



A Committee of the
Council of the Inspectors General
on Integrity and Efficiency

MEMORANDUM

November 19, 2020

***MITRE Report:
Transparency in Pandemic-Related Federal Spending: Report of Alignment and Gaps***

The Pandemic Response Accountability Committee (PRAC) is charged with providing a large and diverse group of stakeholders—the public; their elected representatives in Congress; federal, state, and local governments; the private sector and nonprofit entities—with a transparent accounting of pandemic relief and response funds. To that end, the PRAC hosts a robust website (pandemicoversight.gov) containing data, reports, and other information related to oversight of the more than \$2.6 trillion in emergency pandemic spending.

In August 2020, we engaged MITRE, a not-for-profit federally funded research and development center, to conduct an independent assessment of the extent to which existing federal data is sufficiently comprehensive and accurate to provide transparency into federal pandemic related spending. The CARES Act specifically authorizes the PRAC to enter into contracts for studies and analyses to assist the Committee in discharging its duties. Through the review, we sought to determine whether gaps exist in the completeness and quality of data currently available to the PRAC and to analyze the impact of any such gaps on our ability to meet CARES Act transparency and oversight requirements. MITRE conducted its work from September–October 2020 utilizing a combination of data sources including USA Spending.gov, the Small Business Administration Paycheck Protection Program (PPP), and the Treasury Department's Coronavirus Relief Fund (CRF).

As detailed in the attached report, MITRE confirmed that existing data satisfies a substantial portion of the CARES Act transparency requirements for pandemic relief funds, but found 16 key gaps in existing data sources related to completeness, accuracy, and timeliness that may impair the PRAC's ability to meet all COVID-19-related spending transparency requirements in Sections 15010 and 15011. MITRE identified 13 actions to mitigate these gaps ranging from relatively minor changes to more complex corrective actions that may require policy changes, legislation, or IT system changes.

We are publishing this report to help inform the public, Congress, federal agencies, and other stakeholders about these issues. In the months ahead, the PRAC will continue to work with Executive Branch officials and the Congress in our efforts to close the identified data and transparency gaps.

A handwritten signature in black ink, appearing to read "Michael E. Horowitz".

Michael E. Horowitz
Inspector General, U.S. Department of Justice
Acting Chair, Pandemic Response Accountability Committee



TRANSPARENCY IN PANDEMIC-RELATED FEDERAL SPENDING: REPORT OF ALIGNMENT AND GAPS

EXECUTIVE SUMMARY

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Report Highlights

Highlights of the *Transparency in Pandemic-Related Federal Spending – A Report of Alignment and Gaps* as presented to the Pandemic Response Accountability Committee (PRAC) organized under the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

Report Purpose

The Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) was signed into law on March 27, 2020. This law provides more than \$2 trillion in emergency economic relief for individuals, families, and businesses affected by the 2020 coronavirus pandemic.

To provide oversight and transparency of coronavirus-related spending, the CARES Act mandates the establishment of the PRAC organized under the CIGIE with a defined five-year mission.

The lack of measures to evaluate the intended effect of relief provided by the CARES Act presents a significant concern to the public and requires a great level of transparency.

MITRE leveraged its knowledge from previous government-wide federal spending transparency efforts, with a focus on identifying gaps and data quality in the publicly available data sets.

MITRE is a not-for-profit organization working in the public interest. Through public-private partnerships and federally funded research and development centers (FFRDCs), MITRE works across government and in partnership with industry to tackle challenges for the safety, stability, and well-being of our nation.

Findings and Observations

MITRE conducted a data quality review on the *completeness, accuracy, and timeliness* (data quality dimensions) of existing sources: 1) USA Spending.gov, 2) Small Business Administration Paycheck Protection Program (SBA PPP), and 3) Coronavirus Relief Fund (CRF) information from www.Treasury.gov and www.grantsolutions.com., for meeting the CARES Act transparency requirements in coronavirus spending.

MITRE confirmed USA Spending.gov provides significant information that CARES Act requires for transparency but found **16 key gaps*** and notable observations in these existing data sources when evaluated for *completeness, accuracy, and timeliness*. These key gaps may impair the PRAC's ability to meet all COVID-19-related spending transparency requirements, pursuant to the Sections 15010 and 15011 of the CARES Act.

