

PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE

# Semiannual Report to Congress

OCTOBER 1, 2021 - MARCH 31, 2022



# Message from the Chair

I'm proud to present the Pandemic Response Accountability Committee's (PRAC) Spring 2022 Semiannual Report to Congress. With the creation of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, you gave us a big job to do. We conduct independent oversight and facilitate coordination among **federal Inspectors General (IGs)** that oversee **more than \$5 trillion** in federal pandemic relief emergency spending spread out among **426 programs** and administered by **40 federal agencies**.

It has been my honor to serve as Chair of the PRAC since April 2020, championing a new way of working with Offices of the Inspectors General (OIG) to ensure that taxpayer money is being used effectively and efficiently to address the pandemic-related public health and economic needs funded through the COVID-19 relief bills.

We were created in the midst of a crisis and while much of the country has transitioned from crisis mode to a "new normal," we remain focused on examining the government's historic response to the pandemic as reflected in the rigorous oversight we have engaged in over these last six months. During this reporting period, we continued to fulfill our mandate of:

- **promoting transparency** by publicly reporting accessible and comprehensive pandemic relief spending data;
- **collaborating across the oversight community** to identify cross-cutting issues and risks;

- **detecting and preventing fraud, waste, abuse, and mismanagement of relief spending** through leading-edge data insights and analytic tools; and
- **holding wrongdoers accountable** by marshaling the investigative and analytic resources of the oversight community.

During the past six months, we issued two PRAC-generated reports. The first report examined **antifraud controls** that the Small Business Administration (SBA) implemented in 2021 to determine whether they could have prevented the types of fraud the agency experienced in its Paycheck Protection Program (PPP). The second report examined **cross-cutting challenges** states faced within their pandemic unemployment insurance programs. We also commissioned a report highlighting best practices for **minimizing fraud risk and lessons learned** from the State Workforce Agencies that administered unemployment insurance programs during the pandemic. In addition, 29 OIGs issued **79 reports** related to pandemic relief oversight with a **total of 184 recommendations and \$9.8 billion in monetary findings** during the past six months.

Of course, effectively overseeing \$5 trillion in relief spending would be impossible without data. At the PRAC, we have been using data science to advance our oversight mission. The Pandemic Analytics Center of Excellence (PACE) continues to deliver analytic, audit, and investigative support to the oversight community as you will read about in a new

section of our Semiannual Report highlighting some of the team's most successful case studies.

Meanwhile, the PRAC's Fraud Task Force has grown to 43 criminal investigators from 13 OIGs. The Task Force serves the IG community by surging investigative resources into areas with the greatest need, such as pandemic loan fraud. They work cases that might otherwise go unaddressed due to the scale of fraud and mismanagement in pandemic relief programs we are finding.

This Semiannual Report highlights these and other achievements from October 1, 2021 through March 31, 2022, to demonstrate how the PRAC is providing a model for effective, coordinated government

oversight and building a legacy for how the IG community manages future large-scale government relief efforts.

I hope you find this Semiannual Report interesting and insightful.



**The Honorable Michael E. Horowitz**  
Chair, PRAC  
Inspector General, U.S. Department of Justice

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# Highlights

## Audit Reports

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**29**

Offices of Inspectors General



**79**

Oversight reports



**\$9.8B**

In monetary findings



**184**

Recommendations

## Website

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**23**

Data Stories



**41**

State and local reports

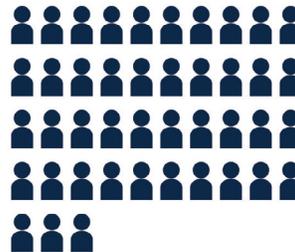
## PRAC Fraud Task Force

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**13**

Agencies



**43**

Investigators

# Background

Established in March 2020 by the CARES Act, the PRAC is a Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). CIGIE is an independent entity established within the executive branch by the Inspector General Act of 1978, as amended, whose membership includes the 75 statutorily created federal IGs.

The CARES Act identifies IGs from nine agencies as members of the PRAC. The Chair can designate additional IGs to serve on the Committee from any agency that receives pandemic funds or is involved in the federal government’s response to the COVID-19 pandemic. The IGs serving on the Committee continue to perform their IG duties.

