payments to incarcerated recipients and arranged for the Federal Bureau of Prisons, all State prisons, and more than 3,500 local facilities to report prisoner data to SSA in a timely manner. SSA's actuary estimates that initiatives resulting from OIG's audit work on prisoner benefits will save SSA around \$3.4 billion over 7 years, of which about \$480 million was saved during 1997. (SSA)

SUMMARIES OF STATISTICAL ACCOMPLISHMENTS

Audits and Inspections

The tables on the following pages demonstrate the impact of OIG audits and inspections. The tables summarize key statistical accomplishments reported in individual IG semiannual reports to the Congress for the 6-month periods ending March 31 and September 30, 1997. The statistical accomplishments relate to recommendations that funds be put to better use, management decisions on recommendations that funds be put to better use, questioned costs, and management decisions on questioned costs.

Recommendations That Funds Be Put to Better Use

The IG Act defines a recommendation that funds be put to better use as “a recommendation by the Office that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including (A) reductions in outlays; (B) deobligations of funds from programs or operations; (C) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (D) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee; (E) avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or (F) any other savings which are specifically identified.”

Table I (pp. 38-39) summarizes the statistical accomplishments of the OIGs for FY 1997. PCIE member audits recommended that about \$24 billion be put to better use; ECIE member audits recommended that about \$454 million be put to better use.

Management Decisions on Recommendations That Funds Be Put to Better Use

Table II (pp. 40-41) reports on the status of FY 1997 management decisions on OIG audit recommendations that funds be put to better use. PCIE managers agreed with about \$15 billion in recommendations that funds be put to better use; ECIE entity managers agreed with about \$352 million in recommendations that funds be put to better use.

**Table I.
PCIE — Recommendations that Funds Be Put to Better Use**

Entity	OIG	DCAA ¹	Total
ACDA	-	-	-
CNS	-	-	-
DOC ²	342,095,634	1,237,342	343,332,976
DOD	3,230,197,000	3,954,859,771	7,185,056,771
DOE ³	272,452,399	-	272,452,399
DOI ⁴	70,272,591	2,816,802	73,089,393
DOJ	69,503,010	-	69,503,010
DOL ⁵	28,893,468	-	28,893,468
DOS	4,536,330	-	4,536,330
DOT	115,778,000	-	115,778,000
ED	141,793,546	-	141,793,546
EPA	-	1,443,000	1,443,000
FDIC	17,027	-	17,027
FEMA	238,616,413	-	238,616,413
GSA	81,294,164	62,443	81,356,607
HHS ⁶	3,416,267,000	-	3,416,267,000
HUD	4,741,000	-	4,741,000
NASA ⁷	5,537,434,156	-	5,537,434,156
NRC	-	41,133	41,133
OPM	85,800	-	85,800
RRB	-	-	-
SBA ⁸	46,000,991	-	46,000,991
SSA	699,500,000	-	699,500,000
Treasury ⁹	104,898,000	25,806,000	130,704,000
USAID	89,264,000	-	89,264,000
USDA	5,426,480,354	2,833,509	5,429,313,863
USIA	711,000	-	711,000
VA ¹⁰	200,400,000	17,000,000	217,400,000
TOTALS	\$ 20,121,231,883	\$ 4,006,100,000	\$ 24,127,331,883

¹ Defense Contract Audit Agency

² DOC - Includes Inspection results.

³ DOE - \$269,667,259 from Audits, \$2,785,140 from Inspections.

⁴ DOI - Includes \$12,903,153 for Indirect Cost Proposals Negotiated by OIG.

⁵ DOL - \$23,879,194 from Audits, \$5,014,274 from Inspections.

⁶ HHS - Includes Inspection results.

⁷ NASA - For semiannual period 10/96-3/97: \$7.6 million from Audits, \$3.6 million from Investigations.
 - For semiannual period 4/97-9/97: \$5.5 billion from Audits, \$20.6 million from Investigations.
 - Total FY 1997 from Investigations: \$24.2 million.

⁸ SBA - Includes cost avoidances in the amount of \$31,590,118 from Investigations.

⁹ Treasury - Includes \$76,847,000 from IRS Inspection Service.

¹⁰ VA - Includes \$13.9 million from Investigations.