The key gaps are summarized below by dimension of data quality and relevance to the existing data sources. Some key gaps apply to multiple data sources.

Data Quality Dimension	Key Gaps	USA Spending .gov	SBA PPP	CRF
Completeness	8	6	4	1
Accuracy	6	5	1	1
Timeliness	2	1	1	0

Recommendations to Mitigate Findings

When considering the findings, the following summarized actions are recommended to mitigate the gaps; additional detailed information is included in the general report. Some of the findings require low system policy changes that can yield rapid results with relatively low level of effort by stakeholders, while other findings require complex system or policy changes that may require significant resources and an extended timeline.

- Treasury modifies USA Spending.gov to allow for additional data element granularity, collection, and display.
- Treasury, federal agencies, and Office of Management and Budget (OMB) collaborate to retroactively correct existing information.
- General Service Administration (GSA) modifies Federal Subaward Reporting System and other government-wide systems as determined necessary by OMB/federal procurement community (e.g., Federal Procurement Data System [FPDS]) to capture data.
- For procurement awards, OMB/GSA/federal procurement community determines whether government-wide changes in FPDS are required.
- OMB and federal awarding agencies issue guidance and execute outreach/training to prime recipients.
- Federal awarding agencies submit and OMB to approve agency Paperwork Reduction Act information collection revisions.
- SBA conducts data quality review of Congressional district data associated with SBA PPP awards.
- U.S. Department of Treasury and the U.S. Congress collaborate to publish historic Congressional districts to ensure accuracy of reporting.
- PRAC confirms with SBA the validation checks of SBA PPP data.
- Ensure identification of all procurement awards funded by COVID-19-related appropriations.
- Ensure that there is *complete* and *accurate* SBA PPP data.
- Enforce existing OMB requirements in USA Spending.gov for award descriptions.
- Treasury implements USA Spending.gov soft validation rule for COVID-19-funded procurements.

*Note: Two findings may no longer apply, depending on the outcome of pending SBA litigation, Case 1:20-cv-01240-JEB, Documents 14 & 19 (August 18, 2020 and September 22, 2020).

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Leveraging a combination of USA Spending.gov, Small Business Administration's Paycheck Protection Program (SBA PPP), and the U.S. Department of the Treasury (Treasury) Office of Inspector General (OIG) Coronavirus Relief Fund (CRF) data sources, publicly available data exists to satisfy a substantial portion of the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) transparency requirements. Nevertheless, MITRE found **16 key gaps** in these existing data sources when evaluating for *completeness, accuracy, and timeliness*. These key gaps, such as no transparency into subawards below the first-tier subaward level, and no award-level source of data available to estimate the number of jobs created or retained, may impair the Pandemic Response Accountability Committee's (PRAC) ability to meet all pandemic-related spending transparency requirements.

For financial assistance awards, the Office of Management and Budget (OMB) will need to issue guidance to federal awarding agencies and collaborate with the General Services Administration (GSA) in modifying existing information collection requests consistent with the Paperwork Reduction Act. For procurement awards, OMB and GSA will need to work with the federal procurement community to determine whether government-wide changes in the Federal Procurement Data System (FPDS) are required to collect additional information. OMB will need to coordinate with Treasury to develop and execute an implementation strategy that modifies the data schema and publishes absent data. Lastly, OMB and Treasury will need to support federal awarding agencies in executing training to prime recipients to ensure reporting of complete, accurate, and timely data.

Introduction

The PRAC seeks to understand the extent that existing publicly available award-level data is sufficiently comprehensive to provide transparency into CARES Act and subsequent pandemic-related spending. Over a six-week period (September – October 2020), MITRE, a not-for-profit organization and operator of federally funded research and development centers authorized by the Federal Acquisition Regulation 35.017, completed an independent assessment of existing, publicly available information related to federal pandemic financial assistance and procurement awards. In this assessment, MITRE analyzed materials related to USA Spending.gov, the SBA PPP, and CRF. MITRE (1) confirmed whether gaps exist in USA Spending.gov, SBA PPP, or CRF data collections¹ and (2) analyzed the impact of any such gaps to meet the CARES Act transparency requirements as written in Sections 15010 and 15011. The data elements/requirements are:

- For prime large-covered awards: report prime award and expenditures, by recipient, with descriptions, to include information regarding project/activity consistent with Federal Funding Accountability and Transparency Act of 2006 (FFATA) requirements
- Provide information about jobs retained/awarded

¹ At the time of this assessment, CRF data was not publicly available and could not be assessed in its current state by MITRE and under the proposed approach and methodology applied to the other data sources.

