



Recovery Independent Advisory Panel
1717 Pennsylvania Avenue NW, Suite 700
Washington DC 20006-4614

Public Meeting Summary

The Recovery Independent Advisory Panel (Panel) convened its first public meeting at 1:00 pm on August 5, 2010, at the Hyatt Regency Cambridge Hotel, Cambridge, Massachusetts. In accordance with the provisions of the Federal Advisory Committee Act, the meeting was open to the public from 1:00 pm to approximately 4:00 pm. The meeting was closed to the public for a discussion of investigative techniques from 4:00pm to 5:00pm.

Panel Members Present:

Chris Sale, Chair
Malcolm K. Sparrow, Vice-Chair
Steven Koch
Edward Tufte

Recovery Accountability and Transparency Board Members Present:

Earl Devaney, Chair
Richard Skinner, Vice-Chair and Inspector General, U.S. Department of Homeland Security
J. Russell George, Treasury Inspector General for Tax Administration
Mary Kendall, Acting Inspector General, U.S. Department of the Interior

Staff of the Recovery Accountability and Transparency Board Present:

Glen Walker, Executive Director
Edward Pound, Director, Communications
Jennifer Dure, General Counsel
Nancy DiPaolo, Assistant Director, Congressional and Intergovernmental Affairs
Tara Porter, Chief of Staff, Accountability
Linda Wittenhagen, Executive Assistant to the Chairman

Others Present:

Lindsay Wozinak, Senior Vice-President, TMP Government
Jeffrey Simon, Director, Massachusetts Recovery and Reinvestment Office (MRRO)
Jake Sullivan, ARRA Lead, City of Boston
Sadaf Knight, Massachusetts Budget and Policy Center
Jennifer Hewitt, Massachusetts Recovery and Reinvestment Office (MRRO)
Ramesh Advani, Massachusetts Recovery and Reinvestment Office (MRRO)
Earl Todd, Massachusetts Recovery and Reinvestment Office (MRRO)
Peter Scavotto, Massachusetts Office of the Comptroller
Christine Howard, Massachusetts Office for Victim Assistance
Francisca Rojas, Massachusetts Institute of Technology
Luc Schuster, Massachusetts Budget and Policy Center

Panel Chair Comments

Ms. Sale introduced members of the Panel and provided background on the American Recovery and Reinvestment Act of 2009 (Recovery Act). Ms. Sale noted that the Recovery Act

established the Recovery Accountability and Transparency Board (Board), which is responsible for providing accountability and transparency for the funds awarded under the Recovery Act. The Recovery Act also created the Panel, which was created to provide recommendations to the Board on ways to detect and prevent fraud, waste, and abuse. Ms. Sale indicated that the Panel was interested in hearing from the public on 1) actions that can be taken to prevent fraud, waste, and abuse; 2) the transparency of entitlements and tax benefits; 3) experiences with using Recovery.gov; and 4) random sampling as a tool to detect fraud, waste, and abuse.

Board Chair Comments

Mr. Devaney introduced members of the Board and Board staff who were present for the meeting and provided an update on the Board's recent activities. Mr. Devaney reported that the fourth round of recipient reporting was completed in July 2010 and that the reporting process is becoming progressively smoother with each round of reporting. MITRE, a non-profit organization, has completed a second review of Recovery.gov and provided the Board with a report on improvements that can be made to the website. Focus groups and usability testing sessions are being held throughout the country to determine how to improve Recovery.gov. The Board envisions making changes to Recovery.gov, to include web designs from Edward Tufte. From an accountability perspective, the Board, at the request of the Office of Management and Budget (OMB), is examining how to incorporate the data analytics currently being used in the Board's Recovery Operations Center into other sectors of the government to facilitate the identification and prevention of fraud, waste, and abuse. The Board continues to work with the Office of Inspector General (OIG) community to prevent and identify fraud, waste, and abuse. Mr. Devaney noted that the Panel's advice in the area of transparency, which is an important tool in deterring fraud, would be beneficial to the Board's success.