Table I.
ECIE — Recommendations that Funds
Be Put to Better Use

Entity	Total
Appalachian Regional Commission (ARC)	\$ 1,012,000
Corporation for Public Broadcasting (CPB)	70,000
Federal Labor Relations Authority (FLRA)	3,630
Federal Reserve Board (FRB)	267,000
Federal Trade Commission (FTC)	732,000
National Railroad Passenger Corp. (NRPC) ¹	10,520,361
National Science Foundation (NSF)	124,176,453
Peace Corps (PC)	30,000
Smithsonian Institution (SI)	615,711
Tennessee Valley Authority (TVA)	12,256,301
U.S. Postal Service (USPS) ²	304,858,952
TOTAL	\$ 454,542,408

¹ Amtrak

² Figures reflect both work done directly by the U.S. Postal Service Office of Inspector General and by U.S. Postal Service audit and investigation units under the oversight of the OIG.

Table II.
PCIE - Management Decisions on Recommendations
that Funds Be Put to Better Use

Entity	No Mgmt. Dec. Start FY 1997	Recs. Issued in FY 1997	Recs. Agreed to by Mgmt.	Recs. Not Agreed to by Mgmt.	No Mgmt. Dec. End FY 1997
ACDA	\$ -	\$ -	\$ -	\$ -	\$ -
CNS	-	-	-	-	-
DOC	127,231,979	146,142,219	181,464,269	43,294,301	47,760,278
DOD	12,853,385,000	7,236,297,000	4,214,125,000	5,143,868,000	10,731,689,000
DOE	370,858,822	269,667,259	95,821,412 ¹	356,163,572	191,326,237 ²
DOI	450,678,489	73,089,393	151,553,941	2,601,387	369,612,554
DOJ	15,327,970	69,503,010	63,327,679	14,000,000	7,503,301
DOL	55,054,444 ³	24,223,468 ⁴	5,784,105 ⁵	47,932	73,445,875
DOS	1,605,900	4,536,330	1,586,708	19,192	4,526,330
DOT	149,491,000	115,778,000	174,276,000	13,157,000	77,836,000
ED	49,003,000	141,793,546	116,708,884	50,980,110	23,106,552
EPA ⁶	56,644,562	1,443,000	6,154,935	31,965,185	5,381,970
FDIC	-	17,027	17,027	-	-
FEMA	392,641	238,616,413	7,546,973	392,641	231,069,440
GSA ⁷	180,689,774	81,356,607	246,789,158	15,447	15,266,298
HHS ⁸	180,574,000	3,416,267,000	3,424,053,000	113,000	172,675,000
HUD	1,011,000	4,741,000	1,455,000	285,000	4,013,000
NASA	133,161,501	5,513,248,699	5,561,295,169	43,000	85,072,033
NRC	-	41,133	41,133	-	-
OPM	-	85,500	-	85,500	-
RRB	-	-	-	-	-
SBA	325,000	14,410,873	5,370,719	-	9,365,154
SSA	-	699,500,000 ⁹	535,700,000	143,400,000	20,400,000
Treasury	30,928,000	130,704,000 ¹⁰	86,798,000	4,808,000	70,026,000
USAID	13,386,000 ¹¹	90,753,000	17,209,000	8,834,000	78,097,000
USDA	1,352,782,780	5,429,313,863	267,432,995	2,466,021	6,512,295,693
USIA	-	711,000	10,000	-	701,000
VA	38,200,000	203,500,000	124,000,000	14,900,000	102,800,000
TOTALS	\$15,999,599,695	\$23,905,739,280	\$15,227,388,938	\$5,831,469,288	\$18,833,968,715

¹ DOE - Includes \$2,785,140 from Inspections.

² DOE - The figure for this dollar item includes sums for which management decisions on the savings were deferred.

³ DOL - Includes \$4,670,000 from Inspections.

⁴ DOL - Includes \$344,274 from Inspections.

⁵ DOL - Includes \$5,014,274 from Inspections, \$769,831 from Audits.

⁶ EPA - Dollar value of nonawards or unsuccessful bidders, \$14,585,472.

⁷ GSA - No management decision of \$24,522 which resulted from prior period adjustments.

⁸ HHS - Includes results of Inspections.

