PANDEMIC RESPONSE
ACCOUNTABILITY COMMITTEE

Blueprint for Enhanced Program Integrity

2025

Introduction

We launched the Blueprint for Enhanced Program Integrity (Blueprint) to bring together recommendations and insights related to the government's response to the pandemic emergency. The Blueprint was developed from reports by Offices of Inspector General (OIG) and the Government Accountability Office (GAO), memoranda from the Office of Management and Budget (OMB), and testimony to Congress.

The purpose of the project was to share lessons learned and best practices to help strengthen federal programs, enhance stewardship of federal funds, and ensure that taxpayer-funded programs and assistance are delivered to communities that need them. In addition, the Blueprint focuses on the necessary controls that must be in place before the money is disbursed to protect critical programs from improper payments and fraud.

The Five Chapters

We organized the Blueprint into five chapters, each geared to engage and assist key stakeholders who are integral to the success of federal programs:

- *Chapter One: Best Practices for Strengthening Federal Programs* is intended for federal and state program administrators. The chapter highlights key recommendations related to the development, implementation, and maintenance of strong internal controls.

- *Chapter Two: Opportunities for Policymakers to Improve Program Integrity* focuses on strategies that can be adopted when drafting legislation and policy to prevent, detect, and address fraud, particularly in crisis-response programs, such as extending statutes of limitation and statutory access to data.

- *Chapter Three: Fraud Prevention and Detection for the Oversight Community and Policymakers* outlines leading practices for designing and implementing programs to prevent and detect fraud. Key themes include establishing fraud risk assessments, sharing data across agencies, and verifying applicants' eligibility and identity.

- *Chapter Four: Whole of Government Approach* focuses on how state, local, and federal governments worked together during the pandemic to share solutions for mitigating the increased challenges to program integrity.

- *Chapter Five: Cross-Cutting Products for the Oversight Community* provides actionable insights, tips, and lessons learned for OIGs to work together to address high-priority issues impacting multiple agencies.

How We Developed the Blueprint

To develop the chapters, we engaged experts from the PRAC and across our OIG partners to help develop the scope and methodology. We limited our scope to reports with recommendations related to the pandemic from April 2020 through January 2024 that had been published on Oversight.gov or on the GAO website. We structured the chapters based on themes and categories identified in the source materials and provided links to each report with the page and recommendation numbers.

While the ultimate goal of the project was to help ensure that the federal government is prepared for future crises, the strategies and recommendations we compiled are intended to be adopted in non-emergency times as well to prevent fraud and other types of improper payments.

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Chapter 1: Best Practices for Strengthening Federal Programs

Executive Summary:

In this chapter, **focused on supporting federal and state program administrators**, we highlight strategies and concrete steps from pandemic programs that can be adopted in current and future federal programs that provide critical financial assistance and services across our nation. We compiled lessons learned from reports issued by the federal and state oversight communities and interviews with key stakeholders, with a focus on program design and payment integrity.

Given the heightened challenges posed by emergency situations, we recognize the delicate balance between swiftly providing the money and services to recipients while also taking time to prevent and deter fraud, waste, and abuse prior to releasing funds. To help agencies meet these critical objectives, we have identified key recommendations related to the development, implementation, and maintenance of strong internal controls, even during crises. Our ultimate goal is to steer agencies away from the "pay and chase" model that has led to substantial losses of taxpayer funds.

How We Developed Chapter 1

We took the following steps to identify leading practices and lessons learned:

- Collected and reviewed oversight reports issued between January 2020 and January 2024 to identify key trends and insights, and categorized associated recommendations.
- Reviewed published reports, guidance, testimony, and memoranda from the U.S. Government Accountability Office (GAO) and the Office of Management and Budget (OMB).
- Requested assistance from Pandemic Response Accountability Committee (PRAC) member Offices of Inspectors General (OIG) and other OIGs to collect feedback, takeaways, lessons learned, and best practices from their reports, testimonies, and other resources.
- Conducted listening sessions with OIGs, federal agency program administrators, state comptrollers, finance departments, and professional organizations to ensure that we incorporated their knowledge and expertise.

For the full Methodology, See Appendix 1-A.

Below we list key themes with examples and citations to supporting documents. In addition, in Appendix 1-B, we provide additional reports and discussion points to help agencies implement the practices identified throughout this chapter.

Section 1: Prepare for the Next Emergency Now!

Develop a Culture of Accountability

We have learned that the most effective way to prepare for an emergency is to develop a strong culture of accountability. Federal and state agencies and their oversight communities need to collaborate to protect taxpayer funds to better serve the American people.

With significant efforts of agency and oversight leadership, as well as OMB and GAO, we have increased transparency and information sharing to promote good government and strong stewardship of taxpayer funds. What follows are recommendations from oversight reports and other cited resources that continue to strengthen and prepare federal programs for future emergencies. For examples of Statements of Cooperation, see Appendix1-C.

Set the Tone at the Top

- Issue annual statements of cooperation between the agency head and the Inspector General, including explanations of whistleblower protections, as recommended by OMB Memorandum M-22-04, Promoting Accountability through Cooperation among Agencies and Inspectors General.
- Conduct "Gold Standard Meetings" between agency and OIG staff, and other oversight bodies, to develop and enhance federal programs and reduce the risks of fraud and improper payments, as recommended in OMB Memorandum M-22-12, pertaining to the implementation of the Infrastructure Investment and Jobs Act.
- Mandate and track training for agency staff on preventing, identifying, and reporting fraud, waste, and abuse.

  GAO-15-593SP, A Framework for Managing Fraud Risks in Federal Programs (p. 23)

  AmeriCorps OIG, Anti-Fraud Advisory (p. 2)

  FDIC OIG EVAL 12-001, FDIC Examinations of Government-Guaranteed Loans (p. 43, Recommendation 10)

What are Gold Standard meetings?

Following a leading practice initiated for pandemic programs under the American Rescue Plan, OMB Memo M-22-12 directed agencies to engage with OMB and the agency's IG in a joint meeting during the program design phase to discuss risk mitigation strategies, financial controls, data, and reporting.

"This process of engagement by senior Executive Branch and agency officials with Inspectors General and the PRAC has become a model for how to manage large-scale emergency spending initiatives and balance the need for robust independent oversight with timely program administration." Statement of Michael E. Horowitz, Chair, Pandemic Response Accountability Committee, before the U.S. House of Representatives Select Subcommittee on the Coronavirus Crisis, June 14, 2022

- Provide outreach and resources to grantees, contractors, state agencies, and lenders on how to identify risks and combat fraud, waste, and abuse.

  DHS OIG-23-42, Ineffective Controls Over COVID-19 Funeral Assistance Leave the Program Susceptible to Waste and Abuse (pp. 16-19, Recommendations 3, 4, and 5)

  AmeriCorps OIG AR-23-06, Performance Audit of AmeriCorps Seniors Grantees' Financial Management Systems, (p. 8, Recommendations 5, 6, and 7)

Additional Key Insights from Listening Sessions

We heard from multiple stakeholders that agencies should prioritize combatting fraud, waste, and abuse in their annual strategic plans, a practice recently adopted by several agencies. See Appendix 1-B.

Manage Fraud Risks and Improper Payments

- Prioritize addressing OIG and GAO recommendations regarding improper payments and fraud risk management.

  Testimony of Richard K. Delmar Acting Inspector General U.S. Department of the Treasury Before the House Financial Services Committee Subcommittee on Oversight and Investigations U.S. House of Representatives, March 8, 2023 (pp. 2-8)

  HUD OIG, Priority Open Recommendations for Fiscal Year 2024 (pp. 6, 13-14)

  GAO-24-107157, COVID-19: Insights and Actions for Fraud Prevention (pp. 13-14)

  Congressional Research Service R47902, Improper Payments in Pandemic Assistance Programs (p. 15)

- Adopt strong fraud risk management programs in line with the Treasury Anti-Fraud Playbook and GAO's Fraud Risk Framework, to include establishing a dedicated entity to lead fraud risk management activities.

  HUD OIG 2023-FO-0001, Assessment of HUDs Fraud Risk Management Program (p. 14, Recommendations 1A -1E)

  DOT OIG ST2023034, DOT Should Enhance Its Fraud Risk Assessment Processes for IIJA-Funded Surface Transportation Programs (p. 17, Recommendations 1 and 2)

Anti-fraud Resources

The Fraud Risk Management Framework (Framework) from GAO includes internal controls to prevent, detect, and respond to fraud, with an emphasis on prevention. It also focuses on structures and environmental factors that may help managers achieve their objectives to mitigate fraud risks. In addition, the Framework highlights the importance of monitoring and incorporating feedback.

The Treasury Anti-Fraud Playbook provides a four-phased approach to combatting fraud with 16 plays drawn from successful practices across the federal government and private sector.

GAO-22-105715, EMERGENCY RELIEF FUNDS: Significant Improvements Are Needed to Ensure Transparency and Accountability for COVID-19 and Beyond (p. 22)

FDIC OIG EVAL 12-001, FDIC Examinations of Government-Guaranteed Loans (p. 38, Recommendations 5 and 6).

- Conduct fraud risk assessments for all new programs.

  DHS OIG 22-69, FEMA Did Not Implement Controls to Prevent More than $3.7 Billion in Improper Payments from the Lost Wages Assistance Program (p. 15, Recommendations 1 and 2)

  USDA OIG 27801-0003-22, Supplemental Nutrition Assistance Program Online Purchasing in Response to the Coronavirus Disease 2019 (pp. 4-5, Recommendation 1)

  ED OIG A20CA0029, The Office of Postsecondary Education's Oversight of Higher Education Emergency Relief Fund Grants (p.19, Recommendations 1 and 2)

Additional Key Insights from Listening Sessions

We heard from multiple state government officials that OIG hotline information and fraud alerts should be highlighted on the agencies' websites to enhance community outreach and make reporting fraud, waste, and abuse easier for stakeholders.

State government officials also suggested that programs should establish a governance structure for states to effectively administer and monitor pandemic funding.

Build Necessary Infrastructure

Federal and state agencies need the people, IT tools, core administrative systems, and structure in place to effectively scale up and manage emergency relief programs to meet a crisis.

Maintain a Crisis-Ready Staff

In the GAO Standards for Internal Control in the Federal Government, GAO highlights the need for management to recruit, develop, and retain competent personnel to achieve the entity's objectives, develop competencies appropriate for key roles, and tailor training based on the needs of the role.

- Develop and implement a long-term training program to ensure staff has competencies to manage existing and new programs.

  HHS OIG A-02-20-01019, Prior Audits of Medicaid Eligibility Determinations in Four States Identified Millions of Beneficiaries Who Did Not or May Not Have Met Eligibility Requirements (p.2, Recommendation 2)

  FDIC OIG EVAL 12-001, FDIC Examinations of Government-Guaranteed Loans, (p. 43, Recommendation 10)

- Develop a plan to ensure staff has the competencies to manage high-risk programs.

  DOJ OIG 21-130, Review of the Office of Justice Programs' Administration of CARES Act Funding (pp. 10-12, Recommendations 2 and 3)

  USDA OIG 427801-0001-21, COVID-19: Oversight of the Emergency Food Assistance Program, Final Report (pp. 13-16, Recommendations 3 and 4)

- Ensure that staff has the training and expertise to support data-informed decision making as required by the Evidence Act.

  USAID OIG 4-000-24-001-P, COVID-19: Enhanced Controls Could Strengthen USAID's Management of Expedited Procurement Procedures (pp. 9, 12, Recommendation 3)

  DOI OIG 2021–ER–015, The Bureaus of Indian Affairs and Indian Education Have the Opportunity to Implement Additional Controls to Prevent or Detect Multi-dipping of Pandemic Response Funds (p. 7, Recommendation 2)

Additional Key Insights from Listening Sessions

We heard from federal agencies and state governments that it is crucial to establish and maintain a centralized network of key stakeholders to prepare for and manage emergencies.

Enhance Information Technology

- Where feasible, replace or upgrade legacy IT systems and implement enhanced IT processes and controls.

  DHS OIG 22-12, Continued Reliance on Manual Processing Slowed USCIS' Benefits Delivery During the COVID-19 Pandemic (pp. 11-16, Recommendations 1 and 2)

  DOL OIG 23-24-002-07-725, Without an IT Modernization Framework, DOL Is Vulnerable to Inadequate Resource Prioritization for Ensuring Security and Availability of DOL Systems (pp. 3-5 and 9, Recommendations 1 and 3)

  USPS OIG 21-056-R21, Passport Application Acceptance Operations (p. 8)

  GAO 24-107157, COVID-19: Insights and Actions for Fraud Prevention (p. 10)

  SBA OIG 22-19, COVID-19 and Disaster Assistance Information Systems Security Controls (pp. 3-10)

  CIGIE Capstone Report, Management Challenges of Federal Agencies in Preparing for and Responding to Natural Disasters (pp. 44-45)

- Implement cybersecurity requirements to systems and processes to defend against organized attacks and identity theft.

  SBA OIG 22-17, COVID-19 Economic Injury Disaster Loan Applications Submitted from Foreign IP Addresses (p. 10-14)

USPS OIG 22-058-R22, Issues Identified with Internet Change of Address (pp. 4-5. Recommendation 2)

- Use technology and implement processes to securely collect and protect key personal identifiers and information to include Social Security numbers, dates of birth, IP addresses, and tax returns or tax transcripts.

  SBA OIG 23-09, COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape (pp. 5, 12-15)

  HHS OIG A-02-21-01013, HRSA Made COVID-19 Uninsured Program Payments to Providers on Behalf of Individuals Who Had Health Insurance Coverage and for Services Unrelated to COVID-19 (p. 9)

  SBA OIG 22-22, Follow-up Inspection of SBA's Internal Controls to Prevent COVID-19 EIDLs to Ineligible Applicants (pp. 5-8)

- Create a process for the return and tracking of program funds.

  SBA OIG 23-08, Serious Concerns Regarding the Return of PPP Funds (p. 5)

  HHS OIG A-09-21-06001, HHS's and HRSA's Controls Related To Selected Provider Relief Fund Program Requirements Could Be Improved (pp. 23-24)

Collect key data to protect federal funds.

- **Social Security numbers** can be used to identify individuals who are deceased, debarred, delinquent, incarcerated, or too young, making them not eligible for funding or otherwise invalid.
- **IP Addresses** can be used to identify individuals applying multiple times for the same federal benefits using different identities, businesses, or other entities or submitting an application from a foreign IP address.
- **Tax transcripts and filings** can be used to verify information about businesses.

Additional Key Insights from Listening Sessions

We heard from a company employed by a state that some programs received an influx of applications that appeared to be submitted by bots. The group was able to analyze the IP address meta data to determine if the applications were fraudulent.

Several federal agencies noted that having proper recipient identification and documentation was essential to audit a program and determine its effectiveness. Requiring specific recipient data could also serve as a deterrent to potential fraudsters and provide an avenue to catch them more easily.

Implement a Data-Centric Approach:

- Identify and collect program-critical data and compare against existing reliable databases, such as Do Not Pay, to verify eligibility. See Appendix 1-D for examples of existing databases.

  SBA OIG 22-06, COVID-19 Program Recipients on the Department of Treasury's Do Not Pay List (pp. 1-3)

  GAO 24-107157, COVID-19: Insights and Actions for Fraud Prevention (pp. 9-10)

  PRAC, Insights on Telehealth Use and Program Integrity Risks Across Selected Health Care Programs During the Pandemic (p. 16)

  PRAC, Fraud Alert Follow-Up: Improved Use of the DNP System Would Strengthen Program Integrity (p. 2)

- Take the steps necessary to complete data-sharing agreements and obtain access to critical databases.

  FDIC OIG EVAL 12-001, FDIC Examinations of Government-Guaranteed Loans (pp. 43-46, Recommendations 12 and 13)

  SBA OIG 23-09, COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape (pp. 8-9)

  Chief Data Officer Council Report on Data Sharing (pp. 1-4)

- Employ strategies for analyzing data sets to inform funding and monitoring decisions.

  Insights on Telehealth Use and Program Integrity Risks Across Selected Health Care Programs During the Pandemic (p. 16)

  HHS OIG A-02-21-01013, HRSA Made COVID-19 Uninsured Program Payments to Providers on Behalf of Individuals Who Had Health Insurance Coverage and for Services Unrelated to COVID-19 (pp. 5-10, 13, Recommendation 3)

Use Do Not Pay to Validate Eligibility

Treasury's Do Not Pay (DNP) system is the centralized database and related analytic services to help agencies verify recipients' eligibility and to identify and prevent fraud, waste, and abuse of federal funds. With recent updates to its data sources, DNP is better equipped to identify deceased, incarcerated, delinquent, and debarred individuals. DNP can also identify individuals using invalid personal identifiers.

Documents you may need for data sharing and analytics

To share and access data, agencies may need to enter into Memoranda of Understanding, and update System of Records Notices to allow data to be used for analytics purposes. Since it can take time to establish the agreements and notices, it is a best practice to get them in place, and ready, before a crisis.

Additional Key Insights from Listening Sessions

Multiple stakeholders emphasized the importance of staff having the training and expertise to support data-informed decisions.

Section 2: Design and Implement Effective Emergency Relief Programs

Incorporate Robust Internal Controls

Programs with strong internal controls can ensure that critical aid reaches intended beneficiaries quickly. While it is important to quickly get federal assistance out to those in need, it is imperative to take time up front to protect funding from fraud, waste, and abuse. It is also critical to a federal program's long-term success to ensure that all stakeholders are well informed, understand a program's requirements, and receive necessary technical assistance.

Develop Strong Award Terms and Conditions

- Clearly define program objectives and parameters.

  CIGIE Capstone, The IG Community's Joint Efforts to Protect Federal Grants from Fraud, Waste, and Abuse (p. 6)

  TIGTA 2021-46-034, Implementation of Economic Impact Payments (pp. 8-9)

- Incorporate lifecycle certifications and strategies to avoid duplication of benefits.

  CIGIE Capstone, The IG Community's Joint Efforts to Protect Federal Grants from Fraud, Waste, and Abuse (p. 3)

  DOD OIG Report DODIG-2021-030, Audit of Department of Defense Implementation of Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act (pp. 8-10)

  VA OIG Report 21-02688-182, Digital Divide Consults and Devices for VA Video Connect Appointments (pp. 17-19, 26, Recommendations 5 and 6)

  Education OIG F20CA0047, Duplicate Higher Education Emergency Relief Fund Grant Awards (pp. 9-11, Recommendation 1.1)

  Interior OIG 2021-ER-015, The Bureaus of Indian Affairs and Indian Education Have the Opportunity To Implement Additional Controls To Prevent or Detect Multi-dipping of Pandemic Response Funds (pp. 6-10, Recommendations 1 and 2)

- Highlight awardees' obligations to return any unused or misused program funds to the agency.

  SBA OIG Report 23-08, Serious Concerns Regarding the Return of PPP Funds (p. 5)

  TIGTA 2021-46-034, Implementation of Economic Impact Payments (pp. 11-12)

- Mandate that awardees notify the agency and OIG of fraud, waste, or abuse involving program funds.

  Examples: Uniform Grant Guidance, 2 C.F.R Section 200.113; Federal Acquisition Regulation, Section 52.203.13; AmeriCorps, General Grant and Cooperative Agreement Terms and Conditions, Section I.

Validate Self-Certified Eligibility Criteria

Statement of Michael E. Horowitz, June 22, 2022 (p.10)

- Implement pre-award and post-award verification procedures to confirm eligibility criteria.

  DOD OIG 2021-030, Audit of Department of Defense Implementation of Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act (pp. 8-10)

  DOL OIG 19-23-016-03-391, COVID-19: The Employment And Training Administration Needs To Improve Grant Oversight In New Jersey (p. 8, Recommendations 5 and 6)

  TIGTA 2021-46-034, Implementation of Economic Impact Payments (p. 13)

  SBA OIG 21-06, Paycheck Protection Program Loan Recipients on the Department of Treasury's Do Not Pay List (p. 5, Recommendation 3)

  SIGPR, Lessons Learned: Recognizing Structural Aspects of the Main Street Lending Program that Failed to Prevent Fraud (pp. 4-6)

- Compare the information provided by recipients against well-established databases.

  SBA OIG 23-09, COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape (pp. 2-4)

  PRAC, Fraud Alert Follow-Up: Improved Use of the DNP System Would Strengthen Program Integrity (pp. 1-2)

  SBA OIG 21-07, Inspection of SBA's Implementation of the Paycheck Protection Program (pp. 20-21, Recommendations 3-6)

Eligibility criteria must be mandated and verified:

The following leading practices were identified by the oversight community: (1) Eligibility criteria should be validated against reliable source records, before releasing funds; (2) agencies need access to critical data sources.

Further, the time pressure to get emergency funding out is not a valid excuse for waiving these critical internal controls. The failure to do so results in the loss of billions of taxpayer dollars in fraud, waste, and abuse, and a failure to get funds to our communities in need.

Additional Key Insights from Listening Sessions

Multiple state officials indicated that eligibility criteria for programs should be reasonable, verifiable, and enforceable. These officials also discouraged waivers of the eligibility criteria.

Distribute Funding Strategically

- Mandate recipient reporting requirements for federal programs and ensure that recipients have adequate financial management systems in place to track and report federal expenditures.

  Treasury OIG 20-036, Coronavirus Relief Fund Recipient Reporting (pp. 3-4)

  AmeriCorps OIG AR-23-06, Performance Audit of AmeriCorps Seniors Grantees' Financial Management Systems (p. 8, Recommendation 3)

  CFOC, Managing for Results: The Performance Management Playbook for Federal Awarding Agencies (pp. 18, 31-39)

- Consider requiring recipients to report and certify award expenditures at close-out, before releasing the final payment.

  CIGIE, The IG Community's Joint Efforts To Protect Federal Grants From Fraud, Waste, and Abuse (p. 24)

  CFOC, Managing for Results: The Performance Management Playbook for Federal Awarding Agencies (pp. 36-40)

Additional Key Insights from Listening Sessions

State controllers and federal OIGs advised that emergency funding should be released in phases rather than all at once. In addition, they recommended that prior to recipients applying for additional funding, they should be required to demonstrate the need for, and the capacity to properly administer, the additional funds.

Section 3: Strengthen Program Impact Through Enhanced Monitoring and Evaluation

Design Effective Strategies for Enhancing Stewardship

As stewards of the public trust—and the public purse—it is critical to ensure that programs are effective and achieve their intended impact. From the start, federal programs should include clear controls and guidance for awardees and those administering program funds. Federal programs should also be able to be monitored and evaluated in real time, so necessary modifications can be made quickly to prevent fraud. Continuous monitoring of eligibility criteria and performance indicators is a low-cost and impactful way to identify and prevent improper payments throughout the lifecycle of an award.

Implement Risk-Based Monitoring

- Identify program- and contract-specific risk factors and red flags.

  HUD OIG 2022-FO-0007, Fraud Risk Inventory for the Tenant and Project Based Rental Assistance, HOME, and Operating Fund Programs' CARES and ARP Act Funds (pp. 5-10)

  USPS OIG RISC-WP-22-006, The Role of the Postal Service in Identity Verification (pp. 3-6)

  USPS OIG 22-058-R22, Issues Identified with Internet Change of Address (pp. 3-4, Recommendation 1)

  HHS OIG A-04-20-02028, The Strategic National Stockpile Was Not Positioned To Respond Effectively to the COVID-19 Pandemic (pp. 9-21)

  DOL OIG 19-22-006-03-315, COVID-19: ETA and States Did Not Protect Pandemic-Related UI Funds from Improper Payments Including Fraud or from Payment Delays (pp. 10-12, 26, Recommendations 1 and 2)

- Evaluate recipients' risk based on key factors.

  HUD OIG 2022-FO-0801, Fraud Risk Inventory for the CDBG and ESC CARES Act Funds (pp. 5-6)

  SBA OIG 22-17, COVID-19 Economic Injury Disaster Loan Applications Submitted from Foreign IP Addresses (pp. 6-12, Recommendation 2)

SBA OIG 21-06, Paycheck Protection Program Loan Recipients on the Department of Treasury's Do Not Pay List (pp. 2-5)

CFOC, Program Integrity: The Anti-Fraud Playbook

- Tailor monitoring plans and enhance the use of administrative remedies to protect high-risk programs.

  CFOC, Managing for Results: The Performance Management Playbook for Federal Awarding Agencies (pp. 22, 36-39)

  USAID OIG 9-000-21-007-P, USAID Adapted to Continue Program Monitoring During COVID-19, but the Effectiveness of These Efforts Is Still To Be Determined (pp. 8-11)

  NSF OIG 22-6-002, Promising Practices for NSF Award Management (pp. 1-3)

  HHS OIG A-02-20-01018, Prior Audits of Medicaid Eligibility Determinations in Four States Identified Millions of Beneficiaries Who Did Not or May Not Have Met Eligibility Requirements (p. 10)

  Testimony of Richard K. Delmar Acting Inspector General U.S. Department of the Treasury Before the House Financial Services Committee Subcommittee on Oversight and Investigations U.S. House of Representatives, March 8, 2023 (p. 8)

- Include "eyes on" strategies, such as in-person inspections, site visits, or virtual meetings.

  USPS OIG RISC-WP-22-006, The Role of the Postal Service in Identity Verification (pp. 9-11)

  SBA OIG 23-09, COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape (p.5)

  USAID OIG 9-000-21-007-P, USAID Adapted to Continue Program Monitoring During COVID-19, but the Effectiveness of These Efforts Is still to Be Determined (pp. 9-11)

Institute Key Reporting Requirements

- Improve quality and oversight of subrecipient data.

  HHS OIG A-04-22-02035, New York City Department of Health and Mental Hygiene Charged Some Unallowable Costs to Its CDC COVID-19 Award (pp. 4-6, Recommendation 2)

  HUD OIG 2022-LA-0002, Emergency Solutions Grants CARES Act Implementation Challenges (pp. 1, 6-11)

  Commerce OIG 23-014-I, NIST Must Improve Monitoring of MEP to Prevent Waste of Financial Resources (pp. 1, 7-9)

  PRAC, Tracking Pandemic Relief Funds that Went to Local Communities Reveals Persistent Data Gaps and Data Reliability Issues (pp. 12-14)

  NSF OIG 22-6-002, Promising Practices for NSF Award Management (pp. 1-3, 7-14)

  Interior OIG 2021-FIN-032-B, The Omaha Tribe Did Not Account for CARES Act Funds Appropriately (pp. 8-9, Recommendation 7)

Additional Key Insights from Listening Sessions

During our listening sessions, subject matter experts from federal agencies and OIGs highlighted that subrecipient reporting data was often inadequate to fully track funding expenditures and performance. As a result, federal agencies and OIGs lose visibility below the prime recipient level and are unable to properly monitor spending beyond the prime recipient and identify improper payments.

- Ensure strong certifications with financial and progress reports, in line with the Uniform Grant Guidance, 2 C.F.R. Section 200.415 -- Required certifications.

  CIGIE Capstone Report, The IG Community's Joint Efforts to Protect Federal Grants from Fraud, Waste, and Abuse (pp. 1- 3, 9-10, 16-18)

Additional Key Insights from Listening Sessions:

We heard from state officials that following the Uniform Grant Guidance enabled them to highlight areas of improvement for state departments and identify programs that did not have sufficient internal controls.

Provide Timely, Clear, and Consistent Guidance

Guidance related to program requirements and financial reporting responsibilities should be clear and consistent to address stakeholder questions and comments. In addition, training and technical assistance should be provided to prime recipients and subrecipients on a regular and ongoing basis in multiple forums, such as listening sessions and roundtables. The communications should include providing real-time information about new fraud risks.

CFOC, Managing for Results: The Performance Management Playbook for Federal Awarding Agencies (pp. 12, 32-41, 50)

HHS OIG Report No. A-07-21-04125, IHS Did Not Always Provide the Necessary Resources and Assistance To Help Ensure That Tribal Programs Complied With All Requirements During Early COVID-19 Vaccination Program Administration (p. 9, Recommendation 2)

OIG-CA-21-020, American Rescue Plan - Application of Lessons Learned From the Coronavirus Relief Fund (pp. 2-3)

GAO-24-106152, COVID-19 Relief Funds: State Experience Could Inform Future Federal Relief Funding (pp. 22-27)

AmeriCorps OIG AR-23-06, Performance Audit of AmeriCorps Seniors Grantees' Financial Management Systems (p. 8)

Additional Key Insights from Listening Sessions:

We heard from state officials that agencies should provide a point of contact for recipients of emergency funding, particularly for state and local governments, to timely respond to questions about program rules and requirements. In addition, they recommended that agencies use

pre-existing programs where possible to limit confusion and to expedite funding decisions and allocations. Finally, they recommended that agencies provide flexibility for recipients with respect to how long they have to spend program funds and the allowability for administrative costs.

Additional Resources

International Public Sector Fraud Forum, Fraud in Emergency Management and Recovery

Congressional Research Service, Improper Payments in Pandemic Assistance

HUD, Hurricane Sandy Rebuilding Strategy

FEMA, National Disaster Recovery Framework

Testimony of the Honorable Earl E Devaney Chairman, Recovery Accountability and Transparency Board Before The Committee On Oversight and Government Reform United States House of Representatives, June 14, 2011

Chief Data Officer Council, Report on Data Sharing

CFOC, Managing for Results: The Performance Management Playbook for Federal Awarding Agencies

APPENDIX 1-A:
Objective, Scope, and Methodology

The objective of Chapter 1 was to compile leading practices, resources, and lessons learned from reports and recommendations issued by the oversight community related to payment integrity and internal controls of pandemic programs. The goal was to provide solutions for the design and implementation of future programs that can be easily adopted by federal and state agencies and program administrators prior to or at the outset of an emergency.

Our review period was January 2020 through January 2024. We reviewed reports from the oversight community to identify recommendations applicable to Chapter 1. In addition, we reviewed all of the Pandemic Response Accountability Committee's (PRAC) Semiannual Reports to Congress and reports published by federal Offices of Inspector General (OIGs). To ensure we identified an accurate and complete list of reports and recommendations, we compared our document review with reports listed on Oversight.gov.

We also reviewed published reports from the Government Accountability Office (GAO) and guidance memoranda from the Office of Management and Budget (OMB). We held listening sessions with key stakeholders, including program administrators, OIG officials, state officials, national associations, and consultants. During each listening session, we asked the stakeholders to identify key takeaways, lessons learned, and best practices from their experiences during the pandemic that could be used in the future.

Based on the foundational work above, we identified key themes in the recommendations and added links to supporting reports. While we only reference a sample of these reports in the body of Chapter 1, we have incorporated the full list in Appendix 1-B. If contributing partners and stakeholders highlighted additional recommendations during our listening sessions, we have incorporated their feedback separately from the reports.

We selected key stakeholders across the federal oversight community to review a draft of this report prior to publication. This work was completed between November 2023 and April 2024.

APPENDIX 1-B:
Section 1 – Prepare for the Next Emergency Now!

Develop a Culture of Accountability

Set Tone at the Top

- Issue Annual Statements of Cooperation between the Agency Head and the Inspector General.

  OMB Memorandum M-22-04, Promoting Accountability through Cooperation among Agencies and Inspectors General
  See Appendix 1-C for examples of Joint Statements of Cooperation between IGs and Agency Heads.

- Conduct "Gold Standard Meetings" between Agency and OIG personnel and other oversight bodies.

  OMB Memorandum M-22-12, Advancing Effective Stewardship of Taxpayer Resources and Outcomes in the Implementation of the Infrastructure Investment and Jobs Act (p. 10)
  OMB stated that agencies must engage with OMB and the agency's IG for a dedicated joint review meeting. During the meeting, agencies will discuss program design, risk mitigation strategies, financial controls, data, tracking, and reporting with OMB and the agency's IG in a proactive, front-end exchange during the program design phase. Topics explored during this joint review meeting may include those noted in OMB Memorandum M-22-04, Promoting Accountability through Cooperation among Agencies and Inspectors General, as well as others. This process was developed by the White House American Rescue Plan (ARP) Act Implementation Team and OMB, and these meetings have promoted proactive and transparent collaboration for new and expanded ARP programs.

