



**DEPARTMENT OF VETERANS AFFAIRS
RECOVERY ACT PROGRAM-SPECIFIC PLAN**

OFFICE OF INSPECTOR GENERAL

MAY 2009

TABLE OF CONTENTS

1. Funding Table	3
2. Objectives	3
3. Activities	3
4. Characteristics	5
5. Delivery Schedule	5
6. Environmental Review Compliance	5
7. Measures	6
8. Monitoring/Evaluation	12
9. Transparency	12
10. Accountability	12
11. Barriers to Effective Implementation	13
12. Federal Infrastructure Investments	13
Appendix	14
Office of Inspector General Funding Table	14
Table 1A – Account Summary	14
Table 1B – Obligations/Gross Outlays – January through December (\$000)	14

1. Funding Table

A full funding description is provided in the Appendix.

2. Objectives

With its American Recovery and Reinvestment Act of 2009 (ARRA) (Recovery Act) funding, the Office of Inspector General (OIG) will conduct a comprehensive program of oversight for the VA projects, programs, grants, and initiatives funded under the ARRA.

3. Activities

The OIG received \$1 million under the ARRA, to remain available through September 30, 2011.

Appropriation	Title	Amount
36-0171 2009/2011 0171R1	Office of Inspector General, Recovery Act	\$1,000,000

OIG's program of oversight will include audit, evaluation, investigation, fraud prevention, and other monitoring activities covering the major VA programs listed below that received a total of \$1.4 billion in ARRA stimulus funding. The ARRA also provides for an additional estimated \$700 million for one-time \$250 economic recovery payments.

Veterans Health Administration (VHA)

Medical facility nonrecurring maintenance (NRM) and energy projects	\$1.0 billion
Grants to States for extended care facilities	\$150.0 million

National Cemetery Administration (NCA)

Headstone, markers, gravesite, and monument repair; non-recurring maintenance (NRM), energy, road, and lodge repair projects; and equipment upgrades	\$50.0 million
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Office of Information Technology (IT)

IT support to VBA and Veterans economic recovery payments	\$50.1 million
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Veterans Benefits Administration (VBA)

One-time economic recovery payments to Disabled Veterans and Survivors	\$700.0 million
Claims processing and support of Veterans economic recovery payments	\$157.1 million

Audits, Evaluations and Monitoring Activities. The Office of Audit will conduct a series of audit and evaluation projects covering all ARRA-funded programs, including NRM/energy projects, grants to states, national cemetery repair and maintenance

projects, IT systems development, and benefits initiatives. These oversight reviews will include the following activities:

- Assessing risks, planning, priorities, and management controls for the proposed uses of ARRA funds in each VA program area.
- Determining if ARRA funds are being used appropriately, effectively, and expeditiously for the intended purposes.
- Evaluating outcomes for ARRA projects, initiatives, grants, and other expenditures to determine how they have contributed to improvements in VA facilities and programs.
- Reviewing representative samples of NRM, national cemetery improvement, IT, and other capital investment projects from the time of selection and initiation by VA and continuing the oversight over the life of the projects.
- Reviewing the effectiveness of VA systems, procedures, and data for tracking, reporting, and accounting for ARRA expenditures and accomplishments.

Criminal and Administrative Investigations. The Office of Investigations will initiate proactive and reactive criminal or administrative investigations as appropriate based on referrals from the Hotline, auditors, program officials, or other sources.

Other OIG Activities to Prevent and Identify Fraud, Waste, and Abuse. The OIG will perform activities aimed at deterring, preventing, and identifying fraud and other misconduct, waste and abuse in ARRA programs, projects, and activities:

- Providing fraud awareness seminars to VHA and NCA staff participating in ARRA activities, with emphasis on contracting, project management, and proper use of stimulus funds; the role of the OIG and the types of cases OIG investigates; and the responsibilities of employees and contractors to protect the public trust and to report fraud, waste, and abuse.
- Working with VBA to establish fraud detection measures based on benefits payment fraud profiles previously developed by OIG that can be used to effectively combat potential instances of fraud in benefits payments to Veterans authorized under stimulus legislation.
- Establishing an OIG Hotline link to public VA Web pages to facilitate reporting and tracking of tips and referrals for ARRA-related instances of fraud, waste, and abuse.

