

Archived Information

OFFICE OF THE INSPECTOR GENERAL (OIG)

Goal: To promote the efficient and effective use of taxpayer dollars in support of American education by providing independent and objective assistance to the Congress and the Secretary of Education in assuring continuous improvement in program delivery, effectiveness, and integrity.

FY 2001—\$36,500,000 (Requested budget)

OBJECTIVE 1: OIG PRODUCTS AND SERVICES ARE USED BY THE DEPARTMENT, CONGRESS, AND OTHER INTERESTED PARTIES TO IMPROVE THE EFFICIENCY, EFFECTIVENESS, AND INTEGRITY OF EDUCATION PROGRAMS AND OPERATIONS.

Indicator 1.1 The number and percentage of significant recommendations accepted and implemented will increase.

Targets and Performance Data			Assessment of Progress	Sources and Data Quality
<i>Recommendations accepted</i>			<p>Status: Performance improved from FY 98. Continued improvement is likely because of increased emphasis on resolution and follow up and on timing; some corrective actions take time to fully implement where legislative, regulatory, or system changes are required.</p> <p>Recommendations related to reports issued in prior fiscal years and for which corrective action was initiated may now just be at the completion stage.</p> <p>Explanation: The percentage is calculated by adding up the total number of significant recommendations that have been resolved for the fiscal year and dividing that number into the total number of significant recommendations that had been accepted for the fiscal year. This indicator uses only recommendations from audit work. This information is only for jobs that are related to Objective 1.</p> <p>Significant monetary recommendation is defined as to recovering monetary amounts of questions, unsupported, or other dollars of \$300,000 or more. It also includes the associated recommendation to establish/implement control techniques to prevent recurrence of the condition that gives to the monetary finding or better use of funds of \$500,000 or more.</p>	<p>Source: OIG audit files that are provided to our office by the regions. A spreadsheet was prepared with the data that were used in determining this information.</p> <p><i>Frequency:</i> Annually. <i>Next Update:</i> FY 2000.</p> <p>Validation Procedure: Data verified using ED's <u>Standards for Evaluating Program Performance Data</u>.</p> <p>Limitations of Data and Planned Improvements: The measure includes only recommendations from audit reports. Significant recommendations from other OIG services, such as quick response projects and consulting, are not included in this measure. The classification of OIG work as "Improvement" or "Integrity" is somewhat subjective. Some work relates to both areas.</p>
Year	Actual Performance	Performance Targets		
FY 1998:	50 (67%)			
FY 1999:	70 (71%)	Continuing increase		
FY 2000:		Continuing increase		
FY 2001:		Continuing increase		
<i>Recommendations implemented</i>				
Year	Actual Performance	Performance Targets		
FY 1998:	25 (13%)			
FY 1999:	62 (37%)	Continuing increase		
FY 2000:		Continuing increase		
FY 2001:		Continuing increase		

Targets and Performance Data	Assessment of Progress	Sources and Data Quality
	Significant nonmonetary recommendation is a recommendation to establish/implement procedures or control techniques to (1) improve the effective or efficient delivery of program services; (2) safeguard assets or prevent fraud, waste, or abuse; or (3) improve the integrity, accuracy, and completeness of management data involving a program, or a significant component of any program, funded at \$500,000 or more annually.	

Indicator 1.2 Customers will be satisfied with OIG products and services.

Targets and Performance Data			Assessment of Progress	Sources and Data Quality
Year	Actual Performance	Performance Targets	Status: Unable to determine. Explanation: New indicator.	Source: Information will come from the party audited. Frequency: Annually. Next Update: FY 2000. Validation Procedure: To be established. Limitations of Data and Planned Improvements: In the past, an audit questionnaire was included with OIG audits. The response was poor. To obtain better responses, we have worked with the Office of Chief Information Officer to develop an email survey. The success will depend upon the cooperation of those audited.
FY 1999:	Not available	No target set		
FY 2000:		To be collected		
FY 2001:		To be determined based on analysis of baseline data		

Indicator 1.3 Resources (as measured by the percentage of staff time) will be deployed in accordance with the Work Plan.