- Prioritize combatting fraud, waste, and abuse in agency Strategic Plans.

  HHS Strategic Plan (Objective 5)
  Strategic Objective 5.2: Sustain strong financial stewardship of HHS resources to foster prudent use of resources, accountability, and public trust.

  Objectives:

  - Strengthen program integrity methods to better prevent fraud and reduce improper payments by maintaining and improving oversight programs related to early detection and prevention.

- Invest in technical assistance, capacity-building, and burden reduction to strengthen program outcomes while ensuring program integrity, fiscal discipline, including helping grant recipients improve financial acumen, enterprise risk management, internal controls, and efficient operating policies and procedures to promote equitable access to financial assistance funding, while preventing fraud, waste, and abuse.

AmeriCorps Strategic Plan 2022-2026 (p. 33, Goal 4)
Goal 4, Sub-Objective 5: strengthen agency and program integrity by protecting AmeriCorps resources from fraud and mismanagement.

- Strategies:
  - Develop a grantee training program around fraud prevention in consultation with the Office of Inspector General.
  - Hire staff dedicated to fraud prevention and detection and obtain specialized training.
    - Conduct annual fraud risk identification and maintain fraud risk profile with mitigation steps to address identified fraud risk. Maintain fraud risk working group.
    - Build grantee performance data analytics to identify fraud risk trends.
    - Enhance assessment activities to detect potential fraud indicators.
    - Continue refinement of the risk-based monitoring selection methodology to ensure that identified fraud risks inform prioritization of monitoring compliance activities across the portfolio.

DOJ FYs 2022-2026 Strategic Plan (p. 16, Strategic Goal 1)
Strategic Goal 1, Strategy Four: Protect the Public from Fraud on Government Programs
DOJ outlines that they will deter and redress collusions, fraud, waste, and abuse targeting public programs by vigorously investigating and prosecuting culpable individuals and enterprises. They will employ a whole-of-government approach including, when appropriate, parallel investigations with federal and state law enforcement and regulatory agencies.

IRS Strategic Plan (p. 11, Goal 2, Objective 2.3)
Objective 2.3: Proactively identify current and emerging fraud schemes and other threats using real-time intelligence and analytics.

- Strategy 2.3.1: Consolidate fraud-related compliance efforts to streamline operations and better allocate resources.
- Strategy 2.3.2: Proactively provide taxpayers and other stakeholders with information on how to protect themselves against fraud schemes, abusive tax avoidance efforts, and cybersecurity threats.
- Strategy 2.3.3: Utilize emerging technology to rapidly identify and thwart fraudulent activity while minimizing false positives from fraud detection models.

- Mandate and track training for agency staff on preventing, identifying, and reporting fraud, waste, and abuse.

  GAO-15-593SP, A Framework for Managing Fraud Risks in Federal Programs (p. 23)
  GAO highlighted that a leading practice for agencies to consider is to increase managers' and employees' awareness of potential fraud schemes through training and education, noting that this can serve a preventive purpose by helping to create a culture of integrity and compliance within the program. GAO added that increasing fraud awareness can enable managers and employees to better detect potential fraud. In addition, increasing fraud awareness externally can help prevent and deter fraud.

  AmeriCorps OIG Anti-Fraud Advisory (p. 2)
  In the advisory, AmeriCorps OIG applauded AmeriCorps efforts on developing anti-fraud training for employees. The OIG noted that to be effective it must be mandatory for employees and contractors, annually retaken, and tracked for completion.

  FDIC OIG EVAL 12-001, FDIC Examinations of Government-Guaranteed Loans (p. 43, Recommendation 10)
  FDIC OIG's objective was to determine the effectiveness of the FDIC's examinations in identifying and addressing risks related to government-guaranteed loans for banks that participate in government-guaranteed loan programs. FDIC OIG found that FDIC's guidance did not adequately address risks present in government-guaranteed loan programs and that FDIC did not provide adequate training to examination personnel on government-guaranteed lending programs. As such, FDIC OIG recommended:

  REC 10: Develop and implement a training plan to ensure examination staff is trained on the requirements and risks of government-guaranteed loan programs.

- Provide outreach and resources to grantees, contractors, state agencies, and lenders on how to identify risks and combat fraud, waste, and abuse.

  DHS OIG-23-42, Ineffective Controls Over COVID-19 Funeral Assistance Leave the Program Susceptible to Waste and Abuse (pp. 16-19, Recommendations 3 and 5)
  DHS OIG conducted a review of DHS's oversight of the COVID-19 Funeral Assistance Program and found that the processes for reviewing funeral assistance applications did not always prevent erroneous or questionable payments, including payments to multiple parties applying for the same decedents, paying applicants more than the allowable maximum award, and other questionable awards. Ultimately the report identified over $26 million in questioned costs. DHS OIG recommended the following:

  REC 3: Ensure that future iterations of the Individual Assistance Program and Policy Guide and supporting procedures (a) provide consistent guidance on eligibility of funeral expenses for all future disaster declarations; and (b) allow for reimbursement of only necessary expenses and serious needs, consistent with the law.

  REC 5: Ensure that FEMA provides its COVID-19 Funeral Assistance call center contractor with the guidance and training necessary to meet the quality control and production monitoring metrics as prescribed by its agreement with the contractor.

AmeriCorps OIG AR-23-06: Performance Audit of AmeriCorps Seniors Grantees' Financial Management Systems (p. 8 Recommendations 5-7)
In their performance audit of AmeriCorps Seniors grantees, AmeriCorps OIG identified deficiencies in the grantees' financial management systems; specifically, their systems did not comply with Federal regulations and grant terms and conditions. As a result, AmeriCorps OIG's recommendations included.

REC 5: Instruct AmeriCorps portfolio managers to provide grantees with sufficient guidance and training on how to:

a. Ensure that all costs reported on Federal Financial Reports submitted to AmeriCorps are sufficiently supported and reconcile to the grantees' financial management systems.
b. Appropriately track and report Federal and match costs to support that the grantees used the funds for authorized purposes.

REC 6: Develop training and guidance for AmeriCorps Seniors grantees related to:

a. Documentation required to support costs reported on Federal Financial Reports, including how to ensure amounts reported are accurate and reconcile to the grantees' financial management systems.
b. AmeriCorps Seniors grantees' responsibilities with regard to retaining records and providing required documentation, responses, or information necessary to demonstrate that the documentation complies with Federal or AmeriCorps requirements.
c. Requirements for financial management systems to separately identify expenses that the grantees paid using Federal funds or matching funding sources.

REC 7: Issue clear instructions regarding match cost reporting and documentation requirements, including how these requirements may differ in extenuating circumstances or when grantees are eligible for a waiver.

Manage Fraud Risks and Improper Payments

Congressional Research Service, Improper Payments in Pandemic Assistance (p. 15)
The Congressional Research Service noted that audits of pandemic programs have found that many agencies did not meet [statutory] requirements, resulting in hundreds of billions of dollars in fraud and other improper payments.

- Prioritize addressing OIG and GAO recommendations regarding improper payments and fraud risk management.

Testimony of Richard K. Delmar Acting Inspector General U.S. Department of the Treasury Before the House Financial Services Committee Subcommittee on Oversight and Investigations U.S. House of Representatives, March 8, 2023 (pp. 2-8)
The testimony focuses on four pandemic recovery programs, revealing significant financial concerns. It identifies $2.6 billion in questioned costs due to unsupported charges to the Coronavirus Relief Fund. Additionally, it estimates that the Air Carrier Payroll Support Program may have experienced up to $100 million in improper overpayments. These findings

underscore the necessity for stringent oversight and robust internal controls to prevent financial mismanagement and ensure the integrity of pandemic recovery efforts.

HUD OIG, Priority Open Recommendations for Fiscal Year 2024 (pp. 6, 13-14)
HUD OIG identified four related priority open recommendations: one to mature HUD's fraud risk management program, and three to address improper payments in two of HUD's largest programs, which spent $41 billion in fiscal year 2022 and represented over 60 percent of HUD's total expenditures.

REC 1A: To ensure proper coordination, OCFO should establish an improper payment council that consists of senior accountable officials from across the Department with a role in the effort that would work to identify risks and challenges to compliance and identify solutions as a collaborative group.

GAO Testimony Before the Subcommittee on Emerging Threats and Spending Oversight, Committee on Homeland Security and Governmental Affairs, U.S. Senate, COVID-19 Insights and Actions for Fraud Prevention, November 2023 (pp. 13-14)
In their testimony, GAO noted that in their work since July 2015 they have highlighted areas in which federal agencies need to take additional actions to help ensure they are effectively managing fraud risks, consistent with leading practices in GAO's Fraud Risk Framework. GAO reported that from July 2015 through August 2023, they made 173 recommendations to over 40 agency or program offices related to certain areas aligned with leading practices from the Fraud Risk Framework. As of August 2023, agencies needed to take additional action to fully address 95 of these recommendations. Fully addressing these recommendations can help ensure that federal managers safeguard public resources, including while providing needed relief during emergencies.

Congressional Research Service R47902, Improper Payments in Pandemic Assistance Programs (p. 15)
"Some agencies have been slow to implement comprehensive, effective anti-fraud controls. Audits of pandemic programs found that, despite the mandate of the Fraud Reduction and Data Analytics Act (FRDAA), 'federal agencies did not strategically manage fraud risks in alignment with the GAO framework and were not adequately prepared to prevent fraud when the pandemic began.' Some agencies remain vulnerable to fraud: As of August 2023, agencies had 95 open GAO recommendations for better aligning their fraud practices with the leading practices and standards in the Framework, including 25 recommendations for enhancing the use of data analytics to manage fraud risks."

- Adopt strong fraud risk management programs in line with the Treasury Anti-Fraud Playbook and GAO's Fraud Risk Framework, to include establishing a dedicated entity to lead fraud risk management activities.

  HUD OIG 2023-FO-0001, Assessment of HUDs Fraud Risk Management Program (p. 14, Recommendations 1A through 1E)
  HUD OIG found that HUD's fraud risk management program was in the early stages of development and recommended that HUD complete an agencywide fraud risk assessment,

which incorporates program-level fraud risk assessments, and use the results to develop and implement an agencywide plan to mature HUD's fraud risk management program.

REC 1A: Perform a complete agency-wide fraud risk assessment (which incorporates the fraud risk assessments performed at the program level) and use the results to develop and implement an agency-wide plan to move HUD's fraud risk management program out of the ad hoc phase.

REC 1B: Develop and implement a procedure to collect and analyze reported suspected instances of fraud, along with other relevant data points, that can be leveraged to develop more robust antifraud risk mitigation tools.

REC 1C: Communicate to HUD program staff the differences between HUD's enterprise risk management, PIIA, and financial risk management risk assessment processes to ensure an understanding of their roles and responsibilities within HUD's fraud risk management program.

REC 1D: Develop and implement activities to raise awareness of fraud, such as participating in organized antifraud conferences or a newsletter that includes instances of recent fraud in Federal programs.

REC 1E: Develop and implement a strategy for collecting and analyzing agency-wide data, to include subrecipient and beneficiary data, to identify trends and potential indicators of fraud across programs.

DOT OIG ST2023034, DOT Should Enhance Its Fraud Risk Assessment Processes for IIJA-Funded Surface Transportation Programs (p. 17, Recommendations 1 and 2)
When reviewing new programs developed from the $660 billion authorized by the Infrastructure Investment and Jobs Act (IIJA) the Department of Transportation (DOT) OIG found that DOT has an opportunity to expand its fraud risk assessment process for IIJA-funded surface transportation programs to better incorporate GAO's Fraud Risk Framework, such as planning and tailoring fraud risk assessments for all programs. DOT OIG provided two recommendations related to DOT's fraud risk assessment processes.

REC 1: Require Operating Administrations (OAs) to regularly assess fraud risks for each program; tailor their assessments based on factors such as size, resources, maturity, and experience in managing risks; and include relevant stakeholder input.

REC 2: Provide guidance to OAs on how to identify and assess fraud risks in their programs, including guidance on specific tools, methods, and sources for gathering information about fraud risks. This guidance should also address the leading practices for identifying and assessing the likelihood and impact of inherent fraud risks, determining fraud risk tolerance, examining the suitability of existing controls, prioritizing residual fraud risks, and documenting the program's fraud risk profile to inform managers' decisions on their responses to assessed risks.

GAO-22-105715, EMERGENCY RELIEF FUNDS: Significant Improvements Are Needed to Ensure Transparency and Accountability for COVID-19 and Beyond (p. 22)
"We recognize that eliminating all fraud and fraud risks is not a realistic goal. However, agencies should make every effort to minimize fraud and maximize help to individuals in legitimate need.

Across our COVID-19 work, we found that agencies did not consistently apply leading practices to manage fraud risks in COVID-19 spending, including designating dedicated antifraud entities or assessing fraud risks."

FDIC OIG EVAL 12-001, FDIC Examinations of Government-Guaranteed Loans (p. 38, Recommendations 5 and 6)
FDIC OIG noted that FDIC did not follow practices outlined in GAO's Fraud Risk Management Framework, and recommended that FDIC:

REC 5: Issue and implement guidance to require that examination staff conduct a fraud risk assessment on future Government-guaranteed loan programs involving FDIC-insured and FDIC-supervised financial institutions to inform policy decisions.

REC 6: Ensure guidance on future Government-guaranteed loan programs includes all risks associated with such programs and has instructions to allow for consistency in supervisory activities.

- Conduct fraud risk assessment for new programs.

DHS OIG 22-69, FEMA Did Not Implement Controls to Prevent More than $3.7 Billion in Improper Payments from the Lost Wages Assistance Program (p. 15, Recommendations 1 and 2)
DHS OIG found that FEMA did not conduct the necessary internal reviews or studies on fraudulent activity in UI programs before launching its Lost Wages Assistance (LWA) program. If it had, FEMA would have been better positioned to reduce fraud in the program. FEMA had internal discussions about fraud risk assessments. However, a full risk assessment did not occur before the program launched and was not completed until at least a full year after the LWA program was initiated. As such DHS recommended:

REC 1: The FEMA Administrator develops and implements a standard risk assessment process before initiating new federal grant programs. This risk assessment should focus on identifying and evaluating program risks that may affect FEMA's ability to prevent waste, fraud, and abuse in its programs and mitigating those external risks to the extent practical.

REC 2: The FEMA Administrator, when mandated to rely on eligibility determinations of non-FEMA programs, develop a process to assess the program controls and identify risk to the extent practical

USDA OIG 27801-0003-22, Supplemental Nutrition Assistance Program Online Purchasing in Response to the Coronavirus Disease 2019 (pp. 4-5, Recommendations 1 and 2)
USDA OIG reviewed USDA's Food and Nutrition Service's (FNS) Supplemental Nutrition Assistance Program (SNAP) Online Purchasing Pilot. The pilot was expanded as a result of

the pandemic, and while not a new program, between March and December 2020, the total value of online SNAP purchase transactions increased from more than $18.9 million to more than $1.5 billion cumulatively.

USDA OIG found that FNS had not updated its risk assessment of the SNAP Online Purchasing Pilot since creating the pilot in 2014, noting without updating its risk assessment to assess new risks in the rapidly evolving e-commerce market, the pilot could be susceptible to fraud and abuse—particularly as FNS rapidly expanded the pilot between March and December 2020. As such, USDA OIG recommended that FNS should perform an updated risk assessment and establish a policy to periodically perform assessments to identify any new risks and re-evaluate existing ones.

Build Necessary Infrastructure

Maintain a Crisis-Ready Staff

- Develop and implement a long-term training program to ensure staff has competencies to manage existing and new programs.

  HHS OIG A-02-20-01019, Prior Audits of Medicaid Eligibility Determinations in Four States Identified Millions of Beneficiaries Who Did Not or May Not Have Met Eligibility Requirements (p. 2)
  In HHS OIG's compilation of prior audits, HHS OIG determined that both human and system errors, as well as a lack of policies and procedures, contributed to improper or potentially improper payments in the Medicaid program, related to eligibility determinations.

  Maintain its efforts to improve the integrity of the Medicaid program by continuing to provide training, technical advice, and guidance to states to address the causes identified in OIG's prior audits in order to ensure that states:

  - improve the accuracy of eligibility caseworkers who manually input case actions and verify eligibility requirements
  - improve their eligibility verification systems to properly verify all eligibility information in a timely manner
  - develop additional policies and procedures to produce more accurate eligibility determinations and to resolve eligibility discrepancies in a timely manner

  FDIC OIG EVAL 12-001, FDIC Examinations of Government-Guaranteed Loans (p. 43, Recommendation 10)
  FDIC OIG found that "without regular training on these programs, the examiners may not be aware of the new or revised requirements that could impact loan guaranties and, ultimately, the safety and soundness of institutions." FDIC OIG recommended the following:

  REC 10: That FDIC develop and implement a training plan to ensure examination staff is trained on the requirements and risks of Government-guaranteed loan programs.

DHS OIG, Ineffective Controls Over COVID-19 Funeral Assistance Leave the Program Susceptible to Waste and Abuse (pp. 14 and 15, Recommendation 4)
DHS surveyed all Federal Emergency Management Agency (FEMA) caseworkers assigned to process COVID-19 Funeral Assistance applications. Nearly a third of survey responses ranged from neutral to strong disagreement that FEMA prepared respondents to perform their role with both program-specific training and guidance on processing applications. As a result, DHS OIG recommended the following:

REC 4: FEMA Administrator strengthen and monitor improvement of FEMA's COVID-19 Funeral Assistance training practices with particular focus on a) distinguishing legitimate sources of potential duplication such as decedent's name and Social Security number from potential duplications that arise due to FEMA using a repurposed Individual Assistance processing system, with a data field such as damaged dwelling address.

- Develop a plan to ensure staff has the competencies to manage high-risk programs.

DOJ OIG 21-130, Review of the Office of Justice Programs' Administration of CARES Act Funding (pp. 10-12, Recommendations 2 and 3)
Department of Justice (DOJ) OIG assessed the Office of Justice Program's (OJP) efforts to distribute Coronavirus Emergency Supplemental Funding (CESF) awards in a timely and efficient manner, and (2) review pre-award activities to determine if CESF awards were made in accordance with applicable laws, regulations, and other guidelines. DOJ OIG noted that Bureau of Justice Assistance (BJA) grant managers (the employees in charge of providing oversight for CESF awards) stated that the information provided by CESF recipients in performance reports was not sufficient to effectively oversee CESF awards. Further, some BJA grant managers stated that they did not receive training on the CESF program, and others were dissatisfied with the training they received. DOJ OIG made the following two recommendations that OJP:

REC 2: Ensure it maintains records of staff who attend, and do not attend, program-specific training.

REC 3: Consider whether follow-up training opportunities for the CESF award managers are warranted.

USDA OIG 427801-0001-21, COVID-19, Oversight of the Emergency Food Assistance Program (pp. 13-16, Recommendations 3 and 4)
When reviewing the Food and Nutrition Service (FNS) process for approving requests from state agencies to implement flexibilities to continue to provide food during the pandemic, USDA OIG found that the Management Evaluation (ME) reviewers did not support their determinations of State agency and Eligible Recipient Agencies compliance or non-compliance with Federal and FNS program requirements in their workpapers.

USDA OIG noted that FNS needs to provide training to the ME reviewers and regional office supervisors on the documentation requirements outlined in the FNS National ME Review Guidance.

REC 3: Perform a comprehensive review of the Emergency Food Assistance Program (TEFAP) program-specific ME module to ensure it provides clear instructions for retaining documentation in accordance with the National ME guidance documentation requirements and, based on this review, revise the ME module as appropriate.

REC 4: Provide the ME reviewers and regional office supervisors with training to ensure the ME reviews are performed consistently and in accordance with the FNS National ME Review Guidance.

- Ensure that staff have the training and expertise to support data-informed decision making, as required by the Evidence Act.

  USAID OIG 4-000-24-001P, COVID-19: Enhanced Controls Could Strengthen USAID's Management of Expedited Procurement Procedures (pp. 9, 12, Recommendation 3)
  USAID OIG found that more training to ensure accurate reporting in the agency's Global Acquisition and Assistance System would have been beneficial as these reporting requirements connect to other information systems that stakeholders use to form policy decisions and report on trends.

  USAID OIG recommended that USAID officials:

  REC 3: Implement procedures to strengthen training on use of noncompetitive action codes in the Global Acquisition and Assistance System to ensure consistent reporting of use of other than full and open competition for new and modified awards in the Global Acquisition and Assistance System and the Federal Procurement Data System, and track use of the Expedited Procedures Package for Infectious Disease Outbreaks.

  DOI OIG 2021–ER–015, The Bureaus of Indian Affairs and Indian Education Have the Opportunity to Implement Additional Controls To Prevent or Detect Multi-dipping of Pandemic Response Funds (p. 7, Recommendations 1 and 2)
  DOI OIG found that the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE) used existing programs and controls to quickly distribute pandemic response funds to Tribes but did not design additional controls to safeguard these emergency funds because the legislation did not contain specific requirements for increased agency controls. As such, their programs were at greater risk of multi-dipping (when a recipient used funds from multiple federal programs for the same expenses and then used the excess funds for other unallowable purposes).

  DOI OIG made the following recommendations that the Bureaus:

  REC 1: Develop and implement policies, procedures, or guidance designed to prevent or detect multi-dipping.

  REC 2: Communicate the policies and procedures developed and train bureau personnel and Tribes on preventing and detecting multi-dipping.

FDIC OIG EVAL 12-001, FDIC Examinations of Government-Guaranteed Loans, (pp. 41-43, Recommendations 10 and 11)
This report discusses the lack of data and lack of awareness and training of FDIC examiners to seek additional data or understand its impact.

FDIC OIG recommended that FDIC officials:

REC 10: Develop and implement a training plan to ensure examination staff is trained on the requirements and risks of Government-guaranteed loan programs.

REC 11: Update, develop, and distribute to FDIC examination personnel a list of FDIC examiners who have significant experience examining banks that specialize in Government-guaranteed loan programs to regional offices.

Enhance Information Technology

- Where feasible, replace or upgrade legacy IT systems and implement enhanced IT processes and controls.

DHS OIG 22-12, Continued Reliance on Manual Processing Slowed USCIS' Benefits Delivery During the COVID-19 Pandemic (pp. 11-16, Recommendations 1 and 2)
DHS OIG conducted an audit to determine the effectiveness of USCIS' technology systems to provide timely and accurate electronic processing of benefits while offices were closed or operating at reduced capacity as a result of the COVID-19 pandemic and recommended that the agency:

REC 1: Update the USCIS pandemic plan to incorporate additional technology guidance and lessons learned during the COVID-19 pandemic.

REC 2: Develop an updated strategy for digitizing all benefits work and tracking the outcome of improving case processing times, including a detailed funding plan, in accordance with the Emergency Stopgap USCIS Stabilization Act.

DOL OIG 23-24-002-07-725, Without an IT Modernization Framework, DOL Is Vulnerable to Inadequate Resource Prioritization for Ensuring Security and Availability of DOL Systems (pp. 3-5, 9, Recommendations 1 and 3)
DOL OIG found that the Department had not developed a formal, documented IT modernization framework to help it and recommended that the Chief Information Officer:

REC 1: Document an IT modernization framework including the variety of connections between different elements and publish the information to ensure all Department personnel are aware of how it works.

REC 2: Develop documents for IT modernization project discussions that ensure completeness of IT modernization efforts including new projects and enhancements to existing systems.

REC 3: Implement a system/program to maintain an automated, real-time inventory of all Department systems and applications that enables prioritization of IT modernization.

USPS OIG 21-056-R21, Passport Application Acceptance Operations (p. 8)
In its Audit, USPS OIG "noted the Postal Service's technology, both currently used and in development, could enhance passport acceptance operations as well as other services the Postal Service may consider offering. Such technology, including biometric fingerprinting for identity checks, is currently offered at select post offices as part of a pilot program. In addition, the Postal Service could utilize its current Priority Mail tracking capabilities to enhance the passport customer experience."

GAO 24-107157, COVID-19: Insights and Actions for Fraud Prevention (p. 10)
GAO found that "during the pandemic, due to outdated IT systems, agencies experienced challenges in detecting and recovering improper payments, including from fraud. Addressing interoperability issues can support future use of data analytics for fraud prevention and detection."

SBA OIG 22-19, COVID-19 and Disaster Assistance Information Systems Security Controls (pp. 3-10)
SBA OIG offered ten recommendations to strengthen the agency's entity-level IT control environment to include cybersecurity risk and privacy controls, system development life cycle, continuous monitoring, and the supply chain risk management processes.

CIGIE Capstone Report, Management Challenges of Federal Agencies in Preparing for and Responding to Natural Disasters (pp. 44-45)
This CIGIE Capstone Report identified information technology security and management as a top challenge for agencies in preparing for and responding to natural disasters, which "incorporated the protection of Federal information technology systems from intrusion or compromise by external or internal entities and the planning and acquisition of replacing or upgrading information technology infrastructure. Key areas of concern related to information technology security and management include safeguarding sensitive data and information systems, networks, and assets against cyber-attacks and insider threats; modernizing and managing Federal information technology systems; ensuring continuity of operations; and recruiting and retaining a highly skilled cybersecurity workforce."

- Implement cybersecurity requirements to systems and processes to defend against organized attacks and identity theft.

SBA OIG 22-17, COVID-19 Economic Injury Disaster Loan Applications Submitted from Foreign IP Addresses (pp. 10-14, Recommendation 2)
SBA OIG found that the agency implemented several layers of controls to prevent or reduce fraud with firewalls or alerts designed to prevent applications originating from foreign countries and that the system blocked a majority of the applications from foreign IP addresses. However, SBA OIG found that applicants with foreign IP addresses were able to access the system more than 233,000 times, resulting in $1.3 billion in COVID-19 EIDL funding to applicants in foreign countries who may not have been eligible.

To address this finding, SBA OIG recommended that the agency:

REC 2: Examine controls related to foreign IP addresses and ensure these controls are more effective in future disaster processing systems.

USPS OIG Report 22-058-R22, Issues Identified with Internet Change of Address (pp. 4-5. Recommendation 2)
USPS OIG found that "ineffective identity verification controls allow bad actors to use Moversguide to facilitate mail and identity theft against Postal Service customers, which could result in a financial loss to customers and negative impact on the Postal Service Brand," and recommended that USPS officials:

REC 2: Ensure controls are in place to verify customer's identity when using a certain application.

- Use technology and implement processes to securely collect and protect key personal identifiers and information to include Social Security numbers, dates of birth, IP addresses, and tax returns or tax transcripts.

  SBA OIG 23-09, COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape (p. 5)
  SBA OIG's report discussed the value of implementing [a] requirement that applicants provide tax transcripts, and the use of tax transcripts, EINs, and IP Addresses to prevent and identify fraud.

  HHS OIG A-02-21-01013, HRSA Made COVID-19 Uninsured Program Payments to Providers on Behalf of Individuals Who Had Health Insurance Coverage and for Services Unrelated to COVID-19 (p. 9)
  HHS OIG's report addressed the challenges of verifying a patient's health insurance coverage status without a Social Security number, and alternative checks using a first name, last name, date of birth, and address.

  SBA OIG 22-22, Follow-up Inspection of SBA's Internal Controls to Prevent COVID-19 EIDLs to Ineligible Applicants (p. 7)
  Conclusion:
  "At the start of the pandemic economic crisis, the CARES Act restricted SBA from requesting tax return transcripts. Although lessening requirements can speed up governmental processes, it also opens the door to fraudsters and unscrupulous borrowers. The requirement to obtain tax return transcripts is a necessary control to help prevent ineligible applicants from receiving COVID-19 EIDLs.

  In late 2020, Congress authorized SBA to obtain official tax information to prove applicant eligibility, which would help stop potential misuse or abuse of funds. It took SBA four months to implement this vital eligibility requirement, even though the agency has prior experience implementing this internal control. In the first six months of 2021, SBA made 133,832 COVID-19 EIDL disbursements, totaling about $8.5 billion, without obtaining tax transcripts to verify that new applicants were eligible to receive the loan funds. Of these, 1,536 disbursements, totaling about $92.1 million, had more suspect tax ID numbers indicating

that many of these applicants were likely ineligible for the COVID-19 EIDL funds. The results of our review of a sample of COVID-19 EIDL disbursements confirm that many loan recipients were ineligible for the funds they received.

Loans to ineligible borrowers reduce the amount of capital available for eligible businesses to withstand the effects of the pandemic. Obtaining tax return transcripts to confirm eligibility prior to approving COVID-19 EIDLs ensures that needed funds go to the applicants Congress intended and minimizes the potential of COVID-19 loan fraud."

- Create a process for the return and tracking of program funds.

  SBA OIG 23-08, Serious Concerns Regarding the Return of PPP Funds (p. 5)
  "Establishing clear and detailed guidance for borrowers, lenders, and financial institutions on how to return PPP funds and implementing a process for SBA to accurately handle and track the returned funds should mitigate the risk of financial loss. SBA should take immediate action to ensure it has processes and procedures in place to adequately accept, process, and account for returned PPP funds."

  HHS OIG A-09-21-06001, HHS's and HRSA's Controls Related To Selected Provider Relief Fund Program Requirements Could Be Improved (pp. 23-24)
  HHS OIG found that the Health Resources and Services Administration's (HRSA's) guidance was lacking for situations when providers rejected payments. To ensure timely return of funds, HHS OIG concluded that "If HRSA does not ensure that providers return their rejected payments in a timely manner, the allocation of returned payments to future PRF distributions may be delayed."

Implement a Data-Centric Approach

- Identify and collect program-critical data and compare against existing reliable databases, such as Do Not Pay, to verify eligibility.

  SBA OIG 22-06, COVID 19 Program Recipients on the Department of Treasury's Do Not Pay List (pp. 1-3, Recommendations 1 and 2)
  SBA OIG discussed the importance of pre-award and pre-payment procedures using the batch match or continuous monitoring functions available in Treasury's DNP system to identify potentially ineligible applicants using applicant data such as names, Taxpayer Identification Numbers (TINs), Social Security Numbers or Employer Identification Number (EINs). To prevent improper payments and strengthen oversight controls, SBA OIG recommended that the agency:

REC 1: Implement prepayment and pre-award procedures and use the batch match or continuous monitoring functions available in Treasury's DNP system to identify potentially ineligible applicants before disbursing COVID-19 EIDL program funds.

REC 2: Use Treasury's DNP analysis to systemically flag COVID-19 EIDL and Emergency EIDL grant recipients who were found in Treasury's DNP system and not previously reported by OIG. Review the applications and determine whether they are deemed ineligible. If the

applicant is deemed ineligible, recover any disbursed funds, and flag the application as ineligible.

GAO 24-107157, COVID-19: Insights and Actions for Fraud Prevention (pp. 9-10)
"Integrated, functional, and secure data and systems are essential for effective fraud risk management. Agencies' responses to the pandemic revealed challenges in leveraging available data, legacy IT systems that were unable to facilitate fraud detection and recovery, and data breaches that facilitated identity fraud.

According to the Fraud Risk Framework, a leading practice in fraud data analytics is to conduct data mining and matching. This includes cross-checking of data and using external data sources to validate information, to identify suspicious activities. There are various sources of data available for agencies to use. For example, agencies have access to free payment integrity services provided by the Department of the Treasury. Agencies can also leverage their own program or agency data. However, these data sources are not always fully leveraged.

Internal and external data sharing posed challenges in the administration of COVID-19 relief programs..."

GAO suggested that agencies leverage the Department of the Treasury's free payment integrity services as well as available program or agency data.

PRAC, Fraud Alert Follow-Up: Improved Use of the DNP System Would Strengthen Program Integrity (p. 2)
This fraud alert informed readers that verifying borrower information, including SSN and the date of death, helps prevent identity fraud and ensures government benefits are paid only to those who are eligible.

- Take the steps necessary to complete data sharing agreements and obtain access to critical databases.

