

November 25, 2008

The Honorable Richard Cheney President United States Senate Room S-212, The Capitol Washington, DC 20510

Dear Mr. Vice President:

Enclosed is the Inspector General's Semi-Annual Report to the Congress along with the Corporation's Report on Final Action, as required under Section 5 of the Inspector General Act.

These reports cover the six-month period from April 1, 2008 through September 30, 2008. During this period, the Corporation made management decisions on nine audits and completed final action on or closed 16 audits. Subsequent to the end of this period, the Corporation completed final action on three additional audits.

We are sending copies of this semi-annual report to interested Congressional committees, the Office of Management and Budget, and the Corporation's Board of Directors. We will also make copies available to others on request.

If you have any questions concerning these reports, please contact me or the Corporation's Inspector General for Gerald Walpin.

Sincerely,

Milola f

Nicola Goren Acting Chief Executive Officer

Enclosures: Table I Table II Table III Distribution List Semiannual Report to Congress: April 1, 2008 to September 30, 2008







November 25, 2008

The Honorable Nancy Pelosi Speaker United States House of Representatives Room H – 232, The Capitol Washington, DC 20515

Dear Madam Speaker:

Enclosed is the Inspector General's Semi-Annual Report to the Congress along with the Corporation's Report on Final Action, as required under Section 5 of the Inspector General Act.

These reports cover the six-month period from April 1, 2008 through September 30, 2008. During this period, the Corporation made management decisions on nine audits and completed final action on or closed 16 audits. Subsequent to the end of this period, the Corporation completed final action on three additional audits.

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Sincerely,

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Nicola Goren Acting Chief Executive Officer

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## TABLE I

## ACTION TAKEN ON AUDIT REPORTS (for the period April 1, 2008 through September 30, 2008)

Ł		Number of <u>Reports</u>	Disallowed Costs (\$000)
А.	Audit reports with final action not taken by the commencement of the reporting period.	37	\$1,152
В.	Audit reports issued by the OIG during the reporting period.	10	0
C.	Audit reports for which final action was taken during the reporting period.	17	\$562
	<ol> <li>Recoveries<sup>1</sup> <ul> <li>(a) Collections and offsets</li> <li>(b) Property in lieu of cash</li> <li>(c) Other (reduction of questioned costs)</li> </ul> </li> </ol>	12	\$223
	2. Write-offs	0	
	3. Audits with no disallowed costs <sup>2</sup>	5	0
D.	Audit reports for which final action was not taken by the end of the reporting period. <sup>3</sup>	20	\$599
E.	Audit reports for which management decisions were made during or prior to the six-month reporting period and for which final action is underway.	2	0

 <sup>&</sup>lt;sup>1</sup> Recoveries include audits for which final action was taken in prior reporting periods.
 <sup>2</sup> These 3 audits had no questioned costs and, therefore, no costs to allow or disallow.
 <sup>3</sup> This includes 19 audits issued this period and those from the previous periods for which final action is not overdue.

## TABLE II REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE (for the period April 1, 2008-September 30, 2008)

	Number of <u>Audit Reports</u> Dollar va	<u>alue (\$000s)</u>
A. Reports for which final action had not been taken by the commencement of the reporting period.	23	\$1,964
B. Reports for which management decisions were made during the reporting period.	. 6	\$19
C. Reports for which final actions was taken during the reporting period.	9	*\$429
i. Dollar value of recommendations completed		\$135
ii. Dollar value of recommendations that management has concluded should not or could not be implemented		\$293
D. Reports for which no final action had been taken by the end of the reporting period.	14	\$1,535

## TABLE III Reports Described in Prior Semiannual Reports Without Final Action

Audit #	Title	Date Issued	Date Due	Disallowed Cost	Status of Action/Reason No Final Action was Taken
07-21	United States Veterans Initiative	9/10/2007	9/9/08	\$417,301	We are waiting on the Inspector General's review of the management decision before we report that corrective action is completed.
08-04	USVI Agreed Upon Procedures	11/21/2007	11/20/08	\$41,984	The Corporation completed corrective action on the audit on 11/25/08.

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