The PRAC is comprised of 21 IGs (see below). We are staffed by a full-time Executive Director and 46 employees distributed across three lines of business (Oversight & Accountability, Outreach & Engagement, and Transparency) and three support functions (Chief Information Officer, Chief Counsel, and Chief Data Officer).

The PRAC promotes transparency and provides Congress and the public with objective, reliable information about the \$5 trillion in pandemic relief dollars at [PandemicOversight.gov](https://www.pandemicoversight.gov). We also work with IGs to develop recommendations for program improvements, refer matters for criminal investigations, and identify misspent funds for recovery.

## PRAC Membership

### Name

Michael E. Horowitz, Chair  
Paul K. Martin, Vice Chair  
Phyllis K. Fong  
Sean W. O’Donnell  
Sandra D. Bruce  
Christi A. Grimm  
Joseph Cuffari  
Rae Oliver Davis  
Mark Lee Greenblatt  
Larry D. Turner  
Eric J. Soskin  
Richard Delmar  
Michael J. Missal  
Jay N. Lerner  
Mark Bialek  
Allison C. Lerner  
Robert P. Storch  
Hannibal “Mike” Ware  
Brian D. Miller  
J. Russell George  
Tammy L. Whitcomb

### Department or Agency OIG

Department of Justice  
National Aeronautics and Space Association  
Department of Agriculture  
Department of Defense  
Department of Education  
Department of Health and Human Services  
Department of Homeland Security  
Department of Housing and Urban Development  
Department of the Interior  
Department of Labor  
Department of Transportation  
Department of the Treasury  
Department of Veterans Affairs  
Federal Deposit Insurance Corporation  
Federal Reserve Board / Consumer Financial Protection Bureau  
National Science Foundation  
National Security Agency  
Small Business Administration  
Special Inspector General for Pandemic Recovery  
Treasury Inspector General for Tax Administration  
U.S. Postal Service

The PRAC released its [Strategic Plan](#) for 2020 through 2025 in July 2020. The plan identifies four goals to carry out the PRAC’s mission and vision (see the following figure). These goals and objectives are not mutually exclusive—audits, investigations, reviews, and other activities may meet more than one goal or objective.

## MISSION

To serve the American public by promoting transparency and the coordinated oversight of the Federal Government’s coronavirus response to prevent and detect fraud, waste, abuse, and mismanagement and mitigate major risks that cross program and agency boundaries.

## VISION

Sound stewardship of taxpayer funds and an effective and efficient coronavirus response across the Federal Government, the oversight of which will be data-driven, risk-focused, and technology-enabled.