FDIC OIG EVAL 12-001, FDIC Examinations of Government-Guaranteed Loans (pp. 43-46, Recommendations 12, 13, and 14)
FDIC OIG found that FDIC did not maintain adequate data to identify, monitor, and research bank participation in Government-guaranteed loan programs, and recommended that FDIC take the following actions:

REC 12: Develop and implement a process to obtain improved data regarding Government-guaranteed lending activities of FDIC-supervised financial institutions.

REC 13: Update the MOU (Memoranda of Understanding) to include the sharing of loan portfolio information such as historical loan performance, status of guaranty, and loan-level risk characteristics.

REC 14: Establish arrangements with other Federal agencies that administer Government-guaranteed loan programs to facilitate information sharing and proactive identification of risk.

SBA OIG 23-09, COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape (pp. 8-9)
SBA OIG described their work on obtaining additional datasets through partnerships with other government agencies, such as the Pandemic Response Accountability Committee (PRAC) and the U.S. Government Accountability Office (GAO), as well as through subpoenas of certain lenders and their third-party processors.

Chief Data Officer Council, Report on Data Sharing (pp. 1-4)
Recommending expedited data agreements, improved data awareness, and improved data trustworthiness.

- Employ strategies for analyzing data sets to inform funding and monitoring decisions.

  PRAC, Insights on Telehealth Use and Program Integrity Risks Across Selected Health Care Programs During the Pandemic (p. 16)
  "Most OIGs found that the selected programs need additional data to oversee billing for telehealth services and to better understand how telehealth is used in these programs. Complete and reliable data on telehealth services are critical to oversight and protecting against program integrity risks. These data are also important to assessing the impact of telehealth on quality of care."

  HHS OIG A-02-21-01013, HRSA Made COVID-19 Uninsured Program Payments to Providers on Behalf of Individuals Who Had Health Insurance Coverage and for Services Unrelated to COVID-19 (pp. 5-10, 13, Recommendation 3)
  The OIG recommended that HRSA commit to strengthening its procedures that may apply to future programs of a similar nature to:

  - Expand insurance verifications using additional data fields on each patient for whom an SSN is not submitted as part of a prepayment check or post payment review process to identify potential exact matches for health insurance coverage,
  - Ensure data sources used to verify health insurance coverage are reliable, and
  - Develop in a timely manner an assessment strategy to ensure claims are appropriately reimbursed to providers.

  HHS OIG A-09-22-06001, HRSA Made Some Potential Overpayments to Providers Under the Phase 2 General Distribution of the Provider Relief Fund Program (pp. 9, 17-18)

  Certain HRSA Procedures for Processing and Reviewing Provider Relief Fund Applications and Supporting Documentation did not Ensure that Payments were Correctly Calculated and were Supported by Appropriate Documentation. The potential overpayments occurred because certain HRSA procedures for processing and reviewing PRF applications and supporting documentation did not ensure that PRF payments were correctly calculated and were supported by appropriate documentation.

APPENDIX 1-B:
Section 2 – Design And Implement Effective Emergency Relief Programs

CIGIE Capstone Report, Management Challenges of Federal Agencies in Preparing for and Responding to Natural Disasters (p. 46)
In this compilation of oversight reports related to the administration of disaster relief programs, OIGs found that their agencies needed to update their processes to effectively: manage disaster programs, spend disaster funds on fully documented expenditures related to disasters, review grant applications and award grants, evaluate the risks of grantees and projects, oversee grant recipients and subrecipients, award and oversee contracts, evaluate borrowers' ability to repay loans, and maintain adequate and well-trained staff.

Statement of Michael E. Horowitz, June 22, 2022 (p. 10)
In his testimony, Pandemic Response Accountability Committee Chair Michael Horowitz includes the following top 10 lessons learned from oversight of pandemic response programs:

1. Agencies shouldn't solely rely on individuals attesting that they are eligible for benefits
2. Underserved communities should be prioritized for funding
3. Agencies should use existing data to verify eligibility, like the "Do Not Pay" system
4. Relief guidance needs to be accurate and issued quickly
5. Programs must fully disclose to the public who received relief funds
6. Allocate funding based on need
7. New programs need more outreach to increase public awareness and participation
8. Watchdogs need access to data to find fraud
9. Collaboration is critical to oversee pandemic relief programs
10. Better reporting is needed to track pandemic relief spending

Incorporate Robust Internal Controls

CFOC, Interactive-Treasury-Playbook.pdf
This playbook represents compiled information related to best practices and lessons learned surrounding the development and advancement of antifraud efforts within various agencies. It provides practical and actionable guidance drawn from successful practices from the federal government and private sector to help agencies combat fraud risks.

Develop Strong Award Terms and Conditions

- Clearly define program objectives and parameters.

  CIGIE Capstone, The IG Community's Joint Efforts to Protect Federal Grants from Fraud, Waste, and Abuse (p. 6)
  This cross-cutting report summarizes the IG community's multidisciplinary efforts to combat fraud, waste, and abuse in Federal grant programs. This report incorporated the need to provide clear guidance to award recipients, citing HUD OIG's recommendation that the Community Development Block Grant Disaster Relief Programs be codified to standardize the rules for all grantees and avoid confusion associated with multiple Federal Register notices.

  Testimony of Richard K. Delmar Acting Inspector General U.S. Department of the Treasury Before the House Financial Services Committee Subcommittee on Oversight and Investigations U.S. House of Representatives, March 8, 2023 (p. 7)
  Looking at lessons learned from the administration of the Coronavirus Relief Fund, the Acting Inspector General for Treasury testified about the value and necessity of clear and timely guidance to recipients on proper uses and compliance with reporting requirements, as well as the value of formal agreements with terms and conditions in order to mandate conditions for receipt of funds.

  SIGPR-A-22-005, Audit of the U.S. Department of the Treasury's Process for Its Direct Loan to YRC Worldwide, Inc. Under Section 4003 of the CARES Act Report Number (pp. 3-5)

  The Special Inspector General for Pandemic Recovery's (SIGPR) found that Treasury did not have specific, measurable objectives, nor did it have finalized loan approval policies and procedures in place prior to the approval and disbursement of Yellow's loan. We recommended that 1) Treasury finalize/codify program objectives in its policies and procedures before any new programs are established and executed; and 2) Ensure that appropriate policies and procedures are in place prior to rolling out new programs where American tax dollars are at risk; and 3) Develop a contingency plan for financial disasters that provides a framework for future direct lending programs to reduce implementation time and the possibility of errors or omissions.

- Incorporate lifecycle certifications and strategies to avoid duplication of benefits.

  CIGIE Capstone, The IG Community's Joint Efforts to Protect Federal Grants from Fraud, Waste, and Abuse (p. 3)
  "[A] leading practice of grant-making agencies is to require grantees to provide lifecycle certifications to confirm that grantees spent award funds as promised and that the grant applications, reports, and documentation provided in support of grant expenditures and drawdowns are accurate and truthful. Requiring certifications throughout the lifecycle of a grant, coupled with mandatory pre-award, anti-fraud training, helps deter fraud, educates grantees about the seriousness of various grant requirements and the need to provide truthful information, and contributes to effective civil and criminal grant fraud enforcement efforts."

DOD OIG Report DODIG-2021-030, Audit of Department of Defense Implementation of Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act (pp. 9-10)
Section 3610 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act authorized agencies to reimburse contractors for paid leave provided to employees to maintain a ready state during the pandemic, and contractors were required to self-certify that they were not being reimbursed from any other source of funding for the same leave expenses. DOD OIG found that contracting officers could not validate contractor use of other relief options because they did not have access to other agencies' databases. Therefore, if contractors did receive other COVID-19 funds from another Federal agency for the same expenses, the contracting officer had to rely on the contractor to reduce the requested reimbursement amount accordingly.

Contracting officers were encouraged to work with the contractors to secure necessary documentation to support reimbursement and prevent duplication of payment. DOD OIG compared the data against SBA's data to identify contractors who had also received Paycheck Protection Program funds.

VA OIG Report 21-02688-182, Digital Divide Consults and Devices for VA Video Connect Appointments (pp. 17-19, 26, Recommendations 5 and 6)
VA OIG reviewed the VA's implementation of the digital divide consult program, which provided access to video-based virtual care to patients by providing a video-capable device, or the internet connection required to access this care. The report found that VHA's digital divide program was successful in distributing devices to patients but identified several gaps in oversight and guidance preventing the program from fully meeting its intended purpose for patients to receive virtual care, to include multiple devices issued to the same patients. VA OIG recommended that the program:

REC 5: Implement procedures to require responsible staff to check for duplicate devices before submitting a device order consult, and

REC 6: Establish an alert in the Remote Order Entry System to notify the responsible staff member that a patient already has an issued device before ordering another, and initiate retrieval activities for duplicate devices.

Education OIG F20CA0047, Duplicate Higher Education Emergency Relief Fund Grant Awards
Education OIG conducted a review of the Higher Education Emergency Relief Fund (HEERF) grant awards to institutions of higher education and identified duplicate HEERF grant awards made to 24 schools, totaling about $73 million. Education OIG made the following recommendation to prevent and identify duplicate awards:

REC 1.1: Design and implement written policies and procedures for HEERF and other future emergency programs that specifically address (1) application and award verification procedures designed to prevent duplicate awards from occurring, (2) quality assurance reviews of obligated HEERF funds including analyses to identify duplicate awards, and (3) the correction and documentation of erroneous awards in a timely manner.

Interior OIG 2021-ER-015, The Bureaus of Indian Affairs and Indian Education Have the Opportunity To Implement Additional Controls To Prevent or Detect Multi-dipping of Pandemic Response Funds (pp. 6-10, Recommendations 1 and 2)
Interior OIG found that the Bureaus of Indian Affairs (BIA) and Education (BIE) did not take the opportunity to develop additional internal controls designed to prevent or detect multi-dipping of pandemic response funds. To address these findings, OIG recommended that the agency:

REC 1: Develop and implement policies, procedures, or guidance designed to prevent or detect multi-dipping.

REC 2: Communicate the policies and procedures developed and train bureau personnel and Tribes on preventing and detecting multi-dipping.

- Highlight awardees' obligation to return any unused or misused program funds to the agency.

SBA OIG Report 23-08, Serious Concerns Regarding the Return of PPP Funds (pp. 5-9)
"Establishing clear and detailed guidance for borrowers, lenders, and financial institutions on how to return PPP funds and implementing a process for SBA to accurately handle and track the returned funds should mitigate the risk of financial loss."

TIGTA 2021-46-034, Implementation of Economic Impact Payments (pp. 11-12)
Referencing action by IRS to add instructions to IRS.gov to inform ineligible individuals of the need to return these payments, including the process to be followed.

CRF-Guidance-Federal-Register_2021-00827.pdf (p. 5)
"Instructions for State, Territorial, Local, and Tribal Governments To Return Unused Coronavirus Relief Fund Payments to the Department of the Treasury."

"Any remaining amount of payments from the Fund not used for eligible expenses incurred during the covered period must be returned to Treasury in one of three ways, set forth below. Please note that these instructions are for Fund recipients to return the balance of unused Fund payments to Treasury."

HHS OIG A-02-20-01025, HHS's Oversight of Automatic Provider Relief Fund Payments Was Generally Effective but Improvements Could Be Made (p. 22)

HHS OIG recommended "that the Health Resources and Services Administration [. . .] perform postpayment reviews of:

- 108 renal dialysis providers that attested to and kept automatic PRF payments totaling $58 million and recoup any outstanding overpayments from these providers;
- 58 providers with multiple subsidiary organizations that attested to and kept automatic PRF payments totaling $130 million and recoup any outstanding overpayments from these providers;
- 642 providers that attested to and kept $165 million in automatic PRF payments for which they were not eligible and recoup any outstanding overpayments from these providers"

- Mandate that awardees timely notify agency and OIG of fraud, waste, or abuse involving program funds.

  Uniform Grant Guidance, 2 C.F.R Section 200.113
  "The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award."

  Federal Acquisition Regulation, Section 52.203.13
  "The Contractor shall timely disclose, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed:

  (A) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or
  (B) A violation of the civil False Claims Act (31 U.S.C. 3729-3733)."

  AmeriCorps, General Grant and Cooperative Agreement Terms and Conditions (p. 13, "Section I: REPORTING OF FRAUD, WASTE, AND ABUSE)
  Recipients must contact the OIG and their Portfolio Manager without delay when they first suspect:

  1. Any criminal activity or violations of law has occurred, such as:

     - Fraud, theft, conversion, misappropriation, embezzlement, or misuse of funds or property by any person, including AmeriCorps personnel, grantees, or contractors—even if no federal funds or property was involved;
     - Submission of a false claim or a false statement by any person in connection with any AmeriCorps program, activity, grant or operations;
     - Concealment, forgery, falsification, or unauthorized destruction of government or program records;
     - Corruption, bribery, kickbacks, acceptance of illegal gratuities, extortion, or conflicts of interest in connection with operations, programs, activities, contracts, or grants;
     - Other misconduct in connection with operations, programs, activities, contracts, or grants; or
     - Mismanagement, abuse of authority, or other misconduct by AmeriCorps personnel."

Validate Self-Certified Eligibility Criteria

- Implement pre-award and post-award verification procedures to confirm eligibility criteria.

  DOD OIG DODIG-2021-030, Audit of Department of Defense Implementation of Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act (pp. 8-10)
  "DoD contracting personnel stated that they were not sure how they could verify that contractors were not actually receiving assistance from other COVID-19 programs. For example, one contracting officer stated that she knows she has to review whether the contractor is receiving any additional funds, but other than a statement the contractor signs to certify it is not receiving other assistance, she does not know what else she could require. Another contracting officer stated that he also relied on the certification statement and that he could not determine what other assistance the contractor was receiving because he did not have access to that information. Ultimately, DoD contracting officers had to trust the contractors to self-report because DoD contracting personnel do not have access to the SBA, the Department of the Treasury, the Department of Labor, or state unemployment databases."

  DOD OIG concluded that "identifying contractors that might be receiving assistance through multiple programs for the same expenses will require extensive interagency coordination, but should be considered to detect potential fraud, waste, and abuse."

  DOL OIG 19-23-016-03-391, COVID-19: The Employment And Training Administration Needs To Improve Grant Oversight In New Jersey (p. 8, Recommendations 5 and 6)
  DOL OIG found that DOL's Employment and Training Administration did not provide sufficient oversight to ensure grantees assessed and enrolled eligible individuals and made seven recommendations to update guidance to better identify and account for risks associated with grant fund use and improve assistance to and monitoring of grant recipients to ensure they can account for and report on federal awards, as well as understand how to properly award contracts. Among the recommendations were that DOL take the following two actions:

  REC 5: Establish and implement a plan to improve monitoring activities to ensure grantees and sub-recipients are properly documenting eligibility.

  REC 6: Establish and implement a plan to increase the level of technical assistance and monitoring for grantees and sub-recipients to ensure they properly administer contracts and reimburse on-the-job training costs.

  TIGTA 2021-46-034, Implementation of Economic Impact Payments (pp. 8-13, Recommendation 2)
  TIGTA conducted an audit to assess the IRS's Economic Impact Payment program, to include the adequacy of controls to prevent ineligible individuals from receiving a payment. The audit found that "as of July 16, 2020, the IRS had issued more than 4.4 million EIPs totaling nearly $5.5 billion to potentially ineligible individuals. These payments include payments made to deceased individuals, potentially nonqualified dependents, nonresidents, individuals in U.S. Territories (who have also received payments from the Territories), and

individuals with filing status changes, which included improper and fraudulent payments to incarcerated individuals, duplicate payments, and identity theft." TIGTA recommended that the IRS take the following action to:

REC 2: Ensure that prior to issuing future EIPs, processes are developed to cross-check return filings to identity and prevent payments to individuals who are not eligible based on applicable dependency requirements.

SBA OIG 21-06, Paycheck Protection Program Loan Recipients on the Department of Treasury's Do Not Pay List (p. 5, Recommendation 3)

REC 3: SBA OIG recommended that SBA review prepayment and pre-award procedures and work with Treasury to formulate a technical approach to use Treasury's DNP portal to determine loan applicant eligibility and prevent improper payments before the release of any federal funds.

- Compare information provided by recipients against well-established databases.

  SBA OIG 23-09, COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape (pp. 2-4)
  SBA OIG conducted a review to provide a comprehensive estimate of the potential fraud in the U.S. Small Business Administration's (SBA) pandemic assistance loan programs and estimated that SBA disbursed over $200 billion in potentially fraudulent loans under its pandemic relief programs. SBA OIG concluded that "to ensure program integrity and mitigate the risk of financial loss, SBA must ensure first that loans are provided to eligible applicants and that borrowers meet all eligibility requirements."

  SBA OIG offered the following key recommendations to strengthen internal controls to prevent fraud that relate to using and comparing data to protect federal programs from improper payments:

  - working with the U.S. Department of the Treasury (Treasury) to develop a technical solution to enable the use of Treasury's Do Not Pay portal to determine PPP loan applicant eligibility and prevent improper payments before the release of any federal funds;
  - establishing or strengthening controls to ensure loan deposits are made to legitimate bank accounts for eligible borrowers only, preventing the change of loan application information post-approval without having that information reviewed again by a person;
  - strengthening or establishing controls to ensure multiple loans are provided only to eligible COVID-19 EIDL applicants and prevent the erroneous duplication of loans. At a minimum:
    - obtain a photo ID of the applicant to verify their identity;
    - verify the applicant is not on Treasury's Do Not Pay List for delinquent child support and has not been suspended or debarred;

  - verify the applicant is a legitimate business through tax returns, incorporation, not-for-profit records with Secretary of State offices, or another method;
  - institute a "Rule of Two," requiring two people to approve each loan application and eliminate the batch approval process.
- strengthening controls for verifying an entity's start date to ensure applicants meet eligibility requirements. At a minimum:
  - prevent illegitimate duplicate applications for applications with the same Employer Identification Number (EIN) or Social Security number (SSN);
  - establish a system to freeze applications with the same EINs, SSNs, IP addresses, email addresses, physical addresses, or bank account numbers used by fraudsters to prevent additional fraudulent applications from being submitted; and
  - ensure EINs were registered before the eligibility date.

PRAC, Fraud Alert Follow-Up: Improved Sharing of Death Records and Use of the DNP System Would Strengthen Program Integrity and Better Protect the Public (pp. 1-2)
This PRAC Fraud Alert found that verifying borrower information, including Social Security Number and the Date of Death, helps prevent identity fraud and ensures that government benefits are paid only to those who are eligible. However, at the time that the report was issued, Treasury's Do Not Pay System did not have access to the Social Security Administration's full Master Death File (MDF), which uses information submitted from state level vital statistics agencies and matches them to SSA data to verify their identity.

In sum, the PRAC concluded that access to the MDF can help prevent deceased individuals' identities being used to improperly apply for government benefits and give agencies a higher degree of certainty that a payee is legitimate and eligible before making an award or payment.

In December 2023, DNP obtained access to SSA's MDF for better matching capabilities for agencies.

SBA OIG 21-07, Inspection of SBA's Implementation of the Paycheck Protection Program (pp. 20-21, Recommendations 3-6)
SBA OIG assessed SBA's implementation of the Paycheck Protection Program and made six recommendations to improve SBA's program and reduce the risk of financial loss from PPP loans being made to ineligible or fraudulent borrowers and improve SBA's ability to obtain information necessary for critical program decisions. These recommendations included that for future rounds of PPP lending, SBA:

REC 3: revise the borrower application to include the critical "jobs retained" field to ensure SBA reports accurate and complete job numbers.

REC 4: revise the application to include the demographic information of borrowers.

REC 5: update the PPP borrower application to include a field for the North American Industry Classification System code of the business and the business description to enable SBA to prevent potentially ineligible loan approvals.

REC 6: update the PPP forgiveness application to include North American Industry Classification System code to ensure that previously recorded information is accurate.

Distribute Funding Strategically

- Mandate recipient reporting requirements for federal programs and ensure that recipients have adequate financial management systems in place to track and report federal expenditures.

  Treasury OIG 20-036, Coronavirus Relief Fund Recipient Reporting (pp. 3-4)
  In this report, Treasury OIG noted that the agency had not provided user-friendly means for CRF recipients to meet reporting requirements, and that the agency's decision to disburse funds from CRF in the form of direct payments instead of grants limits the ability of recipients to report under existing mechanisms as outlined in OMB's M-20-21.

  AmeriCorps OIG AR-23-06, Performance Audit of AmeriCorps Seniors Grantees' Financial Management Systems (p. 8, Recommendation 3)
  AmeriCorps OIG found that grantees were unable to reconcile their financial management systems to their Federal Financial Reports and distinguish between costs paid using Federal funds and costs paid using match funding sources for the following reasons: insufficient documentation; misunderstanding of federal requirements, data transfer error, manual spreadsheet errors, lack of quality control procedures. AmeriCorps OIG recommended that AmeriCorps:

  REC 3: Require that grantees revise their existing financial management systems to ensure that the grantees can identify and reconcile all Federal and match costs reported within their Federal Financial Reports and that they can differentiate between expenses paid using Federal funds and expenses paid using other funding sources.

  CFOC, Managing for Results: The Performance Management Playbook for Federal Awarding Agencies (pp. 18, 31-39)
  Compliance activities are the administrative, financial, audit, and program requirements described in the Notice of funding Opportunity (NOFO) and are used for recipient oversight and monitoring, which conform with the Federal rules and regulations on reporting in 2 CFR Part 200. The primary purpose of compliance activities is to document that funds are spent in accordance with the terms of the Federal award, including accomplishing the intended sub-project purpose. Compliance activities take place at the sub-project (or individual award recipient) level and include:

  - Ensuring the timely expenditure of funds
  - Preventing fraud, waste, and abuse

- Financial reporting
- Identifying the technical assistance needs of the award recipient.

- Consider requiring recipients to report and certify award expenditures at close out, before releasing final payment.

  CIGIE Capstone Report, The IG Community's Joint Efforts To Protect Federal Grants From Fraud, Waste, and Abuse (p. 24)
  "During the award end and closeout phase, grantees cannot incur costs after the period of performance for a grant that has ended. Thus, the recipient is responsible for reporting total expended award funds to the awarding agency, both to close the agency's award financial account and as part of the final project report that describes the results and benefits of the project financed with Federal funds. Audit and evaluation work over the award closeout process in this report identified more than $527.2 million in questioned costs where expenditures were not reasonable, allowable, or allocable and nearly $435,000 in funds to be put to better use where opportunities exist to promote more efficient and effective spending."

  CFOC, Managing for Results: The Performance Management Playbook for Federal Awarding Agencies (pp. 36-40)
  "As award recipients close out their individual sub-projects, Federal awarding agencies have an additional opportunity to confirm and review final financial and programmatic performance data. Closeout is a process by which a Federal awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the award recipient. During the 'closeout' period, recipients must submit all reports required under the award within 90 days after the award expires or is terminated."

  Federal employees may closeout an award after the following administrative actions and required work of the grant have been completed:

  a. The grant period has expired.

  b. All approved extensions have expired.

  c. There are no funds remaining in the account, or there are no issues related to the funds remaining in the account.

  d. All performance and financial reports and data required by the terms and conditions of the award have been received and accepted by Federal employees who determine all programmatic requirements for the grant have been met.

  e. All identified programmatic or financial issues/findings have been resolved, including special conditions, high risk, and monitoring findings of noncompliance.

  f. The Single Audit, if required during the period of performance, is completed, all audit findings (including from Federal audits) are resolved, corrective actions are successfully completed, and amounts due back have been paid or an approved payment plan has been established.

APPENDIX 1-B:
Section 3 – Strengthen Program Impact Through Enhanced Monitoring And Evaluation

Design Effective Strategies for Enhancing Stewardship

Implement Risk-Based Monitoring:

- Identify program and contract-specific risk factors and red flags.

  HUD OIG 2022-FO-0007, Fraud Risk Inventory for the Tenant and Project Based Rental Assistance, HOME, and Operating Fund Programs' CARES and ARP Act Funds (pp. 5-12)
  HUD OIG identified six overall and three program-specific fraud risk factors that contribute to the likelihood of fraud related to the CARES and ARP Act funds for the Tenant—and Project—Based Rental Assistance, HOME, and Operating Fund programs. HUD OIG recommended that HUD use the fraud risk inventory to enhance program-specific fraud risk assessment for the programs identified.

  USPS OIG RISC-WP-22-006, The Role of the Postal Service in Identity Verification (pp. 3-6)
  USPS OIG found that with the increase in identity theft due to the pandemic, it is important for agencies to assess the risk of identity fraud in their programs and develop secure identity verification solutions to help prevent fraud, such as knowledge-based verification, attribute, verification, or remote documentation.

  USPS OIG 22-058-R22, Issues Identified with Internet Change of Address (pp. 3-4, Recommendation 1)
  USPS OIG identified instances where individuals submitted fraudulent change of address requests using the same forwarding address several times during 2020 and 2021, noting that this may have occurred because identity verification controls were not implemented to protect the program. USPS OIG recommended that USPS:

  REC 1: Develop controls to verify that online changes of address requests are authorized by the resident of the address.

  HHS OIG A-04-20-02028, The Strategic National Stockpile Was Not Positioned To Respond Effectively to the COVID-19 Pandemic (pp. 9-21, Recommendation 1)
  HHS OIG found that the Strategic National Stockpile's (part of HHS's federal response infrastructure) ability to meet demands from the pandemic was impacted by external and multiple factors outside of its control, such as foreign supply chains. HHS OIG recommended the agency:

REC 1: Mitigate the risk presented by relying on foreign supply chains and just-in-time inventory strategies when determining annual Stockpile purchase.

DOL OIG 19-22-006-03-315, COVID-19: ETA and States Did Not Protect Pandemic-Related UI Funds from Improper Payments Including Fraud or from Payment Delays (pp. 10-12, and 26, Recommendations 1 and 2)
DOL OIG conducted a review to determine if unemployment insurance (UI) benefits were sent to the correct individuals and identified several fraud indicators for the UI programs such as multi-state claimants, flagged email address, flagged bank account, and more. The report found that not effectively using these identified risks when verifying applications likely contributed to the fraud seen in the UI programs. DOL OIG recommended that the agency:

REC 1: Use data collected from monitoring and Benefit Accuracy Measurement (BAM) reports to identify the areas of highest improper payments including fraud and create a plan to prevent similar issues in future temporary UI benefit programs.

REC 2: Require states to have written policies and procedures, which apply lessons learned during the COVID-19 pandemic, to continue eligibility testing and BPC procedures during emergencies or other times of increased claims volume. These policies and procedures should include strategies to pay claimants timely.

- Evaluate recipients' risk based upon key factors.

  HUD OIG 2022-FO-0801, Fraud Risk Inventory for the CDBG and ESC CARES Act Funds (pp. 5-6)
  HUD OIG, in coordination with the PRAC, identified five overall risk factors for Community Development Block Grants and Emergency Solutions Grants that had not been identified by HUD and contribute to risk of fraud, including: (1) increased funding and volume of payments; (2) the pandemic environment; (3) CARES Act provisions; (4) decentralized processes; and (5) unvalidated self-certification.

  HUD OIG recommended that the agency complete a program-specific fraud risk assessment and risk profile for the CDBG and ESG programs, with emphasis on CARES Act funding, and replicate this process to create program-specific fraud assessments and risk profiles for other CPD programs.

  SBA OIG 22-17, COVID-19 Economic Injury Disaster Loan Applications Submitted from Foreign IP Addresses (pp. 6-12, Recommendation 2)
  SBA OIG identified that while SBA implemented several layers of controls to prevent or reduce fraud from foreign countries, individuals using foreign IP addresses were able to access the COVID-19 EIDL application system. The report noted that while applicants that reside overseas may qualify for this assistance, transnational criminal organizations have fraudulently obtained funding from this and other U.S. programs in the past. SBA OIG recommended that SBA:

  REC 2: Examine controls related to foreign IP addresses and ensure these controls are more effective in future disaster processing systems.

SBA OIG 21-06, Paycheck Protection Program Loan Recipients on the Department of Treasury's Do Not Pay List (pp. 2-5, Recommendations 2 and 3)
Using Treasury's Do Not Pay List, SBA OIG identified $3.6 billion in Paycheck Protection Program loans to potentially ineligible recipients. This was determined by using data elements such as Taxpayer Identification Number, Social Security Number, address, and more to match PPP application data against Treasury DNP's portal. SBA OIG recommended that SBA take the following action to identify risk:

REC 2: Strengthen SBA controls to ensure that loans to ineligible recipients are not forgiven.

REC 3: Review prepayment and pre-award procedures and work with Treasury to formulate a technical approach to use Treasury's DNP portal to determine loan applicant eligibility and prevent improper payments before the release of any federal funds.

CFOC, Program Integrity: The Anti-Fraud Playbook
The Playbook provides practical guidance on how to proactively manage fraud risk and are categorized into four phases. Among the phases is to properly identify and assess fraud risks, which includes strategies such as considering both the perpetrator and the fraud risk entry points and creating an overall fraud risk map for your agency.

Education OIG A20CA0029, The Office of Postsecondary Education's Oversight of Higher Education Emergency Relief Fund Grants (p. 19, Recommendations 1 and 2)
The Department of Education (ED) OIG found that the Office of Postsecondary Education (OPE) needs to strengthen its oversight processes to ensure that schools use Higher Education Emergency Relief Fund (HEERF, a new program created by the CARES Act to respond to the pandemic) grant funds appropriately and that performance goals are met.

Specifically, ED OIG found that OPE did not (1) develop a monitoring framework to guide its monitoring practices, procedures, and controls; (2) conduct a risk assessment of the HEERF program to identify potentially significant areas of concern; and (3) design and implement a risk-based monitoring plan to provide assurance that HEERF grant funds are being used appropriately and performance goals are being met. As such, ED OIG recommended that the Assistant Secretary for OPE develop a monitoring framework for the HEERF program that uses a risk assessment process to identify and prioritize significant program risks, and design and implement a risk-based monitoring plan and associated key control activities.

- Tailor monitoring plans and enhance use of administrative remedies to protect high-risk programs.

  CFOC, Managing for Results: The Performance Management Playbook for Federal Awarding Agencies
  This report highlights promising practices for program monitoring, to include:

  - The Department of State, in 2017, issued a "Program and Project Design, Monitoring, and Evaluation Policy" to establish clear links from its strategic plan goals, to achieve those goals through key programs and projects, and to collect data on whether these efforts were working as intended. (p. 22)

- DOL's Employment and Training Administration typically requires its recipients to submit quarterly performance reports that include data on how many participants received services during the quarter, the types of services and training they received; credentials attained; and employment outcomes. (p. 36)
- The Department of Education (ED) requires recipients of multi-year discretionary awards to submit annual performance reports and uses the information provided to determine whether recipients have demonstrated substantial progress toward meeting the project goals and objectives. (p. 38)

USAID OIG 9-000-21-007-P, USAID Adapted to Continue Program Monitoring During COVID-19, but the Effectiveness of These Efforts Is Still To Be Determined (pp. 9-10)

Given the limitations imposed by the pandemic, selected missions stated that the flexibilities offered by the Agency and the efforts of mission staff that remained in country allowed them to continue, to some extent, to monitor programs, work with implementers, and connect with beneficiaries. Officials with the selected missions stated that they used the following monitoring flexibilities provided by the Agency to help mitigate the effects of COVID-19 on program monitoring:

- Remote Monitoring: Through remote monitoring, including the use of phone lines and Internet, missions stated that they continued speaking with implementers, received required reports as well as photos and videos of activities, and collected and verified data through triangulation with data sources and, when possible, in-person site visits.
- Remote Site Visits: This included observing activities in the field through live video and viewing photos, documents, and online activities—such as community meetings—to compensate for the loss of in-person site visits.
- Data Quality Assessments. Another flexibility provided by the Agency occurred when in-person site visits were necessary to conduct DQAs or the mission needed more time to conduct assessments virtually.