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- Provide any subcontract or subgrants information consistent with FFATA requirements

Leveraging Prior Federal Spending Transparency Efforts

MITRE identified and considered the following themes (lessons) from prior efforts such as the Recovery Act, FFATA, Digital Accountability and Transparency Act of 2014 (DATA Act), and Disaster Relief Appropriations Act of 2013, to inform CARES Act funding transparency in federal spending:

1. *Data Quality is highest when it is collected from the authoritative source and there is a repeatable process with appropriate certifications to validate the data.*
2. *Data Quality is a function of not only how the data is collected and validated but how it is presented for publication.*
3. *Reporting Burden must be balanced with existing available data and utility of requirements for new information.*
4. *Data standardization is critical to providing transparency of government-wide federal spending.*
5. *Standardize data to integrate systems and enhance accountability.*

It is important to recognize that the scope and nature of federal spending related to COVID-19 efforts differ significantly from the Recovery Act and cannot follow the same provisions and applications. While the Recovery Act embodied \$840 billion in federal funding, with the goal of “shovel ready” projects intended to spur economic growth, COVID-19-related funding, in contrast, amounts to more than \$2.6 trillion dollars and is intended to provide a wide array of social services, economic/small business, scientific research, and healthcare needs. Different than Recovery Act funded awards, such as road improvements, the activities funded in response to the impacts of the coronavirus are less visible to the public. Examples of CARES Act awards include sanitation services for public spaces, the development and supply of personal protective equipment, and making public in-person services available online, to name a few. The lack of measures to evaluate the intended effect of relief provided by the CARES Act presents a significant concern to the public and requires a greater level of transparency than the Recovery Act.

Methodology and Approach

Leveraging the themes, MITRE conducted a data quality review on the *completeness, accuracy, and timeliness* of existing sources: 1) USA Spending.gov, 2) SBA PPP, 3) CRF information from www.Treasury.gov and www.grantsolutions.com., for meeting the CARES Act transparency requirements in coronavirus spending. Findings were evaluated to determine if the requisite data requirements sufficiently meet the statutory mandate as articulated in Sections 15010 and 15011. The evaluation of findings resulted in the identification of alignment areas, observations, and key gaps. This led to MITRE identifying alternatives for PRAC consideration to remedy identified gaps and addressing observations.

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Findings

Leveraging a combination of USAspending.gov, SBA PPP, and the Treasury OIG CRF data sources, **publicly available data exists** to satisfy a substantial portion of the CARES Act transparency requirements.

Nevertheless, MITRE found **16 key gaps** in these existing data sources when evaluated for completeness, accuracy, and timeliness. These key gaps may impair the PRAC's ability to meet all COVID-19-related spending transparency requirements, pursuant to the Sections 15010 and 15011 of the CARES Act. Such gaps are identified as the following findings:

Completeness

1. No award-level source of data is available to estimate number of jobs created or retained by the project or activity within USAspending.gov. OMB has represented that its source of data to compile this information is based on programmatic-level information, not award-level data. Further, it is uncertain whether this reporting requirement is satisfied for SBA PPP based on its “jobs” data element.
2. USAspending.gov publishes federal spending at the procurement- and financial-assistance award level. For large-covered funds, the CARES Act requires reporting of a “detailed list of all projects or activities” to include the name and description of each project or activity and associated financial information. Unless reporting at the award level is deemed sufficient, more information about projects and activities by financial assistance or procurement award may need to be required beyond what MITRE understands will be available for CRF awards.
3. USAspending.gov provides first-tier subaward information for federal grants and contracts. However, no first-tier subaward loan information is available on USAspending.gov.²
4. Neither USAspending.gov, SBA PPP data, nor CRF data collection provide transparency into subawards below the first-tier subaward level, similar to the reporting requirements applied in the Recovery Act.
5. USAspending.gov does not provide subaward expenditure information.³
6. MITRE found there were missing values of the National Interest Action code for federal procurements on USAspending.gov.
7. With respect to SBA’s PPP loans more than \$150,000, SBA does not publish specific loan amounts, instead publishing only a “loan range” for each loan award. Further, neither PPP loan expenditures nor information regarding loan forgiveness are published by SBA. If an independent Freedom of Information Act (FOIA) litigation on publishing these loan amounts is upheld, this finding will be resolved.^{4,5}

² Treasury OIG requires collection and reporting of CRF awards. It should be noted that the PRAC has plans to make this information available on its public facing website scheduled for launch in November 2020.

