

Government Accountability and Transparency Board

November 19, 2012, Minutes

A meeting of the Government Accountability and Transparency Board (GAT Board) was held at the Recovery Accountability and Transparency Board (Recovery Board) Office in Washington, D.C. on Monday, November 19, 2012, at 1:00 p.m. and continued until 3:00 p.m.

ATTENDEES:

Board Members:

Richard Ginman, Chairman and Director, Defense Procurement and Acquisition Policy, U.S. Department of Defense
David C. Williams, Vice Chair and Inspector General, U.S. Postal Service
Nani Coloretti, Deputy Assistant Secretary for the Department of the Treasury
Gregory Friedman, Inspector General, U.S. Department of Energy
Allison C. Lerner, Inspector General, National Science Foundation
Daniel Levinson, Inspector General, U.S. Department of Health and Human Services
Ellen Murray, Assistant Secretary for Financial Resources and Chief Financial Officer, U.S. Department of Health and Human Services
Calvin Scovel, Inspector General, U.S. Department of Transportation
Kathleen S. Tighe, Inspector General, U.S. Department of Education
Daniel I. Werfel, Controller, Office of Management and Budget

Agency Staff:

Brett Baker, Assistant Inspector General for Audit, National Science Foundation
Paul Johnson, Assistant Inspector General, U.S. Department of Health and Human Services
Karen Lee, Chief of Management Controls and Assistance Branch, Office of Management and Budget
Edward Pound, Director of Communications, Recovery Board
Atticus Reaser, General Counsel, Recovery Board
LeAntha Sumpter, Deputy Director, Defense Procurement and Acquisition Policy, U.S. Department of Defense
Cynthia Williams, Board Secretary, Recovery Board
Michael Wood, Executive Director, Recovery Board

DISCUSSION:

Mr. Ginman called the meeting to order at 1:00 p.m. By unanimous vote of the members present, the minutes of the August 7, 2012 meeting were approved as amended. Mr. Ginman reviewed the principal agenda items for the meeting.

The members engaged in a discussion of the unique award identifier (UAID). Mr. Ginman recapped the discussion of the UAID concept from the previous GAT Board meeting. He also informed the members that the Department of Defense (DoD) recently developed a proposal, based in part on the work of the GAT Board, for the Federal Acquisition Regulatory (FAR) Council to consider a uniform procurement identifier, consisting of Activity Address Codes and Procurement Instrument Identification Numbers. (FAR Case 2012-023.) Mr. Ginman explained

that DoD has long used this standard; the goal of the federal-wide proposal is to leverage a proven standard across the federal government and to facilitate data tracking and collection. He stated the DoD had worked in conjunction with OFPP and a federal-wide working group in developing the proposal and will continue to do so. Mr. Ginman reported that the OFPP working group will spend the next few months evaluating and testing the proposal before determining if the proposal can be implemented. Ms. Coloretti suggested that it might be helpful to the GAT Board members if a copy of the draft language was shared.¹ Mr. Williams asked whether non-FAR agencies—such as FAA, USPS, and the Intelligence Community—would be covered by the proposed rule; Mr. Ginman replied they would not, without OMB involvement. Ms. Murray commented that as a representative for the Department of Health and Human Services and member of the Council on Financial Assistance Reform (COFAR), she would be willing to present a similar proposal to the COFAR, to address data standards for federally awarded grants.

Ms. Tighe asked for clarification on how the FAR proposal differed from the original UAID recommendation. Mr. Ginman commented that the main differences are the UAID's management through a central registry and its assignment of a unique identifier at the point of award. In contrast, the FAR proposal would identify business rules that do not require a central registry and enable traceability to when funds are appropriated.