NSF OIG 22-6-002, Promising Practices for NSF Award Management (pp. 1-3)
NSF OIG produced a capstone report of 18 performance audits of NSF award recipients. The report suggests that award recipients continually monitor and verify the allowability of high risk-expenses to improve the stewardship of federal funds.

HHS OIG A-02-20-01018, Prior Audits of Medicaid Eligibility Determinations in Four States Identified Millions of Beneficiaries Who Did Not or May Not Have Met Eligibility Requirements (p. 10)
HHS OIG summarized the results of its prior audits covering Federal Medicaid payments and eligibility determinations made by four states totaling $33.6 billion on behalf of 17.5 million beneficiaries. The objective of the audit was to assist the Centers for Medicare & Medicaid Services (CMS) in achieving greater efficiencies in its operation of the Medicaid program, which had recently been expanded. HHS OIG determined that both human and system errors, as well as a lack of policies and procedures, contributed to improper or potentially

improper payments totaling more than $6.4 billion for the time period in question, 2014 and 2015. Further, of the 31 recommendations from HHS OIG's prior audits, 15 of them remained unimplemented.

HHS OIG recommended that the agency: (1) work with States to implement all of the recommendations made in OIG's prior audits; (2) maintain its efforts to provide training, technical advice, and guidance to States to address the causes identified in OIG's prior audits; and (3) use all available remedies to prevent and reduce the amount of improper payments made on behalf of ineligible beneficiaries.

Testimony of Richard K. Delmar Acting Inspector General U.S. Department of the Treasury Before the House Financial Services Committee Subcommittee on Oversight and Investigations U.S. House of Representatives, March 8, 2023 (p. 8)
Acting Inspector General Delmar stated that "[p]rogram integrity is enhanced by the availability of civil remedies, including the Program Fraud Civil Remedies Act (PFCRA) and suspension and debarment; as well as a commitment to civil and criminal enforcement by the Department of Justice and by state, territorial, local, and tribal authorities."

HHS OIG A-09-21-06001, HHS's and HRSA's Controls Related To Selected Provider Relief Fund Program Requirements Could Be Improved (pp. 18-22, 29)
HHS OIG reviewed the agency's administration and oversight of the Provide Relief Fund (PRF), which provided funds to eligible hospitals and other health care providers for health care related expenses or lost revenue attributed to COVID 19. The report outlines some of the controls HRSA employed, including prepayment validation processes and postpayment quality control reviews.

USAID OIG 9-000-21-007, USAID Adapted to Continue Program Monitoring During COVID-19, But the Effectiveness of These Efforts Is Still to Be Determined (pp. 9-11)
"USAID found that the inability to use its traditional project monitoring tools, such as in person site visits, resulted in vulnerabilities to fraud, waste, and abuse. In line with this, selected missions stated that in-person monitoring was preferred, with missions noting that there is still a need to conduct in-person site visits and engage directly with implementers and beneficiaries."

USAID OIG concluded that "as noted by officials interviewed, remote engagement cannot fully replace direct, in-person interaction with implementers and beneficiaries and direct observation of program activities. Full reliance on remote monitoring limits access to beneficiary perspectives, provides fewer data points, and limits the Agency's ability to see what is happening on the ground in real time."

SIGPR-A-22-002-2, Weaknesses in Treasury's CARES Act Loan Monitoring Report Number (pp. 3-8)

SIGPR found that Treasury's monitoring of CARES Act direct loans was delayed, did not initially have a policy, and was not supported by a risk assessment. We recommended that Treasury: 1) Update its monitoring policy to add deadlines to avoid significant monitoring delays; 2) Ensure that it has an effective policy in place to monitor any future emergency

loan programs in a timely manner; and 3) Conduct a risk assessment of loan requirements to determine whether any areas of monitoring should increase for future quarterly reviews.

Institute Key Reporting Requirements

- Improve quality and oversight of subrecipient data.

  HHS OIG A-04-22-02035, New York City Department of Health and Mental Hygiene Charged Some Unallowable Costs to Its CDC COVID-19 Award (pp. 4-6, Recommendation 2)
  HHS OIG assessed The New York City Department of Health and Mental Hygiene and found the department used its COVID-19 funding in accordance with award requirements for 96 of the 124 sample items they reviewed. However, for 28 sample items, the department did not maintain adequate documentation to support costs and charged some costs to the wrong award. HHS OIG noted that these errors occurred because the department did not provide adequate oversight of its award in accordance with Federal requirements. As such, HHS OIG recommended:

  REC 2: Strengthen its oversight of subrecipients to prevent future unallowable payments by reviewing subrecipient invoices and supporting documentation to ensure costs claimed are allowable and allocable.

  HUD OIG 2022-LA-0002, Emergency Solutions Grants CARES Act Implementation Challenges (pp. 1, 6-11, Recommendation 1A)
  HUD OIG conducted an audit to determine what challenges grant recipients faced in implementing the Emergency Solutions Grants Cares Act Program (ESG-CV) program and using grant funds, using a survey to obtain data. The purpose of the program was to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus.

  HUD OIG found that "[the majority] of the grant recipients that provided ESG-CV funds to subrecipients stated that the pandemic impacted their ability to effectively monitor their ESG-CV subrecipients. These conditions occurred because grant recipients were awarded large amounts of ESG-CV funding with the expectation it would be implemented and used quickly to address the needs of the homeless during an unprecedented pandemic. As a result, grantee recipients' challenges in (1) capacity, (2) multiple funding sources, and (3) monitoring their subgrantees may increase the risk of misuse of the funds."

  REC 1A: Consider grant recipients' feedback on challenges with (1) capacity, (2) multiple other sources of funding, and (3) subrecipient monitoring as part of CPD's risk assessments.

  Commerce OIG 23-014-I, NIST Must Improve Monitoring of MEP to Prevent Waste of Financial Resources (pp. 1, 7-9, Recommendation 3)
  Commerce OIG conducted an evaluation to determine the adequacy of the National Institute of Standards and Technology (NIST's) oversight of the Manufacturing Extension Partnership

(MEP), a national network whose mission is to enhance the productivity and technological performance of U.S. manufacturing.

The evaluation concluded that, among other findings, NIST did not adequately review executive compensation associated with subrecipients for reasonableness. The report concluded:

> "Personnel costs for Centers generally constitute a substantial portion of total award funds. Therefore, it is imperative that NIST ensures all personnel costs, including executive compensation, are reasonable and commensurate with limits imposed by other federal agencies. Keeping administrative and overhead costs reasonable will allow more funds to be invested into MEP and, in turn, the nation's manufacturing sector."

Interior OIG recommended that the agency:

REC 3: Establish policy limits on executive compensation for MEP, including restrictions on Center and subrecipient salaries.

PRAC, Tracking Pandemic Relief Funds that Went to Local Communities Reveals Persistent Data Gaps and Data Reliability Issues (pp. 5, 12-14)
The PRAC, in coordination with ten OIG partners, attempted to review how much pandemic relief funding went to six selected communities across the country. The PRAC found that complete data was either unavailable or insufficient and did not allow the PRAC to definitively identify the total funding provided. Additionally, data collection and system limitations at the federal, state, and local levels impacted efforts to obtain consistent data or data reports, or to distinguish between unique or duplicative recipient entries.

This report summarized challenges faced by federal agencies in collecting complete, accurate, and timely data by prime recipients and subrecipients of the more than $5 trillion in pandemic relief funds, discussing a lack of visibility into subrecipient data, to include first-tier and second-tier subrecipients.

In addition, the report identified challenges with the completeness and accuracy of subaward data displayed on USAspending.gov and the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS), which do not have processes to definitively track spending at the subrecipient level.

NSF OIG 22-6-002, Promising Practices for NSF Award Management (pp. 1-3, 7-14, 33)
NSF OIG's report incorporates the requirements for pass through entities with respect to subrecipient monitoring and reporting.

CIGIE Capstone Report, Disaster Preparedness (pp. 38-40, 44-45)
In CIGIE's capstone report of 28 reports from seven different OIGs, they identified the oversight of use of grant funds as a particular challenge for many agencies and highlighted that many agencies faced challenges in maintaining adequate documentation from subrecipients in times of disaster. Further, the report also identified specific examples from agencies where outdated information technology systems necessitated workarounds that created missing or inaccurate data and delays in reporting.

GAO, Grants Management: Observations on Challenges with Access, Use, and Oversight (pp. 11-12)
GAO highlighted that their prior work has shown that when awarding and managing federal grants, effective oversight and internal control are important to provide reasonable assurance that grants are awarded properly, recipients are eligible, and federal grant funds are used as intended. GAO noted that one key way that federal agencies oversee nonfederal grantees is through an audit of their expenditures of federal awards, a component of a single audit. GAO also noted that auditors have expressed a need for the single audit guidance by no later than April of each year to effectively plan their audits and conduct interim testing for entities with June 30 fiscal year-ends.

Audit of Direct Loan Program Recipient – Mesa Airlines Inc. SIGPR-A-22-006 September 20, 2023 (pp. 3-4)
SIGPR found that direct loan program borrower Mesa Airlines, Inc., allocated approximately $944,400 of its loan proceeds to make payments on other loans, which is not permitted under the terms of the loan agreement. This occurred because the borrower did not receive any guidance on how to account for the spending of the loan proceeds from Treasury, and Treasury was not able to detect the improper payments through its monitoring processes. SIGPR states that Treasury should make efforts to ensure that any future programs include enhanced monitoring and guidance to borrowers to ensure that loan proceeds are expended appropriately.

- Ensure strong certifications with financial and progress reports, in line with the Uniform Grant Guidance.

2 C.F.R. Section 200.415 – Required certifications
§ 200.415 Required certifications.
Required certifications include:

> (a) To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."

CIGIE Capstone Report, The IG Community's Joint Efforts to Protect Federal Grants from Fraud, Waste, and Abuse (pp. 1-3, 9-10, 16-18)
"[A] leading practice of grant-making agencies is to require grantees to provide lifecycle certifications to confirm that grantees spent award funds as promised and that the grant

applications, reports, and documentation provided in support of grant expenditures and drawdowns are accurate and truthful. Requiring certifications throughout the lifecycle of a grant, coupled with mandatory pre-award, anti-fraud training, helps deter fraud, educates grantees about the seriousness of various grant requirements and the need to provide truthful information, and contributes to effective civil and criminal grant fraud enforcement efforts."

Provide Timely, Clear, and Consistent Guidance

CFOC, Managing for Results: The Performance Management Playbook for Federal Awarding Agencies (p. 12)
This 2020 Performance Management Playbook for Federal Awarding Agencies, produced by the Chief Financial Officers Council (CFOC) and the Performance Improvement Council (PIC), advises that Agency policies should provide clear guidance on the performance management roles and responsibilities within the organization.

HHS OIG No. A-07-21-04125, HHS Did Not Always Provide the Necessary Resources and Assistance To Help Ensure That Tribal Programs Complied With All Requirements During Early COVID-19 Vaccination Program Administration (p. 9, Recommendation 2)
In a report on the COVID 19 Vaccine Program administered by the Indian Health Service (IHS), HHS OIG found that IHS did not provide timely assistance ensuring that tribal program billing practices for vaccine administration fees conformed to Federal guidance.

REC 2: Work with the CMS to disseminate guidance to Tribal programs on vaccine coding and billing.

Treasury OIG-CA-21-020, American Rescue Plan – Application of Lessons Learned From the Coronavirus Relief Fund (pp. 2-3)
Treasury OIG produced a report on the Application of Lessons Learned from the Coronavirus Relief Fund (CRF). One of the lessons learned the OIG noted was the Need for Clear and Timely Guidance. The OIG stated the lack of comprehensive, timely guidance on eligible use caused confusion among recipients, and in some cases was a factor in ineligible use of CRF payments. The OIG recommended that Treasury finalize guidance concurrent with funds distribution to facilitate efficient administration of programs and minimize recipient confusion and misuse of funds.

GAO-24-106152, COVID-19 Relief Funds: State Experience Could Inform Future Federal Relief Funding (pp. 22-27)
GAO conducted an audit on the experiences of eight selected states and discussed with state officials on their experiences, challenges, and actions taken to address the planning for, using and reporting of COVID-19 relief funds received across several programs. GAO reported that states experienced challenges planning for and using COVID-19 relief funds when new programs were introduced or when allowable uses or deadlines were significantly changed. In some cases, Federal agency guidance on allowable uses changed while states were implementing those programs. Some states delayed using the funds until Federal agencies issued further guidance or implemented regulations.

AmeriCorps OIG AR-23-06, Performance Audit of AmeriCorps Seniors Grantees' Financial Management Systems (p. 8, 13-14, Recommendations 5–7, 12, 15)
The OIG contracted with an audit firm to audit 15 selected grantees that are part of the AmeriCorps Seniors program to determine if the grantees had financial management systems that complied with the Uniform Guidance. The audit contained four findings including: 1) Financial Management Systems Did Not Comply with Federal Requirements; 2) Insufficient Financial Management Systems Resulted in Instances of Non-Compliance or Unallowable Costs; 3) Grantees Did Not Support That Their Financial Management Systems Permit Comparison of Expenditures to Budgeted Amounts and 4) Financial Management Systems Did Not Include Sufficient Policies and Procedures. The auditors made 16 recommendations to the agency, including:

REC 5: Instruct AmeriCorps portfolio managers to provide grantees with sufficient guidance and training on how to:

a. Ensure that all costs reported on Federal Financial Reports submitted to AmeriCorps are sufficiently supported and reconcile to the grantees' financial management systems.
b. Appropriately track and report Federal and match costs to support that the grantees used the funds for authorized purposes.

REC 6: Develop training and guidance for AmeriCorps Seniors grantees related to:

a. Documentation required to support costs reported on Federal Financial Reports, including how to ensure amounts reported are accurate and reconcile to the grantees' financial management systems.
b. AmeriCorps Seniors grantees' responsibilities with regard to retaining records and providing required documentation, responses, or information necessary to demonstrate that the documentation complies with Federal or AmeriCorps requirements.
c. Requirements for financial management systems to separately identify expenses that the grantees paid using Federal funds or matching funding sources.

REC 7: Issue clear instructions regarding match cost reporting and documentation requirements, including how these requirements may differ in extenuating circumstances or when grantees are eligible for a waiver.

REC 12: Develop and provide guidance to AmeriCorps Seniors grantees regarding the requirements for indirect costs to ensure the grantees appropriately apply their Federally negotiated indirect cost rates and claim indirect costs.

REC 15: Develop and implement guidance and training for AmeriCorps Seniors grantees that addresses the use of financial management systems to create and maintain documentation to support that the grantees have compared actual expenditures to amounts budgeted for each AmeriCorps Seniors grant.

FDIC OIG EVAL 12-001, FDIC Examinations of Government-Guaranteed Loans (p. 21, Recommendations 1 and 2)
The FDIC OIG conducted an evaluation to determine the effectiveness of the FDIC's examinations in identifying and addressing risks related to Government-guaranteed loans for banks that participate in Government-guaranteed loan programs. The OIG found that FDIC bank examinations were not always effective in identifying and addressing risks related to Government-guaranteed loans. The OIG determined that:

- FDIC's guidance did not adequately address risks present in Government-guaranteed loan programs;
- FDIC could improve its supervision of bank activities in Government-guaranteed loan programs, including the PPP;
- FDIC's guidance differed from that of other Federal bank regulators;
- FDIC did not provide adequate training to examination personnel on Government-guaranteed lending programs;
- FDIC did not maintain adequate data to identify, monitor, and research bank participation in Government-guaranteed loan programs; and
- FDIC did not effectively share information externally and internally to enhance risk oversight of banks that participated in Government-guaranteed loan programs.

In addition, the FDIC's examination guidance did not provide clear instructions on the retention of examination work papers.

The OIG made 19 recommendations to improve the FDIC's supervision of banks that participate in Government-guaranteed loan programs. The OIG recommended that the FDIC:

REC 1: Develop and implement guidance to examination staff on the credit, operational (including fraud), liquidity, and compliance risks related to Government-guaranteed loans to ensure staff adequately plans and conducts examinations to identify and address emerging risks.

REC 2: Develop and implement guidance to examination staff to ensure the staff consistently evaluate Government-guaranteed loans in their review of loan classification, assessment of off-balance sheet risk, concentration risk, and ongoing monitoring.

APPENDIX 1-C:
Examples of Statements of Cooperation

AmeriCorps

AmeriCorps

Office of the Chief Executive Officer
May 9, 2023

Office of Inspector General Cooperation and Policy 102

Dear colleagues,

Each and every day, we are inspired by your commitment to AmeriCorps' mission and the impact AmeriCorps makes in communities across the nation. The agency's success depends on its ability to be effective stewards of federal dollars, in alignment with goal four in our strategic plan, and maintain accountability and transparency. The Office of Inspector General plays a critical role in fulfilling AmeriCorps' mission by preventing and detecting fraud, waste, and abuse within the agency's programs and operations.

As a reminder, the OIG provides an independent oversight role through its audits, investigations, and reviews to help identify ways to improve the agency's work and prevent wrongdoing that could undermine AmeriCorps' success and public trust. The OIG's independent, yet complementary, functions help ensure the integrity of AmeriCorps' work.

Under the Inspector General Act of 1978, as amended, the agency and its employees must cooperate with the OIG. One important aspect of cooperation is providing information and assistance in a timely manner. Among other provisions, the IG Act authorizes the Inspector General to have timely access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the agency relating to its programs and operations, including those that may be classified, privileged, confidential, or otherwise exempt from disclosure under the law, including the Freedom of Information Act or the Privacy Act.

More broadly, the IG Act authorizes the OIG to request any information or assistance necessary to perform its duties, which may include access to employees, facilities, systems, and equipment. The OIG treats the information it obtains in accordance with applicable statutes and regulations. Providing such information to the OIG does not waive any privileges that the agency may attach to the information.

AmeriCorps' Policy 102: Reporting Waste, Fraud, and Abuse, Cooperating with Office of Inspector General Inquiries, and Whistleblower Protections outlines the duty of AmeriCorps employees to report any reasonable or actual suspicion of—or information or evidence that suggests—waste, fraud, or abuse to the OIG without delay.

As a reminder, under Policy 102:

- Anyone may report allegations to the OIG and you have a right to communicate with the OIG directly. You do not need permission from anyone at AmeriCorps to communicate or file a complaint with the OIG, nor do you need to tell anyone before or after the fact.
- Complaints can be made in person, via phone at 800-452-8210, or through the OIG's Web Portal. In conducting its work, the OIG will maintain employee confidentiality when requested to the extent possible and consistent with the OIG's legal obligations. The OIG will also make best efforts to coordinate with managers and supervisors to avoid disruption, respect segregated sensitive materials, and comport with all other responsibilities under applicable law and agency policies. A complainant may also remain anonymous, but the OIG asks that you provide a way that investigators can reach you if they need additional information to proceed.
- In addition to AmeriCorps employees, employees of contractors, subcontractors, grantees, and subgrantees must cooperate with the OIG inquiries unless the answers would incriminate them. Anyone who fails to cooperate with the OIG may be subject to disciplinary action or, in the case of obstruction, to criminal prosecution.
- It is against the law and agency policy to retaliate against AmeriCorps employees and employees of contractors, subcontractors, grantees, and subgrantees who provide information, cooperate with the OIG, or report allegations of waste, fraud, and abuse to the OIG. AmeriCorps does not tolerate any kind of whistleblower retaliation.

The OIG is integral to AmeriCorps' success, and we thank you for helping uphold our standards of accountability, transparency, and integrity.

In service,

Michael D. Smith
Chief Executive Officer

Stephen Ravas
Acting Inspector General

Department of Housing and Urban Development

Dear Colleagues:

By strengthening collaboration between HUD and the Office of the Inspector General (OIG), we can make this Department an even better place to work. Through partnership, we can advance HUD's mission by enhancing the integrity, efficiency and effectiveness of our programs and operations.

To the more than 325 million men and women who call our country home, housing is not just a pillar of our Nation's economy – it is the foundation on which families, and their futures, are often built. HUD plays a critical role in bolstering this foundation through the Department's mission to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD employees do outstanding work every day in service of HUD's mission to better the lives of families and strengthen communities.

Critical to this effort is securing and keeping the people's trust and working together to eliminate waste and mismanagement. This allows us to dedicate more time and resources towards our mission of expanding opportunity for all.

The OIG is essential to this work. OIG prevents and detects inefficiencies and wrongdoing by conducting independent and objective audits, investigations, and evaluations. OIG helps HUD to evaluate our programs to help deliver services effectively and efficiently to HUD's constituents.

The collaboration between OIG and HUD is built on mutual respect, professionalism, and a shared mission to serve the American people. HUD employees are critical in this collaborative process. One important contribution that HUD employees can make is to support HUD in producing materials requested by OIG in a timely and complete fashion. –As stewards of HUD's programs (and under the terms of The Inspector General Act of 1978), HUD and its employees have a duty to cooperate with OIG, and there is no basis for withholding information from OIG when requested. All managers should respect employees' rights to speak directly and confidentially with the OIG, and refrain from inappropriate activity that might inhibit an employee's or contractor's cooperation. HUD employees should make the OIG aware when materials contain classified national security information, privacy-protected materials, attorney-client or deliberative communications, other sensitive information, or materials from agencies outside the Department. However, this should not cause any delay or prevent the production of materials.

OIG itself also has important obligations. In conducting its work, OIG will maintain employee confidentiality when requested, to the extent possible and consistent with OIG's legal obligations. OIG will also make best efforts to coordinate with managers and supervisors to avoid disruption, respect segregated sensitive materials, and comport with all other responsibilities under applicable law and agency policies.

Finally, because accountability makes us better, all HUD employees have a responsibility to report instances of fraud, waste, and abuse directly to the OIG. It is against the law and agency policy to retaliate against employees who provide information or report allegations of waste, fraud, and abuse to OIG. OIG protects whistleblowers, and employees can learn about their whistleblower rights and protections on OIG's website.

Sincerely,

Marcia L. Fudge
Secretary

Rae Oliver Davis
Inspector General

APPENDIX 1-D:
Program-Critical Databases

- Do Not Pay (treasury.gov)
  - SAM.gov – System for Award Management
  - Tax Exempt Organizations (irs.gov)
  - Federal Bureau of Prisons inmate Locator (bop.gov)
  - Exclusions | Office of Inspector General (hhs.gov)
  - Specially Designated Nationals and Blocked Persons List (SDN) Human Readable Lists | Office of Foreign Assets Control (treasury.gov)
  - Credit Alert Verification Reporting System (hud.gov)
  - Social Security Death Master File
  - Department of Defense and Department of State Death Master Files
  - Treasury Offset Program
  - Forms 990 N Filed by Small Tax Exempt Organizations (irs.gov)
- The Federal Audit Clearinghouse (fac.gov)
- Federal Procurement Data System – Next Generation (fpds.gov)
- Government Spending Open Data (usaspending.gov)
- Contractor Performance Assessment Reporting System (cpars.gov)
- National Directory of New Hires | The Administration for Children and Families (hhs.gov)
- Public Assistance Reporting Information System (PARIS) | The Administration for Children and Families (hhs.gov)
- Oversight.gov | All Federal Inspector General Reports in One Place
- National Provider Identifier NPI Registry (hhs.gov)
- Nonprofit data for donors, grant makers, and businesses | GuideStar | Candid
- National Verifier (NV) – Universal Service Administrative Company (usac.org)

- Digital Wallet, Identity Verification, and More (id.me)
- The public's one account for government. (login.gov)
- Commercial Mail Receiving Agency (CMRA) (usps.com)
- NEMIS (fema.gov)
- Beneficiary Identification Records Locator Subsystem (va.gov)
- Computerized Delivery Sequence (CDS) | PostalPro (usps.com)
- International Treasury Services (treasury.gov)
- Automated Standard Application for Payments (ASAP) (treasury.gov)
- Federal Employee Register (opm.gov)
- USDA Risk Management Agency Ineligible Tracking System (usda.gov)

Contributing Partners

With our thanks to the following stakeholders for sharing key recommendations, leading practices, and lessons learned, which are incorporated throughout Chapter 1 of the Blueprint:

Pandemic Response Accountability Committee Members

Inspector General Mark Bialek, Federal Reserve Board & CFPB
Inspector General Sandra D. Bruce, Department of Education
Inspector General Joseph Cuffari, Department of Homeland Security
Inspector General Rae Oliver Davis, Department of Housing and Urban Development
Deputy Acting Inspector General Richard Delmar, Department of the Treasury
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Inspector General Phyllis K. Fong, Department of Agriculture
Inspector General Mark Lee Greenblatt, Department of the Interior
Inspector General Christi A. Grimm, Department of Health & Human Services
Acting Inspector General Heather M. Hill, Treasury Inspector General for Tax Administration
Inspector General Tammy L. Hull, U.S. Postal Service
Inspector General Allison C. Lerner, National Science Foundation
Inspector General Brian D. Miller, Special Inspector General for Pandemic Recovery
Inspector General Michael J. Missal, Department of Veterans Affairs
Inspector General Eric J. Soskin, Department of Transportation
Inspector General Robert P. Storch, Department of Defense
Inspector General Larry D. Turner, Department of Labor
Inspector General Hannibal “Mike” Ware, Small Business Administration

Additional Federal Partners

AmeriCorps Office of Inspector General
Department of Education
Government Accountability Office
Office of Management and Budget

State Partners

Alabama State Controller
Colorado State Controller
Indiana State Examiner
Florida Office of the Chief Inspector General
Maine State Controller
California Department of Finance
New York State Controller
Georgia State Controller

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Chapter 2: Opportunities for Policymakers to Improve Program Integrity

Executive Summary:

In this chapter for **Policymakers**, which includes legislators and regulators, we highlight recommendations to aid in preventing and detecting fraud and improper payments in government programs. Policymakers can adopt these strategies when drafting legislation and policy for emergency and regularly appropriated funding.

We compiled best practices and lessons learned from pandemic oversight reports issued by the federal oversight community, the U.S. Government Accountability Office (GAO), the Office of Management and Budget (OMB), and congressional testimony by federal oversight officials. In this chapter, we identify key recommendations related to the need for a central data analytics center, statutory access to data, and the extension of statutes of limitation for emergency programs. We also include information from listening sessions with federal and state stakeholders.

How We Developed Chapter 2

We took the following steps to identify best practices and lessons learned:

- Reviewed oversight reports and testimony issued between January 2020 and January 2024 to identify key recommendations and considerations for Congress and other policymakers.
- Reviewed published reports, guidance, and memoranda from the Government Accountability Office (GAO), the Office of Management and Budget (OMB), and the Congressional Research Service (CRS).
- Requested assistance from Pandemic Response Accountability Committee (PRAC) member Offices of Inspector General (OIGs) and other OIGs for feedback, key takeaways, lessons learned, and best practices from their reports and testimony.
- Conducted listening sessions with OIGs and professional organizations to incorporate their knowledge and expertise.

For the full Methodology, see Appendix 2-B.

In the following sections, we list key themes with examples and citations from supporting documents.

Section 1: Remove Barriers to Data Access and Collection

Transparency and the prevention and detection of fraud are compromised when agencies and OIGs have difficulty accessing data related to federal spending. This section underscores the need for a central data analytics center to give agencies and the oversight community access to government-wide data. The section also outlines the fundamental role data plays in preventing and detecting improper payments, as well as in verifying the recipient eligibility.

Mandate the Creation of a Central Data Analytics Center

A central data analytics center that provides access to data and analytics services to agencies and the OIG community, including investigators, is critical for tracking federal funds and preventing and detecting fraud. Services could include identifying recipients receiving duplicate funding from multiple programs and detecting red flags for improper payments and fraud.

- Statement of Michael E. Horowitz, Chair, Pandemic Response Accountability Committee, Inspector General, U.S. Department of Justice, before the U.S. Senate Committee on Homeland Security & Governmental Affairs, Emerging Threats and Spending Oversight Subcommittee, "Examining Federal COVID-era Spending and Preventing Future Fraud," November 11, 2023 (p. 9)

  > "It is critical that Congress consider legislation to sustain the PACE [Pandemic Analytics Center of Excellence] beyond the PRAC's scheduled sunset date of September 30, 2025, so that the Inspector General community has an effective analytics platform to oversee **all** federal spending. In my view, it would be a wasted opportunity and a potentially enormous waste of funds to allow this fraud fighting tool to expire, as happened with the ROC [Recovery Operations Center], and then have it need to be re-created at further taxpayer expense in response to the next natural disaster or financial calamity. More critically, with or without another economic or other crisis, authorizing a permanent data analytics tool for the Inspector General community will allow us to adapt this tool to fight fraud in all government spending, not just spending that is linked to the pandemic recovery. To be clear: the ongoing role of the PACE (or its successor), while critical, will be for the purpose of providing advanced data analytics services to OIGs to aid their program integrity, fraud prevention, and recovery efforts. The community does not need—and this proposal would not create—a 'super IG' that would duplicate the audit, investigative, and oversight responsibilities and efforts of OIGs; rather, what OIGs, the government, and taxpayers need is the continued benefit from the analytical support role provided by the PACE on an ongoing, permanent basis."

- Testimony of Gene L. Dodaro, Comptroller General of the United States, before the U.S. Senate Committee on Homeland Security and Government Affairs, "Emergency Relief Funds: Significant Improvements Are Needed to Ensure Transparency and Accountability for COVID-19 and Beyond," March 17, 2022 (p. 42, Matter for Congressional Consideration 4)

  "Congress should establish a permanent analytics center of excellence to aid the oversight community in identifying improper payments and fraud."

- Testimony of Rebecca Shea, Director, Forensic Audits and Investigative Service, GAO, before the U.S. Senate Subcommittee on Emerging Threats and Spending Oversight, Committee on Homeland Security and Governmental Affairs, "COVID-19: Insights and Actions for Fraud Prevention," November 14, 2023 (p. 23, Matter for Congressional Consideration 4)

  "Congress should establish a permanent analytics center of excellence to aid the oversight community in identifying improper payments and fraud."

- CRS IF2334, Preventing Improper Payments: Lessons from Using Data Matching in Pandemic Relief Program Oversight (p. 2)

  "Congress has empowered the PRAC to address improper payments and to access and use data to carry out its oversight of pandemic relief programs. Congress may consider whether to extend the PRAC data platform's capabilities beyond pandemic programs for the IG [Inspector General] community."

- Testimony of Sheldon Shoemaker, Deputy Inspector General, Small Business Administration, before the Subcommittee on Government Operations and the Federal Workforce of the Committee on Oversight and Accountability, House of Representatives, "Waste, Fraud, and Abuse Go Viral: Inspectors General on Curing the Disease," March 9, 2023 (p. 15)

  "So, the fact that you would want that resource [the PACE] to be available during the next disaster for the inspector general community, I think that that is a worthwhile investment."

- DOJ, COVID-19 Fraud Enforcement Task Force 2024 Report (p. 19)

  "[T]he PRAC also provides robust investigative support to law enforcement partners in a variety of ways. The Pandemic Analytics Center of Excellence (PACE) offers data management, advanced analytic capabilities, and investigative lead generation for the PRAC Fraud Task Force, DOJ [Department of Justice] COVID-19 Fraud Enforcement Task Force, and other OIG and law enforcement organizations. As of January 2024, the PACE has provided investigative support to more than 45 federal law enforcement and OIG partners in over 700 pandemic–related investigations—all in less than four years since the PRAC's inception. With over 8,000 subjects and an estimated fraud loss of $1.87 billion associated with these investigations, the PACE has demonstrated a valuable return on investment.

  The PACE serves as a force multiplier for the PRAC's OIG and law enforcement partners due to its ability to share data, resolve entities (i.e., recipients) across data sources, and detect potentially suspicious networks across agencies and programs. The PACE has access to 47 government, public, and non-public data sets, and has established Memorandums of Understanding with 47 OIGs and law enforcement agencies to prevent and detect improper payments and fraud across federal benefits programs."