At the request of the Panel Chair, Lindsay Wozinak, Senior Vice President, TMP Government (a contractor for the Board), provided a brief overview of Recovery.gov and a discussion on planned revisions to the website.

Massachusetts Recovery and Reinvestment Office Director Comments

Mr. Jeffrey Simon informed the panel that as of June 30, 2010, the Commonwealth of Massachusetts has received \$5.7 billion in Recovery Act awards, of which 82% has been committed. The state reported funding 10,000 jobs during the quarter ending June 30, 2010 – a 57% increase over the previous quarter. Massachusetts also counts the number of people employed as a result of Recovery Act funds. As of June 30, 2010, there have been 40,830 people who have received a Recovery Act-funded pay check from the state.

The Massachusetts Recovery and Reinvestment Office (MRRO) used the Recovery Act as an opportunity to take a fresh look at how the state manages its funds and addresses fraud, waste, and abuse. Early on in the process, MRRO interacted with all state agencies slated to receive Recovery Act funds and looked at their established internal controls. MRRO also brought in KPMG to do a risk assessment of six state agencies and MRRO interviewed another six agencies about their efforts to prevent fraud, waste, and abuse. MRRO partners with the State Attorney General and State Auditor on these and other oversight efforts. In addition, MRRO produces a management oversight report on the status of Recovery Act programs, which is provided to the

governor. The goal of the interaction with the state agencies is not only to catch problems but also to prevent them from happening.

Mr. Simon indicated that MRRO focused on using transparency to promote civic engagement. MRRO's civic engagement efforts include weekly Recovery updates for the public; a Facebook page; use of Twitter and You-Tube; a regular blog; meeting with citizens; and publishing Recovery Act stories on the MRRO website. MRRO made information on jobs and contracts a prominent aspect of their website because research showed that this was the biggest area of interest for the public. The MRRO website also provides drill-down maps and the ability to track jobs and funds associated with the Recovery Act.

Mr. Simon offered the following recommendations:

- On Recovery.gov, separate out Recovery Act awards made to state-controlled entities from Recovery Act awards made to other entities within the state;
- On Recovery.gov, provide information about the location benefiting from the award – not the business address of the entity that received the award;
- On FederalReporting.gov, improve the process to update/change key information associated with an award (e.g., if the system is going to flag a congressional district as incorrect, then the system should simply provide the correct congressional district to the user; evaluate a record for all possible errors rather than providing error reports incrementally).

In response to questions from Panel members, Mr. Simon indicated that MRRO's approach to monitoring the Recovery Act is more effective because they have chosen to centralize all state reporting efforts. Mr. Simon also noted that MRRO's oversight focus is on Recovery Act funds that are awarded to state-controlled entities, which accounts for about two-thirds of the Recovery Act funds within the state. Lack of direct funding under the Recovery Act for oversight efforts prevents broader oversight efforts. However, Mr. Simon indicated that he believes the states are better situated than the federal government to identify fraud, waste, and abuse at the local levels. That said, Mr. Simon noted that MRRO has received a surprisingly low number of fraud, waste, and abuse allegations. The most serious of the allegations deal with the Buy America provision of the Recovery Act. Mr. Devaney noted that at the federal level there is likewise a surprisingly low number of fraud, waste, and abuse allegations. Mr. Devaney and Mr. Simon theorized that publicity, transparency efforts, and training may be keeping the numbers low.

The Panel members discussed the pros and cons of "promoting" the Recovery Act on MRRO's website and Recovery.gov. Mr. Simon stated that MRRO's broader goal of civic engagement has led MRRO to post positive stories about the Recovery Act on the website.

A copy of Mr. Simon's presentation is posted on Recovery.gov under *About / The Board / Advisory Panel*.