³ Ibid

⁴ Finding #7 may no longer apply, depending on the outcome of pending SBA litigation, Case 1:20-cv-01240-JEB, Documents 14 & 19 (August 18, 2020 and September 22, 2020).

⁵ MITRE recognizes that recipient information is not required under the CARES Act, but the level of transparency potentially increases by considering actions to address.

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8. With respect to SBA's PPP loans less than \$150,000, SBA does not publish identifying information about the recipients, including names or addresses. If an independent FOIA litigation on publishing these loan amounts is upheld, this finding will be resolved.⁶

Accuracy

9. The "award description" data elements continue to lack specificity about the intent or purpose of the award. Award descriptions often provide brief titles in the award description field or acronyms that fail to offer details regarding the award. OMB's August 2020 guidance to federal agencies intends to improve the quality of this data, but such improvements have not yet manifested into currently available USA Spending.gov.
10. MITRE sampled the U.S. Department of Health and Human Services' (HHS) COVID-19-related federal grants awards from USA Spending.gov and compared it to HHS Tracking Accountability in Government Grants System (TAGGS) data, finding a mismatch of approximately 30 percent of the award amounts published, between TAGGS and USA Spending.gov data. MITRE compared awards using award IDs; however, further analysis is recommended, to determine whether and the extent to which true data quality issues exist.
11. MITRE identified mismatches between various location-related data elements (e.g., zip code and congressional district) on USA Spending.gov and in SBA's PPP data.
12. USA Spending.gov publishes data regarding the top-five highly compensated employees of an awardee. The "name" field does not allow for filtering of "first name," "middle name," and "last name," because it is unstructured. This may impair the transparency of the top-five highly compensated executives of the recipient organization.
13. MITRE was unable to conclude the accuracy of first-tier subaward data, based on the data made available in USA Spending.gov for the purposes of this assessment.
14. CRF detailed data was not available for the data quality analysis. In lieu of a data quality analysis, MITRE reviewed the published validation rules and GrantSolutions Prime Recipient User Guide. MITRE found the on-line data collection solution provides a structured, web-based information system that guides recipient users through the process of data capture, validation, certification, and final approval along with Treasury OIGs review, to ensure completion and accuracy. This review indicates the expected data quality of information provided will be high.

Timeliness

15. Pursuant to FFATA, amended by the DATA Act, USA Spending.gov requires agencies and prime recipients to report awards and first-tier subawards within 30 days of the award. The data model requires reporting that is more frequent than required by the CARES Act.
16. With respect to SBA's PPP data, MITRE was unable to determine whether SBA moving forward will report data on a quarterly basis, pursuant to the CARES Act.

⁶ Finding #8 may no longer apply, depending on the outcome of pending SBA litigation, Case 1:20-cv-01240-JEB, Documents 14 & 19 (August 18, 2020 and September 22, 2020).

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Other Observations

During the analysis, MITRE noted other observations that while not statutorily required by the CARES Act are gaps that should be noted as possibly beneficial to the goal of transparency. The following observations apply only to USA Spending.gov and SBA PPP, due to the lack of available CRF data at the time of the assessment:

- **No information about what is required in the award (that is measurable/observable)**

The Award/Subaward Description may provide high-level information regarding what is required in the award. However, this element is unstructured, and while these elements have a 100-percent completion rate, the lack of structure or consistency in *what* is captured leads to degradation to the value of the elements.

Structured data elements regarding measurable objectives, goals, and performance measures would increase the transparency to understand the purpose of an award.

- **No progress information**

For USA Spending.gov reported awards and SBA PPP awards, progress information is not collected or reported for prime awards or subawards. Access to progress information would enhance transparency on how the funds are being spent and whether they are being used as intended. As seen with the American Recovery and Reinvestment Act of 2009, transparency increases when the information is integrated with measurable objectives, goals, and performance measures.