⁹ SSA - This dollar amount has been modified due to developments that occurred after issuance of OIG's reports entitled *Effectiveness in Obtaining Records to Identify Prisoners* (A-01-9402004, 5/10/96) and *Effectiveness of the Social Security Administration's Procedures to Process Prisoner Information, Suspend Payments and Collect Overpayments* (A-01-96-61083, 6/24/97). SSA's Chief Actuary estimated a cost avoidance of about \$3.4 billion over 7 years, with \$480 million to be realized in 1997.

¹⁰Treasury - Includes four IRS Inspection Service Reports with dollar value of recommendations totaling \$76,847,000.

¹¹USAID - The ending balance at 9/30/96 (\$13,355,732) was increased by \$49,950 to reflect the increase in the amount of a recommendation contained in one report.

Table II.
ECIE — Management Decisions on Recommendations
that Funds Be Put to Better Use

Entity	No Mgmt. Dec. Start FY 1997	Recs. Issued in FY 1997	Recs. Agreed to by Mgmt.	Recs. Not Agreed to by Mgmt.	No Mgmt. Dec. End FY 1997
ARC	\$ 0	\$ 1,012,000	\$ 634,000	\$ 378,000	\$ 0
CPB	0	70,000	0	0	70,000
FLRA	0	3,630	3,630	0	0
FRB	0	267,000	0	0	267,000
FTC	0	732,000	732,000	0	0
GPO ¹	4,619,898	0	4,619,898	0	0
NEH ²	16,000	0	16,000	0	0
NRPC	0	10,520,361	2,200,890	113,300	8,206,171
NSF	37,385,100	124,176,453	31,212,565	25,462,992	104,885,996
PC	0	30,000	0	0	30,000
SI	565,898	615,711	640,397	541,212	0
TVA	3,693,411	12,256,301	10,968,861	192,100	4,788,751
USPS ³	75,657,740	304,858,952	301,181,783	0	79,334,909
TOTALS	\$ 121,938,047	\$ 454,542,408	\$ 352,210,024	\$ 26,687,604	\$ 197,582,827

¹ Government Printing Office

² National Endowment for the Humanities

³ Figures reflect both work done directly by the U.S. Postal Service Office of Inspector General and by U.S. Postal Service audit and investigation units under the oversight of the OIG.

Table III.
PCIE — Questioned Costs

Entity	OIG	DCAA	Total
ACDA	-	-	-
CNS	2,024,000	-	2,024,000
DOC	13,655,570	-	13,655,570
DOD	-	1,946,393,196	1,946,393,196
DOE	2,631,870 ¹	-	2,631,870
DOI	9,374,178 ²	8,161,816	17,535,994
DOJ	30,571,227	-	30,571,227
DOL	26,300,572	-	26,300,572
DOS	1,504,170	-	1,504,170
DOT	26,591,000	-	26,591,000
ED	17,074,024	-	17,074,024
EPA	176,556,555	2,783,267	179,339,822
FDIC	20,927,794 ³	-	20,927,794
FEMA	30,889,466	303,655	31,193,121
GSA	81,356,607	-	81,356,607
HHS	195,575,000	440,000	196,015,000
HUD	17,895,000	-	17,895,000
NASA	74,400,000	14,400,000	88,800,000
NRC	-	182,066	182,066
OPM	71,732,753	-	71,732,753
RRB	-	-	-
SBA	2,784,550	-	2,784,550
SSA	4,644,334	-	4,644,334
Treasury	258,000	6,787,000	7,045,000
USAID	9,713,000	6,549,000	16,262,000
USDA	1,241,758,943 ⁴	-	1,241,758,943
USIA	527,000	-	527,000
VA	18,200,000	17,000,000	35,200,000
TOTALS	\$ 2,076,945,613	\$ 2,003,000,000	\$ 4,079,945,613

¹ DOE - \$1,971,870 from Inspections; \$660,000 from Audits.

² DOI - Includes questioned costs of \$4,713,130 for single audits.

³ FDIC - Includes results of both Audits and Evaluations.

⁴ USDA - Includes \$6,779,442 in recommendations from work performed by nonfederal auditors.

Questioned Costs

The IG Act defines a questioned cost as "a cost that is questioned by the Office because of (a) an alleged violation or provision of law, regulation, contract, grant, or cooperative agreement, or other agreement or document governing the expenditure of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable."