There was a discussion of the overall objectives of transparency and accountability, whether to use a prescriptive or outcome-based approach to achieve the objectives, and current and future data standardization efforts. Ms. Murray stated she prefers the flexibility of an outcome-based approach. Mr. Williams questioned whether the current efforts go far enough to ensure transparency and accountability of federal spending data. Mr. Werfel commented that strategically fixing agency operations to ensure reliable and trusted information of large federal systems is a vital part of the foundation needed to improve transparency and accountability of federal spending data. Mr. Werfel added that recent agency working group discussions have resulted in the belief that improving the quality of existing agency data will yield a ripple of additional positive effects. He further commented that agencies believe that these benefits can be achieved more quickly if they are allowed to drive their own standardization processes around government-wide business rules rather than conform to overly prescriptive data standards. Mr. Williams cautioned that allowing each agency to develop its own set of standards might result in the development of disparate systems that make data mining impossible. Mr. Werfel cautioned that a mandate requiring agencies to conform to strict and inflexible data standards may not be cost effective and may take years to achieve. Mr. Wood reminded the members that there is no empirical data that supports the belief that a prescriptive approach to data standardization would cost significantly more than numerous individual agency-specific solutions.

A detailed discussion ensued on how best to drive agencies to achieve reliable data through robust quality assurance processes. The members highlighted the benefits and challenges of the different approaches. Mr. Werfel reiterated that requiring agencies to meet business rules rather than data standards might yield a higher return on investment and more immediate results. Additionally, he reminded the members that emerging technologies may allow for linkages of unstructured data across agencies without requiring each agency to follow the same set of standards. Mr. Williams urged the members to keep in mind the requirements of fraud investigators and auditors, as well as citizens that interface with federal spending data. The

¹ DoD provided Proposed FAR Case 2012-023, Uniform Procurement Identification, to the Board Secretariat for distribution on 2/15/13.

members agreed that all viable options should be evaluated by subject matter experts and that sound cost/benefit analyses should be performed.

Mr. Ginman initiated a discussion of the draft document on improving federal spending transparency. The members reviewed the red-lined version included in the packets. Questions were raised concerning the purpose and recipients of the document. Mr. Ginman stated that the document is for internal use and is designed to address the data quality problem along with specific steps for improving data quality across the federal government. Ms. Tighe discussed the appearance of an endorsement of the DUNS number as a universal business standard (the recipient identification). She informed the members that the Government Accountability Office (GAO) issued a report in June 2012, on the federal government's reliance on the DUNS numbering system in its contracting operations and the challenges created by this dependency. Ms. Tighe offered to forward an electronic copy of the GAO report to the members.² Additional edits to the draft strategy document were discussed by the members. Mr. Ginman informed the members that an updated draft strategy document would be prepared and disseminated to the members for review.³

Mr. Williams proposed that two working groups be established to focus concurrently on a data standardization solution and ensure that the recommended solution can adequately support data mining and other predictive fraud analytic tools. Ms. Murray suggested that key staff members be invited to participate in the data mining working group. Ms. Tighe provided an overview of the upcoming Data Forum jointly sponsored by the Recovery Board, GAO, and the Council of Inspectors General on Integrity and Efficiency. She commented that the findings from the forum may provide insightful information on how to improve the use of data for oversight purposes. Mr. Williams agreed to forward a data call to the members to outline the process for moving forward with the Data Mining Working Group and to solicit members. Ms. Sumpter agreed to forward the members a list of federal procurement data elements that OFPP has identified as key.⁴ (A May 9, 2008 OFPP memorandum identifies key 40+ data elements; agencies subsequently worked with OFPP to narrow this down to the 25 data elements that appear in the October 7, 2009 and May 31, 2011 OFPP memorandums.) Ms. Sumpter mentioned that seeing what agencies are already collecting might be useful for the Data Mining Working Group's consideration.

Ms Tighe surfaced a potential issue regarding the GAT Board's composition. She asked the members to consider the continuing role of Inspectors General (IGs) on the GAT Board as recommendations shift from strategic to operational in nature. She commented that IGs should not be involved in mandating management actions that they may later have to audit. The members agreed that the issue requires attention and additional discussion.

The next GAT Board meeting is scheduled for February 25, 2013.

Cynthia Williams
Secretary

² The URL for GAO-12-715R, Government Is Analyzing Alternatives for Contractor Identification Numbers (June 12, 2012) was distributed to GATB members electronically on 11/20/2012.

³ "Government Accountability and Transparency Board Way Forward for Calendar Year 2013: An Internal Deliberative Document" (January 18, 2013) was distributed to GATB members electronically on 1/22/2013.

⁴ DoD provided an Excel summary sheet with the OFPP data elements, as well as the OFPP memorandums to Board Secretariat for distribution on 2/15/13.