



February 19, 2010

The Honorable Mark Pryor
United States Senate
255 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Pryor:

Thank you for your interest in the work of the Office of Inspector General (OIG) and its oversight of programs funded by the American Reinvestment and Recovery Act. The four points referenced in your January 27 letter are listed below along with my response to each:

- 1. How many allegations or cases of waste, fraud, or abuse in the spending of Recovery Act funds has your office received or developed, how many have been advanced to an agency for administrative action or to a US attorney for prosecution, and what is the status of current investigations?*

We have received nine allegations of waste, fraud, and/or abuse related to the spending of Recovery Act funds. Of the nine allegations,

- five allegations did not result in an investigation, and
- four allegations have been pursued by our investigations office. Of these, one was referred to the National Oceanic and Atmospheric Administration (NOAA) for administrative action. The remaining three investigations are ongoing.

- 2. Please identify the programs associated with each of the leads or cases listed in question one above.*

The following programs were associated with the allegations:

- National Institute of Standards and Technology (NIST) construction grants
- NOAA habitat restoration grants
- NOAA tidal contracts
- Economic Development Administration grants
- National Telecommunications and Information Administration broadband grants

- 3. Please provide all audit and inspection reports that you have issued regarding Recovery Act funds and identify any audits or inspections planned or underway (if available online, a list of completed reports with associated website links will suffice). Please also identify any recommendations that you have made to improve safeguards over Recovery Act funds that have not been accepted or implemented.*



We have completed five evaluation / audit reports; there are currently two evaluations underway. We have also published an OIG Recovery Act Agency and Program Oversight plan that outlines work planned for FY2010.

The following link contains the OIG reports and plans related to the Recovery Act: http://www.oig.doc.gov/recovery/recovery_work.html. Also, visit <http://www.oig.doc.gov/oig/reports/> for all other OIG reports. The list of reports includes two Census Quarterly Reports (September and December) that discuss Recovery Act oversight activities related to the 2010 Decennial Census. Also, the report Top Management Challenges Facing the Department of Commerce and our Semiannual Reports to Congress contain sections relevant to Recovery Act-funded programs.

It should be noted that our initial work focused primarily on outreach and training. We conducted over 90 training sessions for over 3,100 Department of Commerce employees involved in procurement, grants, and programs, as well as current and potential recipients of Recovery Act grants from the five Department bureaus that received funds. Additional information on these training sessions can be found at the following link:

<http://www.oig.doc.gov/recovery/training.html>.

As of this date, all of the recommendations that OIG has made related to Recovery Act Programs have been accepted by the Department operating units.

4. *Please provide an estimate of the amount or percentage of your oversight work that will be dedicated to Recovery Act spending in FY 2010 and 2011.*

The OIG established the Recovery Act Task Force, a dedicated team of experienced professionals, to coordinate oversight of the funding received. Currently 18 employees are assigned exclusively to Recovery Act work, with 2 vacant positions posted. The staff is supplemented by OIG auditors when additional help is required. Throughout 2010 and 2011, our oversight will increase along with the program's obligation and spending activities. During that time we will be adding additional employees to complete our planned oversight work.

If we can provide any further information, please contact Ann C. Eilers, Project Lead, Recovery Act Oversight Task Force, at 202.482.4328, or myself, at 202.482.4661.

Sincerely,



Todd Zinser