## GOALS

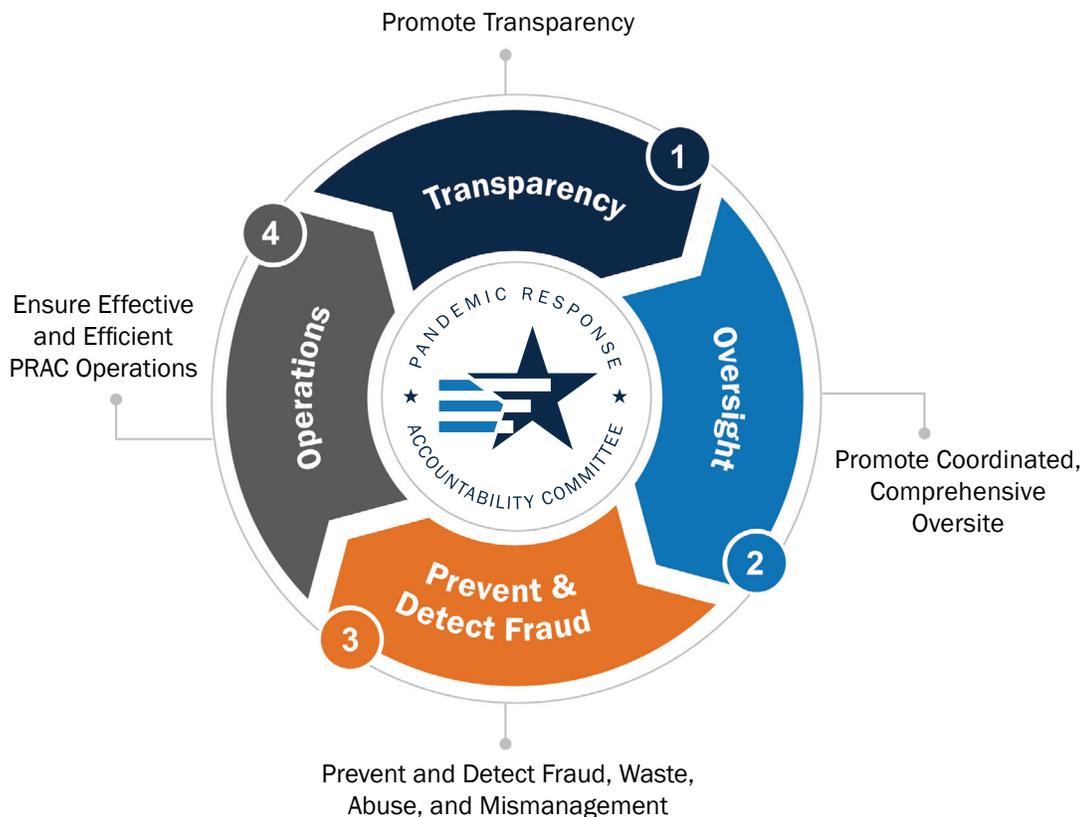


Figure 1. PRAC Mission, Vision, and Goals

# PRAC Accomplishments

The PRAC was established to serve the American public by promoting transparency and facilitating coordinated oversight of the Federal Government’s COVID-19 pandemic response and associated spending. Our goals are to detect fraud, waste, abuse, and mismanagement and to identify and mitigate major risks that cross program and agency boundaries. We aim to serve as the eyes and ears of the American public, monitoring the government’s pandemic response spending and reporting accessible, timely, accurate, and comprehensive data that can be translated into actionable insights. The following figure depicts the goals set out in our Strategic Plan for 2020 through 2025 and key accomplishments we have achieved during this reporting period, as aligned with the PRAC’s mission and vision.