Reporting and Tracking. The OIG will develop and implement tracking and reporting mechanisms needed to meet ARRA reporting requirements, including:

- Adapting OIG’s enterprise case management system and other internal systems to identify, track, and account for ARRA audits, evaluations, investigations, and related payroll, travel, and other obligations and expenditures.
- Routinely report major planned and completed ARRA-related actions, results, funding, expenditures, and other required information through appropriate channels to required VA and Government-wide information repositories.

4. Characteristics

OIG will apply its \$1 million in ARRA funding to the direct costs of conducting ARRA-related audits, evaluations, investigations, and other activities, such as OIG employee salary and benefits, travel, and any necessary contract services.

5. Delivery Schedule

In March 2009, OIG staff began preliminary planning and risk assessments for the VA programs that received ARRA funding. These initial efforts led to the development of an overall plan that will result in various OIG work products and outcomes to be accomplished during 2009–2010.

- **Audits and Evaluations.** Beginning in April 2009, the Office of Audit will begin a series of in-depth audits and evaluations covering each major VA program area receiving ARRA funding. OIG will issue audit and evaluation reports upon completion of individual review projects in 2009 and 2010. OIG will issue status reports on the progress and results of its projects and activities at monthly or other required intervals through the prescribed reporting channels throughout the course of the ARRA oversight work performed.
- **Investigations.** OIG will promptly initiate and complete criminal or administrative investigations of allegations of wrongdoing in ARRA activities received from the VA OIG Hotline, OIG auditors, VA officials, or other sources.
- **Fraud Awareness Seminars.** Fraud awareness training will be provided to VHA and NCA employees involved in ARRA activities at multiple locations across the country during the period April–September 2009.

6. Environmental Review Compliance

Not applicable

7. Measures

OIG will use the following ten performance measures to assess the impact of the ARRA funding. Of these 10, 7 are existing performance measures and 3 are new performance measures.

Measure #1

Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, and administrative sanctions.

Performance Table

Results			Targets				
2006	2007	2008	2009		2010		2011
			Approp.	ARRA	Request	ARRA	
2,455	2,303	1,884	1,950	1,951	2,050	2,053	N/A

Other Required Information

New or Existing Measure	Results Data Collection Frequency	Public Accessibility Modality	Results Calculation	Results Data Source	Strategic Goal Link	Strategic Objective Link
Existing	Annually	PAR	Number of arrests and other investigative outcomes for OIG ARRA-related and non-ARRA related investigations	OIG Master Case Index system and other records	Enabling Goal: Applying Sound Business Principles	Enabling Objective E-4 Sound Business Principles

Impact of ARRA on Performance

ARRA will require more audit and investigative effort. Consequently, additional arrests and other investigative outcomes are likely.

Measure #2

Number of reports (audit, inspection, and evaluation reports) issued that identify opportunities for improvement and provide recommendations for corrective action.

Performance Table

Results			Targets				
2006	2007	2008	2009		2010		2011
			Approp.	ARRA	Request	ARRA	
235	217	212	226	227	240	246	N/A

Other Required Information

New or Existing Measure	Results Data Collection Frequency	Public Accessibility Modality	Results Calculation	Results Data Source	Strategic Goal Link	Strategic Objective Link
Existing	Annually	PAR	Number of OIG audit and other oversight reports issued pertaining to ARRA activities and non-ARRA activities	OIG Master Case Index system	Enabling Goal: Applying Sound Business Principles	Enabling Objective E-4 Sound Business Principles

Impact of ARRA on Performance

OIG will issue 6 additional audit, evaluation, and other oversight reports as a result of ARRA-related work.

Measure #3

Monetary benefits (\$ in millions) from audits, investigations, contract reviews, inspections, and other evaluations.

Performance Table

Results			Targets				
2006	2007	2008	2009		2010		2011
			Approp.	ARRA	Request	ARRA	
\$1,019	\$820	\$500	\$594	NA	\$774	\$786	N/A

Other Required Information

New or Existing Measure	Results Data Collection Frequency	Public Accessibility Modality	Results Calculation	Results Data Source	Strategic Goal Link	Strategic Objective Link
Existing	Annually	PAR	Monetary benefits identified from OIG audits, other oversight reviews, and investigations of ARRA-related activities	OIG Master Case Index system	Enabling Goal: Applying Sound Business Principles	Enabling Objective E-4 Sound Business Principles

Impact of ARRA on Performance

Additional monetary benefits pertaining to ARRA activities and expenditures will be realized in FY 2010. OIG estimates that an additional \$12 million in monetary benefits will accrue to VA as a result of the additional audit and investigative work.

