ARRA: New Model for Government-wide Reporting
The Era of Accountability and Transparency

Recovery Accountability and Transparency Board

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Federal Audit Executive Council
November 16, 2011
Overview

- The Reporting Paradigm Shift
- The Tools of Transparency and Accountability
- ARRA/Recovery Concepts
- Recovery Operations Center
- Recovery Innovations
- Future.....
Recovery Act Established--2009

The Paradigm Shift: Reporting for Transparency, Compliance and Accountability
Federal Reporting Status Quo

Grant, Contract & Loan Recipients

FEDERAL AGENCIES

Federal Funding Programs

USASpending.gov
FPDS, FPDS

Public
The Reporting Paradigm Shift

Grant, Contract & Loan Recipients

Federal Government
FederalReporting.gov
Recovery.gov

FEDERAL AGENCIES
Federal Funding Programs

Public
System Architecture for ARRA to Support Accountability and Transparency

**FederalReporting.gov**
Recipient In-Bound Reporting

- Recipient Registration
- Recipient Reporting
- Recipient Corrections
- Agency Validation
- Reporting Activities Recorded for Audit Trail

**Recovery.gov**
Public Out-Bound Reporting

- Public Web Portal
- Data Storage
- Data Visualization/Presentation
- Content Management
- Pre-Complied Reports
- Download of Raw Data

Data Replication
Timeline of a Reporting Quarter

Day 1
- Reporting
- Award Reports Tracking System (ARTS)
- Statistics Reports

Day 11
- Continuous Review
- Non-Compliant

Day 22
- Performance Reports

Day 30
- System Updates
- ARTS
FederalReporting.gov Provides

- Daily extracts of recipient data for agencies
- State extracts
- Ability for bulk reporting from recipient

ARRA Reporting Tracking System (ARTS):

- Designed to identify when recipients report or not—based on initial submission
- Tracks until reports are marked “final and complete”

Review and Changing Data

- Review and comment period during reporting
- Continuous review between reporting periods—change data
- Automated Data Change request tool
## Automated Report Tracking System (ARTS)

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</table>
Data Change Process

- Identify errors
- Submit change request through ADC tool
- View requests
- Evaluate requests
- Process requests
- Receive notifications
- Track requests
- Publish requests
Automated Data Change (ADC) Tool

- Provides access through FederalReporting.gov
- Allows request changes only on existing reports
- Provides feedback, approvals, and denials directly to requestor
- Tracks requests throughout the process trail
- Generates notifications at key milestones
What Changes Can Be Requested?

- Deactivate
- Link Reports
- Mark as ‘Final’
- Other
  - Changes to any other data fields can be requested, except...
  - Job Numbers → cannot be changed
Why Make Data Changes

- Change records that your recipient will no longer address
- Change data to reflect correct awarding agency, Treasury Symbol, CFDA because report is final and project is complete
- Deactivate non-ARRA reports
- Eliminate duplications
When to Make Changes

- ADC should not be used to make changes that can be made in the current quarter (e.g., updates to the award amount).
- Recipients and agencies should concentrate on the current quarter reporting.
- Changes should be to past quarter records.
- ADC was deployed on April 2011
Recovery.gov

- Recovery.gov is Transparent and Accountable
  - Identifies reporters and non-compliers
  - Identifies funded projects
  - Uses maps to identify location of projects
  - Downloadable data for use—updated on a regular basis
  - Searchable information
  - Recipient Profile—New Feature
Navigating to Recipient Profile Search from recovery.gov
Step 1: Where Is The Money Going?

- Hover over or click on: “Where Is The Money Going?”
- Select: Recipient Reported Data
Step 2: Recipient Reported Data

RECIPIENT REPORTED DATA

All data in the Recipient Reported Data section comes from the recipients of federal contract, grant, and loan awards (entitlements and tax benefits paid under Recovery are not included). In this section, you will see the cumulative data for February 17, 2009 -- September 21, 2011.

The job data reported by recipients is for Quarter 2, 2011 (April 1, 2011 -- June 30, 2011) only.

Projects Map -- Recipient data geocoded to the project's place of performance.

Recipient Profile Summary -- See all the information about each recipient, including number of awards, amount awarded, and relationships to other recipients.

Quarterly Summary -- Funds awarded and received, number of jobs, and completion status of projects by quarter.

State/Territory Summaries -- Recipient information by state, including total funds received, jobs, top zip codes, and more.