Table III (pp. 42-43) and Table IV (pp. 44-45) present, respectively, the total costs questioned by OIGs in FY 1997 and the total amount of management decisions to disallow costs questioned by OIGs. During FY 1997, PCIE OIG audits resulted in approximately \$4 billion in questioned costs and ECIE OIG audits resulted in approximately \$39.4 million in questioned costs.

**Table III.
ECIE — Questioned Costs**

Entity	Total	Entity	Total
ARC	\$ 75,000	NRPC	24,265,226
CPB	17,138	NSF ⁴	5,396,675
FCC ¹	446,958	PC	8,916
FHFB ²	350	PCC ⁵	2,623,365
FLRA	4,533	TVA	1,154,103
GPO	63,771	USPS ⁶	5,229,965
NEA ³	105,893		
TOTAL			\$ 39,391,893

¹ Federal Communications Commission

² Federal Housing Finance Board

³ National Endowment for the Arts

⁴ Includes \$12,811 questioned by DCAA.

⁵ Panama Canal Commission

⁶ Figures reflect both work done directly by the U.S. Postal Service Office of Inspector General and by U.S. Postal Service audit and investigation units under the oversight of the OIG.

Table IV.
PCIE — Management Decisions on Audits With Questioned Costs

Entity	No Mgmt. Dec. Start FY 1997	Recs. Issued in FY 1997	Recs. Agreed to by Mgmt.	Recs. Not Agreed to by Mgmt.	No Mgmt. Dec. End FY 1997
ACDA	\$ -	\$ -	\$ -	\$ -	\$ -
CNS	1,766,000	2,024,000	169,000	536,000	3,085,000
DOC	5,350,889	13,655,570	3,056,637	5,947,239	10,002,583
DOD	8,922,600,000	2,003,000,000	1,396,800,000	918,900,000	8,609,900,000
DOE	17,510,370 ¹	660,000	1,457,869	9,994,421	6,717,811
DOI	45,905,261 ²	17,535,994	12,340,547	11,682,922	39,417,786
DOJ	10,728,850	30,571,227	17,105,413	-	24,194,664
DOL	25,625,173	26,300,572	6,737,686	5,390,397	39,797,622
DOS	1,004,170 ³	1,400,000	626,579	1,400,000	-
DOT	139,235,000	26,591,000	22,011,000	105,926,000	37,889,000
ED	497,915,715	25,477,130	217,399,754	104,921,679	199,338,889
EPA	309,342,179	179,339,822	56,747,885	170,957,668	260,976,448
FDIC	-	20,927,794 ⁴	18,356,491	2,573,376	-
FEMA	11,867,506 ⁵	31,193,121	27,579,657	6,031,174	9,449,796
GSA	5,508,442	39,696,937	34,025,608 ⁶	10,678,789	5,892,985
HHS	507,321,000	196,015,000	125,161,000	21,727,000	556,448,000
HUD	24,132,000	44,200,000 ⁷	23,045,000	11,451,000	22,835,000
NASA	650,471	74,468,473	14,000,000	-	61,118,944
OPM	34,485,949	71,732,753 ⁸	76,404,377	20,003,475	9,810,850
RC	-	182,066	64,056	-	118,010
RRB	-	-	-	-	-
SBA	769,698	2,784,550	164,923	-	3,389,325
SSA	269,638	4,374,696	4,246,323	-	398,011
Treasury	8,384,000	7,045,000	2,803,000	1,198,000	11,428,000
USAID	10,839,000 ⁹	16,302,000	3,846,000	10,995,000	12,300,000
USDA	264,049,335	1,241,758,943	919,011,091	103,652,746	485,517,457
USIA	3,868,000	527,000	141,000	112,000	4,142,000
VA	8,900,000	35,200,000	37,500,000	2,100,000	4,500,000
TOTALS	\$10,858,028,646	\$ 4,112,963,648	\$ 3,020,800,896	\$ 1,526,178,886	\$10,418,668,181

¹DOE - This bottom line figure has been adjusted downward by \$269 to the correct figure of \$6,717,811 due to rounding on one monetary impact statement submitted to the OIG.

²DOI - Data does not reconcile to total because some reports have amounts in both the allowed and disallowed categories.

³DOS - This figure was adjusted from \$626,579 as the result of judicial appeal.