Additional Key Insights from Listening Sessions

Key stakeholders told us that a lesson learned from the 2008 financial crisis is the need to maintain a central data analytics platform, such as the PRAC's Pandemic Analytics Center of Excellence (PACE). Although the Recovery, Accountability, and Transparency Board created the Recovery Operations Center in response to the crisis of 2008, it was not maintained after the organization sunset in 2015, so when the pandemic crisis came in 2020, a new data analytics center had to be built from scratch. Extending the life of the PACE will enable agencies and the oversight community to respond to crises more quickly and efficiently.

Provide Statutory Access to Data

With access to key data like the National Directory of New Hires for wage data, Internal Revenue Service (IRS) tax transcripts, and State Unemployment Claims data, agencies and oversight communities can more effectively analyze, crossmatch, and share data to identify potential ineligible recipients. Currently, the IRS has no authorization to disclose tax information for general oversight purposes, so Congress would need to amend the Internal Revenue Code to allow for such data sharing. In addition, permanently extending the availability of the Death Master file in the Department of the Treasury's Do Not Pay Working System (DNP) will give agencies and the oversight community the ability to better protect federal program funds from fraud, waste, and abuse.

Lessons Learned: Require Third Parties, Such as Banks, to Vet Eligibility for Recipients

Stakeholders noted that legislation should mandate third-party checks of potential recipients against available payment integrity data sources, such as DNP, so that funding goes to the right entities for the right reasons. It is important to make sure there is an incentive structure to set up the appropriate level of controls. This was missing from the legislation (the statutory language), and, therefore, when policies were being written by the agencies, they were not making the leap because banks were responsible for lending approval decisions and disbursing funds. Congress should also be mindful of the Payment Integrity Information Act as to which internal controls related to eligibility are relaxed and which are not.

- Testimony of Gene L. Dodaro, Comptroller General of the United States, before the U.S. Senate Committee on Homeland Security and Government Affairs, "Emergency Relief Funds: Significant Improvements Are Needed to Ensure Transparency and Accountability for COVID-19 and Beyond," March 17, 2022
  (p. 42, Matter for Congressional Consideration 10)

  "Congress should amend the Social Security Act to accelerate and make permanent the requirement for the Social Security Administration to share its full death data with the Department of the Treasury's Do Not Pay working system."

- CRS IF2334, Preventing Improper Payments: Lessons from Using Data Matching in Pandemic Relief Program Oversight (p. 2)

  "To try to minimize improper payments in benefit programs, Congress might examine how it can best facilitate data matching and examine whether current statutory mechanisms effectively enable data matching in the way and on the scale it desires."

- Testimony of Larry D. Turner, Inspector General, U.S. Department of Labor (DOL), before the U.S. House of Representatives Committee on Oversight and Accountability, Subcommittee on Government Operations and the Federal Workforce, "Waste, Fraud, and Abuse Go Viral: Inspectors General on Curing the Disease," March 9, 2023 (pp. 21-22)

  "Congress should consider legislative proposals included in prior DOL budget requests and pass legislation to improve UI [Unemployment Insurance] program integrity. The DOL proposals included the following: require SWAs [state workforce agencies] to crossmatch UI claims against the National Directory of New Hires; require SWAs to crossmatch UI claims with the U.S. Social Security Administration's prisoner database and other repositories of prisoner information. These legislative proposals are consistent with previous OIG findings and recommendations to improve the UI program. The OIG has also recommended that Congress ensure DOL and the OIG have ongoing, timely, and complete access to UI claimant data and wage records for our respective oversight responsibilities."

- Testimony of Richard K. Delmar, Acting Inspector General, U.S. Department of the Treasury, before the House Oversight and Accountability Committee, Subcommittee on Government Operations and the Federal Workforce, "Concerning Fraud and Improper Payments in COVID Relief Programs," March 9, 2023 (p. 8)

  "Watchdogs need timely access to data to find fraud."

- DOL OIG, Semiannual Report to Congress (p. 70)

  "To enhance oversight of and reduce overpayments in employee benefit programs, including UI, DUA [Disaster Unemployment Assistance], and the Federal Employees' Compensation Act (FECA) program, the Department and the OIG need authority to easily and expeditiously access state UI and Social Security Administration (SSA) wage records. Access to SSA and UI data would allow the Department to measure the long-term impact of employment and training services on job retention and earnings. This type of outcome information for program participants is otherwise difficult to obtain."

Lessons Learned: Avoid Tax Changes During Tax Season

TIGTA, Management and Performance Challenges Facing the Internal Revenue Service for Fiscal Year 2022 (p. 2)

"A number of the provisions contained in pandemic legislation required the IRS to take steps to implement such legislation while in the midst of its 2020 and 2021 annual tax filing seasons. The extensive actions the IRS must undertake to implement tax legislation will continue to be challenging when tax law changes are enacted close to, or after, the start of the annual filing season. Additional legislative developments related to tax reform and tax policy will continue to present challenges for the IRS."

- SBA, Protecting the Integrity of the Pandemic Relief Programs: SBA's Actions to Prevent, Detect and Tackle Fraud (pp. 24-26, Recommendation 1)

REC 1: "Expand government data-sharing. IRS holds the gold-standard data for business verification. However, today, IRS tax data is only available to SBA [Small Business Administration] for limited program use and by request (a process that often takes a week or longer), relying on an old form of technology and requiring human-conducted reviews by both the SBA and IRS. In the CARES Act, Congress initially barred SBA from using IRS tax data in administering COVID-EIDL [COVID-19 Economic Injury Disaster Loan], a long-standing agency practice for mitigating fraud and determining eligibility, to facilitate quick delivery of pandemic relief funds to needy businesses. SBA was subsequently granted the authority and used IRS data starting in 2021 to verify identity for its pandemic programs, notably doing so for COVID-EIDL, RRF [Restaurant Revitalization Fund], and SVOG [Shuttered Venue Operators Grants]. Once established, the use of IRS tax data was highly successful in denying loans to ineligible and fraudulent applicants.

Using IRS payroll and tax identification data in future programs comes with an expectation of faster processing so that relief can be provided timely. A faster, more modern payroll verification would be necessary to achieve the goals of speedy distribution and reduced fraud. Fortunately, a model already exists for other federal agencies having direct access to IRS tax data. Notably, Congress granted the authority to the Department of Education for its Federal Student Loan program. Extending the same authority to SBA could enable a real-time application programming interface (API), such that SBA could instantly verify an applicant's stated payroll level from the prior year. This feature would allow SBA to verify all the applicant-provided payroll information necessary to compute the eligible loan amount. Facilitating the sharing of government-collected information between federal agencies would reduce the fraud risks inherent in government programs. Several pandemic programs used objective business financial data (for example, payroll expenses and business income) to calculate an appropriate loan or grant amount. Because SBA does not have access to this information, applicants were required to provide it as part of their application or retain it to support self-certification of eligibility. Instead of requiring a substantial amount of financial data and burdening agencies with verifying complex transactions such as payroll expenses, Congress could base eligibility and loan amount on objective, pre-existing tax data, such as a desired percentage of Social Security- or Medicare-covered wages reported to IRS in the previous tax year or quarter."

- SBA OIG 23-09, COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape (Appendix 2, pp. 2-3)

  "SBA introduced pre-award application screenings beginning in January 2021, including automated screenings for PPP, adding tax transcript verification for COVID-EIDL, and running applications through the Treasury Department's Do Not Pay system. These controls saved billions."

- PRAC, FRAUD ALERT: PRAC Identifies $5.4 Billion in Potentially Fraudulent Pandemic Loans Obtained Using Over 69,000 Questionable Social Security Numbers (p. 2)

  "The ability to perform the type of SSN check the PRAC conducted was not readily available to SBA when it faced a deluge of applications in 2020 for COVID-19 EIDL and PPP relief…the results of this Fraud Alert demonstrate the benefit of a consent-based verification process to authenticate basic applicant information—such as name, date of birth, and Social Security Number—to ensure applicant eligibility and to prevent program and identity fraud. Such an internal control, which we believe is a best practice, can be facilitated by legislative language requiring federal agencies to use a consent-based verification process when making applicant eligibility determinations and by authorizing SSA [Social Security Administration] to verify information for this purpose."

- PRAC, FRAUD ALERT FOLLOW-UP: Improved Sharing of Death Records and Use of the Do Not Pay System Would Strengthen Program Integrity and Better Protect the Public (p. 3)

  "A Do Not Pay system that contains the full DMF can give agencies a higher degree of certainty that a payee is legitimate and eligible before making an award or payment."

- PRAC, Why Unemployment Insurance Surged During the Pandemic (p. 12)

  "Ensure the DOL and the DOL OIG have ongoing, timely, and complete access to UI claimant data and wage records. [. . .] Ensure effective payment integrity controls to reduce improper payments in all UI programs including temporary ones, such as through broader requirements for mandatory cross-matching."

- DOJ, COVID-19 Fraud Enforcement Task Force 2024 Report (pp. 1, 18, 32)

  "To continue the CFETF's [COVID-19 Fraud Enforcement Task Force] work and ensure COVID-19 fraudsters don't get away with it, legislation is required to adequately resource COVID-19 fraud data sharing, lead development, investigations, prosecutions, and asset recoveries."

  "The NUIFTF [National Unemployment Insurance Fraud Task Force] provides investigators with a central location where searches of multiple pandemic relief data sets can be conducted, rather than having to pursue data that was previously siloed within various state and federal agencies."

  "The members of the CFETF stand ready to engage with the relevant policy makers to discuss ways to improve our data sharing and a coordinated response to government benefits fraud going forward, including creating an ongoing data-sharing and analytics entity."

Increase Quality of Data Collected by Federal Reporting Systems

- PRAC, Transparency in Pandemic-Related Federal Spending: Report of Alignment and Gaps, Executive Summary (pp. 3, 6)
  "The following actions are recommended to mitigate the data gaps found in federal reporting systems:
  - Treasury modifies USAspending.gov to allow for additional data element granularity, collection, and display.
  - Treasury, federal agencies, and OMB collaborate to retroactively correct existing information.
  - GSA [General Services Administration] modifies Federal Subaward Reporting System [FSRS] and other government-wide systems [...] to capture data.
  - OMB, GSA, and federal procurement community determine whether government-wide changes in FPDS [Federal Procurement Data System] are required for procurement awards.
  - OMB and federal awarding agencies issue guidance and execute outreach/training to prime recipients.
  - Treasury and Congress collaborate to publish historic congressional districts on USAspending.gov to ensure accuracy of reporting.
  - Enforce existing OMB requirements in USAspending.gov for award descriptions."

- SBA OIG 21-02, Inspection of Small Business Administration's Initial Disaster Assistance Response to the Coronavirus Pandemic (p. 28, Recommendation 6)

REC 6: "Strengthen data integrity to make it possible to determine if the inaccurate information allowed loans to be made to ineligible entities and to strengthen SBA's ability to service loans appropriately."

- Testimony of Rebecca Shea, Director, Forensic Audits and Investigative Service, GAO, before the U.S. Senate Subcommittee on Emerging Threats and Spending Oversight, Committee on Homeland Security and Governmental Affairs, entitled "COVID-19: Insights and Actions for Fraud Prevention," November 14, 2024 (p. 24, Matter for Congressional Consideration 9)

  "Congress should amend the DATA Act to clarify the responsibilities and authorities of OMB and the Department of the Treasury for ensuring the quality of data available on USAspending.gov."

- GAO 24-106214, Federal Spending Transparency: Opportunities to Improve USAspending.gov Data (pp. 1-3)

  "Congress could help improve the completeness of data on USAspending.gov by assigning Treasury, in coordination with OMB, the responsibility to periodically assess and determine which agencies must report spending data, and by requiring agencies to report OTAs [other transaction agreements]. In addition, we are recommending that OMB, in collaboration

with Treasury, provide guidance for agencies to ensure that the disaster and emergency budgetary data they are reporting to USAspending.gov are consistent with other information they make publicly available."

Additional Key Insights from Listening Sessions

Key stakeholders told us that requirements for grantee reporting like those in Section 15011 of the CARES Act are critical. However, they pointed out that in subsequent pandemic-related legislation grantees were not required to provide the type of reporting needed for oversight. When the legislation didn't identify the reporting details, everyone reported something different with the result that Inspectors General did not have the data needed to conduct effective oversight. Stakeholders also noted the importance of statutes that explicitly define requirements and mandate that grantees report detailed information.

Section 2: Enhance Administrative Remedies and Expand OIG Authorities

Empowering OIGs with administrative remedies, subpoena authority, and extended statutes of limitations, as well as more flexibility in budget expenditures and hiring, will enable more agile and effective approaches to meet increased oversight demands and better protect federal funding.

Extend Statutes of Limitation for Emergency Programs and Consider Additional Asset Forfeiture Authorities

Identifying and prosecuting fraud continues even after all the funding for a program has been obligated and spent. Extending criminal statutes of limitation related to emergency programs and requiring third parties to preserve records that could be relevant to investigations ensures that OIGs can pursue criminal charges for an extended period.

- DOL OIG 19-23-014-03-315, COVID-19: Pandemic Unemployment Assistance for Non-traditional Claimants Weakened by Billions in Overpayments, Including Fraud (pp. 23-24, Recommendation 3)

REC 3: "We recommend the Principal Deputy Assistant Secretary for Employment and Training work with Congressional stakeholders to inform them of the urgency of the statute of limitations concerning pandemic-related UI fraud."

- Testimony of Larry D. Turner, Inspector General, U.S. Department of Labor, before the U.S. House of Representatives Committee on Oversight and Accountability, Subcommittee on Government Operations and the Federal Workforce, "Waste, Fraud, and Abuse Go Viral: Inspectors General on Curing the Disease," March 9, 2023 (p. 22)

  "In our November 2022 Semiannual Report to Congress, the OIG recommended that Congress extend the statute of limitations for fraud involving pandemic-related UI programs and authorize OIG participation in asset forfeiture funds to combat UI fraud and other crimes."

- DOJ, COVID-19 Fraud Enforcement Task Force 2024 Report (p. 32)

  "The CFETF strongly supports an extension of the statute of limitations for COVID-19 pandemic benefit fraud, an extension of the data sharing and analysis facilitated by the PRAC, and the necessary resources for CFETF members to continue their impressive work holding fraudsters accountable and recovering stolen funds."

- Statement of Michael E. Horowitz, Chair, Pandemic Response Accountability Committee, Inspector General, U.S. Department of Justice, before the U.S. Senate Committee on Homeland Security & Governmental Affairs, Emerging Threats and Spending Oversight Subcommittee, "Examining Federal COVID-era Spending and Preventing Future Fraud," November 14, 2023 (pp. 11-12)

  "Congress should extend the statute of limitations for pandemic-related Unemployment Insurance (UI) fraud from 5 to 10 years. The 117th Congress enhanced the PRAC, Inspectors General community, and law enforcement partners' efforts to fight fraud in small business loan programs with its passage of H.R. 7352 and H.R. 7334. These bipartisan bills, signed into law in August 2022, established a 10-year statutes of limitation for all forms of PPP loan fraud and all COVID-19 EIDL fraud. The extension of the statutes of limitation for fraud in these two programs was necessary given the scope of the fraud identified to date to allow our investigators the time necessary to fully pursue those who defrauded these aid programs.

  In May 2023, the House of Representatives passed legislation that would extend the statute of limitations for pandemic-related UI fraud from five to 10 years. We strongly support an extension of the statute of limitations for these crimes in order to help ensure that investigators and prosecutors have time to effectively pursue and hold accountable those groups and individuals that targeted and defrauded the UI program, and to ensure that they do not escape justice. I am hopeful that the Senate will support extending the statute of limitations.

  Additionally, we are grateful for the Senate's support of S. 659, which passed by unanimous consent to amend the Program Fraud Civil Remedies Act, 31 U.S.C. 3801 et seq.; Pub. L. 114-74, to raise the jurisdictional limit for administrative recoveries of 'smaller' false or fraudulent claims from $150,000 to $1,000,000. The Congressional Budget Office determined that passage of this legislation would actually save taxpayers approximately $149 million over 10 years because of the amount of the financial recoveries that would result from it. To date, the PRAC is aware of at least one million pandemic awards, totaling about $362 billion, that ranged from $150,000 to $1,000,000. While the scope of the fraud for these 'smaller' awards has not yet been fully determined, increasing the jurisdictional amount for administrative recoveries would ensure that we could pursue them more effectively and efficiently. I am hopeful that the House of Representatives will take up and pass this legislation."

- PRAC, Why Unemployment Insurance Surged During the Pandemic (p. 12)

  "Extend the statute of limitations for fraud involving pandemic-related UI programs."

- DOL OIG 19-23-014-03-315, COVID-19: Pandemic Unemployment Assistance for Non-traditional Claimants Weakened by Billions in Overpayments, Including Fraud (p. 24, Recommendation 3)

REC 3: "Work with Congressional stakeholders to inform them of the urgency of the statute of limitations concerning pandemic-related UI fraud."

- PRAC, Why Unemployment Insurance Surged During the Pandemic (p. 12)

  "Grant the DOL OIG statutory authority to participate in asset forfeiture funds to combat fraud and other crime."

- SBA OIG 24-06, Evaluation of SBA's Eligibility and Forgiveness Reviews of Paycheck Protection Program Loans Made to Borrowers with Treasury's Do Not Pay Data Matches (p. 18, Recommendation 5)

REC 5: "Develop and implement clear guidance requiring responsible officials to maintain documentary evidence used to support loan decisions in the loan files."

Additional Key Insights from Listening Sessions

Key stakeholders told us that Congress should amend the Federal Records Act to require that the programs with extended statutes of limitation request that their grant recipients maintain documents for this extended period of time.

Enhance the Program Fraud Civil Remedies Act

- Statement of Michael E. Horowitz, Chair, Pandemic Response Accountability Committee, Inspector General, U.S. Department of Justice, before the U.S. House of Representatives Committee on Oversight and Government Reform, "The Pandemic Response Accountability Committee's Role in Combating Fraud in Pandemic Relief and Small Business Programs," March 25, 2021 (p. 9)

  "Too often those who fraudulently divert tax dollars in amounts below what is typically accepted by prosecutors are not fully held accountable, impacting agency programs and leaving the taxpayer footing the bill. In light of this challenge, the PRAC's and the IG Community's efforts to fight fraud in pandemic-related spending would be enhanced by congressional support for a long-standing CIGIE legislative priority to amend the Program Fraud Civil Remedies Act (PFCRA). As my fellow PRAC member and CIGIE [Council of the Inspectors General on Integrity and Efficiency] Legislation Committee Chair Kathy Buller has testified before the House Oversight and Reform Committee:

  > 'PFCRA is often referred to as the "mini False Claims Act" because it provides administrative remedies for smaller false and fraudulent claims against the government that the Department of Justice (DOJ) declines to enforce. Unfortunately, because of problems in the original legislation, passed over three decades ago in 1986, PFCRA remains a relatively underutilized tool.'

  CIGIE has suggested raising the jurisdictional limit for administrative recoveries of 'smaller' false or fraudulent claims against the government from $150,000 to $500,000 extending PFCRA's coverage as a fraud-fighting tool to cover approximately $50 billion in government expenditures. This estimate was developed in 2018, two years before passage of the CARES Act, which exponentially increased the total amount of 'small' payments to recipients of

pandemic-related funds, and could further increase PFCRA's reach, if CIGIE's proposal were to pass, by tens of billions of dollars. CIGIE and the PRAC look forward to working with the subcommittee and the full committee to enact this important legislation."

- Testimony of Richard K. Delmar, Acting Inspector General, U.S. Department of the Treasury, before the House Oversight and Accountability Committee, Subcommittee on Government Operations and the Federal Workforce, "Concerning Fraud and Improper Payments in COVID Relief Programs," March 9, 2023 (p. 8)

  "Program integrity is enhanced by the availability of civil remedies, including the Program Fraud Civil Remedies Act (PFCRA) and suspension and debarment, as well as a commitment to civil and criminal enforcement by the Department of Justice and by state, territorial, local, and tribal authorities."

Provide OIGs With Testimonial Subpoena Authority

- Statement of Allison C. Lerner, Chairperson, Council of the Inspectors General on Integrity and Efficiency, Inspector General, National Science Foundation, before the Senate Homeland Security and Governmental Affairs Committee, "Safeguarding Inspector General Independence and Integrity, October 21, 2021 (p. 5)

  "Expansion of Testimonial Subpoena Authority: Inspector General oversight can be substantially hampered by the inability to compel the testimony of witnesses who have information that cannot be obtained by other means. Congress could address this concern by providing IGs with the authority to subpoena the testimony of certain witnesses as necessary in the performance of OIG oversight. This authority is especially important in cases where a Federal employee resigns or retires. Without testimonial subpoena authority, that employee's resignation or retirement can limit an IG audit, investigation, or other review into matters pertaining to that individual's former responsibilities. IGs can also face difficulty accessing key information during an inquiry into other individuals or entities with whom the Federal government does business. Examples include contractors, grantees, guarantors, volunteers, and entities that have no contractual relationship with the Federal Government but are suspected of defrauding a federally funded program. In these cases, IGs have limited recourse if these individuals refuse to provide information to the IG. CIGIE recommends that testimonial subpoena authority for IGs mirror the IGs' current documentary subpoena authority, similar to the testimonial subpoena authority recently granted to the Pandemic Response Accountability Committee of CIGIE.

  We want to express our appreciation to Chairman Peters and Ranking member Portman for including this authority in the substitute amendment. We greatly appreciate the initial introduction of a Senate bill authorizing IG testimonial subpoena authority, S. 1794, by Senator Hassan and Senator Grassley. Providing Inspectors General with testimonial subpoena authority has been a bipartisan effort in this committee since at least 2015, when the Committee put forward the IG Empowerment Act. Then in 2018 the House passed H.R. 4917. We are committed to continuing to work with you and providing technical assistance, as appropriate, to help ensure the effectiveness of this oversight tool and the judicious exercise of the authority."

Mandate Exclusions for Select Convicted Felons

- Statement of Allison C Lerner, before Committee on Science, Space, and Technology, U.S. House of Representatives, "Protecting the American Taxpayer: Highlighting Efforts to Protect Against Federal Waste, Fraud, and Mismanagement," April 19, 2023 (pp. 14-15)

  "Many felony fraud convictions involving federal program funds do not result in government-wide suspension or debarment action against the felon. An analysis of 250 felony fraud convictions involving federal program funds over a four-year period found that more than 70 percent of those convicted were not suspended or debarred from doing business with the government, thus allowing them to remain eligible for more federal funding.

  This initiative would enhance existing law by making exclusion actions automatic for those convicted of violating certain felony fraud statutes involving any agency contract, grant, cooperative agreement, loan, or other financial assistance. Under current law, no mandatory exclusion exists for individuals convicted of, or who plead guilty to, felony fraud against the government. Instead, both the Federal Acquisition Regulation (FAR) and the Non-Procurement Common Rule allow agencies to take discretionary, time-limited actions to exclude felony fraud convicts from receiving Federal grants and contracts through government-wide suspensions or debarments."

Provide Adequate Funding for OIGs to Administer and Oversee Influxes of Money

Multiple OIGs testified that additional funding and hiring authorities will enable OIGs to staff up quickly to address expanded emergency funding and oversight. Also, when agencies are provided with substantial supplemental emergency funding, OIGs should be provided additional funding to ensure that they have the necessary resources for robust oversight of those emergency programs.

- Testimony of Hannibal Ware, Inspector General, U.S. Small Business Administration, before the U.S. House of Representatives Committee on Small Business, July 13, 2023 (pp. 14-15)

  "OIG's proposed FY 2024 budget maintains our staffing level at 185 positions. The budget proposal also provides for three additional investigative groups (27 positions) to expand our investigative efforts to match the unprecedented resources expended on pandemic economic assistance. Vital to the oversight successes of OIG, the budget also provides for three additional data scientists, which are essential to detecting the fraud, prioritizing investigations, and enhancing the impact of the investigations.

  With sufficient resources, coupled with the 10-year statute of limitations on PPP and EIDL fraud, our office will be poised to combat fraud for years to come. We are grateful for the swift action from the 117th Congress to extend the statutes of limitation on PPP and EIDL fraud and look forward to working with Congress on resource determinations for FY 2024 and beyond. Support of OIG's budget request sends a strong message of deterrence to fraudsters taking aim at all U.S. government programs. OIG has proven that, with adequate resources, we are poised to promote public trust and instill integrity in SBA programs. Budget scenarios, such as a return to FY 2022 funding levels, would be detrimental to instilling

integrity in SBA programs. We will not be able to accomplish the goal of accountability for wrongdoing. Reducing OIG's funding to FY 2022, as enacted, would decrease OIG's investigative and fraud enforcement capabilities to nearly equivalent to staffing levels of the office following sequestration in 2013, which is less than 100 total positions. At the same time, OIG will exhaust supplemental funds being directed to combat fraud in SBA's pandemic response programs in FY 2024. Such a funding scenario simply does not allow OIG to provide effective oversight."

- Statement of Tammy L. Whitcomb, Inspector General, United States Postal Service, before the Subcommittee on Financial Services and General Government, Committee on Appropriations United States Senate, July 13, 2021 (p. 4)

  "Continuous monitoring and oversight of the announced network changes will allow the Postal Service to quickly fix issues, protecting postal customers. As a result of these significant upcoming changes, we plan to request an additional $17 million in our FY 2023 budget to increase the amount and timeliness of our oversight.

  With these funds we can expand our capacity to quickly respond to ongoing service challenges. These funds will partially restore our staffing by 83 employees and allow us to form an audit group dedicated to continuous monitoring of service across the country and providing quick, service-focused reports. We will build on the lessons learned last fall when we sent 500 OIG employees to over 2,000 postal facilities nationwide to monitor election mail. Using an OIG-created app, we were able to provide the Postal Service and Congress near real-time data on our daily observations."

- Testimony of Larry D. Turner, Inspector General, U.S. Department of Labor, before the U.S. House of Representatives Committee on Oversight and Accountability, Subcommittee on Government Operations and the Federal Workforce, "Waste, Fraud, and Abuse Go Viral: Inspectors General on Curing the Disease," March 9, 2023 (p. 7)

  "Our work is being impacted by resource limitations. The OIG received $38.5 million to oversee close to $1 trillion in expanded programs. Unfortunately, it will be fully expended by April 2024. Combined with a lower-than-expected Fiscal Year 2023 appropriation, our funding is insufficient to maintain the level of oversight we deployed during the pandemic. However, the President's recent proposal to provide OIG with $100 million would allow us to continue fighting pandemic-related fraud beyond 2024."

Section 3: Amend Legislation and Regulations to Fight Fraud and Reduce Improper Payments

Critical amendments to current legislation could help fortify the framework governing federal financial oversight and financial management. (To learn about pending legislation related to fraud and improper payments, visit Appendix 2-A.)

- Testimony of Rebecca Shea, Director, Forensic Audits and Investigative Services, GAO, before the U.S. Senate Subcommittee on Emerging Threats and Spending Oversight, Committee on Homeland Security and Governmental Affairs, "COVID-19: Insights and Actions for Fraud Prevention," November 14, 2023 (pp. 23-24, Matters for Congressional Consideration 2, 3, 7-8)

  Consideration 2: "Congress should amend the Payment Integrity Information Act of 2019 to designate all new federal programs making more than $100 million in payments in any one fiscal year as 'susceptible to significant improper payments' for their initial years of operation."

  Consideration 3: "Congress should amend the Payment Integrity Information Act of 2019 to reinstate the requirement that agencies report on their antifraud controls and fraud risk management efforts in their annual financial reports."

  Consideration 7: "Congress should consider legislation to require improper payment information required to be reported under the Payment Integrity Information Act of 2019 to be included in agencies' annual financial reports."

  Consideration 8: "Congress should amend the DATA Act to extend the previous requirement for agency inspectors general to review the completeness, timeliness, quality, and accuracy of their respective agency data submissions on a periodic basis."

- CRS R47902, Improper Payments in Pandemic Assistance Programs (Summary section)

  "Congress may also consider whether to require agencies to develop internal controls designed specifically for emergency spending programs, as GAO has recommended. These controls, based on guidance issued by OMB, could be implemented quickly to mitigate the risk of fraud and improper payments when agencies need to expedite the disbursement of funds. H.R. 877 would require agencies to deem programs with outlays of at least $100 million to be susceptible to significant levels of improper payments, thereby subjecting them

to PIIA estimating and reporting requirements. Congress provided at least $100 million in pandemic funding to 173 different programs, but many of those programs are not subject to PIIA because they fall below the current spending threshold."

- Testimony of Richard K. Delmar, Acting Inspector General, U.S. Department of the Treasury, before the House Financial Services Committee, Subcommittee on Oversight and Investigations, "Holding the Biden Administration Accountable for Wasteful Spending and Regulatory Overreach," March 8, 2023 (p. 3)

  "To overcome the challenges of obtaining better death data, Fiscal Service submitted legislative proposals to Congress seeking access to the full Death Master File. On December 27, 2020, Congress enacted the CAA, 2021, which amended the Social Security Act to allow the Social Security Administration to share its full death data with the Do Not Pay program for a three-year period starting no later than December 27, 2023. As this access is only temporary, Fiscal Service plans to seek a permanent legislative change for access to the full death data. We concur with the Department's decision to pursue a permanent legislative change for this necessary information to prevent improper payments."

- Testimony of Gene L. Dodaro, Comptroller General of the United States before the U.S. Senate Committee on Homeland Security and Government Affairs, "Emergency Relief Funds: Significant Improvements Are Needed to Ensure Transparency and Accountability for COVID-19 and Beyond," March 17, 2022 (p. 42, Matter for Congressional Consideration 10)

  "Congress should amend the Social Security Act to accelerate and make permanent the requirement for the Social Security Administration to share its full death data with the Department of the Treasury's Do Not Pay working system."

- SIGPR, Letter from Brian D. Miller, Special Inspector General, to Senator Hassan, Chair, and Senator Romney, Ranking Member, Emerging Threats and Spending Oversight Subcommittee, Homeland Security and Governmental Affairs Committee, United States Senate, December 29, 2023

  "Congress should encourage a review of Principles of Federal Appropriations Law, other Federal laws and regulations, and relevant GAO and OMB guidance to determine whether updates to guidance appropriate for direct loans is necessary or desirable. This effort can help establish a framework for future direct loan programs and identify risks to aid policymakers in their decision to create direct lending programs or not."

- CRS IN11433, Supplemental Appropriations: SBA Disaster Loan Account (p. 4)

  "The supplemental appropriations in Table 1 have not required SBA to submit reports on the funding status of the Disaster Loan Account. Congress has required disaster funding reports from other agencies to delineate funding activities and estimate the date on which the funds may be exhausted. For example, after Hurricane Katrina, Congress required the Federal Emergency Management Agency (FEMA) to issue quarterly reports on the Disaster Relief Fund (DRF). The DRF is 'an appropriation against which FEMA can direct, coordinate, manage, and fund eligible response and recovery efforts associated with domestic major disasters and emergencies that overwhelm state resources pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act.' DRF monthly reports help Congress

track disaster relief funding activities and determine how much funding is available for current and future incidents. The SBA could be required to issue a similar report on the Disaster Loan Account. The report could include information such as the account balance, available lending authority, monthly revenues, and cost and exhausted funding projections."

- SBA, Protecting the Integrity of the Pandemic Relief Programs: SBA's Actions to Prevent, Detect, and Tackle Fraud (pp. 26-27, Recommendation 4)

REC 4: "Make the private sector part of the solution. Two statutory features of PPP combined to substantially minimize the incentive for lenders to deter and weed out fraudulent applications: (1) the 100% loan guarantee provided, and (2) the requirement that SBA hold lenders harmless for false certifications made by borrowers. As reported by the House Select Committee on the Coronavirus Crisis, the combination of these two features led to some lenders bypassing fraud controls as they rushed to approve as many loans as possible. Removing, or at least redesigning, the hold harmless provision to ensure that lenders have skin in the game would strengthen their resolve to fully participate in fraud prevention."

Additional Key Insights from Listening Sessions

OIG officials and agency administrators shared that certain statutory provisions in the pandemic relief legislation did not allow them to implement important internal controls to protect federal funds from fraud, waste, and abuse. They recommended that future legislation authorize agencies to validate self-certified eligibility criteria and requirements for program applicants and recipients.

