

FY 2013 OIG Recovery Act Plan Overview

OIG Name:	Department of Commerce - OIG
OIG Broad Recovery Act Goals:	The overall goals of the Commerce OIG's oversight of the American Recovery and Reinvestment Act of 2009 (Recovery Act) is to help ensure that Recovery funds have been used and managed appropriately. To achieve this goal we have (1) executed a risk-based oversight approach to target OIG activities on higher risk programs and Department processes; (2) identified effective OIG program oversight activities to assess whether agencies meet Recovery Act objectives in the areas of (a) prompt and fair award processes; (b) accurate, timely, and transparent recipient funds reporting; (c) authorized use of funds with measures to prevent instances of fraud, waste, error, and abuse; (d) funded projects avoiding unnecessary delays and cost overruns; and (e) programs meeting specific goals and targets; (3) focus OIG activities on establishing adequate preventive measures while ensuring detection controls are in place; (4) investigate complaints in accordance with the IG Act and special whistleblower provisions outlined in the Recovery Act; and (5) implement clear, accurate, and timely reporting of OIG oversight activity results through progress reports and audit and evaluation reports provided to Department management, Congress, and the public. OIG currently has approximately 15 staff members dedicated to Recovery Act oversight.
OIG Broad Training and Outreach Recovery Act Goals:	The overall goals of the Commerce OIG's outreach activities include: (1) provide consultation to the Commerce Recovery Act Steering Committee and other working groups where the OIG staff serve as advisory members; (2) implement training programs and workshops across the Department to help strengthen: (a) fraud awareness and detection programs; (b) unique Recovery Act grant and contract processing procedures as required under provisions of the Act; and (c) specialized expertise required in the oversight of certain technical programs (e.g., broadband, construction management); (3) facilitate open communications within the Department on Recovery Act activities so that OIG receives timely notice when the Department identifies unusual trends or off-track processes (allowing for more expedient problem-solving); and (4) provide proactive review of program operational procedures to assess and advise on the appropriate balance of preventive and detective controls.
OIG Recovery Act Risk Assessment Process:	OIG completed inherent risk assessments for each Commerce program by analyzing four areas: strategic program, operations, legal and compliance, and fraud risk. Inputs to our process included the Recovery Act, Office of Management and Budget guidance, bureau risk assessment documentation, bureau spend and program plans, and information from OIG, external audit, and Department A-123 processes. These helped OIG determine high, medium, or low risk—by program and by risk category. Nearly all resources have been spent for several ARRA programs within EDA, NOAA and NIST. The oversight plan generally gives higher-risk program areas greater focus, which may include outreach activities such as training programs and workshops, up-front pre-review of program materials, operational processing reviews, program activity monitoring, or scheduled audits. As such, the majority of efforts will be focused on BTOP, the largest ARRA program and the one with most remaining funds. This will include issues such as complaints against specific awards and grant award close-out. Lower-risk program areas generally receive a lesser focus, which could limit oversight to review of operational procedures, performance monitoring, and select verification of operational results.
OIG Recovery Act Funds:	\$16 million
Expiration Date of OIG Recovery Act Funds:	\$6 million expires in December 2013; however, \$10 million does not expire based on the appropriation. The Dodd-Frank legislation would have prohibited the obligation of Recovery Act funds beyond December 31, 2013. The CIGIE, on behalf of five OIGs including the Commerce OIG, submitted to the president a waiver to use unobligated Recovery Act funds after December 31, 2012. In November 2012, the president signed the waiver, preserving \$4 million dollars for oversight of this high-profile program for 2013 and beyond.
OIG Recovery Act Funds Allocated to Contracts:	Yes
Purpose of Recovery Act Contracts:	Contractors have supplemented OIG staff and have provided specialized expertise for workshop training and performance measurement activities.
Types of Recovery Act Contracts Awarded to Date:	Workshop training and system database development
Link to OIG Recovery Act Work Plan:	http://www.oig.doc.gov/recovery