- **No information about whether the award has delivered what is required (that is measurable/observable)**

Related to the lack of information regarding measurable description of what is required in an award/subaward and progress information, there also exists a gap on outcomes. Measurable outcomes supported by objectives, goals, performance metrics, and progress toward those outcomes closes the gap on a true understanding of not just how funds are appropriated and obligated but whether the expected or anticipated outcomes were met.

- **Project/Activity reporting information**

With respect to USA Spending.gov and SBA PPP, there is uncertainty of satisfying "Project or Activity" level reporting. Information is provided by federal award (grant, contract, loan). If it is interpreted that the provision's term "project or activity" is more detailed than that of a federal "award," this may not be satisfied.

- **Subcontract or Subgrant reporting information**

There is uncertainty of satisfying the reporting requirement for detailed information on any level of subcontracts or subgrants awarded by the covered recipient or its subcontractors or subgrantees. Information on USA Spending.gov is provided by federal award (grant, contract, loan) at the first-tier subaward award level only. Depending on how the provision is interpreted, the last phrase "as prescribed by the Director of OMB,"

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the provision may be interpreted as requiring this detailed information on "any level" as "prescribed by OMB." In this case, OMB may say that its guidance prescribes "any" to mean "first tier" subaward reporting only (to meet the current statute).

Addressing Findings

When considering the findings, the following summarized actions are recommended to mitigate the gaps:

- Treasury modifies USA Spending.gov to allow for additional data element granularity, collection, and display.
- Treasury, federal agencies, and OMB collaborate to retroactively correct existing information.
- GSA modifies Federal Subaward Reporting System and other government-wide systems as determined necessary by OMB/federal procurement community (e.g., FPDS) to capture data.
- OMB, GSA, and federal procurement community determine whether government-wide changes in FPDS are required for procurement awards.
- OMB and federal awarding agencies issue guidance and execute outreach/training to prime recipients.
- Federal awarding agencies submit and OMB to approve agency Paperwork Reduction Act information collection revisions.
- SBA conducts data quality review of congressional district data associated with SBA PPP awards.
- Treasury and Congress collaborate to publish historic congressional districts to ensure accuracy of reporting.
- PRAC confirms with SBA the validation checks of PPP data.
- Ensure identification of all procurement awards funded by COVID-19-related appropriations.
- Ensure there is complete and accurate SBA PPP data.
- Enforce existing OMB requirements in USA Spending.gov for award descriptions.
- Treasury implements USA Spending.gov soft validation rule for COVID-19-funded procurements.

Some of the findings require low system policy changes that can yield rapid results with relatively low level of effort by stakeholders, while other findings require complex system or policy changes that may require significant resources and an extended timeline.

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APPENDIX

CARES Act Stakeholders – Relevant Roles and Responsibilities

The following table summarizes the primary stakeholders that require coordination to impact data transparency requirements under the CARES Act:

Stakeholder	Relevant Role(s) and Responsibilities
The Council of the Inspectors General on Integrity and Efficiency (CIGIE)	Independent entity within executive branch that addresses integrity, economy, and efficiency issues across the Office of the Inspector General (OIG) community.
Pandemic Response Accountability Committee (PRAC)	Independent oversight committee under the CIGIE established under the CARES Act to promote transparency and provide oversight of funds provided under the CARES Act.
Office of Management and Budget (OMB)	Office within the Executive Office of the President that provides budget policy direction oversight; Issues guidance to federal agencies on implementation of the CARES Act.
General Services Administration (GSA)	Manages and operates systems that support federal acquisition activities and reporting of financial assistance subaward reporting to USAspending.gov; Responsible for multiple appropriations accounts under the CARES Act, including managing the federal governments' buildings and assets in response to coronavirus, such as cleaning services, labor, supplies, and operations.
Department of Treasury – Office of Inspector General	Assigned responsibility under CARES Act to conduct monitoring and oversight of the receipt, disbursement, and uses of Coronavirus Relief Fund payments.
Department of Treasury Bureau of Fiscal Service – Office of Data Transparency	Administers USAspending.gov to increase access and use of federal spending data for transparency; Promotes transparency of data through improvement of value, quality, and availability of data by collaborating across stakeholders to define data standards and requirements.
Small Business Administration (SBA)	Administers loan programs established under the CARES Act to provide emergency economic relief to small businesses.
Department of Health and Human Services (HHS)	Administers Provider Relief Funds established under the CARES Act to support hospitals and healthcare providers.