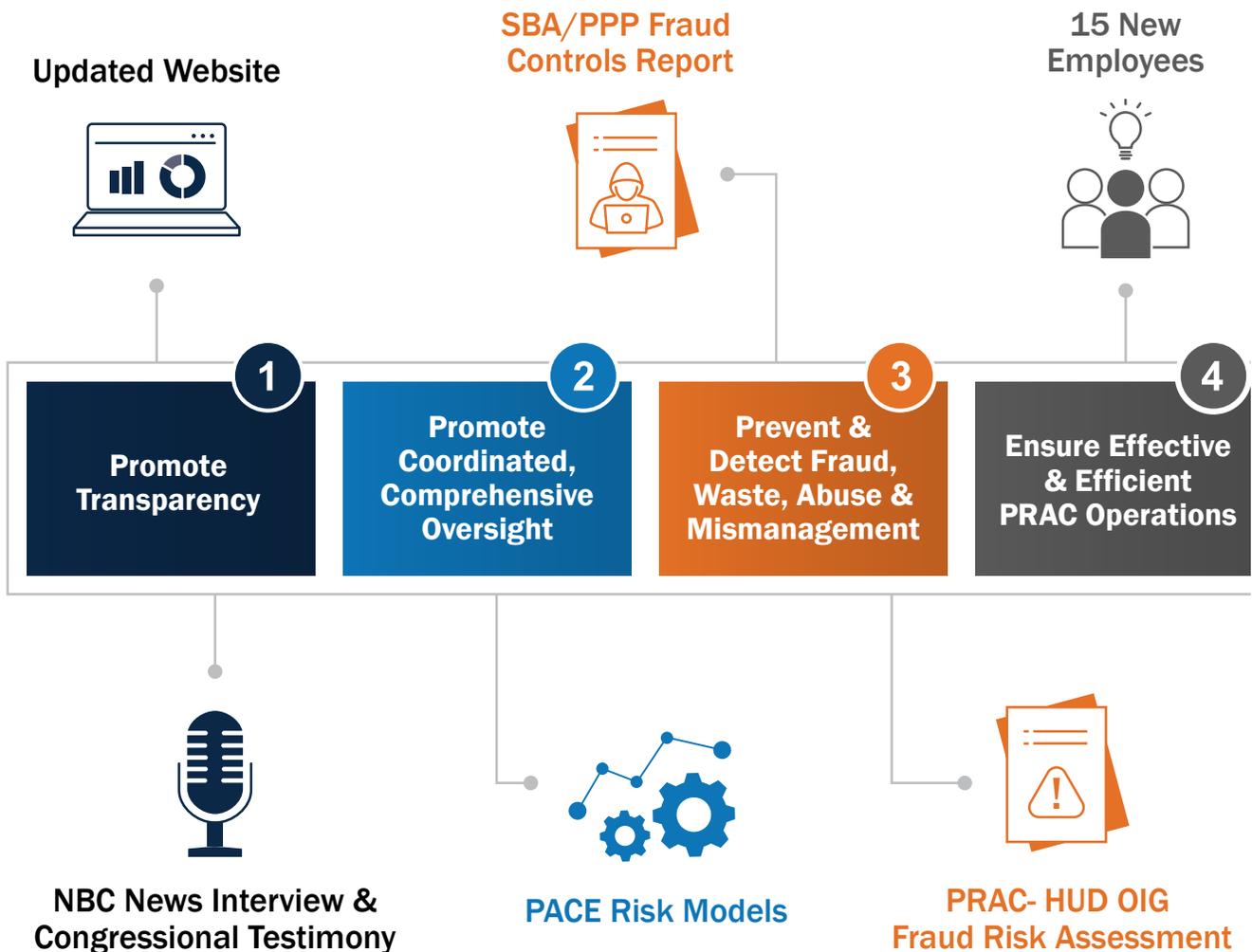


Figure 2. PRAC Goals

# Goal One – Promote Transparency

## Provide the Public with Timely Data and Information on Covered Funds and the Coronavirus Response

Transparency is core to the PRAC mission laid out by Congress in the CARES Act. We continue to explore ways to engage the public and empower them to act as citizen watchdogs. We do this through our audit reports, our website, and public events.

On October 19, 2021, [we published a report on data gaps](#) in pandemic relief spending. To conduct this work, we looked at 51,000 awards worth \$347 billion that supported the pandemic response (as of June 15, 2021) and found more than 15,400 awards worth \$33 billion with meaningless descriptions that obscured transparency into reporting data.

We made five recommendations, with which OMB concurred and took steps to implement to varying degrees, as shown in Table 1.

### PRAC-Issued Report

As reported in *Increasing Transparency into COVID-19 Spending* (published October 19, 2021), some examples of meaningless descriptions include:

- 12,600 awards with descriptions that just repeated the name of the program, like “Community Development Block Grants,”
- 2,500 awards listing technical jargon, like CCC5- 2021, and
- 360 awards listing variations of pandemic related relief legislation, like CARES Act.

Dead ends like these make it really hard to know what recipients of pandemic relief awards spent the money on.

Read more in our [full report](#).

### PRAC Recommendations to OMB

Recommendation	Status
Offer agencies resources focused on improving the quality, consistency, and clarity of pandemic-related award descriptions.	 
Develop and implement a plan to disseminate examples of insufficient award descriptions.	
Engage with Congress to explore options for extending the independent oversight of <a href="#">USAspending.gov</a> data submissions and develop new requirements for agency award descriptions.	
Conduct a feasibility study on how to better track and report subrecipient funding.	
Engage with Congress to consider legislating amendments to extend the independent oversight of USAspending.gov data submissions and develop new requirements for reviewing subrecipient reporting.	

 Implemented 
  Resolved but Open 
  Closed

Table 1. PRAC Five Recommendations

Meanwhile, we remain committed to making publicly available data accessible on our website. PandemicOversight.gov includes interactive dashboards that enable users to search names and businesses that received [Paycheck Protection Program](#) loans or money from the [Coronavirus Relief Fund](#). This gives the power of oversight to the public, allowing them to search through trillions of dollars' worth of relief funding directly from their computers.