City of Boston ARRA Lead Comments

Mr. Jake Sullivan informed the Panel that the City of Boston began preparing for the influx of Recovery Act funds in 2008. The city used its experience with the 2004 Democratic National Convention to shape the approach for handling the influx of a large amount of funds. To date,

the City of Boston has received \$370 million in Recovery Act funds. In an effort to coordinate Recovery Act activity, the City of Boston's ARRA Office prevented different city entities from competing for the same Recovery Act awards; acted as technical resource for city entities applying for Recovery Act awards; and reviewed all applications submitted for Recovery Act awards. This process allowed the ARRA Office to break down silos that existed throughout the city government and resulted in the city receiving funds for 23 out of the 30 awards for which it applied.

From a transparency perspective, Mr. Sullivan reported that the city issued press releases on the Recovery Act funds expected to be awarded to the City of Boston – this was done to prevent the public from assuming that the city was going to receive a “blank check” that could be spent on anything. The city also published a complete list of all Recovery Act awards received six months and one year after the beginning of the Recovery Act.

Mr. Sullivan noted that the City of Boston has many processes in place to address fraud, waste, and abuse, including tracking Recovery Act financial transactions separately; strict monitoring of awards; and detailed instructions to sub-recipients regarding reporting requirements.

Mr. Sullivan made the following recommendations for improvement:

- On Recovery.gov, separate out Recovery Act awards made to city-controlled entities from Recovery Act awards made to other entities within the city; and
- Simplify and streamline the reporting process for recipients.

Mr. Sullivan noted that putting Recovery Act funds into already existing programs was beneficial since the city was already familiar with the program and had established processes and procedures for handling the funds.

Panel members discussed the need to ensure that websites at various levels link to other websites. Mr. Sullivan felt that MRRO and the City of Boston did a good job of referencing each others' websites. Mr. Devaney noted that Recovery.gov links to existing state-level websites. Mr. Koch noted that it was important to have a seamless link between the data on these sites because the average citizen would not know whether to go to the federal, state, or local website to obtain data. Mr. George noted that one obstacle to a seamless transition between websites is the maturity of the data between websites.

Sadaf Knight Comments

Ms. Knight indicated that she was representing the Massachusetts Budget and Policy Center (Center), which provides independent research and analysis of state budget and tax policies, as well as economic issues that affect low- and moderate-income people in Massachusetts. Ms. Knight informed the panel that the Center was tracking Recovery Act funding using the MRRO website. A report issued by the Center in December 2009 found that the average person should be able to find and understand data on the MRRO website; however, improvements could be made to the geographical display of data. In response to Panel member questions, Ms. Knight indicated that the Center had not spent much time looking at Recovery.gov since the data relevant to her organization can be found on the MRRO website.

Ms. Knight also provided written comments and a copy of the Center's December 2009 report on MRRO's website. Both documents are posted on Recovery.gov under *About / The Board / Advisory Panel*.

Jennifer Hewitt Comments

Ms. Hewitt, representing MRRO, notified the panel that the reporting timeline was a critical issue for Massachusetts. She requested that alterations to the timeline be made public as far in advance of the reporting period as possible to allow the state to plan accordingly. She also stressed the importance of allowing time for the prime recipients to review the data entered during the initial reporting period.

Ramesh Advani Comments

Mr. Advani, representing MRRO, indicated that MRRO is working to display Recovery Act entitlement data and has been able to post information on Recovery Act unemployment data. Mr. Advani stressed the importance of "connecting the dots" between the people impacted by the Recovery Act and specific Recovery Act programs.

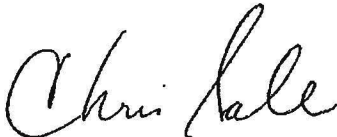
Closed Session

As set forth in the Board's July 20, 2010 Federal Register notice, a portion of the meeting was closed to the public under the authority of Section 10(d) of the Federal Advisory Committee Act and under exemption (c)(7) of Section 552b of the Government in the Sunshine Act. During the closed session Panel and Board Members discussed investigative techniques and procedures that can be used to prevent and identify fraud, waste, and abuse of Recovery Act funds. Following that discussion, Panel members discussed purely administrative matters, proposing dates and locations for the next public meeting.

Adjournment

The meeting adjourned at 5:00 P.M.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.



Chris Sale

Chair

Recovery Independent Advisory Panel