

November 30, 2009

The Honorable Joseph R. Biden, Jr.
President of the Senate
Washington, DC 20510

Dear Mr. President:

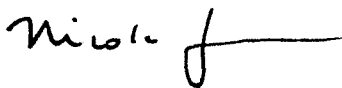
Enclosed is the Inspector General's Semi-Annual Report to the Congress along with the Corporation's Report on Final Action, as required under Section 5 of the Inspector General Act. These reports cover the six-month period from April 1, 2009 through September 30, 2009. During this period, the Corporation made management decisions on 12 audits and completed final action on or closed 13 audits. Subsequent to the end of this period, the Corporation completed final action on one additional audit.

As noted in the report, there have been a few situations in which the OIG disagrees with the Corporation's management decisions on audits. We have addressed these issues in previous reports and will continue to work with OIG to reach agreement to the fullest extent possible.

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 on (202) 606-6676 or the Corporation's Acting Inspector General, Ken Bach, on (202) 606-9377.

Sincerely,



Nicola Goren
Acting Chief Executive Officer

Enclosures

Semiannual Report to Congress: April 1, 2009 – September 30, 2009

Table I

Table II

Table III

Distribution List

Response to Semi-Annual Report

TABLE I

**ACTION TAKEN ON AUDIT REPORTS
(for the Period April 1, 2009 through September 30, 2009)**

	<u>Number of Reports</u>	<u>Disallowed Costs (\$000)</u>
A. Audit reports with final action was not taken by the commencement of the reporting period.	17	\$23
B. Audit reports issued by the OIG during the reporting period	9	0
C. Audit reports for which final action was taken during the reporting period	13	\$99
1. Recoveries ¹		
(a) Collections and offsets	8	\$70
(b) Property in lieu of cash		
(c) Other (reduction of questioned costs)		
2. Write-offs	0	
3. Audits with no disallowed costs	7	0
D. Audit reports for which final action was not taken by the end of the reporting period. ²	13	\$63
E. <hr/> Audit reports for which management decisions were made during or prior to the six-month reporting period and for which final action is underway.	5	\$63

¹ Recoveries include audits for which final action was taken in prior reporting periods.

² This includes 13 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, 2009 through September 30, 2009)

	<u>Number of Audit Reports</u>	<u>Dollar value (\$000s)</u>
A. Reports for which final action had not been taken by the commencement of the reporting period	9	\$ 891
B. Reports for which management decisions were made during the reporting period	9	\$ 99
C. Reports for which final actions was taken during the reporting period	7	\$ 567
i. Dollar value of recommendations completed		\$ 75
ii. Dollar value of recommendations that management has concluded should not or could not be implemented		\$ 492
D. Reports for which no final action had been taken by the end of the reporting period	4	\$45,119

Table III
Reports Described in Prior Semiannual Reports Without Final Action

Audit Number	Title	Date Issued	Date Due	Disallowed Cost	Status of Action/Reason No Final Action was Taken
	None				