



**U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF INSPECTOR GENERAL
WASHINGTON, D.C. 20416**

**Monthly Summary of Major Office of Inspector General (OIG)
Activities and Accomplishments Related to the Enactment of the
American Reinvestment and Recovery Act of 2009 (Recovery Act)**

May

- Issued a Recovery Act work plan to Recovery.gov for projects planned for Fiscal Year 2009. Go to: http://www.sba.gov/idc/groups/public/documents/sba/oig_recovery_work_plan.pdf
- Prepared a statement of work for contractor to perform audits and reviews of SBA programs and activities under the Recovery Act.
- Issued a draft report on the certification level and warrant authority of contracting personnel in the SBA Office of Business Operations. Although this audit was initiated prior to enactment of the Recovery Act, it identifies deficiencies that could affect contracts awarded under the Recovery Act. [Note: Report will be posted after comments from SBA are received.]
- Initiated an audit of SBA's expansion of the Microloan Program under the Recovery Act.
- Initiated a review of the quality and reliability of job creation statistics reported publicly by SBA under the Recovery Act.
- Reviewed and submitted comments on a number of proposed regulations and guidelines that the Agency proposed for issuance to implement the Recovery Act, including guidelines and procedures for America's Recovery Capital Loan Program, interim final rules and two Agency notices implementing the Recovery Act, and a policy notice regarding use of funds that are restricted under section 1604 of the Recovery Act.
- Continued weekly meetings with the Agency on Recovery Act programs as well as periodic meetings on individual programs and meetings with the Recovery Accountability and Transparency Board Recovery Funds Working Group.
- Conducted numerous interviews of Auditors and Program Analysts for the OIG Recovery Oversight Group.

April

- Issued a recovery oversight memorandum on key unimplemented audit recommendations in areas funded by the Recovery Act. Go to: http://www.sba.gov/idc/groups/public/documents/sba/oig_reptbydate_rom-09-1.pdf
- Issued a draft audit report identifying improper payments in the 7(a) Loan Program, recommending that SBA minimize improper payments through adequate review processes and timely recovery of identified improper payments. Although this audit was initiated prior to the Recovery Act, and did not examine loans made under the Act, the findings may have applicability to Recovery Act programs. [Note: Report will be posted after comments from SBA are received.]
- Issued an Information Notice providing warnings on common fraud indicators to all SBA employees for transmission to lenders participating in SBA loan programs. Go to: http://www.sba.gov/idc/groups/public/documents/sba/oig_9000_1793.doc

- Reviewed and submitted comments on multiple proposed regulations, notices and other documents that the Agency proposed for issuance to implement Recovery Act programs, including regulations to implement America’s Recovery Capital Loan Program.
- Continued weekly meetings with the Agency on Recovery Act programs as well as periodic meetings on individual programs and meetings with the Recovery Accountability and Transparency Board Recovery Funds Working Group.
- Presented a fraud awareness briefing at a National Association of Guaranteed Government Lenders conference.

March

- Established a Recovery Oversight Group in its Auditing Division, and completed vacancy announcements to hire additional auditors and program analysts for recovery oversight.
- Issued a Recovery Oversight Framework, describing planned OIG activities. Go to: http://www.sba.gov/idc/groups/public/documents/sba/oig_recovery_oversightframewrk.pdf
- Initiated a detailed, multi-year work plan for audits and reviews of SBA programs and activities under the Recovery Act and the 2009 Financial Statement Audit for testing controls over Recovery Act funds, and financial reporting and budgetary controls. Go to: http://www.sba.gov/idc/groups/public/documents/sba_homepage/oig_recovery_oversightplan.pdf
- Initiated a review of critical unimplemented audit recommendations on internal controls and program weaknesses that would affect Recovery Act implementation, including SBA’s credit programs and grant and contract administration. (See April activities above.)
- Reviewed and submitted comments on OMB’s proposed revision of its Implementing Recovery Act Guidance.
- Reviewed and submitted comments on several agency notices and a Federal Register notice that the Agency proposed for issuance to implement Recovery Act programs.
- Established a regular weekly meeting with the Agency and a process to obtain data reported by the Agency on Recovery Act programs.
- Gave several briefings for congressional staff on recovery oversight plans.
- Consulted with SBA on the Agency’s implementation of risk mitigation measures.
- Met with Government Accountability Office staff to coordinate planned audit activities.

February (Beginning February 18th after enactment of the Recovery Act on February 17)

- Reviewed Recovery Act provisions applicable to the SBA and OMB Recovery Act Guidance, and initiated an initial action plan for Recovery Oversight activities.
- Identified a national “phishing” scam involving fraudulent letters sent to small businesses purporting to be from the SBA, and asking for faxed responses with company financial information. The OIG worked with SBA to issue notices and press releases warning small firms not to fall for this scam, alerted other OIGs to be watchful for similar scams, and worked with the telecommunications company to shut down the relevant fax numbers. For more information, go to: http://www.sba.gov/idc/groups/public/documents/sba/oig_recovery_phishing_scam.pdf
- Established the OIG Recovery Oversight Webpage.
- Met with SBA to learn about Recovery Act plans and attended a meeting of the Council of Inspectors General on Integrity and Efficiency regarding oversight of Recovery Act programs.
- Began developing a Recovery Oversight Framework and audit plan. (See March activities above.)