Over the last six months, we have launched new features on [PandemicOversight.gov](#) and updated the site's organization, functionality, and design using web and user behavior analytics tools. The result is a site with more visual impact and language that explains our work more clearly and concisely.

In our last [Semiannual Report to Congress](#), we discussed the rollout of a new feature called **Data Stories**. Since then, we have published 23— short and simple stories that break down complex data— among them:

- Itemization of ways [\\$2 billion in funding](#) from the Coronavirus Economic Relief for Transportation Services program kept motor coaches, school buses, and passenger vessels running;
- Explanation of how [2,000 prime recipients in 177 foreign countries received \\$6.4 billion](#) in pandemic relief funding;
- Breakdown of how states are using [\\$189.5 billion in Elementary and Secondary School Emergency Relief grants](#)—distributed as part of the [Education Stabilization Fund](#)—to curb learning loss and support student needs; and
- Update on [how much each state spent on Rental Assistance](#).

These stories [and more](#) are part of our commitment to educate the public so they can understand how their tax dollars are being spent.



We made [41 reports from state and local oversight agencies](#) available on our website during the Spring 2022 reporting period. We will continue to add more as they are published so the public and policymakers can see the full inventory of what federal, state, and local agencies are finding in their oversight of the pandemic response.

We also added a new “**Spotlight On**” section to the website to draw users' attention to notable features, such as our new Unemployment Insurance (UI) [fraud map](#), [state and local information](#), and ways the PRAC is fighting identity theft and using [data intelligence](#) to fight pandemic fraud.

We also co-sponsored two virtual roundtables with the National Academy of Public Administration on the impact of housing and rental assistance [relief programs](#) on underserved communities and the effectiveness of pandemic relief programs in [broadband assistance](#). In addition, we participated in a [virtual conversation](#) with the Congressional Transparency Caucus about our role overseeing \$5 trillion in pandemic response and co-hosted a [webinar with the Levin Center](#) for state legislators and staff.

Finally, this reporting period was a strong one for media engagement. The PRAC has continued to build relationships with journalists from small local publications to national newspapers, as well as radio and podcasts. These outreach efforts culminated in a featured segment on NBC Nightly News with Lester Holt aired as part of the network's popular investigative series *The Fleecing of America*. The segment was aired across a range of NBC platforms, including TODAY, MSNBC, NBCNews.com, and NBC News NOW, ultimately [reaching some 11 million viewers across the United States](#). Media coverage like this not only heightens awareness about the PRAC, but builds our credibility and reaffirms the importance of our mission.

# Goal Two—Promote Coordinated, Comprehensive Oversight

## Facilitate Exceptional Coordination and Collaboration to Ensure High-Impact Results

The PRAC has five subcommittees and four working groups to share ongoing oversight and accountability efforts, best practices, and lessons learned among our 21 member IGs. The working groups pursue efforts like ongoing reviews of **multi-dipping** and state and local coordination with the federal community, including the Government Accountability Office, on high risks and areas of concern. In particular, identity fraud has emerged as a leading concern at the PRAC and a key priority in the months—and indeed, years— ahead.

As mentioned in our previous Semiannual Report to Congress, we created the Identity Fraud Reduction and Redress Working Group in July 2021 to address this serious challenge. In the reporting period since, we published [Key Insights: State Pandemic Unemployment Insurance Programs](#) in December 2021, a capping report that looked at 40 reports from 16 state auditors in which we described how one of the new federal unemployment insurance programs did not require proof of income or identity, making it difficult for state auditors to verify eligibility. We also found that multiple states paid benefits to prisoners or individuals that applied using stolen identities.

In addition to our efforts to combat identity fraud, the PRAC and our member IGs are working on more than 200 pandemic oversight engagements that focus on other emerging issues like public health and safety as well as how to prevent and detect fraud in government programs.

### What is multi-dipping?

When recipients of pandemic funds use money from more than one pandemic response program for the same thing.



