



**Recovery Accountability and Transparency Board**  
**1717 Pennsylvania Avenue NW, Suite 700**  
**Washington DC 20006-4614**

**March 4, 2011 Minutes - Draft**

A meeting of the Recovery Accountability and Transparency Board was held in Washington, D.C. on Friday, March 4, 2011, at 1:00 p.m. and continued until 3:00 p.m.

**ATTENDEES**

**Board Members:**

Earl E. Devaney, Chairman, Recovery Accountability and Transparency Board  
Phyllis K. Fong, Inspector General, U.S. Department of Agriculture  
Todd J. Zinser, Inspector General, U.S. Department of Commerce  
Kathleen S. Tighe, Inspector General, U.S. Department of Education  
Gregory H. Friedman, Inspector General, U.S. Department of Energy  
Daniel R. Levinson, Inspector General, U.S. Department of Health and Human Services  
Calvin L. Scovel III, Inspector General, U.S. Department of Transportation  
Eric M. Thorson, Inspector General, U.S. Department of the Treasury  
J. Russell George, Treasury Inspector General for Tax Administration  
Mary Kendall, Acting Inspector General, U.S. Department of the Interior  
Cynthia Schnedar, Acting Inspector General, U.S. Department of Justice  
Charles Edwards, Acting Inspector General, U.S. Department of Homeland Security

**Non Proxy Attendee:**

Lynne Halbrooks, Principal Deputy, U.S. Department of Defense

**Board Staff:**

Jennifer Dure, Acting Executive Director and General Counsel  
Ed Pound, Director, Communications  
Michael Wood, Director, Recovery.gov  
John Higgins, Director, Accountability  
Alan Boehm, Deputy Director, Accountability  
A.J. Benavidez, Assistant Director, Accountability  
Cynthia Williams, Board Secretary

**Guest:**

Chris Sale, Chairperson, Recovery Independent Advisory Panel

**DISCUSSION**

Mr. Devaney called the meeting to order at 1:30 p.m. By unanimous vote of the Board members present the January 7, 2011 minutes were approved.

Mr. Devaney welcomed Mr. Edwards and Ms. Schnedar the Acting Inspectors General for the Department of Homeland Security and Department of Justice respectively. Mr. Devaney informed the members that Independent Advisory Panel Chairperson Chris Sale had requested an audience with the group to discuss the Panel's recently released recommendations to the Board. Consequently, Mr. Devaney has invited Ms. Sale to address the group during today's Board meeting. In preparation for the discussion, the members engaged in a pre-discussion of the panel recommendations.

Mr. Devaney remarked that he welcomed the panel recommendations. He encouraged the members to evaluate the merit of each recommendation and provide feedback on what actions the Board should take. The group was reminded that the Board is not mandated to implement any recommendation that it does feel is value-added to its mission to prevent fraud, waste, or abuse.

There was general agreement that some recommendations could be implemented rather easily, such as those involving the addition of information on the Recovery.gov website. Most members agreed that while the website does a great job of tracking and displaying the use of Recovery funds allocated to federal contracts, grants, and loans; more could be done to communicate the use of Recovery funds allocated to entitlements and tax benefits. Other recommendations such as those involving linking to reports not contained on Recovery.gov, the Improper Payment Act and random sampling were viewed as more comprehensive in scope and implementation.

Ms. Fong reminded the group that the Improper Payment Information Act of 2002, specifically delegates the role of identifying programs and activities that may be susceptible to significant improper payments to the Agency head. Additionally, several members commented that work associated with improper payment schedules is not a function of the Board and that the Office of Management and Budget (OMB) had recently solicited other agencies to assist in this effort. Mr. Levinson remarked that the Social Security Administration processes billion of transactions daily across legacy systems, which presents numerous challenges for the OIG.

Ms. Tighe discussed the challenges that random sampling, as included in recommendation #5, would present for the Department of Education OIG. She noted that differences among the Recovery funded entities make comparisons difficult. Mr. Friedman concurred, adding that transactions are not comparable across OIGs. Other members commented that targeted risk assessments often resulted in more efficient use of resources and a more effective outcome. The group also felt that a detailed briefing on the full spectrum of the audit work performed by the OIGs and agencies may be helpful to the Panel, as statistical sampling is a large part of the existing ARRA audit work. There was also a detailed discussion of the premise that random sampling would help establish an accurate level of fraud in the Recovery programs.

Ms. Sale joined the Board meeting at approximately 1:30 p.m. and provided the group with background information on the Panel recommendations. She commended the Board on the work it has done thus far in the areas of transparency and accountability of Recovery funds. She informed the group that the Panel believes that shining a light on Recovery funds will help to prevent loss. To that end, the Panel believes that the Board's transparency efforts are not equally articulated among the three categories of Recovery Programs. Further, she stated that the Panel understands the difficulties and limitations of segregating and displaying data for tax provision and entitlement programs, but feels that more can be done to educate the public in these two areas.