Jobs Summary -- Top agencies, programs, and contracts that funded jobs.

State/Territory Totals by Award Type -- State-by-state breakdowns by federal contract, grant, and loan awards.

State/Territory Totals by Agency -- The breakdown of the number and amounts of awards and the jobs funded by each federal agency.

Late Reporters -- Information on how many recipients reported after the close of reporting.

Changed Reports -- Changes made to reports from the July 2011 reporting period.

See how jobs are calculated.

For information on recipients of Education Jobs Fund awards, visit educationjobsfund.gov.
Direct Navigation to Recipient Profile Search
Recipient: American University

### Recipient Profile

**American University**

DUNS Number: 977800699
WASHINGTON, District of Columbia 20016
Congressional District: 50

**$1,968,093**

Total Funds Awarded

<table>
<thead>
<tr>
<th>Number of Awards</th>
<th>Total Funds Awarded</th>
<th>Total Funds Received</th>
<th>Total Funds Expended</th>
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<td>3</td>
<td>$1,934,048</td>
<td>$1,124,106</td>
<td>$1,128,376</td>
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</table>

As Prime Recipient

- Number of Awards: 2
- Total Funds Awarded: $1,934,048

As Sub Recipient

- Number of Awards: 1
- Total Funds Awarded: $33,415

As of October 2011

### Top Awards

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Award Amount</th>
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<tr>
<td>NSF Teaching Fellowship and Master Teaching Fellowship (TF-MIT) Awards Math for America Washington, DC Partnership</td>
<td>$436,690</td>
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<tr>
<td>Student Financial Assistance-PHS</td>
<td>$33,415</td>
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### Estimated Jobs by Quarter

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<th>Quarter</th>
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### Completion Status for Prime Awards

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### Primes vs. Sub Recipient Awards

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<th>As Sub-Recipient</th>
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<tr>
<td>Number of Awards</td>
<td>$33,415</td>
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<tr>
<td>Number of Awards</td>
<td>$1,934,048</td>
</tr>
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</table>

### More Details about Total Funds

- More Details about Estimated Jobs
- More Details about Relationships

Note: Message to change data

Select in each graph
More Details
Relationships of Recipient: American University

**RECIPENT RELATIONSHIPS**

**AMERICAN UNIVERSITY**
DUNS Number: 077795090
WASHINGTON, District of Columbia 20016

[Back to Recipient Summary]

The Recipient you searched for received awards from the Prime Recipients listed below.

**1 PRIME RECIPIENT, TOTAL FUNDS AWARDED: $878,148**

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Funds Awarded</th>
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<tbody>
<tr>
<td>UNIVERSITY OF WISCONSIN SYSTEM (027906399)</td>
<td>$878,148</td>
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The Sub-recipients below received awards from the Recipient you searched for.

**1 SUB-RECIPIENT, TOTAL FUNDS AWARDED: $1,121,600**

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Funds Awarded</th>
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<tbody>
<tr>
<td>CARNEGIE INSTITUTION OF WASHINGTON (072641707)</td>
<td>$1,121,600</td>
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Required Plug-ins

[Are you a Recipient?]

To make corrections to your Recipient Profile

Visit FederalReporting.gov
### More Information as a Sub

#### Sub-Award Transactions

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<td>Required To Report Top 5 Highly Compensated Officials</td>
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All recipients are put through a risk model using variables that are constantly being monitored for relevancy.
Accountability

- Hotline
- ROC evaluations and referrals to IGs
- Non-compliers
- Special projects
- Proactive prevention efforts by Board, Agencies, and Inspectors General – identify and prevent fraud at an early stage – FastAlert (in development)
Key Processes in the ROC:

Three key processes:
- Screening
- Analyses
- Predictive Modeling

- We incorporate an in-depth fraud analysis capability, utilizing the vast amount of public information about companies receiving Recovery funds in order to identify non-obvious relationships between legal entities.

- These relationships will unveil facts that may not have been transparent to government officials at the time of contract or grant award. These relationships may result in leads and observations for investigations and audits, identifying an added risk factor, or identifying excluded parties receiving Recovery funds.
ROC Analytics: Sample Case

Subject Company 1 currently has a pending TCAP grant for millions.

According to a news article, Subject Company 2 and Subject Company 1 formed Subject Company 1 as a joint venture.


The following companies are listed at the same residential address of Subject 1.