⁴FDIC - Includes Audits and Evaluation results. FDIC management disallowed nearly \$2,100 more than the OIG questioned based on report recommendations.

⁵FEMA - Three of the 21 reports totaling \$2,725,552 were in appeal status when the reporting period began. They were resolved/closed during the reporting period.

⁶GSA - Includes \$5,392,003 that management decided to seek that exceeded recommended amounts.

⁷HUD - Amount includes results for 22 cases of multifamily equity skimming with settlements totaling \$17,869,427 which were not in issued audit reports.

⁸OPM - This includes \$13.1 million which was the subject of a joint effort of the Office of Audits and the Office of Investigations.

⁹USAID - The ending balance at 9/30/96 (\$10,789,997) was increased by \$48,669 to reflect increases in the amount of recommendations contained in two reports.

Table IV reports on the status of FY 1997 management decisions to disallow costs questioned by OIGs. PCIE/ECIE managers agreed with over \$3 billion in questioned costs.

Table IV.
ECIE — Management Decisions on Audits With Questioned Costs

Entity	No Mgmt. Decision Start FY 1997	Recs. Issued in FY 1997	Disallowances Agreed to by Mgmt.	Disallowances Not Agreed to by Mgmt.	No Mgmt. Decision End FY 1997
ARC	\$ 205,000	\$ 75,000	\$ 71,000	\$ 107,000	\$ 102,000
CPB	0	17,138	0	0	17,138
FCC	1,780,646	446,958	1,961,191	1,233	265,180
FHFB	0	350	0	0	350
FLRA	0	4,533	4,533	0	0
GPO	334,403	63,771	81,941	0	316,630
NEA	948,895	105,893	13,672	1,026,486	14,630
NEH	74,500	0	54,000	0	20,000
NRPC	764,596	24,265,226	10,610,990	61,382	14,357,450
NSF	9,611,016	5,396,675	1,875,667	4,599,118	8,532,906
PC	69,424	8,916	60,383	0	17,957
PCC	145,488	2,623,365	370,777	1,480,614	917,462
SI	1,100,878	0	0	0	1,100,878
TVA	627,876	1,154,103	1,071,623	311,000	399,356
USPS ¹	3,723,155	5,229,965	892,552	1,205,903	6,854,665
TOTALS	\$ 19,385,877	\$ 39,391,893	\$ 17,068,329	\$ 8,792,736	\$ 32,916,602

¹ Figures reflect both work done directly by the U.S. Postal Service Office of Inspector General and by U.S. Postal Service audit and investigation units under the oversight of the OIG.

Investigations

The following tables illustrate the results obtained through OIG investigations during FY 1997. They summarize the statistical accomplishments reported by the individual IGs in their semi-annual reports to the Congress as of March 31 and September 30, 1997. The accomplishments — successful criminal prosecutions, administrative sanctions, and investigative recoveries — include results of joint investigations.

During FY 1997, ECIE OIG investigations resulted in 10,048 successful criminal prosecutions, of which 10,013 were accomplished by the U.S. Postal Service; PCIE OIG investigations resulted in 5,613 successful prosecutions, of which 1,469 were deportations by SSA (*Table V, p. 46*).

**Table V.
PCIE — Successful Criminal Prosecutions**

Entity	Total	Entity	Total
ACDA	1	GSA	31
CNS	1	HHS	215
DOC	1	HUD	314
DOD	332	NASA	25
DOE	25	NRC	2
DOI	60	OPM	20
DOJ	91	RRB	89
DOL	225	SBA	54
DOS	9	SSA ¹	2,507
DOT	324	Treasury ²	348
ED	70	USAID	2
EPA	10	USDA	703
FDIC	25	USIA	0
FEMA	19	VA	110
TOTAL			5,613

¹ SSA - Of which 1,469 were deportations.

² Treasury - Non-OIG = 341 (includes the Internal Affairs and Inspection Services of Treasury's Law Enforcement Bureaus: ATF, Customs, IRS, and Secret Service).