Measure #4

Return on investment (monetary benefits ÷ cost of operations in dollars).

Performance Table

Results			Targets				
2006	2007	2008	2009		2010		2011
			Approp.	ARRA	Request	ARRA	
14 to 1	11 to 1	6 to 1	7 to 1	N/A	7 to 1	12 to 1	N/A

Other Required Information

New or Existing Measure	Results Data Collection Frequency	Public Accessibility Modality	Results Calculation	Results Data Source	Strategic Goal Link	Strategic Objective Link
Existing	Annually	PAR	Monetary benefits identified pertaining to ARRA-related activities ÷ ARRA funding received of \$1 million	OIG Master Case Index system and OIG budget data	Enabling Goal: Applying Sound Business Principles	Enabling Objective E-4 Sound Business Principles

Impact of ARRA on Performance

OIG will realize additional return on investment from ARRA oversight work.

Measure #5

Percentage of prosecutions successfully completed.

Performance Table

Results			Targets				
2006	2007	2008	2009		2010		2011
			Approp.	ARRA	Request	ARRA	
96%	95%	94%	90%	N/A	90%	90%	N/A

Other Required Information

New or Existing Measure	Results Data Collection Frequency	Public Accessibility Modality	Results Calculation	Results Data Source	Strategic Goal Link	Strategic Objective Link
Existing	Annually	PAR	Ratio of successful prosecutions to total ARRA cases prosecuted	OIG Master Case Index system and other records	Enabling Goal: Applying Sound Business Principles	Enabling Objective E-4 Sound Business Principles

Impact of ARRA on Performance

OIG will sustain its 90 percent goal for successful criminal prosecutions for the additional ARRA-related investigative cases pursued.

Measure #6

Percentage of recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA.

Performance Table

Results			Targets				
2006	2007	2008	2009		2010		2011
			Approp.	ARRA	Request	ARRA	
93%	86%	88%	80%	N/A	80%	90%	N/A

Other Required Information

New or Existing Measure	Results Data Collection Frequency	Public Accessibility Modality	Results Calculation	Results Data Source	Strategic Goal Link	Strategic Objective Link
Existing	Annually	PAR	Ratio of recommendations implemented within 1 year to total recommendations	OIG Master Case Index system and other records	Enabling Goal: Applying Sound Business Principles	Enabling Objective E-4 Sound Business Principles

Impact of ARRA on Performance

OIG increased its goal to 90 percent for recommendations related to the additional ARRA-related oversight work performed (the 2010 goal for all other non-ARRA project recommendations is 80 percent).

Measure #7

Customer satisfaction survey scores (based on a scale of 1-5, where 5 is high) for OIG audit activities.

Performance Table

Results			Targets				
2006	2007	2008	2009		2010		2011
			Approp.	ARRA	Request	ARRA	
4.3	3.7	4.0	4.0	4.3	4.2	4.3	N/A

Other Required Information

New or Existing Measure	Results Data Collection Frequency	Public Accessibility Modality	Results Calculation	Results Data Source	Strategic Goal Link	Strategic Objective Link
Existing	Annually	PAR	Average of customer survey scores for completed audits and other evaluations.	Records of completed customer satisfaction surveys	Enabling Goal: Applying Sound Business Principles	Enabling Objective E-4 Sound Business Principles

Impact of ARRA on Performance

OIG established a higher 4.3 customer satisfaction goal for the additional audits work to be accomplished with ARRA funding (a 4.2 goal applies for all other audit projects completed in 2010).

Measure #8

Number of criminal and administrative investigations conducted as a result of ARRA.