OIG FY 2013 Recovery Act Work Plan

Agency	Program Area	Recovery Act Funds Associated w/Program Area	Type of Review	Entity Performing Review	Project Title	Background	Objective	Review Included on Prior Recovery Act Plan (Y/N)	Expected Quarter Work Begins	Expected Quarter(s) Reports Issued	Expected/Final Number of Reports
Commerce	All Programs	\$7.9 billion	Other	OIG Staff	Anti-Fraud, Grant, Contract Outreach	As part of the OIG outreach program, OIG staff will continue to provide overviews of Recovery Act requirements, fraud indicators, and best practices in grant and contract management to agency staff and select Recovery Act grant program applicants and recipients.	To help strengthen Department programs and facilitate open communications with management and staff regarding program controls and help prevent & detect fraud, waste, and abuse.	Yes	FY 2013 Q1	FY 2013 Q4	TBD
Commerce	NTIA Broadband Technology Opportunities Program (BTOP)		Other	OIG Staff	Hot-line complaints	Hotline complaints include the range of allegations appropriate to OIG's mission to review: allegations of fraud, false claims, theft, misappropriation, embezzlement, conflicts of interest and other violations of ethical standards.	To ensure complaints are quickly reviewed and routed to the appropriate party for action and subsequent review.	No	FY 2014 Q1	FY 2014 Q4	TBD
Commerce	NTIA Broadband Technology Opportunities Program (BTOP)	\$3.4 billion	Performance	OIG Staff	Acquisition of Equipment for BTOP projects	NTIA awarded \$3.4 billion in 120 infrastructure projects. The technology used is primarily wireless and wire line/fiber including wireless cell towers, switches, fiber optic, modems, handsets, computers and monitors.	To determine whether NTIA has personnel and processes to monitor equipment acquisitions; assess if equipment has been appropriately acquired, tested, and implemented; and if projects are on schedule.	Yes	FY 2013 Q1	FY 2013 Q4	TBD
Commerce	NTIA Broadband Technology Opportunities Program (BTOP)	\$300 million	Performance	OIG Staff	Review of State Broadband Initiative	With \$300 million received from the Recovery Act, NTIA made 56 awards to states, the District of Columbia and US possessions to update the map on broadband availability and to improve state broadband planning efforts.	To assess the effectiveness of grantee efforts to update broadband availability and NTIA's monitoring of the grantee efforts to achieve project objectives and to comply with grant terms and conditions.	Yes	FY 2014 Q1	FY 2014 Q3	1
Commerce	NTIA Broadband Technology Opportunities Program (BTOP)	\$3.4 billion	Performance	OIG Staff	Review of Sustainability Issues for BTOP-funded projects	The initial Notice for Funding Availability for BTOP grantees stated that "applicants must convincingly demonstrate the ability of the grantees to be sustained beyond the funding period."	To verify that BTOP grantees have adequate operations and controls in place to ensure that projects will generate net revenues to sustain itself beyond the term of the grant.	Yes	FY 2013 Q4	FY 2014 Q3	TBD
Commerce	NTIA Broadband Technology Opportunities Program (BTOP)	\$1.4 billion	Performance	OIG Staff	Review of BTOP Close-out Efforts	BTOP has made 225 awards with a federal share of \$3.8 billion. The closeout process includes confirming that recipients have met all terms and conditions of the grant as well as special award conditions. Closeout is important in ensuring that assets are secured and unused funds are promptly returned to the Treasury.	To determine whether adequate close-out policies and procedures have been established and assess if closeout procedures are being followed as BTOP projects are being completed and closed.	No	FY 2013 Q2	FY 2013 Q4	1

PROJECTS COMPLETED

Commerce	NTIA Broadband Technology Opportunities Program (BTOP)	\$3.9 billion	Performance	OIG Staff	Review of BTOP Award to West Virginia	NTIA awarded a \$126 million grant to the Executive Office of West Virginia. House Subcommittees requested we review the award as a result of concerns about the price paid for telecommunications equipment.	To determine whether taxpayer funds associated with the award were efficiently spent, whether there were material misrepresentations in the application, and review the NTIA process for verifying information in the BTOP application.	No	FY 2012 Q4	FY 2013 Q2	1
Commerce	NTIA Broadband Technology Opportunities Program (BTOP)	\$3.4 billion	Performance	OIG Staff	Review of Subrecipient Monitoring	To successfully implement the 230 BTOP awards will require grantees to use subrecipients. Failing to adequately monitor subrecipients could result in project delays, projects not providing intended benefits, or noncompliance with award terms.	To evaluate the effectiveness of NTIA efforts to ensure that BTOP recipients are effectively monitoring subrecipient progress towards project completion and compliance with award terms and conditions.	Yes	FY 2012Q1	FY 2013 Q2	1
Commerce	NIST	\$180 million	Performance	OIG Staff	Review of NIST's Oversight of ARRA Construction Grants for the Building of New Scientific Research Facilities	The NIST construction grant program was a newly created program in 2008 with only one round of funding prior to ARRA awards.	To determine whether NIST has appropriate people, processes and systems in place to monitor construction progress, required matching share, draw-downs, and contractors adherence to laws and regulations such as the Buy American Act.	Yes	FY 2011 Q1	FY 2012 Q1	1
Commerce	NIST	\$174 million	Performance	OIG Staff	NIST's Management of ARRA Construction Contracts	NIST has 18 Recovery Act contracts classified as Commercial and Institutional Building Construction with the largest having an obligation amount of \$83 million.	To assess whether contracts were awarded competitively, with sufficient justification and authorization for non-competitive awards, whether proper contract vehicles were used, and how effectively NIST is monitoring construction contracts.	Yes	FY 2011 Q1	FY 2012 Q2	1