

- SBA OIG, Audit of an SBA Guaranteed Loan, Report #6-22, May 17, 2006
- SBA OIG, Audit of an SBA Guaranteed Loan, Report #6-17, March 20, 2006
- SBA OIG, Audit of an SBA Guaranteed Loan, Report #6-16, March 20, 2006
- SBA OIG, Audit of an SBA Guaranteed Loan, Report #6-14, March 2, 2006
- SBA OIG, Audit of an SBA Guaranteed Loan, Report #5-26, September 28, 2005
- SBA OIG, Audit of an SBA Guaranteed Loan, Report #5-21, July 15, 2005
- SBA OIG, Management Advisory Report on the Transfer of Operations to the National Guaranty Purchase Center, Report #4-39, August 31, 2004
- SBA OIG, Audit of an Early Defaulted Loan, Report #4-38, August 24, 2004
- SBA OIG, Audit of an Early Defaulted Loan, Report #4-33, July 30, 2004
- SBA OIG, Audit of an Early Defaulted Loan, Report #4-28, July, 9, 2004
- SBA OIG, Audit of an Early Defaulted Loan, Report #4-25, June 22, 2004
- SBA OIG, Audit of an Early Defaulted Loan, Report #4-06, January 8, 2004
- SBA OIG, Audit of an Early Defaulted Loan, Report #3-38, September 22, 2003
- SBA OIG, Audit of an Early Defaulted Loan, Report #3-30, June 19, 2003
- SBA OIG, Audit of an Early Defaulted Loan, Report #3-27, May 22, 2003
- SBA OIG, Audit of the Guaranty Purchase Process, Report #3-15, March 17, 2003
- SBA OIG, Audit of an Early Defaulted Loan, Report #3-07, January 23, 2003
- SBA OIG, Audit of an Early Defaulted Loan, Report #2-32, September 30, 2002
- SBA OIG, Audit of an Early Defaulted Loan, Report #2-30, September 24, 2002
- SBA OIG, Audit of an Early Defaulted Loan, Report #2-23, August 7, 2002
- SBA OIG, Audit of an Early Defaulted Loan, Report #2-15, March 29, 2002
- SBA OIG, Improvements are Needed in Small Business Lending Company Oversight Process, Report #2-12, March 21, 2002
- SBA OIG, Audit of an Early Defaulted Loan, Report #2-03, February 27, 2002
- SBA OIG, Audit of an Early Defaulted Loan, Report #2-05, February 27, 2002
- SBA OIG, Audit of an Early Defaulted Loan, Report #1-10, March 9, 2001
- GAO, Major Management Challenges and Program Risks, GAO-01-260, January 2001
- SBA OIG, Audit of an Early Defaulted Loan, Report #0-10, April 23, 2000
- SBA OIG, Audit of an Early Defaulted Loan, Report #0-12, March 28, 2000
- SBA OIG, Audit of an Early Defaulted Loan, Report #0-05, February 14, 2000

Challenge 5:

- SBA OIG, SBA's Oversight of SBA Supervised Lenders, Report #8-12, May 9, 2008
- SBA OIG, UPS Capital Compliance with Selected 7(a) Lending Requirements, Report #8-08, March 21, 2008
- GAO, Small Business Administration: Additional Measures Needed to Assess 7(a) Loan Program's Performance, GAO-07-769, July 13, 2007
- SBA OIG, SBA's Oversight of Business Loan Center, LLC, Report #7-28, July 11, 2007.
- SBA OIG, SBA's Use of the Loan and Lender Monitoring System, Report #7-21, May 2, 2007.
- SBA OIG, Audit of the Office of Lender Oversight Corrective Action Process, Report #7-18, March 14, 2007.
- GAO, Small Business Administration: Improvements Made, But Loan Programs Face Ongoing Management Challenges, GAO-06-605T, April 6, 2006
- SBA OIG, SBA's Administration of the Supplemental Terrorist Activity Relief (STAR) Loan Program, Report #6-09, December 23, 2005

- GAO, Small Business Administration: New Service for Lender Oversight Reflects Some Best Practices, But Strategy for Use Lags Behind, GAO-04-610, June 8, 2004
- GAO, Continued Improvements Needed in Lender Oversight, Report #03-90, December 2002
- SBA OIG, Impact of Loan Splitting on Borrowers and SBA, Advisory Memorandum Report #2-31, September 30, 2002
- SBA OIG, Improvements needed in SBLC Oversight, Advisory Memorandum Report, #2-12, March 20, 2002
- SBA OIG, Preferred Lender Oversight Program, Report #1-19, September 27, 2001
- SBA OIG, SBA Follow-up on SBLC Examinations, Report #1-16, August 17, 2001

Challenge 6:

- SBA OIG, Audit of Two 8(a) Sole –Source Contracts Awarded to Contractors in SBA’s Mentor Protégé Program, Report #7-19, March 30, 2007.
- SBA OIG, [Audit of Monitoring Compliance with 8\(a\) Business Development Regulations During 8\(a\) Business Development Contract Performance](#), Report #6-15, March 16, 2006.
- SBA OIG, Business Development Provided by SBA’s 8(a) Business Development Program, Report #4-22, June 2, 2004.
- SBA OIG, SACS/MEDCOR: Ineffective and Inefficient, Report #4-15, March 9, 2004.
- SBA OIG, Section 8(a) Program Continuing Eligibility Reviews, Report #4-3-H-006-021, September 30, 1994.