### PRAC-Issued Report

On December 16, 2021, we issued *Key Insights: State Pandemic Unemployment Insurance Programs*.

We found that the sudden and unprecedented surge in unemployment insurance claims during the pandemic hit states hard.



In April 2020 alone, Kansas received **12.5 million phone calls** to its State Workforce Agency's customer service line.



Oklahoma paid out **ten times the normal amount** on unemployment insurance in a typical year.



Washington received more than **180,000 claims** in *one week* in March 2020.

Read more in [our full report](#).

## Ensure Efficient Sharing of Data, Analytics, and Other Information

With the funding Congress provided in the American Rescue Plan Act, we launched the [Pandemic Analytics Center of Excellence \(PACE\)](#) to deliver analytic, audit, and investigative support to the oversight community. We've acquired more than 20 public and non-public federal datasets and shared them with 29 IGs to help investigators find fraud across relief programs. We've brought in the best and brightest data science talent and have trained and placed 18 data science fellows with our member IGs to help analyze pandemic relief data.

Here are a few case studies to illustrate how the PACE is delivering data-driven, technology-enabled tools to support pandemic oversight.

### Cross Agency Data Matching Case Study

#### Background

The executive director of a public housing authority in two Midwest counties contacted SBA OIG when they began receiving anonymous calls after the award list of PPP loan recipients was made available online.

#### Business Challenge

The housing authority sought the OIG's assistance to match all participant names with PPP and Economic Injury Disaster Loan (EIDL) data. Given prosecution thresholds and large caseloads, the SBA OIG was unable to provide this assistance and referred the matter to the PACE.

#### Solution

We obtained recipient data from the housing authority and conducted analysis with public USASpending data, non-public PPP/EIDL data, and other data sources using a Structured Query Language (SQL) waterfall matching process.

Matches were made on name, address, emails, phone numbers, bank accounts, and social security numbers. With this technique, the PACE's data scientists ultimately found that approximately 10 percent of participants may have obtained PPP

or EIDL loans that were inconsistent with income eligibility requirements.

#### Results

The SBA placed holds on names the PACE flagged in their loan forgiveness system and the local housing authority is now able to use this information in their annual income verification process.

#### What is SQL Waterfall Matching?

Using different available data elements to match across data sources from very high confidence matches (e.g., exact name and address matches) to lower confidence matches (e.g., fuzzy name matches) to maximize the number of matches.

# Hotline Complaint Risk Model Case Study

## Background

In response to the COVID-19 pandemic, Congress authorized SBA to lend more than \$1 trillion to small business entities through the Paycheck Protection and Economic Injury Disaster Loan programs—an enormous sum that fraudsters viewed as an opportunity. In the year prior to the pandemic, the SBA OIG’s hotline, staffed by two full-time employees, received 800 complaints. In the year following the pandemic, hotline complaints surged to more than 100,000.

## Business Challenge

The volume of hotline complaints exceeded SBA OIG’s capacity and placed the OIG at risk of missing actionable fraud complaints.

## Solution

PACE data scientists collected SBA hotline data sets and loaded the data into a SQL database. They then enriched this data with third-party data sources and extracted information from the hotline narratives using natural language processing techniques. In consultation with SBA OIG, the PACE team identified risks and developed risk scores to identify the highest risk hotline fraud complaints.

## Results

**SBA OIG has incorporated the Hotline Complaint Risk Model** into its normal business operations and uses it to triage hotline complaints and prioritize investigations.