Draft Clear Guidance Related to Outcomes of Funding

Legislation should define the beneficiaries of the funding and the expected program outcomes.

- SBA OIG 21-13, Management Alert Serious Concerns About SBA's Control Environment and the Tracking of Performance Results in the Shuttered Venue Operators Grant Program (p. 5)

  "On March 26, 2021, SBA announced the funding opportunity for the SVOG program in the Federal Register, but it did not include performance goals for the program or establish performance requirements for the recipients. Federal regulations require that federal awards must include performance goals. OMB stresses that grant programs should be planned and designed with clear goals and objectives. Where appropriate, these goals should include the public impact of the awarded funds. Reporting requirements must be clearly documented. The agency must provide a standard against which non-federal entity performance can be measured, such as the estimated number of jobs saved or created, tax revenue generated, or entity operational status. Program officials told us that the authorizing legislation for the program did not require SBA to establish performance measures. Program officials explained they tried to meet the federal standards for grants while also creating an aid distribution program.

  While the Economic Aid Act did not specifically mandate that the SBA establish performance goals, it did not exempt the agency from adhering to the requirements of 2 CFR 200. Without

specific grantee performance reporting requirements, the stakeholders will disburse $16.25 billion without knowing whether the program successfully made an impact on the small businesses in the live arts and entertainment industry that were impacted by the pandemic. This runs counter to recent revisions to 2 CFR 200, effective November 12, 2020, that emphasized the need for performance goals to improve stewardship of grant funds."

- CRS LS10586, Scholl v. Mnuchin and Economic Impact Payments (p. 4)

  "The district court's orders in Scholl, and other CARES Act relief eligibility cases pending in courts around the country, could have long-lasting effects on how and when Treasury and the IRS respond to rapidly developing situations following the enactment of tax legislation. After the enactment of the CARES Act, the IRS issued FAQs to provide the public with timely guidance on EIP [Economic Impact Payments] eligibility and information on how to obtain EIPs. The IRS might delay issuing similar tax guidance in the future out of concern that courts are more likely to find that judicial deference is unwarranted when Treasury and the IRS's interpretations of statutes are conveyed in tax guidance other than regulations and do not provide an explanation of the agencies' reasoning. Scholl suggests that in order to ensure that the intended recipients of tax benefits receive them quickly, Congress could consider whether to define precisely in the statute whom the legislation is and is not intended to benefit, leaving little room for judicial or agency misinterpretation."

Additional Key Insights from Listening Sessions

Key stakeholders recommended that:

- Deadlines should not create a "first come, first served" scenario that favors more sophisticated applicants and neglects the most vulnerable and needy. The Shuttered Venue Operators Grant program website went live at a specific time and with limited funds. Those who logged on first received the grants. In such instances, applicants with more resources, who could navigate the process more efficiently, had an unfair advantage.
- Instead of specifying how funding could be spent, it would be helpful for Congress to clearly spell out how funding cannot be spent.

Authorize Whistleblower Incentives

- Statement of Director Kathleen L. Kraninger, Consumer Financial Protection Bureau, before the Senate Committee on Banking, Housing, and Urban Affairs, July 29, 2020 (p. 13)

  "Earlier this year, the Bureau requested that Congress advance proposed legislation that would authorize the Bureau to award whistleblowers who report violations of Federal consumer financial law. The proposal would amend Title X of the Dodd-Frank Act and provide authority to establish a whistleblower award program. The incentive created for employees to report wrongdoing to the Bureau will assist in advancing enforcement cases, especially as it relates to fair lending violations."

Additional Key Insights from Listening Sessions:

Key stakeholders told us Congress should consult with Inspectors General when drafting legislation about programs they oversee in order to understand IG perspectives, particularly around financial, staffing, and IT impacts resulting from increased workloads.

APPENDIX 2-A:
Pending Legislation

During the pandemic, legislation was introduced to:

- Combat fraud
- Update technology for collecting and reporting UI data
- Use data to verify eligibility of recipients
- Strengthen efforts to recover stolen funds
- Create a permanent data analytics center
- Enhance the Program Fraud Civil Remedies Act

H.R. 1163, Protecting Taxpayers and Victims of Unemployment Fraud Act (Passed in the House of Representatives)

This bill allows states to:

- Address fraud and overpayments of pandemic unemployment insurance (UI) benefits, including by providing incentives for states to investigate and recover overpayments of these benefits.
- Retain 25 percent of any recovered fraudulent overpayments. These retained funds may be used for modernizing unemployment compensation systems and information technology, reimbursing administrative costs, hiring fraud investigators and prosecutors, and for other program integrity activities.
- Retain 5 percent of any overpayments of regular and extended UI benefits. A state must, in order to retain these overpayments, certify that it has met certain conditions for data matching.
- Extend from three to 10 years the time during which states can recover overpayments of pandemic UI benefits.
- Hire temporary staff on a noncompetitive basis to identify, pursue, and recover fraudulent overpayments under federal pandemic unemployment compensation programs authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

- Extend from five to 10 years the statute of limitations for federal criminal charges or civil enforcement actions related to UI fraud.
- Repeal a section of the CARES Act (as amended by the American Rescue Plan of 2021) that provided funding for UI program integrity activities. Subject to appropriations, the unobligated balance of this funding shall be transferred to the Department of the Treasury and periodically credited to the appropriate state account in the Unemployment Trust Fund, as outlined by the bill.

H.R. 1458 Unemployment Insurance Technology Modernization Act of 2021 (Introduced in the House of Representatives) Requires the DOL in consultation with relevant experts, to develop, operate, and maintain technology capabilities to modernize the federal and state administration of UI benefits. This proposal would establish a Digital Services Team at DOL to assist state UI agencies in the development of these technology capabilities and to oversee their maintenance and improvement.

H.R. 723 The Reducing Fraud in Unemployment Assistance Act (Introduced in the House of Representatives) Requires that states compare lists of individuals receiving state UI benefits with a list of incarcerated individuals in federal and state custody for the purposes of investigating and prosecuting fraud, waste, and abuse. Would also have provided for the federal recovery of state overpayments of PUA and FPUC (now expired).

H.R. 6224 Fix the Unemployment Backlogs Act (Introduced in the House of Representatives) Suspends federal payments for the administration of unemployment compensation to states that have more than 45,000 unprocessed unemployment claims. These payments must remain suspended until the Department of Labor determines that the number of unprocessed unemployment claims in the state has been reduced to zero.

H.R. 4190 Pandemic Unemployment Assistance Fraud Protection Act (Introduced in the House of Representatives) Requires states, as a condition of receiving any of the $2 billion in additional UI administrative funding authorized under ARPA, to "detect and prevent fraud, promote equitable access, and ensure the timely payment of benefits," submit a plan for recovering all fraudulent PUA payments, establish an anti-fraud task force to investigate and recover fraudulent PUA payments, and report to DOL on the ratio of recovered fraudulent PUA payments to total PUA payments.

S. 2898 Unemployment Insurance Systems Modernization Act of 2021 (Introduced in the Senate) Expands the list of requirements a state unemployment compensation system must meet for the state to receive federal funds for administration of the system. Specifically, the bill requires the unemployment law of each state to include various provisions to promote adaptability, including provisions for (1) handling surges in claims, (2) processing disaster unemployment assistance claims, (3) processing claims under temporary federal benefits programs, and (4) automating claims for short-time compensation.

It also requires states to utilize databases and other systems in an effort to prevent fraudulent and improper unemployment compensation payments. Specifically, states must use (1) a system selected by the Department of Labor for cross-matching unemployment claimants against available databases, (2) an automated system developed and approved by Labor for exchanging unemployment compensation information, and (3) the existing National Directory of New Hires for identifying individuals who have become employed.

H.R. 3268 and S. 1699 Combatting COVID Unemployment Fraud Act of 2021 (H.R. 3268 Introduced in the House of Representatives and S. 1699 Introduced in the Senate) Amends the CARES Act to make several program-integrity-related changes. These bills would have required states to verify the identity and eligibility status of a PUA applicant prior to paying benefits and change the backdating deadline for PUA claims to April 1, 2021 (rather than December 1, 2020). H.R. 3268/S. 1699 would have also prevented any claimant from receiving a retroactive FPUC payment more than 14 days after program expiration. In addition, H.R. 3268/S. 1699 would have reinstated the federal work search requirement by removing the authority for COVID-19-related flexibility for states authorized under Families First Coronavirus Response Act (P.L. 116-127).

S.4089 The Fraud Prevention and Recovery Act (Introduced in the Senate) Includes key resources and programs to strengthen efforts to recover stolen pandemic funds, hold bad actors accountable, prevent identify theft, and ensure taxpayer dollars are being used effectively. The legislation also includes critical safeguards that will prevent future fraud and improper use of federal relief funds.

S.4036 Government Spending Oversight Act (Introduced in the Senate) Emphasizes the need for a permanent analytics platform to oversee federal spending and prevent fraud, mirroring the capabilities demonstrated by PRAC during the COVID-19 pandemic.

S.659 Administrative False Claims Act of 2023 (Passed in the Senate) Amends the Program Fraud Civil Remedies Act, which allows the federal government to pursue fraud claims without filing a suit in federal court. The bill raises the maximum dollar amount of fraud claims from $150,000 to $1 million and allows agencies to recoup costs for investigating and prosecuting these frauds.

APPENDIX 2-B:
Objective, Scope, and Methodology

The objective of Chapter 2 was to compile leading practices, recommendations, and lessons learned from reports and testimony by the oversight community and other government entities that policymakers can adopt by when drafting legislation and policy related for emergency and regularly appropriated funding.

Our review period was January 2020 through March 2024. In addition to reports by Inspectors General (IGs) the Government Accountability Office (GAO), and Office of Management and Budget (OMB) Memoranda, we reviewed Semiannual Reports to Congress by the Pandemic Response Accountability Committee's (PRAC) and IGs. We also reviewed congressional testimony applicable to Chapter 2. To ensure we identified an accurate and complete list of reports, we compared our document review with reports listed on Oversight.gov.

We held listening sessions with key stakeholders, including IGs and OMB to identify key takeaways, lessons learned, and best practices based on pandemic legislation and policy that could be used in the future.

Based on this fundamental work, we identified key themes and added links to supporting reports and testimony. The PRAC IG partners reviewed a draft of the Chapter prior to publication. Our work was completed between February 2024 and June 2024.

Contributing Partners

With our thanks to the following stakeholders for sharing key recommendations, leading practices, and lessons learned, which are incorporated throughout Chapter 2 of the Blueprint:

Pandemic Response Accountability Committee Members

Inspector General Mark Bialek, Federal Reserve Board & CFPB
Inspector General Sandra D. Bruce, Department of Education
Inspector General Joseph Cuffari, Department of Homeland Security
Inspector General Fara Damelin, Federal Communications Commission
Inspector General Rae Oliver Davis, Department of Housing and Urban Development
Deputy Acting Inspector General Richard Delmar, Department of the Treasury
Inspector General Jennifer L. Fain, Federal Deposit Insurance Corporation
Inspector General Phyllis K. Fong, Department of Agriculture
Inspector General Mark Lee Greenblatt, Department of the Interior
Inspector General Christi A. Grimm, Department of Health & Human Services
Acting Inspector General Heather M. Hill, Treasury Inspector General for Tax Administration
Inspector General Tammy L. Hull, U.S. Postal Service
Inspector General Allison C. Lerner, National Science Foundation
Inspector General Brian D. Miller, Special Inspector General for Pandemic Recovery
Inspector General Michael J. Missal, Department of Veterans Affairs
Inspector General Eric J. Soskin, Department of Transportation
Inspector General Robert P. Storch, Department of Defense
Inspector General Larry D. Turner, Department of Labor
Inspector General Hannibal “Mike” Ware, Small Business Administration

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Chapter 3: Fraud Prevention and Detection

Executive Summary:

In this chapter **focused on the oversight community and policymakers**, we highlight key reports, guidance, and recommendations issued by federal and state oversight organizations that provide leading practices for how to better design and implement emergency programs to prevent and detect fraud in government benefit programs. We also compiled lessons learned from these reports and interviews with key stakeholders, with a focus on the importance of pre-award and post-award monitoring.

These best practices and lessons learned highlight key themes, including establishing and performing fraud risk assessments; sharing resources, information and data across agencies; verifying recipient eligibility and identity; providing training and clear guidance to staff; and coordinating oversight by program and oversight officials.

How We Developed Chapter 3

We took the following steps to identify leading practices and lessons learned:

- Reviewed federal and state Offices of Inspectors General (OIGs) reports and congressional testimonies issued between March 2020 and August 2024 to identify key recommendations and successful methods for preventing and detecting fraud.
- Reviewed published reports, guidance, and memoranda from the U.S. Government Accountability Office (GAO) and the Office of Management and Budget (OMB).
- Conducted listening sessions with OIGs, state comptrollers and auditors, and GAO to incorporate their knowledge and expertise.

For the full methodology, see Appendix 3-A.

In the following sections, we highlight key themes with citations from supporting documents.

Section 1: Preventing Fraud

Federal agencies can improve fraud risk management and prevent fraud at the outset of emergency benefit programs in several ways: assess fraud risks, designate a dedicated entity to lead fraud risk management, design and implement an antifraud strategy, and use data analytics. Beyond eroding public trust in government, fraud significantly diminishes each agency's ability to deliver critical programs to the communities they are intended to serve.

Plan Now

One of the most effective ways to prevent fraud in emergency programs is to first develop plans for assessing and addressing the risks for fraud and weaknesses in internal controls prior to program design and implementation.

Assess Fraud Risks and Internal Control Weaknesses.

- Conduct Gold Standard meetings among staff from the agency, OIG, OMB, and other oversight bodies to reduce the risks of fraud and improper payments, as recommended in OMB Memorandum M-22-12, pertaining to implementation of the Infrastructure Investment and Jobs Act.
- GAO 22-105051, Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response (p. 1, Recommendation 4)

REC 4: Designate a dedicated entity and document its responsibilities for managing the process of assessing fraud risks to the unemployment insurance program, consistent with leading practices as provided in our Fraud Risk Framework. This entity should have, among other things, clearly defined and documented responsibilities and authority for managing fraud risk assessments and for facilitating communication among stakeholders regarding fraud-related issues.

What are Gold Standard meetings?

Following a leading practice initiated for pandemic programs under the American Rescue Plan, OMB Memo M-22-12 directed agencies to engage with OMB and the agency's IG in a joint meeting during the program design phase to discuss risk mitigation strategies, financial controls, data, and reporting.

"This process of engagement by senior Executive Branch and agency officials with Inspectors General and the PRAC has become a model for how to manage large-scale emergency spending initiatives and balance the need for robust independent oversight with timely program administration." Statement of Michael E. Horowitz, Chair, Pandemic Response Accountability Committee, before the U.S. House of Representatives Select Subcommittee on the Coronavirus Crisis, June 14, 2022.

- GAO 150593SP, A Framework for Managing Fraud Risks in Federal Programs

  The Framework encompasses control activities to prevent, detect, and respond to fraud, with an emphasis on prevention, as well as structures and environmental factors that influence or help managers achieve their objective to mitigate fraud risks. In addition, it highlights the importance of monitoring and incorporating feedback. There is a presumptive requirement (as outlined in OMB Circular No. A–11 (2024), based on statutory provisions in the Payment Integrity Information Act) for programs to adhere to the practices outlined in the Fraud Risk Framework.

- Program Integrity: The Anti-Fraud Playbook

  The playbook provides a four-phased approach with 16 plays drawn from successful practices from the federal government and private sector to help combat the risk of fraud. For example:

  - Adopt strong fraud-risk assessments to include establishing a dedicated entity to lead fraud-risk management activities.
  - Design and implement strategies or plans for how to identify, assess and mitigate fraud risk and vulnerabilities in program internal controls.

- GAO 22-105397, Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments (pp. 2-3, Recommendations 2, 7, and 8)

REC 2: [T]ake action to identify the causes of the gaps in internal controls and design and implement additional control activities, where needed, to prevent and detect improper payments and potential fraud.

REC 7: [D]ocument a comprehensive plan that includes timely and sufficient policies and procedures for monitoring recipients [...] to provide assurance that funds are being used in compliance with laws, regulations, agency guidance, and award terms and conditions, including ensuring that funds are being used for allowable purposes.

REC 8: [D]evelop and implement written procedures to monitor programs and uses of funds for compliance with program requirements and improper payments.

- GAO 22-105051, Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response (p. 1, Recommendations 5 and 6)

REC 5: Identify inherent fraud risks facing the unemployment insurance program.

REC 6: Assess the likelihood and impact of inherent fraud risks facing the unemployment insurance program.

- GAO 21-104542 Additional Risk Assessment Actions Could Improve HUD Oversight of CARES Act Funds (p. 49, Recommendation 1)

REC 1: The Office of the Chief Financial Officer and the HUD CARES Act Compliance Response Team should work with relevant program offices for each of the six CARES Act programs that meet HUD's front-end risk assessment criteria to reassess the need to either (1) conduct a full front-end risk assessment, or (2) take and document additional risk

assessment steps to align with key aspects of the front-end risk assessment process, such as ranking risks and developing plans to mitigate identified risks.

- DHS OIG-22-69, FEMA Did Not Implement Controls to Prevent More than $3.7 Billion in Improper Payments from the Lost Wages Assistance Program (p. 11, Recommendations 1 and 2)

REC 1: Develop and implement a standard risk assessment process before initiating new federal grant programs. This risk assessment should focus on identifying and evaluating program risks that may affect FEMA's ability to prevent waste, fraud, and abuse in its programs and mitigating those external risks to the extent practical.

REC 2: Develop a process to assess the program controls and identify risk to the extent practical.

- National Security Agency (NSA) OIG AU-20-0008, Audit of the Implementation of the CARES Act, Section 3610 (pp. 16-17, Recommendations 3 and 4)

REC 3: Perform a risk assessment of all invoices and processes to determine, at a minimum, the nature and extent of testing required to sufficiently identify unsupported payments.

REC 4: Perform a review of invoices to ensure accuracy of hours, billing rates, and contractor COVID-19 status, and, if necessary, recover costs from inaccurate billing.

- GAO 23-105199, SBA Could Improve Communications and Fraud Risk Monitoring for Its Arts and Entertainment Venues Grant Program (p. 38, Recommendation 2)

REC 2: The Associate Administrator of SBA's Office of Disaster Assistance should ensure that its post-award monitoring procedures [...] specifically address the risks the agency has assessed, including fraud risks, and clearly link them to monitoring activities. As a part of this effort, SBA should document its tolerance for the risks it has identified.

- GAO 23-105523, Unemployment Insurance: Data Indicate Substantial Levels of Fraud during the Pandemic; DOL Should Implement an Antifraud Strategy
(p. 42, Recommendation 1)

REC 1: Design and implement an antifraud strategy for Unemployment Insurance (UI) based on a fraud risk profile consistent with leading practices as provided in the Fraud Risk Framework.

- GAO 22-105051, COVID-19 Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response (p.1, Recommendation 8)

REC 8: Examine the suitability of existing fraud controls in the UI program and prioritize residual fraud risks.

- SBA OIG 21-07, Inspection of SBA'S Implementation of the Paycheck Protection Program
(p. 9, Recommendation 2)

REC 2: Assess vulnerabilities in internal controls and strengthen or implement necessary internal controls to address ineligible loans and potential fraud.

- SBA OIG 21-09, Flash Report: Duplicate Loans Made Under the Paycheck Protection Program (p. 8, Recommendations 3 and 4)

REC 3: Strengthen E-Tran [SBA electronic loan application system] controls for future Paycheck Protection Program (PPP)-type programs, which includes keeping E-Tran controls that align with program requirements on at all times.

REC 4: Review the issues that SBA identified involving the actions of lenders, such as providing incorrectly formatted data and submitting the same application through multiple platforms, and determine how to strengthen controls and guidance as appropriate to ensure lenders meet program requirements for future PPP-type programs.

- Statement of Rebecca Shea, Director, Forensic Audits and Investigative Service. before the U.S. Senate Subcommittee on Emerging Threats and Spending Oversight, Committee on Homeland Security and Governmental Affairs, on "Insights and Actions for Fraud Prevention." (p. 3)

  "Understanding fraud schemes that emerged during the pandemic can provide opportunities for program managers to identify internal controls that had been circumvented and respond to mitigate the related risks."

- SBA OIG 22-19, Covid-19 And Disaster Assistance Information Systems Security Controls (p. 7, Recommendation 4)

REC 4: Enforce the requirement to establish and implement internal controls to ensure appropriate program officials perform and document contract reviews to ensure that information security is appropriately addressed in the contracting language, as required by OMB Circular A-130 [...]

- GAO 21-191, COVID 19: Urgent Actions Needed to Better Ensure an Effective Federal Response (p. 3, Recommendation 11)

REC 11: The Secretary of the Treasury should finish developing and implement a compliance monitoring plan that identifies and responds to risks in the Payroll Support Program to ensure program integrity and address potential fraud, including the use of funds for purposes other than for the continuation of employee wages, salaries, and benefits.

- DOL OIG 19-23-016-03-391, COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey (p. 16, Recommendation 3)

REC 3: Develop and implement guidance to specifically identify the high risk associated with low enrollment levels in combination with the high burn rate of grant funds.

- DOT OIG ST2023001, FTA Can Enhance Its Controls to Mitigate COVID-19 Relief Funding Risks (p. 22, Recommendation 1)

REC 1: Design or redesign control activities for the four risks:

  - Risk of fraud or abuse.
  - Recipients may attempt to use funding for a non-operating expense even though they have furloughed staff.

  - Private sector operators are now eligible to become subrecipients.
  - Limited capacity of current oversight contracts.

- DHS OIG 22-73, More than $2.6 Million in Potentially Fraudulent LWA Payments Were Linked to DHS Employees' Identities (p. 19, Recommendation 1)

REC 1: Develop and implement a standard risk assessment process before initiating new federal grant programs. This risk assessment should focus on identifying and evaluating program risks that may affect FEMA's ability to prevent waste, fraud, and abuse in its programs and mitigating those external risks to the extent practical.

- FDIC OIG EVAL-23-001, FDIC Examinations of Government-Guaranteed Loans (p. 38, Recommendation 5)

REC 5: Issue and implement guidance to require that examination staff conduct a fraud-risk assessment on future government-guaranteed loan programs involving FDIC-insured and FDIC-supervised financial institutions to inform policy decisions.

- PRAC 2023-02, FRAUD ALERT: PRAC Identifies $5.4 Billion in Potentially Fraudulent Pandemic Loans Obtained Using Over 69,000 Questionable Social Security Numbers (p. 5, Next Step 1)

Next Step 1: Given the potential negative impacts on individuals who may be victims of identity fraud [...]: Assess lessons learned across COVID-19 EIDL [Economic Injury Disaster Loan] and PPP policies, procedures, and internal controls to help improve program integrity and prevent identity fraud.

- DOL OIG 19-23-012-03-315, Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program (p. 10, Recommendation 3)

REC 3: Establish effective controls, in collaboration with state workforce agencies, to mitigate fraud and other improper payments to ineligible claimants in high-risk age categories.

- HHS OIG A-02-21-01013, HRSA Made Covid-19 Uninsured Program Payments to Providers on Behalf of Individuals Who Had Health Insurance Coverage and for Services Unrelated to Covid-19 (p. 13, Recommendation 3)

REC 3: [S]trengthen [...] procedures that may apply to future programs of a similar nature to: Expand insurance verifications using additional data fields on each patient for whom an SSN [Social Security number] is not submitted as part of a prepayment check or postpayment review process to identify potential exact matches for health insurance coverage.

- DHS OIG 22-69, FEMA Did Not Implement Controls to Prevent More than $3.7 Billion in Improper Payments from the Lost Wages Assistance Program (p. 11, Recommendation 3)

REC 3: FEMA Administrator update the State Administrative Plan template to incorporate a requirement for grantees to include a description of the steps to prevent improper payments.

- HUD OIG 2022-FO-0801, Fraud Risk Inventory for the CDBG and ESG CARES Act Funds (p. 10, Recommendation 1F)

REC 1F: Develop and implement a fraud analytics strategy using available data, including but not limited to data and information collected during the grantee risk assessment and monitoring processes, to begin conducting data analyses to identify potential fraud risks for further review.

- DHS OIG-22-73, More than $2.6 Million in Potentially Fraudulent LWA Payments Were Linked to DHS Employees' Identities (p. 20, Recommendation 6)

REC 6: We recommend the FEMA Administrator develop and implement a process to review state administrative plans for consistency and ensure they include fraud prevention and mitigation strategies.

Additional Key Insights from Listening Sessions

Key federal and state stakeholders told us that there should be strong collaboration between program administrators and their OIGs beginning on day one of any new or enhanced emergnecy benefit programs. Enabling greater engagement by OIGs on the front-end introduces a new model of oversight that is better equipped to rapidly respond to evolving risks and prevent fraudulent payments, rather than continuing to rely on a back-end pay-and-chase model. These gold standard meetings should be held prior to major changes to existing programs or launches of new programs.

Stakeholders also noted the benefits of evaluating fraud risks and implementing anti-fraud controls during the design phase of the program, continuously monitoring for fraud and improving anti-fraud controls in response to emerging trends, and leveraging all data sources to improve fraud prevention and detection.

Share Information From Fraud Risk and Internal Control Assessments

Communicating information from fraud risks and internal controls strengthens program integrity and better protects taxpayer funds.

- GAO-15-593SP, A Framework for Managing Fraud Risks in Federal Programs (p. 17)

  Establish collaborative relationships with internal and external stakeholders, including other offices within the agency; federal, state, and local agencies; private-sector partners; law-enforcement entities; and entities responsible for control activities to, among other things:

  - Share information on fraud risks and emerging fraud schemes,
  - Share lessons learned related to fraud control activities, and
  - Collaborate and communicate with the OIG to improve understanding of fraud risks and align efforts to address fraud.

- SBA OIG 23-09, COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape

  The white paper identifies common fraud indicators and possible corrective actions to fix internal control weaknesses in SBA's pandemic programs.

- GAO 24-10722, Key Elements of Fraud Schemes and Actions to Better Prevent Fraud (p. 19, Open Matter for Congressional Consideration)

  Congress should amend the Payment Integrity Information Act of 2019 to reinstate the requirement that agencies report on their antifraud controls and fraud risk management efforts in their annual financial reports.

- FDIC OIG EVAL-23-001, FDIC Examinations of Government-Guaranteed Loans (p. 52, Recommendations 15, 16, and 18)

REC 15: Develop and implement processes and procedures for the routine sharing, receipt, and storage of confidential information with federal agencies that administer government-guaranteed loan programs.

REC 16: Develop and implement guidance to provide instruction to FDIC bank examination staff requiring communication and information sharing with federal agencies that administer government-guaranteed loan programs to ensure FDIC staff and the federal agencies are aware of any emerging risks.

REC 18: Develop and implement guidance to ensure relevant risk information exchanged with federal government agencies that administer government-guaranteed loan programs is shared internally within the FDIC on an ongoing basis with the appropriate FDIC employees.

- SBA OIG 22-17, COVID-19 Economic Injury Disaster Loan Applications Submitted From Foreign IP Addresses (p. 14, Recommendation 2)

REC 2: Examine controls related to foreign IP addresses and ensure these controls are more effective in future disaster processing systems.

- Statement by Hannibal "Mike" Ware, Inspector General, Small Business Administration, on "Stolen Taxpayer Funds: Reviewing The SBA And OIG Reports Of Fraud In Pandemic Lending Programs." before the United States House of Representatives Committee on Small Business, July 13, 2023 (p. 5)

  "Our office knew from the onset of pandemic relief that SBA would face a delicate balancing act of preventing widespread fraud while ensuring timely disbursement of relief funds to Americans in immediate need. The biggest concern for our office was SBA's quick delivery of capital to qualifying small businesses without first establishing the internal controls necessary to decrease the risk of fraud. This is why we issued two reports prior to the first PPP loan, or EIDL, being disbursed, stressing the importance of upfront program controls to mitigate the risk of fraud.

  "We proactively recommended internal control measures to SBA and policymakers in real time to address the allure of easy money that created the golden opportunity for even otherwise law-abiding citizens to commit fraud. [...]

  "In conducting the fraud landscape review, our office unleashed the power of data analytics in our oversight function. Fueled by the expertise and experience of our criminal investigators, auditors, and analysts, the report identifies 11 fraud indicators that we use to signal potential fraud. I have offered additional insights on the various fraud indicators from the report in my written statement."

Assess Recipient Eligibility Prior to Award

Prior to providing a recipient funding, program staff should verify the identity of the recipient through photo identification and other identity validation tools. Staff should also verify that the recipient is eligible for the program benefits by checking the Treasury's Do Not Pay list and death records and verifying tax information and business registration.

Verify Recipient Identity and Eligibility

- Memorandum from Hannibal "Mike" Ware, Key Recommendations Based on Lessons Learned from Prior COVID-19 Economic Injury Disaster and Paycheck Protection Program Loan Programs (p. 2)

  "Strengthen or establish controls to ensure multiple loans are provided only to eligible applicants and prevent the erroneous duplication of loans. At a minimum:

  - Obtain a photo ID of the applicant to verify their identity.
  - Verify that the applicant is not on Treasury's Do Not Pay list for delinquent child support and has not been suspended or debarred.
  - Verify the applicant is a legitimate business through tax returns, incorporation, not-for-profit records with secretary of state offices, or another method.
  - Institute a 'rule of two' requiring two people to approve each loan application and eliminate the batch approval process.
  - Require human contact with applicants who submit multiple applications from the same IP addresses, email addresses, physical addresses, or bank account number to verify these applicants are legitimate.
  - Ensure the system promptly identified all risk factors (fraud, duplicate applications, and information flags) and require full mitigation of those issues before approval."

- DOL OIG 19-23-016-03-391, COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey (p. 16, Recommendation 5)

  REC 5: Establish and implement a plan to improve monitoring activities to ensure grantees and sub-recipients are properly documenting eligibility.

- Treasury Inspector General for Tax Administration (TIGTA) OIG, 2022-47-030, American Rescue Plan Act: Implementation of Advance Recovery Rebate Credit Payments (p. 7, Recommendation 2)

  REC 2: If Congress enacts additional stimulus payments, the Commissioner, Wage and Investment Division, should consider additional programming changes to prevent ineligible individuals from receiving advance payments, including individuals claimed as dependents or dependents claimed on multiple returns, nonresident individuals, individuals who had a filing status or filing partner change, deceased individuals, and individuals affected by the mentioned related programming errors.

- SBA OIG 21-06, Management Alert, Paycheck Protection Program Loan Recipients on the Department of Treasury's Do Not Pay List (p. 5, Recommendation 3)

REC 3: Review prepayment and pre-award procedures and work with Treasury to formulate a technical approach to use Treasury's DNP portal to determine loan applicant eligibility and prevent improper payments before the release of any federal funds.

- PRAC, Fraud Alert Follow-Up: Improved Sharing of Death Records and Use of the Do Not Pay System Would Strengthen Program Integrity and Better Protect the Public (pp. 2-3)

  Verifying borrower information, including SSN and the date of death, helps prevent identity fraud and ensures government benefits are paid only to those who are eligible. The DNP system helps government program administrators identify and prevent improper payments by allowing agencies to check a variety of data sources to verify an applicant's eligibility to receive federal funds.

- DOI OIG 2021-ER-015, The Bureaus of Indian Affairs and Indian Education Have the Opportunity to Implement Additional Controls to Prevent or Detect Multi-dipping of Pandemic Response Funds (p. 7, Recommendation 1)

REC 1: Develop and implement policies, procedures, or guidance designed to prevent or detect multi-dipping [receiving funding from more than one federal program is sometimes referred to as "multi-dipping"]. The practice is not unusual and is not necessarily an indication of fraud.

Additional Key Insights from Listening Sessions

Stakeholders told us that verifying recipient eligibility is not only a vital internal control for federal agencies but also for states. Several states are using tools to verify unemployment insurance eligibility, including documentation of wages or income and cross-matching data with the Social Security Administration, Department of Motor Vehicles, or other identity databases.