ECIE — Successful Criminal Prosecutions

Entity	Total	Entity	Total
EEOC ¹	1	NSF	1
FCC	2	PBGC ³	1
FHFB	1	PC	3
FTC	1	PCC	1
GPO	3	SEC ⁴	1
NARA ²	1	TVA	12
NRPC	7	USPS ⁵	10,013
TOTAL			10,048

¹ Equal Employment Opportunity Commission

² National Archives and Records Administration

³ Pension Benefit Guaranty Corporation

⁴ Securities and Exchange Commission

⁵ Figures reflect both work done directly by the U.S. Postal Service Office of Inspector General and by U.S. Postal Service audit and investigation units under the oversight of the OIG.

During FY 1997, PCIE OIG investigations resulted in 2,128 personnel actions; ECIE OIG investigations resulted in 3,645 personnel actions, including 3,493 actions by the U.S. Postal Service (*Table VI, below*).

Table VI.
PCIE — Personnel Actions

Entity	Total	Entity	Total
ACDA	2	GSA	22
CNS	3	HHS	6
DOC	22	HUD	10
DOD	153	NASA	43
DOE ¹	39	NRC	40
DOI	61	OPM	3
DOJ	130	RRB	1
DOL ²	213	SBA	2
DOS	87	SSA	44
DOT	38	Treasury ³	985
ED	10	USAID ⁴	11
EPA	19	USDA	66
FDIC	15	USIA	8
FEMA	3	VA	92
TOTAL			2,128

¹ DOE - 23 from Investigations, 16 from Inspections

²DOL - Includes individuals who received counseling and retraining.

³ Treasury - Includes Internal Affairs and Inspection Services of Treasury's Law Enforcement Bureaus: ATF, Customs, IRS, and Secret Service.

⁴ USAID - One termination occurred July 1996 but was reported in FY1997.

ECIE — Personnel Actions

Entity	Total	Entity	Total
CPSC ¹	1	NSF	8
EEOC	1	PBGC	30
FCC	1	PC	29
FRB	1	PCC	2
FTC	1	SEC	11
GPO	37	SI	5
NARA	4	TVA	12
NLRB ²	3	USPS ³	3,493
NRPC	8		
TOTAL			3,647

¹ Consumer Products Safety Commission

² National Labor Relations Board

³ Figures reflect both work done directly by the U.S. Postal Service Office of Inspector General and by U.S. Postal Service audit and investigation units under the oversight of the OIG.

PCIE OIG investigations resulted in more than 6,000 suspensions or debarments during FY 1997, and ECIE OIG investigations resulted in 25 suspensions or debarments (*Table VII, below*).

Table VII.

PCIE — Suspensions/Debarments

Entity	Total	Entity	Total
ACDA	0	GSA	80
CNS	0	HHS	2,719
DOC	0	HUD	107
DOD	214	NASA	14
DOE	58	NRC	0
DOI	4	OPM	1,887
DOJ	1	RRB	0
DOL ¹	61	SBA	2
DOS	1	SSA	0
DOT	36	Treasury	2
ED	22	USAID	2
EPA	10	USDA	1,099
FDIC ²	0	USIA	0
FEMA	0	VA	21
TOTAL			6,340

¹ DOL - DOL's Office of Investigations has two major investigative programs: (1) the Division of Program Fraud, which administers an investigative program within DOL to detect and deter fraud, waste, and abuse in the operation and administration of DOL programs and (2) the Division of Labor Racketeering, whose primary emphasis benefits plans. As a result, the definition of Debarments/Sanctions has been broadened as follows:

The subject, entity or firm was prohibited from doing business with the Government and/or was barred from serving in any labor union or employee benefit plan position as the result of criminal conviction, a civil action (including a Civil RICO Judgement), or a government or internal disciplinary proceeding.

² FDIC - FDIC has no suspension/debarment procedures in effect during the covered period.

ECIE - Suspensions/Debarments

Entity	Total	Entity	Total
FCC	1	NSF	3
GPO	20	PCC	1
TOTAL			25

PCIE OIG investigations during the period resulted in recoveries of funds totaling approximately \$2.6 billion; ECIE OIG investigations during FY 1997 resulted in recoveries of funds totaling approximately \$379 million (*Table VIII, below*).