### SBA OIG Hotline



2 Full-time SBA Employees



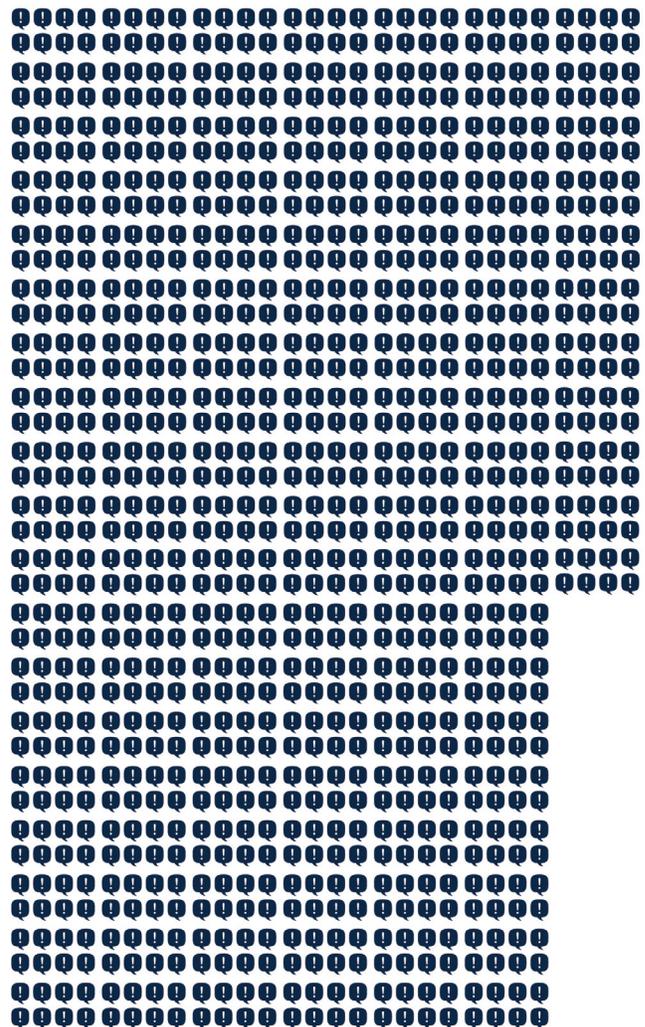
2020

800 Complaints



2021

100,000+ Complaints



= 100 Complaints

## Predictive Risk Model Case Study

### Background

The American Rescue Plan (ARP) Act of 2021 appropriated an estimated \$94 billion to the Pension Benefit Guaranty Corporation's (PBGC) new Special Financial Assistance Program (SFA) for financially troubled multi-employer pension plan applicants.

### Business Challenge

Given the application approval timeframe of 120 days and third-party risks associated with ARP rules—specifically that the legislation does not require the PBGC to directly calculate SFA payments, only to review them for reasonableness—PBGC OIG sought the PACE's assistance in determining whether a plan should be eligible for financial assistance and how much funding it should receive.

### Solution

In four months, PACE data scientists built a risk model on the secure Microsoft Azure Cloud using Power BI visualization tools.

Leveraging analytic techniques like outlier detection and regression to detect plan attributes that are “out of the norm” when compared to historic trends, **PACE data scientists developed a predictive risk model that uses past data and pattern discovery techniques to highlight anomalous behaviors in incoming SFA applications.**

### Results

According to the PBGC Inspector General, Nicholas J. Novak:

“ [We] can now identify potential high risk or fraudulent applications as they come in. This will greatly improve efficiency. In the short run, the model will mostly be used to identify questionable SFA applications and to retrieve historical Form 5500 information. In the long run, the model [will help us] identify potential issues for plans that received SFA. ”

### PACE Built Predictive Risk Model Created



## \$94B

Special Financial Assistance Program



## 120 Day Review

Approval Timeframe +Third-party Risks



## PACE Predictive Risk Model

PACE Data Scientists built a Predictive Risk Model using Power BI Visualization Tools

## Recipient Reporting Risk Model Case Study

### Background

PACE data scientists assisted the Department of Treasury (Treasury) OIG on a project involving the Coronavirus Relief Fund (CRF). Under the CRF program, about 960 prime recipients received \$150 billion directly from the federal government. These prime recipients paid some of the money they received to sub-recipients.

### Business Challenge

Given the large number of primes and sub-recipients—about 78,000 in all—advanced data analytics techniques were essential for streamlining and elevating Treasury’s review process.

### Solution

PACE data scientists developed a risk scoring model to prioritize the risk associated with prime and sub-recipient entities receiving CRF funds using an **ensemble technique** (e.g., rule based, anomaly detection) and incorporated both CRF data and various third-party datasets. The risk model incorporates 27 entity-based or transaction-based risk indicators, and calculates four different risk scores (risk indicator score, risk amount score, sub propagation score, and a final composite risk score calculated using the first three scores) to help prioritize reviews.