Do Not Rely Only on Self-Certification for Eligibility Requirements

- Statement by Gene Dodaro, Comptroller General of the United States, before the House of Representative Committee on Ways and Means, on "The Greatest Theft of Taxpayer Dollars: Unchecked Unemployment Fraud," February 8, 2023 (p. 5)

  "[T]he urgent need to get the money out led to trade-offs that limited the ability of the government and the states to achieve the accountability and transparency objectives of the legislation Congress intended. [...] As a result of these trade-offs, self-certification in particular, these programs were more susceptible to fraud than they would have been otherwise during the program."

- Statement by Larry Turner, Inspector General of the U.S. Department of Labor, before the House of Representative Committee on Ways and Means, on "The Greatest Theft of Taxpayer Dollars: Unchecked Unemployment Fraud," February 8, 2023 (p. 39)

  "[S]tates were not prepared to process the historic volume of claims, resulting in significant delays. And this reliance on claimant self-certification rendered the PUA [Pandemic Unemployment Assistance] program extremely susceptible to fraud, and the unprecedented infusion of federal funds gave fraudsters a high-value target to exploit. That, combined with the ease of identity theft and system weaknesses previously identified by the OIG, allowed criminals to defraud the program."

Section 2: Detecting Fraud

Fraud risk indicators and data analytics are essential for detecting potential fraud. In addition, increasing managers' and employees' awareness of potential fraud schemes through training and education can serve a preventive purpose by helping to create a culture of integrity and compliance within programs. Moreover, GAO has reported that increasing fraud awareness can help prevent and deter fraud.

What was the role of identity theft in pandemic fraud?

Key stakeholders indicated that a significant portion of the pandemic fraud occurred due to identify theft from:

- Stolen Social Security numbers purchased from the dark web and used to fraudulently claim benefits across multiple states.
- Programs with minimal verification requirements allowing fraudsters to claim identities with little to no checks.
- Transnational organized crime groups and insiders having access to personal data.
- Fraudsters managing hundreds of applications from a single IP address, overwhelming systems without adequate controls.

Build Necessary Infrastructure

Federal and state agencies need up-to-date IT tools, core administrative systems, and structures such as data analytics capabilities in place to effectively scale up and manage emergency relief programs to meet a crisis.

Assess and Develop Information Technology Upgrades

- DOL OIG 19-21-004-03-315, COVID-19: States Struggled to Implement CARES Act Unemployment Insurance (p. 20, Recommendations 1 and 2)

REC 1: Conduct a study to assess the technological needs of the [...] programs to determine the capabilities that need to be upgraded or replaced; the features necessary to effectively respond to rapid changes in the volume of claims in times of emergency or high unemployment; the capabilities needed to ensure effective and equitable delivery of benefits; and the capabilities to minimize fraudulent activities.

REC 2: Develop, operate, and maintain a modular set of technological capabilities to modernize the delivery of [...] benefits that is sufficient to manage and process sudden spikes in claims volume during emergencies or high unemployment.

- DOL OIG, Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program (p. 10, Recommendation 2)

REC 2: Create an integrity program that incorporates a data analytics capability and regularly monitors state unemployment insurance claims data to detect and prevent improper payments, including fraudulent payments, and to identify trends and emerging issues that could negatively impact the unemployment insurance program.

- GAO 23-105331, Fraud Schemes and Indicators in SBA Pandemic Programs (p. 80, Recommendations 1 and 2)

REC 1: The Administrator of SBA, in coordination with the Fraud Risk Management Board, should ensure that SBA has mechanisms in place and utilizes them to facilitate cross-program data analytics.

REC 2: The Administrator of SBA, in coordination with the Fraud Risk Management Board, should ensure that SBA has identified external sources of data that can facilitate the verification of applicant information and the detection of potential fraud across its programs. It should then develop a plan for obtaining access to those sources, which may involve pursuing statutory authority or entering into data-sharing agreement to obtain such access.

- Written testimony, Charles P. Rettig, Commissioner, Internal Revenue Service, before the House Oversight Committee and Reform Committee Subcommittee on Government Operations on the Filing Season and IRS Operations, April 21, 2022

  "Limited IT resources preclude us from building adequate solutions for efficiently matching or reconciling data from multiple sources. As a result, we are often left with manual processes to analyze reporting information we receive. Such is the case with data from the Foreign Account Tax Compliance Act (FATCA). Congress enacted FATCA in 2010, but we have yet to be appropriated any significant funding for its implementation. This situation is compounded by the fact that when we do detect potential non-compliance or fraudulent behavior through manually generated FATCA reports, we seldom have sufficient funding to pursue the information and ensure proper compliance."

- Statement by Michael Horowitz, Hearing on "The Greatest Theft of Taxpayer Dollars: Unchecked Unemployment Fraud," before The Committee on Ways and Means House of Representatives One Hundred Eighteenth Congress, February 8, 2023 (p. 69)

  "Fourth, states experienced challenges verifying eligibility because of outdated IT systems and the mass influx of claims. [...] Among the best practices that we believe should be replicated are increased use of cross-matching of data between state agencies; improved coordination between SWAs [state workforce agencies] and state and federal law enforcement, local IGs, and state auditors; more effective use of enterprise risk management; increased IT modernization efforts; and the use of advanced data analytics to build multi-layer fraud defenses, including identity verification tools."

Provide Training, Guidance, and Instruction to Program and Oversight Staff

- USAID OIG 4-000-24-001-P, COVID-19: Enhanced Controls Could Strengthen USAID's Management of Expedited Procurement Procedures (p. 12, Recommendation 3)

REC 3: Implement procedures to strengthen training on use of noncompetitive action codes in the Global Acquisition and Assistance System to ensure consistent reporting of use of other than full and open competition for new and modified awards in the Global Acquisition and Assistance System and the Federal Procurement Data System, and track use of the Expedited Procedures Package for Infectious Disease Outbreaks.

- SBA OIG 22-13, SBA's Handling of Potentially Fraudulent Paycheck Protection Program Loans (pp. 7, 10, Recommendations 1 and 2)

REC 1: Establish clearly defined and detailed roles, responsibilities, and processes [...] for managing and handling potentially fraudulent PPP loans to reduce the risk of ineligible applicants receiving PPP forgiveness and the risk of fraud and financial loss when implementing similar future programs.

REC 2: Provide lenders formal guidance to effectively and consistently handle potentially fraudulent PPP loans and ensure lenders have sufficient guidance when implementing similar future programs.

- FDIC OIG EVAL-23-001, FDIC Examinations of Government-Guaranteed Loans (p. 43, Recommendation 10)

REC 10: Develop and implement a training plan to ensure examination staff are trained on the requirements and risks of government-guaranteed loan programs.

- DHS OIG, 22-28, Management Alert – Reporting Suspected Fraud of Lost Wages Assistance (p. 2, Recommendations 1 and 2)

REC 1: Direct state workforce agencies participating in its Lost Wages Assistance program to report suspected, alleged, and identified fraud to DHS OIG's Office of Investigations.

REC 2: Follow up with state workforce agencies in its Lost Wages Assistance program to reinforce reporting of suspected, alleged, and identified fraud to DHS OIG's Office of Investigations.

- GAO 23-105199, SBA Could Improve Communications and Fraud Risk Monitoring for Its Arts and Entertainment Venues Grant Program (p. 37, Recommendation 1)

REC 1: The Associate Administrator of SBA's Office of Disaster Assistance should develop a comprehensive strategy for communicating with potential and actual grant program applicants in the event of a disaster or other emergency. Such a strategy should provide guidelines for how to communicate information in a timely and effective manner during nationwide emergencies (such as pandemics) and for doing so for any future industry-specific emergency assistance programs.

- SBA OIG 24-06, Evaluation of SBA's Eligibility and Forgiveness Reviews of Paycheck Protection Program Loans Made to Borrowers with Treasury's Do Not Pay Data Matches (p. 10, Recommendation 5)

REC 5: Develop and implement clear guidance requiring responsible officials to maintain documentary evidence used to support loan decisions in the loan files.

- DOL OIG 19-23-016-03-391, COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey (p. 16, Recommendation 6)

REC 6: Establish and implement a plan to increase the level of technical assistance and monitoring for grantees and sub-recipients to ensure they properly administer contracts and reimburse on-the-job training costs.

- SBA OIG 21-03, EVALUATION OF CARES ACT DEBT RELIEF TO 7(A) BORROWERS (p. 9, Recommendation 2)

REC 2: Establish post-payment audit procedures, using a risk-based approach, to verify the accuracy and completeness of all subsidy payments to lenders and include reviews of payments made to loans that changed from liquidation status to regular servicing status, and remedy improper payments in accordance with the Payment Integrity Act of 2019.

- DOL OIG 19-23-014-03-315, COVID-19: Pandemic Unemployment Assistance for Non-Traditional Claimants Weakened by Billions in Overpayments, Including Fraud (p. 23, Recommendations 1 and 2)

REC 1: Develop a document that captures lessons learned from the implementation of the pandemic-related UI programs that can be used to provide legislative technical assistance and operational guidance to Congress and states on any future emergency UI programs, including an assessment of fraud and fraud prevention methods in programs that allow for self-certification.

REC 2: Provide guidance to states regarding the criminal statute of limitations, which could impact the ability to criminally charge individuals that engaged in pandemic-related UI fraud. Guidance should recommend that states identify and promptly refer pandemic-related UI fraud cases for criminal investigation. This directive should also emphasize the importance of cooperation between states and law enforcement agencies, making specific reference to Unemployment Insurance Program Letter 04-17.

- HUD OIG 2022-FO-0801, Fraud Risk Inventory for the CDBG and ESG CARES Act Funds (p. 9, Recommendation 1D)

REC 1D: Implement efforts to increase the awareness of fraud at all levels (headquarters, field offices, grantees, subrecipients, etc.), including but not limited to regularly publishing articles on known fraud schemes and identified instances of fraud [...], providing recurring fraud risk trainings.

Institute Federal to Federal, State to State, Federal to State Data Sharing

- DOL OIG 19-22-006-03-315, COVID-19: ETA and States Did Not Protect Pandemic-Related UI Funds from Improper Payments Including Fraud or from Payment Delays (p. 26, Recommendation 4)

REC 4: Work with National Association of State Workforce Agencies to ensure the Integrity Data Hub cross-matches are effective at preventing the types of fraud that were detected during the pandemic and regularly update using the results of state fraud investigations.

- DOL OIG 19-23-011-03-315, COVID-19 – ETA Can Improve its Oversight to Ensure Integrity over CARES Act UI Programs (p. 7, Recommendation 3)

REC 3: Determine the best threshold for flagging multistate claims in conjunction with the National Association of State Workforce Agencies (NASWA).

- GAO 21-191, COVID 19: Urgent Actions Needed to Better Ensure an Effective Federal Response (p. 2, Recommendation 8)

REC 8: The Secretary of Labor should ensure the Office of Unemployment Insurance pursues options to report the actual number of distinct individuals claiming benefits, such as by collecting these already available data from states, starting from January 2020 onward.

- DOL OIG 19-23-012-03-315, Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program (p. 10, Recommendation 1)

REC 1: Obtain direct access to unemployment insurance claims data from all state workforce agencies.

- DOL OIG 19-21-004-03-315, COVID-19: States Struggled to Implement CARES Act Unemployment Insurance (p. 21, Recommendation 3)

REC 3: Assist states with claims, overpayment, and fraud reporting to create clear and accurate information. Then use the overpayment and fraud reporting to prioritize and assist states with fraud detection and recovery.

- DOJ OIG 22-109, Audit of the Management and Coordination of Pandemic-Related Fraud Allegations and Referrals Between the Criminal Division and Executive Office for U.S. Attorneys (pp. 22-23, Recommendations 1 and 6)

REC 1: Implement a system to ensure regular and uniform communication for pandemic-related updates, to include informing USAO [U.S. Attorney Office] districts on information shared within national coordinating bodies.

REC 6: Work with the Executive Office for U.S. Attorneys to implement methods to share pandemic fraud case information, particularly regarding PPP-related matters, for reference in possible overlap with USAO-led UI matters.

- DOL OIG 19-23-014-03-315, COVID-19: Pandemic Unemployment Assistance for Non-Traditional Claimants Weakened by Billions in Overpayments, Including Fraud (p. 23, Recommendation 2)

REC 2: Provide guidance to states regarding the criminal statute of limitations, which could impact the ability to criminally charge individuals that engaged in pandemic-related UI fraud. Guidance should recommend that states identify and promptly refer pandemic-related UI fraud cases for criminal investigation. This directive should also emphasize the importance of cooperation between states and law enforcement agencies, making specific reference to Unemployment Insurance Program Letter 04-17, Change 1 - Attachment I, concerning activity that must be reported to the OIG.

Ensure Data Accuracy and Integrity

- SBA OIG 21-02, Inspection of Small Business Administration's Initial Disaster Assistance Response to the Coronavirus Pandemic (p. 28, Recommendation 6)

REC 6: Strengthen data integrity to make it possible to determine if the inaccurate information allowed loans to be made to ineligible entities and to strengthen SBA's ability to service loans appropriately.

- DHS OIG, 23-42, Ineffective Controls Over COVID-19 Funeral Assistance Leave the Program Susceptible to Waste and Abuse (p. 20, Recommendation 4a)

REC 4a: Design internal controls that distinguish between legitimate sources of potential program duplications, such as program applications that share decedents' names or Social Security numbers, from system-generated potential duplications that arise due to using re-purposed data processing systems.

- Statement of David Smith, Assistant Director, Office of Investigations, U.S. Secret Service, before the House of Representatives Committee on Oversight and Accountability, on "Federal Pandemic Spending: A Prescription for Waste, Fraud, and Abuse," February 1, 2023 (p. 80)

> "What we were doing was sharing indicators of compromise with those entities, such as if an individual was using an IP address that was from an overseas originating point, or if a financial institution saw, if you happen to see an account being opened fairly recently and that account was being used to move a substantial amount of money in a short period of time, that would be something you would flag."

Section 3: Responding to Fraud

In addition to attempting to prevent and detect fraud at the outset, the government can stop suspicious payments, put fraudsters in prison, and recover illegally obtained funds. These actions require that federal agencies have policies in place to suspend payments, efficiently recover funds, and retain data necessary to investigate loans and prosecute individuals who fraudulently received benefits.

Stop Payments and Recover Funds

When fraud does occur, it is important that federal agencies take action to minimize the funding that bad actors are able to access. This can be done by stopping all payments once fraud is suspected and recovering funds where possible. In addition, agencies can take administrative actions against those committing fraud through suspension and debarment.

Suspend Potential Improper or Fraudulent Payments

- SBA OIG 22-17, COVID-19 Economic Injury Disaster Loan Applications Submitted From Foreign IP Addresses (p. 14, Recommendation 1)

REC 1: Thoroughly review each grant and advance application submitted from foreign IP addresses that were approved and funded and verify eligibility. If ineligibility or evidence of potential fraud is found, SBA should stop any further or future disbursements, recover any disbursed funds, and refer fraudulent loans to OIG for investigation.

- SBA OIG 21-02, Inspection of Small Business Administration's Initial Disaster Assistance Response to the Coronavirus Pandemic (pp. 18, 28, 30, Recommendations 1, 3, and 7)

REC 1: Review all loans that had a bank account number changed from that shown on the original application to determine if the changes were legitimate or fraudulent. If not legitimate, work to recover the funds, de-obligate any undisbursed funds, and refer to the OIG.

REC 3: Review duplicate loans to IP addresses, email addresses, business addresses, and bank accounts to determine if there are undisbursed funds that should be suspended until the duplicate loans are assessed for eligibility.

REC 7: Review the applicants with approved loans to determine if there are undisbursed funds remaining that should be suspended until the business start date is verified and the applicant is deemed eligible based on the CARES Act eligibility requirements. If the applicant is deemed ineligible, recover any disbursed funds, de-obligate any undisbursed funds, and flag the application as ineligible.

- SBA OIG 23-08, Serious Concerns Regarding the Return of PPP Funds (p. 5, Recommendation 4)

REC 4: Provide detailed guidance to financial institutions that receive PPP fund deposits for borrowers regarding how to return PPP funds if there is suspected fraud or other issues that would warrant returning funds.

- SBA OIG 23-10, SBA's Administrative Process to Address Potentially Fraudulent Restaurant Revitalization Fund Awards (p. 8, Recommendation 1)

REC 1: Prioritize and complete the review of [...] awards that were flagged by the point-of-sale partner as having unsupported gross sales and take appropriate administrative actions to recover improper payments, which includes 110 awards that were suspected of fraud.

Mandate Data and Record Retention

- SBA OIG 23-15, SBA's Oversight of Restaurant Revitalization Fund Recipients (p. 13, Recommendation 3)

REC 3: Extend the record retention period and notify all RRF award recipients in writing in accordance with 2 CFR 200.334.

- SBA OIG 24-06, Evaluation of SBA's Eligibility and Forgiveness Reviews of Paycheck Protection Program Loans Made to Borrowers with Treasury's Do Not Pay Data Matches (p. 10, Recommendation 5)

REC 5: Develop and implement clear guidance requiring responsible officials to maintain documentary evidence used to support loan decisions in the loan files.

Recover Funds Obtained Fraudulently or Improperly

- DHS OIG 22-69, FEMA Did Not Implement Controls to Prevent More than $3.7 Billion in Improper Payments from the Lost Wages Assistance Program (p. 11, Recommendation 7)

REC 7: FEMA Administrator de-obligate and recover any monies determined to have been obtained fraudulently or other improper payments through Lost Wages Assistance from the state workforce agencies.

- SBA OIG 21-02, Inspection of Small Business Administration's Initial Disaster Assistance Response to the Coronavirus Pandemic (p. 18, Recommendation 1)

REC 1: Review all loans that had a bank account number changed from that shown on the original application to determine if the changes were legitimate or fraudulent. If not legitimate, work to recover the funds, de-obligate any undisbursed funds, and refer to the OIG.

- SBA OIG 21-06, Management Alert, Paycheck Protection Program Loan Recipients on the Department of Treasury's Do Not Pay List (p. 5, Recommendation 2)

REC 2: Strengthen [...] controls to ensure that loans to ineligible recipients are not forgiven.

- SBA OIG 21-09, Flash Report: Duplicate Loans Made Under the Paycheck Protection Program (p. 8, Recommendation 2)

REC 2: Review SBA controls related to all PPP loan reviews to ensure that duplicate loans are not forgiven and not subject to an SBA guaranty, as appropriate.

- SBA OIG 24-02, SBA's Internal Controls to Prevent Shuttered Venue Operators Grants to Ineligible Applicants (p. 16, Recommendation 2)

REC 2: Implement additional controls to ensure that, during the monitoring, auditing, and compliance phases, awards are carefully screened to verify eligibility and to recover grant funds from ineligible entities.

- SBA OIG 21-15, SBA's Handling of Identity Theft in the COVID-19 Economic Injury Disaster Loan Program (p. 9, Recommendation 5)

REC 5: Review returned billing statements and resolve any that involve identity theft, then refer fraudulent loans to OIG.

- SBA OIG 23-08, Serious Concerns Regarding the Return of PPP Funds (p. 5, Recommendation 1)

REC 1: Provide detailed guidance to borrowers on returning PPP funds to lenders if the loan was forgiven or guaranty purchased.

- SBA OIG 23-10, SBA's Administrative Process to Address Potentially Fraudulent Restaurant Revitalization Fund Awards (p. 8, Recommendation 1)

REC 1: Prioritize and complete the review of [...] awards that were flagged by the point-of-sale partner as having unsupported gross sales and take appropriate administrative actions to recover improper payments, which includes 110 awards that were suspected of fraud.

- SBA OIG 23-15, SBA's Oversight of Restaurant Revitalization Fund Recipients (pp. 13, 15, Recommendations 4 and 6)

REC 4: Assess the post-award review process and manpower requirements to ensure post award reviews are conducted in a prompt manner. Use the results of the assessment to improve processing times to ensure reviews are completed before the statute of limitations expire.

REC 6: Establish and implement procedures to recover unused funds or recover funds paid to ineligible recipients and prioritize this effort.

- SBA OIG 21-06, Management Alert, Paycheck Protection Program Loan Recipients on the Department of Treasury's Do Not Pay List (p. 5, Recommendation 2)

REC 2: Strengthen SBA controls to ensure that loans to ineligible recipients are not forgiven.

- SBA OIG 24-06, Evaluation of SBA's Eligibility and Forgiveness Reviews of Paycheck Protection Program Loans Made to Borrowers with Treasury's Do Not Pay Data Matches (pp. 6, 10, Recommendations 1 and 3)

REC 1: Review [...] PPP loans [...] that matched a DNP data source, to ensure eligibility requirements were met and seek remedy or repayment of all loans deemed ineligible.

REC 3: Conduct a review of PPP loans, in which the DNP hold-codes were cleared to identify (1) those cleared using pre-decisional memos and (2) those cleared without sufficient evidence to support the reviewer's loan decision and seek remedy or repayment of loans deemed ineligible.

- GAO -20-625, Covid-19 Opportunities to Improve Federal Response and Recovery Efforts (p. 2, Recommendation 2)

REC 2: The Commissioner of Internal Revenue should consider cost-effective options for notifying ineligible recipients on how to return payments.

- PRAC, FRAUD ALERT: PRAC Identifies $5.4 Billion in Potentially Fraudulent Pandemic Loans Obtained Using Over 69,000 Questionable Social Security Numbers (p. 5, Next Step 2)

Next Step 2: Further examine the potential identity fraud we have identified using collaborative verification methods to determine which instances are likely fraud, with SBA taking appropriate action to recover fraudulently obtained funds.

- United States Department of Agriculture (USDA) OIG Inspection Number 03801-0001-31, COVID-19 – Coronavirus Food Assistance Program – Direct Support (p.5, Recommendation 1)

REC 1: Review and recover the questioned Coronavirus Food Assistance Program payments of $1,286,786 resulting from inaccurate and/or unsupported producer certifications.

- DOL OIG 19-23-015-03-315, Covid-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly $5 Billion Unused by States for a Temporary Unemployment Insurance Program (p. 20, Recommendation 1)

REC 1: Work with Oregon, Louisiana, Delaware, and Mississippi to ensure the appropriate return of approximately $105.1 million in TFFF [Temporary Full Federal Funding] reimbursements for first-week regular UI compensation paid that were associated with ineligible weeks.

- TIGTA 2022-47-030, American Rescue Plan Act: Implementation of Advance Recovery Rebate Credit Payments (p. 5, Recommendation 1)

REC 1: The Commissioner, Large Business and International Division, should coordinate with the territories to share information that will enable the territories to recover duplicate payments that the territories have issued, to the extent permitted under the relevant territory's domestic law.

- Statement of Gene L. Dodaro, Comptroller General of the United States, before the House of Representatives Select Subcommittee on the Coronavirus Crisis, Committee on Oversight and Government Reform, on "COVID-19 Opportunities to Improve Federal Response and Recovery Efforts," June 26, 2020

  GAO identified challenges with the federal response to the crisis, including:

  "Economic impact payments. The Internal Revenue Service and the Department of the Treasury faced difficulties delivering payments to some individuals, and made some payments to ineligible individuals, such as decedents. GAO recommends that IRS should consider cost-effective options for notifying ineligible recipients how to return payments."

APPENDIX 3-A:
Objective, Scope, and Methodology

The objective of Chapter 3 was to compile leading practices, resources, and lessons learned from reports and recommendations issued by the oversight community related to detecting and preventing fraud in pandemic programs.

The goal was to provide solutions for the design and implementation of future programs that can be adopted by federal and state agencies prior to or at the outset of an emergency.

Our review period was January 2020 through August 2024. We reviewed reports from the oversight community to identify recommendations applicable to Chapter 3. In addition, we reviewed all of the Pandemic Response Accountability Committee's (PRAC) Semiannual Reports to Congress and reports published by federal OIGs. To ensure we identified an accurate and complete list of reports and recommendations, we compared our document review with reports posted on Oversight.gov.

We also reviewed published reports from the Government Accountability Office and guidance memoranda from the Office of Management and Budget. We held listening sessions with key stakeholders, OIG officials, state officials, and national associations. During each listening session, we asked the stakeholders to identify reports, key takeaways, lessons learned, and best practices from their experiences during the pandemic that could be used in the future. We do not consider the reports used in this product to be an exhaustive list.

Based on the foundational work above, we identified key themes in the recommendations and added links to supporting reports. Stakeholders across the federal oversight community reviewed a draft of this report prior to publication. This work was completed between March and October 2024.

Contributing Partners

With our thanks to the following stakeholders for sharing key recommendations, leading practices, and lessons learned, which are incorporated throughout Chapter 3 of the Blueprint:

Pandemic Response Accountability Committee Members

Inspector General Sandra D. Bruce, Department of Education
Inspector General Joseph Cuffari, Department of Homeland Security
Inspector General Rae Oliver Davis, Department of Housing and Urban Development
Deputy Acting Inspector General Richard Delmar, Department of the Treasury
Inspector General Jennifer L. Fain, Federal Deposit Insurance Corporation
Inspector General Phyllis K. Fong, Department of Agriculture
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Chapter 4: Whole-of-Government Approach

Executive Summary

This chapter examines the whole-of-government approach to overseeing the more than $5 trillion made available to help Americans respond to and recover from the COVID-19 pandemic. We describe how federal, state, and local government officials worked together to promote efficiency, effectiveness, and integrity across pandemic relief programs, and we share best practices and strategies for mitigating increased challenges. A whole-of-government approach emphasizes stakeholders' shared responsibility for ensuring that government programs work as intended for the benefit of the American public. Essential in times of national crisis, like a pandemic, a whole-of-government approach can also benefit large-scale programs and funding in non-emergencies.

Whole-of-Government Approach

A whole-of-government approach focuses on the impact of policies and programs on government at large, rather than individual agencies, and a process that brings together multiple entities with a shared interest to help make decisions.

To develop this chapter, we interviewed multiple stakeholders across federal, state, and local governments as well as key oversight professionals outside government. These stakeholders shared their insights into what worked well, the challenges they faced, and steps for continuing best practices in the future, to include initial joint meetings. We discussed the full spectrum of oversight activities—from communication to coordination to collaboration—and the importance of building and maintaining relationships, leveraging all participants' expertise in program design and execution, sharing information and data both timely and widely, and embracing innovation and flexibility. We also reviewed relevant guidance, reports, testimony, and other resources for additional context.

While our intended audience for this chapter is the oversight community, the Office of Management and Budget, the White House, Congress, and agency heads, we discuss themes and lessons learned over the past few years that apply to anyone engaged in program implementation, administration, and oversight. Our many conversations with stakeholders show that it takes tremendous effort to do big things and do them right, and that it's critical to sustain the mechanisms that facilitated a whole-of-government approach to oversight during the pandemic.

Section 1: The Whole-of-Government Community

Traditionally, a whole-of-government approach has focused on the federal government as a unified entity. However, the pandemic highlighted the need for stakeholder involvement at all levels of government; state and local agencies are key implementing partners during a national crisis, representing the "boots on the ground" for response and oversight. The federal government mainly provides emergency assistance through state and local agencies pursuant to congressional intent.

Depending on the program and type of funding, different stakeholders play important roles. Table 1 provides a list of important federal, state, and local stakeholders.

Table 1: List of Key Federal, State, and Local Stakeholders in a Whole-of-Government Approach

● Participated ★ Led or co-led

Group	*Purpose and Mission*	*PRAC GAO, State, and Local Subcommittee*	*Listening Posts*	*COVID-19 Funding Accountability Working Group*	*Single Audit Update Discussions*	*Gold Standard/ Joint Review Meetings*
Pandemic Response Accountability Committee (PRAC) / Council of Inspectors General on Integrity and Efficiency (CIGIE)	Serves as a coordinating body for federal Inspectors General and addresses integrity, economy, and effectiveness issues that go beyond individual federal agencies.	★	★	●	●	●
U.S. Government Accountability Office (GAO)	Examines how taxpayer dollars are spent and provides Congress and federal agencies with objective analyses to help improve federal government accountability.	●	●	★	★	

Group	*Purpose and Mission*	*PRAC GAO, State, and Local Subcommittee*	*Listening Posts*	*COVID-19 Funding Accountability Working Group*	*Single Audit Update Discussions*	*Gold Standard/ Joint Review Meetings*
Office of Management and Budget (OMB)	Administers the federal budget, evaluates federal agencies' effectiveness, and oversees and coordinates procurement, financial management, information, and regulatory policies.		●	●	●	★
National Association of State Auditors, Comptrollers, and Treasurers (NASACT)	Facilitates efforts to improve state government transparency, accountability, and financial management and brings together oversight professionals at the federal, state, and local levels.	●	★	★	●	
Association of Local Government Auditors (ALGA)	Supports the local government auditing community through advocacy, education, communication, and collaboration.		●	●		
American Institute of Certified Public Accountants (AICPA)	Supports accounting, finance, and auditing professionals and represents the perspectives of non-government entities who conduct single audits and financial statement audits for federal funding recipients.		●	●	●	
Administration Leadership, Agency Officials, and Program Staff	Design and implement programs as authorized by Congress and in accordance with Administration priorities, including establishing controls and audit requirements to assure program effectiveness and payment integrity.					★

Group	*Purpose and Mission*	*PRAC GAO, State, and Local Subcommittee*	*Listening Posts*	*COVID-19 Funding Accountability Working Group*	*Single Audit Update Discussions*	*Gold Standard/ Joint Review Meetings*
Federal Offices of Inspectors General (OIGs)	Conduct independent and objective audits, investigations, inspections, evaluations, and other activities to promote efficiency, effectiveness, and integrity—and to prevent and detect fraud, waste, and abuse—in federal agency programs and operations.	★	★	●		●
State and Local Oversight Entities (Auditors, Comptrollers, Treasurers, Inspectors General)	Conduct independent and objective audits, investigations, inspections, and other activities to promote efficiency, effectiveness, and integrity—and to prevent and detect fraud, waste, and abuse—at the state and local levels.		●	●		

Section 2: How We Came Together and What We Did

In Chapter 1 of our Blueprint for Enhanced Program Integrity, we noted that federal and state agencies and their oversight communities need to collaborate to protect taxpayer funding. Cooperation and engagement between agency program staff and the oversight community, during program design and planning and early on in program implementation, ensures that previous oversight work and experience informs critical programmatic decisions that should be made before any dollars go out the door.

Throughout the pandemic, meetings and communication among federal stakeholders, such as federal agency leadership or program staff, as well as staff from Offices of Inspectors General (OIGs), the Office of Management and Budget (OMB), and the Government Accountability Office (GAO), were crucial for effectively implementing pandemic programs and providing timely oversight. Coordinating with representatives from state and local oversight communities enabled sharing of information, guidance, data, and real-time information about use of federal funding.

Highlighted in this section are four different activities that we believe provide a model for current and future whole-of-government coordination. These include Gold Standard Meetings/Joint Review Meetings, Collaboration with State and Local Partners, Federal Taskforces and Working Groups, and a State-Auditor-in-Residence program.

A. Gold Standard Meetings/Joint Review Meetings

"Gold Standard Meetings," now known as "Joint Review Meetings," were established in 2021 during the implementation of pandemic relief programs. These meetings, led by OMB and institutionalized in OMB guidance, promoted proactive and transparent engagement among agency program officials, OIGs, the Pandemic Response Accountability Committee (PRAC), and administration leadership. OMB identified the need for Joint Review Meetings based on two criteria:

- The creation of a new government program, or
- A program undergoing significant design changes due to increased funding.

Promoting Accountability through Cooperation Among Agencies and Inspectors General

"Maintaining independence… does not preclude agency leadership and their [Inspectors General] from maintaining productive and cooperative relationships while working towards the same objectives."