Table VIII.
PCIE — Investigative Recoveries

Entity	Total	Entity	Total
ACDA	\$ -	GSA	18,054,013
CNS	2,057	HHS	1,186,229,000
DOC	395,742	HUD	17,040,057
DOD	961,758,189	NASA	47,170,557
DOE ¹	4,295,503	NRC	15,100
DOI	6,394,590	OPM ²	23,802,197
DOJ	4,464,943	RRB	6,918,892
DOL	34,100,000	SBA	24,681,064
DOS	868,697	SSA ³	64,000,000
DOT	12,418,807	Treasury ⁴	10,544,000
ED	13,936,047	USAID ⁵	7,950,247
EPA	3,930,000	USDA	80,219,074
FDIC	8,925,390	USIA	547
FEMA	55,000,000	VA	17,600,000
TOTAL			\$ 2,610,714,713

¹ DOE - Includes \$2,730 from Inspections.

²OPM - Includes \$13.1 million, which was the subject of a joint effort of the Office of Audits and the Office of Investigations.

³SSA - Includes \$21,450,322 based on calculations of actual dollar loss by actions that resulted in the termination of improper payments or improper expenditures of program funds over a 5-year period.

⁴Treasury - Includes \$10,383,000 from non-OIG activities, including the Internal Affairs and Inspection services of Treasury's Law Enforcement Bureaus: ATF, Customs, IRS and Secret Service.

⁵USAID - One restitution of \$21,000 occurred in July 1996 but was reported FY 1997.

ECIE — Investigative Recoveries

Entity	Total	Entity	Total
FCC	\$ 60,000	NSF	500,241
FHFB	1,608	PBGC	16,965
FTC	9,285	PC	3,400
GPO	405,736	PCC	24,250
ITC ¹	1,786	SEC	17,000
NARA	2,830	SI	587
NEA	26	TVA	2,919,494
NRPC	113,251	USPS ²	375,099,077
TOTAL			\$ 379,175,536

¹ International Trade Commission

² Figures reflect both work done directly by the U.S. Postal Service Office of Inspector General and by U.S. Postal Service audit and investigation units under the oversight of the OIG.

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*Note: The members listed are those in service
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GLOSSARY OF ACRONYMS AND ABBREVIATIONS

ARC	Appalachian Regional Commission
BCBS	Blue Cross and Blue Shield
BEP	Bureau of Engraving and Printing
BOP	Bureau of Prisons
CACFP	Child and Adult Care Food Programs
CHAMPUS	Civilian Health and Medical Program of the Uniformed Services
CNS	Corporation for National and Community Service
DCAA	Defense Contract Audit Agency
DOC	Department of Commerce
DOD	Department of Defense
DOE	Department of Energy
DOI	Department of Interior
DOJ	Department of Justice
DOL	Department of Labor
DOS	Department of State
DOT	Department of Transportation
ECIE	Executive Council on Integrity and Efficiency
ED	Department of Education
EEOC	Equal Employment Opportunity Commission
EPA	Environmental Protection Agency
ERC	Experience-rated carrier
FAA	Federal Aviation Administration
FBI	Federal Bureau of Investigation
FCC	Federal Communications Commission
FDIC	Federal Deposit Insurance Corporation
FEHBP	Federal Employees Health Benefits Program
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FMS	Financial Management Service
FPS	Federal Protective Service
FRB	Federal Reserve Board
FSS	Federal Supply Schedule
GAO	General Accounting Office
GPO	Government Printing Office

GPRA	Government Performance and Results Act
HCFA	Health Care Financing Administration
HHS	Department of Health and Human Services
HIPAA	Health Insurance Portability and Accountability Act
HUD	Department of Housing and Urban Development
ILEA	International Law Enforcement Academy
INS	Immigration and Naturalization Service
IRS	Internal Revenue Service
IT	Information technology
LOC	Letter of credit
MOU	Memorandum of Understanding
MRV	Machine-readable visa
NASA	National Aeronautics and Space Administration
NOAA	National Oceanic and Atmospheric Administration
NPS	National Park Service
NRC	Nuclear Regulatory Commission
NSF	National Science Foundation
NTIS	National Technical Information Service
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OSC	Office of Special Counsel
PGBC	Pension Benefit Guaranty Corporation
PCIE	President's Council on Integrity and Efficiency
QIT	Quality Improvement Team
RICO Act	Racketeer Influenced and Corrupt Organizations Act
RRB	Railroad Retirement Board
RTC	Resolution Trust Corporation
SBA	Small Business Administration
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security number
Treasury	Department of the Treasury
TVA	Tennessee Valley Authority
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
VA	Department of Veterans Administration

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