Challenge 7:

- SBA OIG, Audit of SBIC Liquidations Process, Report #5-22, July 28, 2005
- SBA OIG, The SBIC Program: At Risk for Significant Losses, Report #4-21, May 24, 2004
- OMB, Small Business Administration: PART Assessment on the SBIC Program, February 2, 2004
- SBA OIG, FY 2003 Financial Statement Audit in the SBA FY 2003 Performance and Accountability Report, January 30, 2004, pp. 230-60
- SBA OIG, Audit of SBIC Oversight, Report #3-33, July 1, 2003
- GAO, Small Business: Update on SBA’s Small Business Investment Company Program, GAO/RCED-97-55, February 1997
- GAO, Small Business Administration: SBA Monitoring Problems Identified in Case Studies of 12 SBICs and SSBICs, GAO/OSI-96-3, April 1996
- GAO, Small Business Administration: Better Oversight of SBIC Programs Could Reduce Federal Losses, GAO/T-RCED-95-285, September 28, 1995
- GAO, Small Business Administration: Inadequate Oversight of Capital Management Services, Inc.-An SSBIC, GAO/T-OSI-95-19, August 7, 1995
- GAO, Small Business Administration: Prohibited Practices and Inadequate Oversight in SBIC and SSBIC Programs, GAO/OSI-95-16, May 28, 1995
- GAO, Small Business Administration: Inadequate Oversight of Capital Management Services, Inc.-An SSBIC, GAO/OSI-94-23, March 1994
- SBA OIG, Audit Report on the Small Business Investment Company (SBIC) Liquidation Function, Report #3-2-E-004-031, March 31, 1993

Challenge 8:

- SBA OIG, Applicant Character Verification in SBA's Business Loan Program, Report #3-43, April 5, 2001
- SBA OIG, Summary Audit of Section 7(a) Loan Processing, Report #0-03, January 11, 2000
- SBA OIG, Loan Agents and the Section 7(a) Program, Report #98-03-01, March 31, 1998
- SBA OIG, Fraud Detection in SBA Programs, Report #97-11-01, November 24, 1997
- SBA OIG, Operation Cleansweep Memorandum, August 21, 1996

AGENCY RESPONSE TO THE OIG REPORT ON MANAGEMENT CHALLENGES



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

Date: November 13, 2008

To: Peter McClintock
Acting Inspector General

From: Jovita Carranza
Deputy Administrator *JCC 11/13/08*

Subject: FY 2009 OIG-Identified Major Management Challenges

On October 20, 2007, the OIG published a report, entitled: "FY 2009 Report on the Most Serious Management Challenges Facing the Small Business Administration." Each Inspector General publishes annually in the Agency Financial Report (AFR) a list and assessment of major Agency management challenges based on cost to taxpayer, visibility, impact on overall management, and other subjective factors. SBA's eight major challenges fall into two major categories:

1. Those that pose risk of losing taxpayers' money (i.e., guarantee purchase process, lender oversight, loan agent fraud, SBIC program risk); and
2. Those that pose risk of delivering inefficient programs (i.e., human capital, IT security, contracting loopholes, 8(a) program).

One of my primary functions as Deputy Administrator is to ensure that SBA exercises cost-effective stewardship over its resources and offers transparent and accountable service to its customers. To increase our focus on improved risk management through increased compliance and oversight, the Administrator launched his Initiative #9 early in 2007 and advanced two key objectives:

1. Create a strong program management integrity and control culture beginning with a clear "tone from the top" about the importance of transparency, accountability, and efficiency; and
2. Ensure an effective tracking and reporting process for demonstrating progress in improving management and reducing opportunities for waste, fraud, and abuse.

SBA appreciates the cooperation and work done by the OIG in helping the Agency to address these challenges. Instituting sound internal management processes lead to reduced government risk; lower cost to the taxpayer; and reduced potential for waste, fraud and abuse. The Agency concurs with the FY 2008 Report that reflects improvements gained from a more serious monitoring process and a more consistent focus on addressing the challenges. In addition to reducing the number of red ("no progress" ratings) from 22 to 1 since 2004, the report also reflects the following tangible results:

1. Improved ratings in all 8 rated challenges (i.e., in 20 of the 39 existing recommended actions).
2. Achieved 12 green or "fully successful" ratings out of 39 actions.
3. Reduced the number of recommended actions from 53 to 39, down from 136 in FY 2004.

Only through our continued collaboration with the OIG can we create the high performing organization that the Congress asks, the President demands, and the taxpayers expect. Thank you and your staff for your continued help in improving our management environment.