Targets and Performance Data			Assessment of Progress	Sources and Data Quality
Year	Actual Performance	Performance Targets	Status: No significant change in performance from FY 98 to FY 99. Explanation: This number was calculated by taking the total number of staff hours that the office charged to jobs in the Work Plan and dividing it by the hours that were spent on Goal 1. The OIG Work Plan baseline is at the start of the fiscal year, October 1. The actual performance achieved will never reach 100 percent because the Work Plan covers a two-year period, and new jobs are identified that take precedence for reasons such as risk or need for immediate completion.	Source: Time and Travel Reporting System. Frequency: Annually. Next Update: FY 2000. Validation Procedure: Data verified using ED's <u>Standards for Evaluating Program Performance Data</u> . Limitations of Data and Planned Improvements: Based on self-reported data generated by ED staff.
FY 1998:	48%			
FY 1999:	46%	Continuing increase		
FY 2000:		Continuing increase		
FY 2001:		Continuing increase		

Indicator 1.4 The number, percentage, or both, of Work Plan assignments initiated will increase.				
Targets and Performance Data			Assessment of Progress	Sources and Data Quality
Year	Actual Performance	Performance Targets	<p>Status: No significant change in performance from FY 98 to FY 99.</p> <p>Explanation: This indicator measures the degree to which OIG work done during the fiscal year related to Objective 1 (Improvement of programs and operations) is work identified in the annually updated OIG Work Plan. Annually, the OIG prepares a Work Plan that contains projects deemed to be the most important. The denominator of the percentage is the number of projects from a prior Work Plan plus any additions to the current Work Plan. The numerator is the number of audit projects started. This indicator includes those projects where the objectives were intended to improve programs or operations. This information reflects only jobs that are coded as Objective 1.</p> <p>The OIG Work Plan baseline is at the start of the fiscal year, October 1. The actual performance achieved will never reach 100 percent because the Work Plan covers a 2-year period, and new jobs are identified which take precedence for reasons such as risk or need for immediate completion.</p>	<p>Source: OIG report on Work Plan Project Status Sheets. All work is listed in Work Plan Project Status Sheets by audit project number.</p> <p><i>Frequency:</i> Annually. <i>Next Update:</i> FY 2000.</p> <p>Validation Procedure: Data verified using ED's <u>Standard for Evaluating Program Performance Data</u>.</p> <p>Limitations of Data and Planned Improvements: The calculation is of projects not resources. The calculation does not indicate the degree to which OIG resources are devoted to projects included in the OIG Work Plan.</p>
FY 1998:	61%			
FY 1999:	62%	Continuing increase		
FY 2000:		Continuing increase		
FY 2001:		Continuing increase		

OBJECTIVE 2: OIG'S WORK DISCLOSES SIGNIFICANT FRAUD, WASTE, AND ABUSE; RESULTS IN ENFORCEMENT ACTIONS; AND PROMOTES DETERRENCE. WORK DISCLOSES SIGNIFICANT FRAUD, WASTE, AND ABUSE AND RESULTS IN ENFORCEMENT ACTIONS OR OTHER SIGNIFICANT CORRECTIVE ACTIONS AS MEASURED BY THE FOLLOWING INDICATORS.

Indicator 2.1 The number and percentage of cases presented for enforcement actions that are accepted by enforcement officials will increase.				
Targets and Performance Data			Assessment of Progress	Sources and Data Quality
Year	Actual Performance	Performance Targets	<p>Status: Performance improved from FY 98.</p> <p>Explanation: The OIG receives and reviews allegations of fraudulent conduct involving funds disbursed through the Department's programs and of misconduct by Department employees and contractors. Preliminary investigative activity determines which allegations have merit, and formal criminal, civil, and administrative investigations are initiated.</p>	<p>Source: Agents are required to report in a timely manner instances in which investigative cases are presented to, and accepted or declined for action by, enforcement officials.</p> <p><i>Frequency:</i> Annually. <i>Next Update:</i> FY 2000.</p> <p>Validation Procedure: Data verified using ED's Standards for Evaluating Program Performance Data.</p>
FY 1998:	79 (69%)			
FY 1999:	82 (80%)	Continuing increase		
FY 2000:		Continuing increase		
FY 2001:		Continuing increase		

Targets and Performance Data			Assessment of Progress	Sources and Data Quality
			In FY 99, the civil prosecutions of the clients of two financial aid consultants primarily accounted for the <u>increase</u> in their percentage of cases accepted for enforcement action. The percentage is calculated as the total number of cases accepted for an enforcement action divided by the number of cases presented to enforcement officials during the year.	Limitations of Data and Planned Improvements: The supervisors and desk officers need to ensure that agents are reporting these items in an appropriate and timely fashion. Review of ICTS data as part the 90-day case review process includes reviewing the timely and accurate reporting of data.