Ms. Sale also discussed the Panel's assertion that a better way to measure fraud is needed. She said the Panel believes that random sampling will return a valid baseline metric. She commented that the Panel felt strongly that without valid metrics, a victory in the area of fraud detection could not be declared.

The Board members then offered comments to Ms. Sale regarding the recommendations. Comments from the pre-discussion were reiterated. Ms. Fong remarked that there is a general understanding of the overall concerns embodied in the recommendations and agreed that more work could be done to effectively communicate the relevant work on entitlements. Mr. George noted the restrictions that apply to tax benefit programs. There was additional discussion on random sampling. Most members noted that the IGs must determine the best utilization of resources. Ms. Schnedar added that the “bigger catch” is normally attributed to those audits that utilize a targeted approach rather than random sampling.

Mr. Devaney thanked Ms. Sale for addressing the members and informed her that the Board will take all of the recommendations under advisement. He relayed his belief that some recommendations could be done rather easily and in full; while it might be possible to complete others only partially. He added that the Panel Recommendation document would be published on Recovery.gov as quickly as possible. Ms. Sale left the Board meeting at approximately 2 p.m.

Mr. Devaney then informed the members that he would assign key staff to review the recommendations and determine the steps necessary to implement as many as possible. He remarked that communication will be sent to the Board once the determination is made and that he anticipated that the Board would issue a formal response in June. This concluded the discussion on the Panel recommendations.

Mr. Scovel was nominated to replace Mr. Skinner as Vice Chair of the Recovery Board, for a one-year term. Mr. Scovel accepted the nomination and the Board members unanimously approved. Ms. Tighe was nominated by acclamation to serve as the Chair of the Accountability Committee, replacing Mr. Fine who retired earlier this year. Ms. Tighe accepted the nomination. Mr. Devaney announced the departure of the Executive Director H. Glen Walker, who returned to his permanent duty station at the U.S. Postal Service Office of Inspector General. He also noted that Ms. Dure would serve as the Acting Executive Director.

Mr. George, Chair, Recovery.gov Committee, briefed the Board members on the most recent reporting statistics and updates for Recovery.gov and FederalReporting.gov. It was noted that the list of non-compliers is published on the website. Mr. George informed the members that the number of non-compliers is substantially lower than the last quarter and from all indications the trend is moving in the right direction. Mr. Wood informed the group that the side by side mapping capabilities are now available on the site and that dozens of comparisons have been loaded. Examples of the mapping comparisons include: total Recovery funds versus unemployment rate, total Recovery funding for bridges versus bridges needing rehabilitation, and education funding versus median household income. Mr. Wood also discussed the new mobile APP for the iPad and iPhone, which will be launched shortly.

There was a discussion of the MITRE review of the mismatches in Award IDs between the Master Award ID list and recipient data entered into the federalreporting.gov database. Mr. Wood commented that his team has worked with the agencies to resolve questionable award number discrepancies and that additional follow-up conversations between the IGs, OMB, and the agencies might prove helpful. He identified a three-step process to address the issue. This encompasses distribution of agency specific award comparisons to the IGs via the Board staff, distribution of agency specific award comparisons to the agencies via OMB, and review and publishing of the final lists.

Mr. Scovel provided an update on the three Recovery Working Group projects underway. He reported that the Grant Fraud Guide and the ARRA S&D Survey projects were progressing as planned. Survey results are expected in April and a draft Grant Fraud Guide should be vetted by the Working Group in Early May. Mr. Higgins discussed the preliminary findings of the jobs estimate review. He noted that responses from all nine of the sample group have been received. A preliminary review of the data has not uncovered any significant issues. However, the Board's staff is reviewing the subrecipient data and the corresponding payroll documents. A draft report is expected in late April. He added that the results of this pilot review will determine if the Board goes forward with the review the full 200 recipients.

Ms. Tighe reported on the Accountability Committee's current effort to review the oversight data of two Board reporting mechanisms. She informed the group that a small working group will be assembled to identify and resolve data discrepancies. Mr. Benavidez informed the group that the timeline for the ROC-IG information sharing pilot has been revised from 60-90 days due to longer than anticipated start-up time. The pilot is set to begin mid March with the OIGs at the Department of Homeland Security, Department of Justice, and Department of Education. He also briefed the members on the timeline for launching the Lead Management System and for retooling the ROC internal operations. Mr. Devaney noted that several efforts are underway to determine how to improve the ROC capabilities.

Mr. Devaney discussed his recent visit to the Palantir Headquarters in California. He remarked that Palantir continues to be an innovative and dynamic presence in the fraud arena and that he anticipates the Board's work with Palantir will continue.

Mr. Devaney engaged the group in a discussion of government accountability and transparency beyond 2013. He informed the group that he has agreed to provide the Vice President with a white paper identifying a viable option(s) for transitioning the lessons learned from the Board's Recovery work to the larger federal government arena. Mr. Devaney noted that he is very interested in the Board's input and would like to meet with each member individually to discuss their ideas on the options.

The next meeting of the Board is scheduled for May 6, 2011.

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**Cynthia Williams**  
**Secretary**