Performance Table

Results			Targets				
2006	2007	2008	2009		2010		2011
			Approp.	ARRA	Request	ARRA	
N/A	N/A	N/A	N/A	3	N/A	6	N/A

Other Required Information

New or Existing Measure	Results Data Collection Frequency	Public Accessibility Modality	Results Calculation	Results Data Source	Strategic Goal Link	Strategic Objective Link
New	Quarterly	Web	Cumulative number of ARRA-related investigations conducted	OIG Master Case Index system and other records	Enabling Goal: Applying Sound Business Principles	Enabling Objective E-4 Sound Business Principles

Impact of ARRA on Performance

OIG will promptly initiate investigations of alleged criminal activities in ARRA-related activities and expects to conduct 3 additional investigations in 2009 and 6 additional in 2010.

Measure #9

Number of fraud awareness seminars conducted for Veterans Health Administration and National Cemetery Administration employees as a result of ARRA.

Performance Table

Results			Targets				
2006	2007	2008	2009		2010		2011
			Approp.	ARRA	Request	ARRA	
N/A	N/A	N/A	N/A	17	N/A	0	N/A

Other Required Information

New or Existing Measure	Results Data Collection Frequency	Public Accessibility Modality	Results Calculation	Results Data Source	Strategic Goal Link	Strategic Objective Link
New	Quarterly	Web	Cumulative number of additional fraud awareness seminars conducted as a result of ARRA	OIG Master Case Index system and other records	Enabling Goal: Applying Sound Business Principles	Enabling Objective E-4 Sound Business Principles

Impact of ARRA on Performance

OIG will present 17 fraud awareness seminars as part of its proactive efforts to prevent and deter fraud and misconduct by individuals involved in ARRA projects, grants, and activities.

Measure #10

Value of ARRA-funded non-recurring maintenance (NRM) projects reviewed (\$ in millions).

Performance Table

Results			Targets				
2006	2007	2008	2009		2010		2011
			Approp.	ARRA	Request	ARRA	
N/A	N/A	N/A	N/A	\$100	N/A	\$200	N/A

Other Required Information

New or Existing Measure	Results Data Collection Frequency	Public Accessibility Modality	Results Calculation	Results Data Source	Strategic Goal Link	Strategic Objective Link
New	Quarterly	Web	Cumulative number of ARRA-related project oversight reviews conducted	OIG Master Case Index system and other records	Enabling Goal: Applying Sound Business Principles	Enabling Objective E-4 Sound Business Principles

Impact of ARRA on Performance

OIG will conduct timely reviews of ARRA projects to identify and correct programmatic and project-level problems. Over the 2-year period 2009–2010, OIG will review a representative sample of projects valued at \$300 million, which equates to 30 percent of the \$1 billion in ARRA funding VHA received to initiate approximately 900 NRM/energy projects.

8. Monitoring/Evaluation

ARRA funding was provided to the OIG to conduct a program of oversight of VA’s ARRA funded activities. OIG will conduct these oversight activities in accordance with generally accepted standards governing Federal audits, evaluations, and investigations. Oversight projects will be subject to OIG operating policies and procedures for supervision, management, and quality assurance. Senior OIG management will closely monitor the planning, milestones, progress, major activities, results, and reporting for all OIG-conducted oversight work.

9. Transparency

OIG will track and report its major planned activities, progress, accomplishments, outcomes, obligations, and outlays associated with the oversight work in accordance with applicable ARRA requirements. In addition, OIG will include the results of completed ARRA audits, evaluations, investigations, and related work in its regularly published Semiannual Reports to Congress, VA’s annual Performance and Accountability Report, requested Congressional testimony, and other appropriate forms.

10. Accountability

OIG will develop methods to accurately and promptly compile information on major activities, projects, progress, accomplishments, outcomes, obligations, and expenditures associated with the ARRA oversight work. This information will be reported in accordance with applicable ARRA-requirements.

11. Barriers to Effective Implementation

None

12. Federal Infrastructure Investments

Not applicable

Office of Inspector General Funding Table

Table 1A – Account Summary

	TAFS (pick from dropdown)	Appropriated to TAFS (\$000s)	Program Allocations	
			BA Allocation (\$000s)	Program Name
One account funding one program	Office of Inspector General (36-0171 2009/2011)	1,000	1,000	Office of Inspector General Oversight

Table 1B – Obligations/Gross Outlays – January through December (\$000)

Planned Obligations and Gross Outlays (\$000s)													
Funding Type	Funding Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Obligation	2009				118	114	144	187	172	180	85		
Gross Outlay	2009				117	113	142	184	168	175	90	11	