Indicator 2.2 The number and percentage of presented cases resulting in enforcement actions (e.g., indictments, civil filings, convictions, adverse personnel actions, suspensions and debarments) will increase.

Targets and Performance Data			Assessment of Progress	Sources and Data Quality
Year	Actual Performance	Performance Targets	Status: Performance improved from FY 98. Explanation: In FY 99, the civil prosecution of the clients of two financial aid consultants primarily accounted for the increase in the percentage of accepted cases resulting in enforcement actions. Many investigations by the OIG result in prosecutorial activity (indictments, information, pre-trial diversions, and convictions), civil proceedings, personnel actions, and suspension and debarments. The percentage is calculated as the total number of enforcement actions divided by the number of cases presented for enforcement action in each fiscal year.	Source: Enforcement actions are initiated by sources outside the OIG. Therefore, the OIG relies on action and documentation from officials from the Department of Justice and the Department of Education. When enforcement actions occur, agents are required to report the items in the ICTS in a timely manner. <i>Frequency:</i> Annually. <i>Next Update:</i> FY 2000. Validation Procedure: Data verified using ED's <u>Standards for Evaluating Program Performance Data</u> . Limitations of Data and Planned Improvements: Agents, supervisors, and desk officers must ensure that these data are inputted in the ICTS system in a timely and accurate manner. Review of ICTS data as part the 90-day case review process adds to the timely and accurate reporting of data.
FY 1998:	33 (29%)			
FY 1999:	50 (49%)	Continuing increase		
FY 2000:		Continuing increase		
FY 2001:		Continuing increase		

Indicator 2.3 The amount of monetary penalties, settlements, and recoveries will increase.

Targets and Performance Data			Assessment of Progress	Sources and Data Quality
Year	Actual Performance	Performance Targets	Status: Performance decreased from FY 98. Explanation: Overall, a decrease of \$44 million occurred from 1998 to 1999. A significant portion of the decline can be attributed to the 1998 conclusion of a lengthy investigation that resulted in a \$28 million civil settlement and a \$2 million fine. Given the nature of our investigative work, this indicator must be used judiciously and in conjunction with other indicators. Criminal prosecution is not undertaken primarily to recover money.	Source: Semiannual Report to Congress (Audit Tracking System, Investigative Tracking System, Common Audit Resolution System, and Department of Justice). <i>Frequency:</i> Annually. <i>Next Update:</i> FY 2000. Validation Procedure: Data verified using ED's <u>Standards for Evaluating Program Performance Data</u> .
FY 1998:	\$67 million			
FY 1999:	\$24 million	Continuing increase		
FY 2000:		Continuing increase		
FY 2001:		Continuing increase		

Targets and Performance Data	Assessment of Progress	Sources and Data Quality
	Enforcement actions that result in a conviction or civil settlements/judgments typically include court-ordered restitution and fines, and the payment of civil penalties. Additionally, OIG audits result in sustained questioned costs and sustained unsupported costs. These monetary figures are compiled into a grand total to determine a financial assessment of enforcement and corrective actions initiated by OIG work.	Limitations of Data and Planned Improvements: Agents, auditors, supervisors, and desk officers must ensure that these data are inputted in the ICTS and ATS systems in a timely and accurate manner. Review of ICTS data as part of the 90-day case review process adds to the timely and accurate reporting of data.

Indicator 2.4 The number and percentage of significant recommendations in compliance audits accepted.

Targets and Performance Data			Assessment of Progress	Sources and Data Quality
<i>Compliance audits accepted</i>			<p>Status: Performance improved from FY 98. Increase is likely because of increased emphasis on resolution and followup and because of timing; that is, some corrective actions take time to be fully implemented when legislative, regulatory, or system changes are required. Recommendations related to reports issued in prior fiscal years and for which corrective action was initiated may now just be at the completion stage.</p> <p>Explanation: Definitions of significant monetary and nonmonetary recommendations and calculation of percentages are the same as in Indicator 1.1 above. This information is only for jobs related to Goal 2.</p>	<p>Source: OIG audit files that are provided to our office by the regions and by the Department. A spreadsheet was prepared with the data that were used in determining this information. <i>Frequency:</i> Annually. <i>Next Update:</i> FY 2000.</p> <p>Validation Procedure: Data verified using ED's <u>Standards for Evaluating Program Performance Data</u>.</p> <p>Limitations of Data and Planned Improvements: The measure includes only recommendations from audit products. Significant recommendations from other OIG services, such as quick response projects and consulting, are not included in this measure. The classification of OIG work as Improvement or Integrity is somewhat subjective. Some work relates to both areas.</p>
Year	Actual Performance	Performance Targets		
FY 1998:	21 (75%)			
FY 1999:	10 (77%)	Continuing increase		
FY 2000:		Continuing increase		
FY 2001:		Continuing increase		
<i>Compliance audits implemented</i>				
FY 1998:	8 (6%)			
FY 1999:	16 (13%)	Continuing increase		
FY 2000:		Continuing increase		
FY 2001:		Continuing increase		