Four executives of Subject Company 2 were indicted for embezzling money from the company.
Datasets Currently Used by the ROC

1. Regulatory Data Corp (RDC)-over 13 million risk relevant global public records
2. Recovery.gov recipient and agency reporting information
3. *RATB Fraud Hotline complaint information
4. *Recovery IG complaint information
5. *RATB internally-generated procurement issues and observations
6. Central Contractor Registration (CCR)
7. Excluded Parties List System (EPLS)
8. Health and Human Services (HHS) Excluded Entities List
9. Death Master File
10. IRS Auto-Revocation List (ARL)
11. Federal Procurement Data System (FPDS)
12. USASpending.gov
13. Federal Assistance Award Data System (FAADS)
14. Dun and Bradstreet (D&B) Data- over 192 million records
15. Accurint/LexisNexis
16. Online Representations and Certifications Application (ORCA)
17. Public Access to Court Electronic Records (PACER)
18. *FinCEN
19. CLEAR
20. Small Business Administration – Dynamic Small Business Search
21. State Records
22. Social Networking sites – FaceBook & Linked-In

* Denotes Law Enforcement Sensitive Datasets
In the Works

- FastAlert
- Unstructured Text Search Tool
- Legislation
FastAlert

High-Level Accountability Process Flow

Data Management
Structured and unstructured data is consumed from numerous data sources and normalized (Via Data Management Teams and SAP HANA).

Data Mining
A variety of processes and automated discovery tools applied to data (examples include ESRI, Palantir, Risk Scorecard; SAP Business Objects, etc.). Data anomalies are then forwarded to Board analysts.

Analysis
Board analysts using tools (such as Endeca, ESRI, Palantir, SAP Recovery Explorer, SAS, etc.) generate alerts, observations, and leads that are either sent directly to the appropriate entity or accessed directly via FederalAccountability.gov.

FederalAccountability.gov

Law Enforcement User

Non-Law Enforcement User
Unstructured Text Search Tool

➢ iConnex

Contact Information
DHS
Stephen Knox 202-254-2291
ARRA: New Concepts for the Future

Moving into the Future

with

The Recovery Model
Universal Award ID Concept

- IG Paper on ARRA Data Quality—recommends use of standard award ID for ARRA awards to improve data quality
- Recovery Board white paper further outlines the need for a government-wide award ID that is:
  - standard in format
  - easily identified
  - applied to all funding awards
  - does not intrude on current agency systems/processes
  - may be generated from a central point

GATB Reviewing Universal Award ID Concept
ARRA Completely Transparent
Close-Out

- Developing a public close-out or reconciliation for ARRA Awards
  - Publish when an award is “closed-out”
  - Allows the public to see the final reconciliation for the awards
- Identifying “close-out”
  - Reports marked “final and complete” from the recipient can identify the beginning of “close-out”
  - Include agency acceptance
- Completes the life-cycle of an ARRA award
ARRA Innovation for the Future

ARRA and Recovery Board the innovative model shows:

- Government-wide reporting can be done
- Basic standard data and central collection can reduce reporting burden
- Central reporting reduces timeframe for public and management receiving decision-making information
- Can make spending data available in useful formats for all stakeholders
- Innovative and flexible technology can be quickly implemented
- Areas for standardization (award IDs)
- Sub-recipients can report & with amount awarded
- Data quality techniques can be established government-wide
- Data review and correction tools available for stakeholders
- Public knowledge of Federal funding activities
- Technology supporting fraud, waste and abuse
- Developing risk and common due diligence capabilities (ROC)
ARRA: The Changed Reporting Paradigm

1. Proven that government-wide reporting can happen—high compliance rate—*can continue*
2. Government can provide a usable reporting tool that can be enhanced for recipients—*can continue*
3. Government can publish quality data that links expenditures to obligations for each award—*can continue*
4. Agencies have proven that report reviews can be timely—if given the proper tools—*can continue*
5. Categorized awards into functional areas from various agencies—similar programs to similar programs—*can continue*
6. Sub-recipients are reporting is important to understanding funding and performance of awards—*can continue*
7. Basic performance information can help manage awards, programs and departments’ priorities—using the 99 data elements—*can continue*
The Future is Here

Recovery tackled:
- Newer technology for government to offer more support to stakeholders
- Simplified government-wide reporting requirements
- Timely reports to timely published information

Reality for the Future:
- Data Act more explicit
- Creation of GATB
- New Federal Assistance Reform Council

Needed for the Future:
- Universal Identification and Standardization
Questions/Comments

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