–OMB M-22-04

OMB set the stage for the conversation by posing to the program officials questions that addressed key topics such as program design, internal controls to support program integrity, financial controls to mitigate improper payments and potential fraud, and reporting measures. Inspectors General (IGs) and PRAC representatives then had an opportunity to highlight relevant bodies of prior oversight work to inform agency thoughts and direction related to program design and the use of controls.

The process and approach to these meetings, including a discussion driven by program officials' responses to OMB, posed payment integrity questions and encouraged collective and collaborative thinking about risk and how previous OIG observations and recommendations can inform early mitigation efforts. By addressing potential risks on the front end of program design or change, and incorporating lessons learned, agencies had the opportunity to significantly strengthen safeguards to prevent improper payments and potential fraud as well as enhance program effectiveness and accountability.

Per statute, IGs have the responsibility to "promote the economy, efficiency, and effectiveness" and "prevent and detect fraud and abuse" in their agencies' programs and operations. IGs make recommendations to improve their agencies' programs and operations, but they do not implement them or otherwise make policy impacting agencies. Importantly, IGs are empowered with and require guarantees of independence to allow them to pursue their work without interference by agency officials. Joint Review Meetings allow IGs to maintain their independence while helping agencies address challenges and prevent avoidable issues.

The Joint Review Meeting framework has been cited as a model for how to manage large-scale emergency (or appropriated) spending initiatives and balance the need for robust independent oversight with timely program implementation.

A January 2023 Inspector General Fireside Chat on Agile Oversight highlighted the importance and enduring value of formalized engagement between management and oversight officials. The PRAC coordinated this discussion, with the Chair of the PRAC noting that:

> *The ground rules at the outset were that we [agency IGs] weren't giving the Good Housekeeping stamp of approval to any of these programs. We were there to ask the hard questions about what was being put forward. And that was a significant change in how IGs, agencies, and OMB leadership need to think. Doing business in this way was critically important and not inconsistent with the Yellow Book, not inconsistent with anyone's independence, but, rather, doing exactly what the public and the taxpayers would expect, which was using the cumulative informed knowledge to ensure the programs were being run right at the outset, not a year later or two years later.*

Lesson Learned: Promote Ongoing Dialogue Between Management and Oversight Officials

The federal response to the pandemic demonstrated how important it is for management and oversight officials to build and maintain effective working relationships and engage in candid and constructive discussions. The Gold Standard Meetings/Joint Review Meetings provided a forum for leveraging participants' expertise in program design and implementation within their unique areas of responsibility, and in a manner that respected their established roles.

B. Collaboration with State and Local Partners

Effective oversight requires strong collaboration between internal and external stakeholders to ensure accountability and transparency. During the pandemic, federal, state, and local agency officials worked together to strengthen existing partnerships and establish structures for collaborative oversight. By leveraging the expertise of external partners such as the National Association of State Auditors, Comptrollers, and Treasurers (NASACT) and the American Institute of Certified Public Accountants (AICPA), we, collectively, developed new communication strategies and opportunities for long-term collaboration.

PRAC GAO, State, and Local Subcommittee/Listening Post

The PRAC, in collaboration with the PRAC's GAO, State, and Local Subcommittee, established Listening Post meetings to enhance coordination and information sharing during the COVID pandemic. The Listening Post served as a regular forum where federal, state, local, and Tribal oversight professionals (such as auditors) could discuss lessons learned, best practices, and challenges encountered in overseeing pandemic relief funds. Various state officials praised the meetings as an excellent resource for the broader oversight community. The collaboration not only improved transparency and accountability but also provided valuable insights into on-the-ground impacts of federal programs, facilitating more effective oversight across all levels of government.

A key success of the Listening Post included efforts by organizers to ensure vital stakeholders attended meetings. This allowed for effective brainstorming with experienced individuals. The Listening Post played an important role in facilitating productive intergovernmental communication due to the range of subject matter experts on the calls. The result was strong communication on prominent issues impacting the oversight community. Providing solutions and discussing challenges allowed individuals to plan the most effective next steps. Importantly, organizers stressed the importance of including OMB in the Listening Post meetings, which guaranteed important information shared was provided to the stakeholders from an authoritative source.

Listening Post Successes

The Listening Post meetings were a major driver in promoting the timely development and release of the Compliance Supplement, or what participants often informally referred to as, "the nation's audit program." Auditors rely on the Compliance Supplement to guide their Single Audit work and, in previous years, had frequently voiced concerns regarding delayed issuances. The Listening Post also encouraged flexibility around audit requirements for small, local government entities that may not have been subject to Single Audits before. In such cases, agreed-upon procedures audits were permitted by federal agencies—providing needed oversight in a way that made sense.

The Listening Post provides a valuable framework that can be expanded and institutionalized for future emergency situations. Establishing a formalized network of federal, state, and local oversight professionals fosters real-time collaboration, information sharing, and coordinated responses to large-scale government spending programs. In future crises, whether they involve public health emergencies, natural disasters, or economic downturns, a Listening Post could be

leveraged for information sharing that provides valuable insights from multiple levels of government oversight. Oversight entities would have the ability to detect fraud schemes, identify implementation challenges and inefficiencies early, reduce financial losses, and ensure funds reach their intended recipients in an efficient manner.

The Listening Post meetings could be integrated into a permanent emergency infrastructure, where auditors and investigators from across all levels of government meet regularly to refine their best practices, share fraud detection tools, and strengthen intergovernmental accountability mechanisms. By institutionalizing a permanent Listening Post, federal and state oversight professionals could maintain a high level of preparedness, ensuring that when future emergencies arise, oversight mechanisms are already in place to safeguard public funds effectively and maintain public trust.

NASACT COVID-19 Funding Accountability Working Group

NASACT played a key role in fostering collaboration among oversight entities during the pandemic. Through its COVID-19 Funding Accountability Working Group Meetings, NASACT facilitated ongoing coordination to address real-time oversight challenges. NASACT organized monthly (and eventually bimonthly) meetings with key federal oversight officials, including representatives from OMB and GAO, who helped to bridge the gap between federal directives and implementation of guidance by states.

These meetings brought in state and local officials who hadn't previously engaged directly with federal officials, allowing them to share vital information with the broader oversight community. Rather than overwhelming their federal counterparts with duplicative questions, state and local auditors and comptrollers consolidated their inquiries to improve communication. These meetings also provided a platform for oversight professionals across all levels of government to share updates on their work, lessons learned, and fraud detection strategies.

The AICPA also played a key role in ensuring financial integrity and compliance across government programs during the pandemic. This included participating in the COVID-19 Funding Accountability Working Group. The AICPA worked actively with federal, state, and local agencies to clarify compliance requirements and support program administrators unfamiliar with grant compliance standards and auditing processes.

Like NASACT, the AICPA acted as a bridge between their members and federal agencies, facilitating discussions related to complex requirements and specialized audit guidance. Historically, the AICPA's involvement in oversight discussions at the federal level had been limited, but their engagement significantly increased as the AICPA had to release more specialized guidance directly to their stakeholders.

Despite their contributions, some agencies were initially hesitant to collaborate with the AICPA, perceiving them as contractors rather than partners in oversight. Over time, after the necessity for consistent guidance became evident, the AICPA's position in important discussions was increasingly valued.

Looking forward, both NASACT's and the AICPA's work highlights the need for a sustained intergovernmental oversight framework that extends beyond emergency situations. One key opportunity is institutionalizing regular coordination meetings between federal, state, and local oversight entities to ensure communication lines remain open, even in times without an immediate crisis. Regular engagement through established channels, such as the NASACT meetings, can enhance information sharing and alignment on key oversight issues.

Additionally, smaller group meetings that focus on specific areas of oversight can provide a space for agencies to collaborate with state and local (including non-governmental) auditors on emerging challenges. Another possibility is to enhance training and preparedness exercises for auditors, allowing them to refine their processes for tracking federal funds efficiently and responding to emerging oversight challenges. Cross-training programs for oversight officials inside and outside government could ensure that those responsible for implementing auditing guidance remain aligned, fostering stronger coordination on financial auditing compliance.

For the broader oversight community, the pandemic response demonstrated the value of proactive collaboration and early fraud detection efforts. Moving forward, agencies at all levels could benefit from establishing permanent working groups, like those developed during the pandemic in collaboration with NASACT. Working groups could address oversight challenges across various funding streams in the future. Integrating technology-driven auditing tools, cross-agency fraud detection systems, and data sharing initiatives could further enhance lessons learned from the COVID-19 response—strengthening financial accountability, improving government efficiency, and safeguarding public trust in the administration of federal funds.

Lesson Learned: Establish a Permanent Federal, State, and Local Coordinator

Various state officials advocated for a permanent coordinator or coordination mechanism that could serve as a bridge between the federal, state, and local stakeholders. The PRAC's focused whole-of-government efforts enabled a high degree of trust among its stakeholders and resulted in strong communication and collaboration that should be sustained moving forward. State officials further expressed that the federal, state, and local government oversight community should not wait for a national emergency to collaborate.

C. Federal Task Forces and Working Groups

Throughout the pandemic, collaborative task forces and working groups, including the PRAC Fraud Task Force, the COVID-19 Fraud Enforcement Task Force, and the CIGIE (Council of the Inspectors General on Integrity and Efficiency) Data Analytics Working Group, were developed or expanded to leverage the skills and expertise from professionals across the federal government. Task forces and working groups were able to share data, guidance, and resources. These efforts not only bolstered the pandemic oversight response and results but demonstrated that the government can be more effective when it works across agencies.

PRAC Fraud Task Force

The PRAC and our IG partners launched the Fraud Task Force in January 2021 to coordinate investigations, exchange information about fraud schemes, and share resources that support investigations across the federal government. Specifically, the PRAC Fraud Task Force served as a deconfliction and coordination body assisting OIGs in their investigative efforts as well as a coordinating body with Department of Justice (DOJ) prosecutors, the Federal Bureau of Investigation, and other federal law enforcement agencies. In addition, the Task Force relied on the PRAC's data scientists and resources from the PRAC's data analytics center to uncover trends, irregularities, and red flags that point to potential fraud. At its peak, the PRAC Fraud Task Force included more than 50 agents from over 16 OIGs.

Quarterly Investigative Briefings for State and Local Auditors

The PRAC leveraged its network through its Fraud Task Force to provide quarterly investigative briefings to state and local auditors that provided real time insights into fraud schemes that could inform their oversight efforts and internal control testing.

To make this work, the PRAC extended its investigative authority over pandemic relief funds to agents across the federal OIG community through inter-office memorandums of understanding. This forged a path for OIGs to use available criminal investigators and analysts from across the OIG community when handling pandemic fraud cases. For example, the Fraud Task Force served as a force multiplier to investigate the Paycheck Protection Program (PPP), Economic Injury Disaster Loans (EIDL), and pandemic unemployment insurance (UI) fraud—achieving results collectively that likely wouldn't have otherwise been possible.

As of December 2024, the Fraud Task Force, assisted by the PRAC's data analytics center, supported 48 federal law enforcement and oversight entities on **over 1,000 pandemic-related investigations with over 23,000 subjects resulting in a recovery of $16 million in fraudulently obtained taxpayer money**. A similar model could be used in future emergency situations or whenever the federal government distributes large amounts of funds.

DOJ COVID-19 Fraud Enforcement Task Force

DOJ established the COVID-19 Fraud Enforcement Task Force (CFETF) in May 2021. The mission of this Task Force was to marshal the resources of DOJ in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal

actors. The Task Force also assists agencies administering pandemic relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. The CFETF included nine DOJ components and 17 interagency investigative partners, including the PRAC and federal OIGs. Between May 2021 and April 2024, the CFETF's coordinated approach resulted in **more than 3,500 defendants charged with federal crimes, more than $1.4 billion in seizures and forfeiture orders to recover stolen pandemic funds, and more than 400 civil settlements and judgments**.

According to its 2024 report, the CFETF noted that the collaborative effort has:

> *"disrupted transnational criminal networks and domestic violent offenders, making communities safer here [in the United States] and abroad. Importantly the CFETF has leveraged its interagency network to make strategic improvements in how the government investigates fraud, using the wide arrays of skills from its members to devise more effective fraud fighting tactics."*

CIGIE Data Analytics Working Group

Leaders from across the OIG analytics community leveraged and expanded the CIGIE Data Analytics Working Group (DAWG) to share data and analytics strategies to bolster the oversight community's response to the pandemic. In November 2020, the DAWG surveyed the OIG community about the data needed to conduct pandemic-related analytics work. Based on the survey results, the DAWG requested the PRAC's assistance facilitating PPP and EIDL data sharing and the Department of Labor, Office of Inspector General's (DOL OIG) assistance facilitating Unemployment Insurance (UI) data sharing. As a result, the PRAC provided PPP and EIDL data to the OIG community in May 2021, and DOL OIG collaborated bilaterally with numerous OIGs to support data-driven UI investigations.

From 2021 to 2022, OIGs held a regular "PPP/EIDL/UI" roundtable to share analytics strategies for identifying potential PPP, EIDL, and UI fraud. Using information shared during the roundtable and data by the PRAC and DOL OIG, OIGs conducted successful criminal and administrative investigations into federal agency employees who had abused PPP, EIDL, and UI programs. In some cases, IGs found that federal agency employees had their identities stolen and applications for PPP, EIDL, and UI made in their names. In August 2022, the DAWG issued Best Practices for Data Sharing as a capstone guide to support future OIG analytics efforts that require inter-OIG data collaboration.

Lesson Learned: Strengthen Federal, State, and Local Level Access to Data

There is a significant need for improved access to and sharing of data among federal, state, and local levels to enhance oversight and program management. Access restrictions for sensitive information, such as tax data, hinders effective program assessments and other critical functions. Efforts to expand access to data, such as through collaborative information sharing agreements, have been instrumental in identifying fraud indicators and managing resources more effectively, demonstrating the need for a sustained focus on data.

D. State Auditor-In-Residence Program

A key aspect of the PRAC's mission included identifying major risks that cut across programs and agencies. Using the authorities established under the Intergovernment Personnel Act, the PRAC created the State-Auditor-In-Residence (STARS) program to enhance collaboration and coordination across the federal OIG community and oversight partners, as well as state and local oversight entities.

The STARS initiative was designed to enhance oversight and accountability of federal relief funds by recruiting experienced state auditors to work within the PRAC. By embedding experienced state auditors within the PRAC, collaboration with state audit offices strengthened cross-jurisdictional oversight. State auditors aided in the facilitation of data sharing, joint investigations and audits, and enhancements to state-federal coordination efforts. For future emergency situations, a similar initiative could be implemented to leverage the expertise of state auditors.

In times of crisis, when rapid federal funding is deployed, the expertise of state auditors within federal oversight bodies can help with real-time insights into local implementation challenges, improving program integrity, and reducing waste. Additionally, this program can be expanded to include proactive work conducting risk assessments, joint investigative task force collaborations, and additional monitoring improvements. An integration of future initiatives ensures oversight of emergency relief remains transparent and effective. Establishing future frameworks based on this initiative provides scalable and adaptable oversight models that can be quickly activated during a future crisis.

The PRAC Chair emphasized this point when testifying before the U.S. House of Representatives Committee on Ways and Means concerning "Fraud in Federal Unemployment Insurance Programs" in February 2023:

> *We added state-level expertise to the PRAC team to further enhance our collaboration with the state and local oversight community. In September 2022, we launched the federal IG community's first-ever state auditor-in-residence program and detailed two professionals from the Tennessee Comptroller's office to the PRAC to better inform federal pandemic oversight with local insights. Additionally, we brought on Elaine Howle as Special Advisor for State, Local, Tribal, and Territorial Oversight. A nationally recognized expert and the former California State Auditor, Ms. Howle brings nearly 40 years of professional auditing and leadership experience to the PRAC. Further, during her tenure as California State Auditor, her office performed significant pandemic oversight work that uncovered more than $10 billion in potential fraud in the new UI programs.*

Lesson Learned: Encourage Federal-State Partnerships to Leverage Expertise

Partnerships such as the STARS program improved communication and fraud detection by leveraging the expertise of state auditors. This program provides a framework for professional growth and ongoing collaboration within the oversight community that could be implemented for future emergency responses.

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Chapter 5: Cross-Cutting Projects

Executive Summary:

The COVID-19 pandemic required oversight entities to coordinate and work together in new ways to oversee more than $5 trillion in federal pandemic funding. In this chapter, we share lessons learned and best practices from teams across the Office of Inspector General (OIG) community who collaborated on work related to COVID oversight activities. Staff from more than one OIG with experience conducting audits, evaluations, and inspections participated in projects addressing high-priority issues impacting multiple federal agencies. The projects generally have four main phases: vision, planning, execution, and reporting. The goal of this chapter is to help guide OIGs on future cross-cutting projects.

How We Developed the Chapter

We conducted group interviews with OIGs that had led or participated in six cross-cutting projects. The goal was to identify insights, best practices, and lessons learned in conducting joint oversight work. The interviews focused on vision, planning, timelines, quality assurance, and internal and external communications for each project. We also reviewed internal feedback that OIGs provided during or immediately after the project was completed.

This chapter is designed to provide tips and insights that OIG teams should consider as they conduct cross-cutting projects, keeping flexibility and adaptability in mind. We define "OIG team" as the group of OIGs that participated in a project, and the "lead OIG" as the OIG team that primarily coordinated the logistics for a project.

What is a Cross-cutting Project

Cross-cutting projects bring together staff from various OIGs, with one OIG typically designated as the project lead. The projects provide an opportunity to present a whole-of-government perspective on issues affecting policies and programs across the federal government. See Appendix A for a list of cross-cutting projects.

In general, projects result in three types of products:

1. New Work: Each OIG gathers and analyzes its own agency's data, and a lead OIG consolidates the analyses into a single report. In general, the report is organized around a common theme or program to identify key insights or takeaways across agencies or programs. OIGs can also publish the results of their work in traditional reports/products. For example:

Pandemic Relief Experiences: A Focus on Six Communities.

Review of Personnel Shortages in Federal Health Care Programs During the COVID-19 Pandemic.

Insights on Telehealth Use and Program Integrity Risks Across Selected Health Care Programs During the Pandemic.

2. Derivative or Summary Work: OIG teams summarize work previously published by OIGs to identify key insights or themes across agencies or programs. For example:

Key Insights: Identity Fraud Reduction and Redress in Pandemic Response Programs.

Key Insights: State Pandemic Unemployment Insurance Programs.

Key Insights: COVID-19 in Correctional and Detention Facilities.

3. Guides and Resources: OIG teams identify and review various types of products across the oversight community. These projects provide reference materials that capture lessons learned and best practices when conducting oversight work. For example:

Agile Oversight in a Time of Crisis: Lessons Learned and Best Practices in Conducting Oversight during the COVID-19 Pandemic.

Agile Products Toolkit.

Why Cross-Cutting Projects

This type of work comes with complexities, yet it has rewarding possibilities. Projects can be complicated, take longer than anticipated, and usually fall outside of the "normal" oversight plans prepared by OIGs each year. Nevertheless, benefits outweigh challenges.

Cross-cutting projects:

- **Provide holistic oversight** of issues affecting various agencies and their programs.
- **Identify trends or patterns** of fraudulent activities occurring across different programs.
- **Offer an opportunity to learn** from other OIGs about activities that may help improve their own OIG's internal processes and procedures.
- **Provide new insights** to the OIG community, Congress, and the public.

To hear more about cross-cutting projects, visit these OIG links:

Department of Veteran's Affairs OIG.
VA OIG Team Reflects on PRAC Healthcare Subgroup Work

Department of Health and Human Services OIG.
Telehealth During the COVID-19 Pandemic: Lessons Learned by IGs

Conducting Cross-Cutting Projects

The main phases of a cross-cutting project—vision, planning, execution, and reporting—provide a structured roadmap for navigating complexity, promoting accountability, and driving meaningful outcomes. Together, they help project teams stay aligned, adapt to evolving needs, and increase the likelihood of successful implementation. The following sections explore each phase in detail.

Vision

The key first step in conducting a joint oversight project is establishing the project's vision, which includes defining the project's goals, identifying who will be involved, and gaining buy-in from OIG senior leadership.

Defining project goals

- Determine the topics of interest that cut across departments and explore the feasibility of doing the work.
- Use surveys to canvas a group of OIGs on the areas that they are concerned about in their programs; available data related to the program, including access to and quality of the data; and work they have done on the topic.

Identifying participating OIGs

- Consider the diverse knowledge, experience, and skills that each OIG can bring to the project, as well as the number of participating OIGs to best support project goals.
- Work together to designate a lead (or co-leads) responsible for overall stewardship of the project. The lead OIG can help keep the project moving forward and coordinate tasks and timelines.

Surveys:

When working with various OIGs, an initial short survey is helpful to identify common challenges or risk areas. The survey could include questions about:

1. Specific issues that are impacting a program, such as identify fraud.
2. Data needed, specifically data sources and challenges accessing it, data quality, and estimated time to conduct data analysis.
3. Planned, current, and completed work to help inform project planning.

Supporting the vision

- Establish among OIG leadership a shared understanding of—and buy-in to—the project's vision. Building consensus and having strong leadership support from beginning to end are essential to the project's success and can help ensure flexibility and accommodate differences throughout the project.

Planning

Planning how to execute the high-level vision and goals and what part each OIG will play is critical to the success of the project. Thorough and thoughtful planning will pay dividends down the road.

Establish roles and responsibilities

- Consider differences in OIG staff's expertise and availability to match roles and responsibilities with project needs and expectations.
- Define each OIG's responsibilities, including those of senior leadership and staff, to ensure that all participants understand expectations. This clarity strengthens accountability across the project.

Communicate regularly

- Promote project efficiency and effectiveness with frequent communication within the OIG team.
- Ensure meetings, emails, shared documents, and the project timeline are accessible to all participants.
- Use "office hours" to address ad hoc questions or issues that OIG teams came across during the project.

Office Hours:

A standing day/time when the lead OIG team is available for participating OIGs to drop in and ask questions, discuss challenges, brainstorm potential solutions, and share best practices.

Determine standards, methodology, and quality assurance

- Discuss standards, methodology, and quality assurance early on can prevent delays later.
- Discuss and understand what standard each OIG will follow and the impact on project expectations—CIGIE Blue Book or Silver Book, or the Government Accountability Office (GAO) Yellow Book.

- Identify the methodologies and quality assurance processes that each OIG plans to use when collecting and analyzing data. This can help promote comparable results across OIGs and facilitate summarizing data.
- Establish processes for maintaining records, evidence, and work papers in ways that meet the agreed-upon standards.
- Develop an agreement, such as an attestation form, describing the standards that OIG teams will follow when conducting the project.

What is an Attestation:

An attestation can document the methods that an OIG used to conduct the project and could include a description of the steps it took to verify data quality. Each OIG signs an attestation for the project.

Develop the vision for the final product

- Develop a vision for what the final product will look like allows each OIG to understand what will be required during the execution and reporting phases.
- Identify a "style guide" or standardized template that will be used for the product.

Balance standardization and flexibility

- Standardize reporting, such as presenting information uniformly across OIGs, can be a challenge when doing joint work.
- Balance standardized reporting with flexibility to demonstrate the uniqueness of each OIG.

Consider scope, timelines, and staffing

- Determine the project's scope and avoid increasing it as the project progresses, which could lead to mission creep and strain on available resources.
- Set realistic timelines, factoring in coordination amongst multiple partner OIGs. Build flexibility into the timeline and understand that setting a schedule that's too tight can have negative impacts later in the process.
- The number and capacity of staff participating from each OIG will dramatically impact the scope and timeline of the project. Further, many OIGs continue their normal workload in addition to conducting joint work. Teams should take stock of these resource considerations early in the planning process to ensure OIGs have a reasonable share of responsibilities.

Execution

Vision ▶ Planning ▶ **Execution** ▶ Reporting

Once the project team has finished planning, it's time to execute the vision. Execution may include collecting and analyzing data or identifying relevant work and scrutinizing for themes, best practices, and lesson learned.

Collect and analyze data

- Templates can help save time when collecting data and can ensure that the data is gathered consistently and accurately.
- Flexibility and regular communication with the lead OIG are essential to address unexpected challenges that may arise.
- During data collection, problems with the data may surface requiring communication with the lead OIG to determine what data is necessary and what adjustments are needed.

What is a Template:

Templates can be extremely helpful when planning and executing the project. In some cases, the lead OIG provides templates for data collection, which can help OIGs collect and report data consistently.

Testing the data for completeness and accuracy

- Build in time to access or request data and to test it for reliability, accuracy, and completeness.
- Provide a forum for sharing data testing procedures, information technology tools, and collectively addressing data challenges.

Ensuring consistent or comparable information within the team

- Conduct routine updates to the OIG team to ensure that information and data are accurate and consistent across agencies.
- For derivative work, the lead OIG should confirm with the OIGs that themes and findings from their published works are summarized and captured accurately.

Reporting

Vision ▶ Planning ▶ Execution ▶ **Reporting**

The reporting process for cross-cutting projects consists of several layers of leadership review to ensure that the content is accurate and has sufficient evidence to support the findings, conclusions, and recommendations. The process for preparing and issuing the final cross-cutting report falls into three sections—consolidation, review, and rollout.

Consolidating report content

- Designate one OIG to lead the consolidation effort, which includes pulling all the report content into one document and reviewing the draft to ensure consistency of tone and format.
- Use a report template to maintain consistency of content and structure across the OIGs.
- Include a summary or insights section that brings together the work from all OIGs, keeping in mind the need to balance a collective message and the unique aspects of each agency.
- Establish a process to diligently track and manage various versions of the report to maintain the integrity of the report.

Project Management:

With multiple OIGs working on a project simultaneously, version control can be a challenge. A web-based project management platform—such as SharePoint—can help manage the process as it allows OIGs across departments to maintain, access, write, and edit documents or upload files in one system.

Reviewing the draft report

- Calculate review timelines based on OIGs having different agency comment periods, which need to be de-conflicted and aligned.
- Plan for at least three "review" activities—reviewing each OIG's content submissions, reviewing the consolidated draft report, and reviewing the final draft.
- Vetting and reviewing drafts across multiple OIGs can take a substantial amount of time.
- Small changes to the report can unintentionally alter the accuracy of statements.

Fact-Check and Referencing Review:

Reviews typically result in edits and different iterations of a draft. To help ensure that all statements are supported by evidence and that data are still accurate, each OIG conducts its own fact-check and references each statement. Similarly, the lead OIG conducts a fact-check of any summary or aggregated information, including charts, graphs, and other data visualizations.

Rolling out the report

- Have one OIG post the report on Oversight.gov to avoid duplicate postings.
- Each OIG works with its communications office to broaden outreach and communication activities with key stakeholders about the final product.
- Collaborate within the OIG team to maintain consistency of content and communication across the OIGs, including social media and messaging to Congressional and external stakeholders. It is helpful to assign a lead OIG to develop this content.

Conducting cross-cutting projects comes with its complexities, can be complicated, take longer than anticipated, and usually fall outside of the "normal" oversight plans prepared by OIGs each year. Nevertheless, the benefits of these projects outweigh the challenges.

APPENDIX 5-A:
Examples of Pandemic-Related Cross-Cutting Products

Report	*Issuance*	*Type*	*Lead OIG*	*Participating OIGs*
A Review of Pandemic Relief Funding and How It Was Used in Six U.S. Communities: Marion County, Georgia	January 2025	New	PRAC	DOL, ED, HHS, HUD, Treasury, USDA
A Review of Pandemic Relief Funding and How It Was Used in Six U.S. Communities: Sheridan County, Nebraska	September 2024	New	PRAC	DOL, ED, HHS, HUD, Treasury, USDA
A Review of Pandemic Relief Funding and How It Was Used in Six U.S. Communities: Coeur d'Alene, Idaho	July 2024	New	PRAC	DOL, DOT, ED, HHS, HUD, Treasury, USDA
A Review of Pandemic Relief Funding and How It Was Used in Six U.S. Communities: Springfield, Massachusetts	May 2024	New	PRAC	DHS, DOL, DOT, ED, HHS, HUD, Treasury, USDA
Why Unemployment Insurance Fraud Surged During the Pandemic	April 2024	Derivative	PRAC	DOL
Pandemic Relief Experiences: A Focus on Six Communities	March 2024	New	PRAC	DHS, DOI, DOT, DOL, ED, HHS, HUD, Treasury, USDA
Agile Oversight in a Time of Crisis: Lessons Learned and Best Practices in Conducting Oversight during the COVID-19 Pandemic	March 2024	Tool/ Resource	PRAC	AmeriCorps, CIGIE, DOD, DOI, DOJ, DOJ, FDIC, HUD, NASA, SBA, USAID
Review of Personnel Shortages in Federal Health Care Programs During the COVID-19 Pandemic	September 2023	New	DOD	DOD, DOJ, HHS, VA *PRAC-Supported

Report	*Issuance*	*Type*	*Lead OIG*	*Participating OIGs*
Tracking Pandemic Relief Funds that Went to Local Communities Reveals Persistent Data Gaps and Data Reliability Issues	July 2023	New	PRAC	DHS, DOI, DOT, DOL, ED, HHS, HUD, SBA, Treasury, USDA
Insights on Telehealth Use and Program Integrity Risks Across Selected Health Care Programs During the Pandemic	December 2022	New	HHS OIG	DOD, DOJ, DOL, HHS, OPM, VA *PRAC-Supported
More Than $2.6 Million in Potentially Fraudulent LWA Payments Were Linked to DHS Employees' Identities	September 2022	New	DHS OIG	DHS, DOL
Risk Advisory: Potential Identity or Other Fraud in SBA Pandemic Programs	September 2022	New	PRAC	HUD, SBA
Key Insights: Identity Fraud Reduction and Redress in Pandemic Response Programs	June 2022	Derivative	PRAC	DOL, ED, GAO, HHS, SBA, SSA, TIGTA, USPS, VA
Key Insights: State Pandemic Unemployment Insurance Program	December 2021	Derivative	PRAC	DOL (plus 16 state audit entities)
Key Insights: COVID-19 Correctional and Detention Facilities	May 2021	Derivative	DOJ OIG	DHS, DOI, DOJ *PRAC-Supported
Federal COVID-19 Testing Report: Data Insights from Six Federal Health Care Programs	January 2021	New	HHS OIG	DOD, DOJ, DOL, HHS, OPM, VA
Agile Products Toolkit	November 2020	Tool/ Resource	PRAC	DHS, DOE, FDIC, SIGTARP, USAID

Note: This table does not include all cross-cutting products that have been issued by federal Offices of Inspectors General. It highlights varied examples of different types of cross-cutting products related to pandemic funding.

APPENDIX 5-B:
Example of an Attestation Template

In accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) [or insert applicable standard], the Office of the Inspector General, [insert federal agency] (XXX OIG) has conducted its review of the data submitted in support of [insert project name] and has determined that data are sufficiently reliable for the purpose of a data brief and for display on the www.oversight.gov, or any of the participating OIG websites. XXX OIG also provides reasonable assurance over the methods used to verify the data sources and techniques used to collect, process, and report the data. XXX OIG has disclosed additional information to be included in the Scope and Methodology section of the final [product type].

Methods Used to Verify Data Sources

XXX OIG determined that the data from [insert system or systems used/source of data] are generally reliable based upon the procedures performed relating to the [insert name of funds/programs]. [Insert additional explanation to support or inform this statement.]

Methods Used to Verify Data

[Provide explanation about the steps completed by the OIG to verify/test the data used. This could include normal systems testing of data that the OIG completes if this is a regular system it has access to. This could include verification or corroboration of agency provided data. Etc.]

Known Data Limitations

[Most of the data limitations should be outlined in the Scope and Methodology section to be submitted along with the data template. This section should include a high-level summary of limitations, such as complete data was only available through June 30, 2021, or the agency does not maintain data at the sub-recipient level so totals may not be complete.]

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Visit us at:

PandemicOversight.gov

Follow us at:

Report Fraud, Waste, Abuse, or Misconduct:

To report allegations of fraud, waste, abuse, or misconduct regarding pandemic relief funds or programs please go to the PRAC website at PandemicOversight.gov.

PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE

A Committee of the
Council of the Inspectors General
on Integrity and Efficiency