Indicator 2.5 The amount of dollar recoveries sustained versus recommended in Federal audits.				
Targets and Performance Data			Assessment of Progress	Sources and Data Quality
Year	Actual Performance		Performance Targets	<p>Status: Performance decreased from FY 98.</p> <p>Explanation: The amount of recoveries recommended in our audit reports is based on information available and/or provided by the party audited at the time the audit was conducted. Subsequent to issuance of the audit report and during the resolution phase of the audit report, the party audited may provide information not made available to the auditors that indicates the expenditure of Federal funds was within the scope of the program and that therefore recovery is not warranted.</p> <p>This indicator measures OIG's sustainment rate. The dollars recommended for recovery in audits that were resolved during the fiscal year are compared with the dollars that the Department agreed should be recovered. The dollars recommended for recovery includes question costs, unsupported costs, and other recommended recoveries. Dollars recommended for recovery does not include better use of funds (BUF).</p>
	Sustained	Recommended		
FY 1998:	\$16,601,814	\$24,0245,845		
FY 1999:	\$4,148,668	\$8,775,514	Continuing increase	
FY 2000:			Continuing increase	
FY 2001:			Continuing increase	

Indicator 2.6 The degree to which resources (percentage of staff time) were deployed in accordance with the Work Plan.				
Targets and Performance Data			Assessment of Progress	Sources and Data Quality
Year	Actual Performance		Performance Targets	<p>Status: No significant change in performance from FY 98 to FY 99.</p> <p>Explanation: The OIG Work Plan baseline is at the start of the fiscal year, October 1. The actual performance achieved will never reach 100 percent because the Work Plan covers a 2-year period and new jobs are identified that take precedence for reasons such as risk or need for immediate completion. This number was calculated by taking the total number of staff hours that the office charged to jobs in the Work Plan and dividing it by the hours that were worked on for Goal 2</p>
FY 1998:	52%			
FY 1999:	54%		Continuing increase	
FY 2000:			Continuing increase	
FY 2001:			Continuing increase	

KEY STRATEGIESStrategies Continued from 1999

- ❖ The OIG Strategic Plan was initially written in 1994 and revised in 1997. The strategies, as revised in 1997, are those that are currently being utilizing.

New or Strengthened Strategies

- ❖ The OIG has an annual Work Plan that covers FYs 2000-2001. This plan is updated annually and is the means of operationalizing the Strategic Plan. Copies of the plan are available at the OIG Web site: www.ed.gov/Offices/OIG
- ❖ This year the OIG will be reviewing its Strategic Plan. This review will include all of its goals, strategies, and performance measures.

HOW THIS PROGRAM COORDINATES WITH OTHER FEDERAL ACTIVITIES

- ❖ The OIG conducts joint investigations with the Federal Bureau of Investigation, the Postal Service, and other Federal investigative agencies.
- ❖ The OIG is an active participant with other Offices of Inspectors General in the President's Council on Integrity and Efficiency.

CHALLENGES TO ACHIEVING PROGRAM GOAL

None.

INDICATOR CHANGES**From FY 1999 Annual Plan (two years old)**

Adjusted—None.

Dropped—None.

From FY 2000 Annual Plan (last year's)

Adjusted—None.

Dropped

- ❖ Indicator 1.6, Surveys of Customer Satisfaction with OIG Priorities.
- ❖ Indicator 2.8, Surveys of Customer Satisfaction with OIG Products and Services.
- ❖ Indicator 2.9, Surveys of Customer Satisfaction with OIG Priorities.
- ❖ Indicator 2.7, Amount of Dollar Recoveries Sustained Versus Recommended in Non-Federal audits. OIG no longer issues non-Federal audits.

New—None.