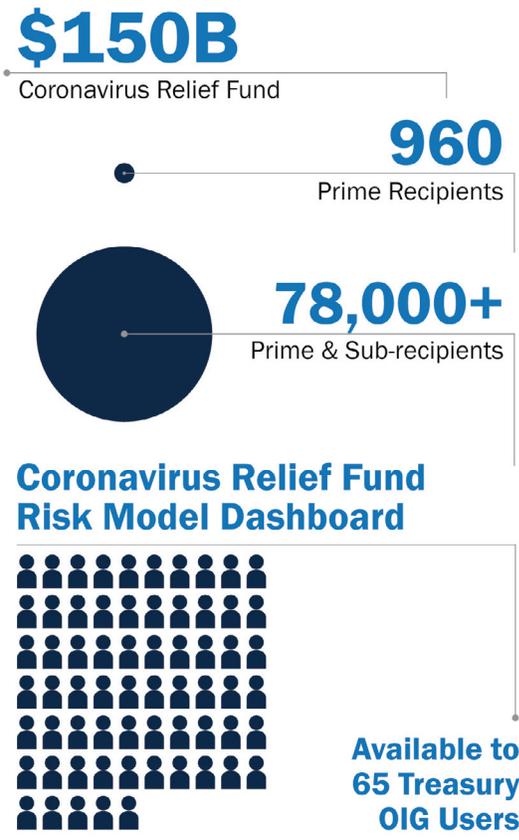
**What is SQL Ensemble Technique?**

Ensemble methods are techniques that aim at improving the accuracy of results in models by combining multiple models instead of using a single model. The combined models increase the accuracy of the results significantly.

### Results

The CRF Risk Model dashboard is now available for 65 Treasury OIG users. The Power-BI dashboard provides clear insights with easy-to-navigate summary and detailed pages. Users are also able to export data for desk reviews. As of April 2022, Treasury OIG has opened 31 new desk reviews using the insights from the CRF Risk Model dashboard.

#### Coronavirus Relief Fund



# Goal Three—Prevent and Detect Fraud, Waste, Abuse, and Mismanagement

## Hold Wrongdoers Accountable

The PRAC's Fraud Task Force serves as a resource for the IG community by surging investigative resources into areas with the greatest need. We have 43 agents from 13 OIGs who have been detailed to work on Task Force cases. These agents are located around the country and are working cases that would otherwise go unaddressed due to the scale of the pandemic fraud.

The idea behind our Task Force is to harness the expertise of the oversight community and attack this problem with every tool we have—criminal, civil, forfeitures of money and property, and suspensions and debarments. Our PRAC Fraud Task Force works closely with other entities to combat pandemic fraud such as the Department of Justice (DOJ) COVID-19 Fraud Enforcement Task Force. The PACE provides investigative support to the Task Force, flagging anomalies or potential leads in pandemic relief data.

## Mitigate Major Risks That Cut Across Program Boundaries

The PRAC works with our members to identify emerging fraud risks created by the pandemic. For instance, for an [October 2021 report](#) we partnered with the U.S. Department of Housing and Urban Development (HUD) OIG to document fraud schemes. We provided recommendations to HUD on how to strengthen antifraud controls for two of its programs, and systemically prevent these fraud schemes—and others—from occurring.

### PRAC-Investigative Efforts

In December 2021, our investigative collaboration led to two indictments:

- In the first, [out of the Southern District of New York](#), a recidivist fraudster and his co-conspirator were charged with scheming to fraudulently obtain \$7 million from PPP and the EIDL program.
- In the second, [a woman in Baltimore allegedly](#) tried to fraudulently obtain more than \$1.6 million from EIDL and PPP in the names of multiple businesses.

### PRAC-Issued Report

To determine the effectiveness of SBA's fraud controls for our January 21, 2022 report ***Small Business Administration Paycheck Protection Program Phase III Fraud Controls***, we looked at 66 prior prosecutions by DOJ that involved PPP fraud in 2020 to assess the impact these antifraud controls would have had on those schemes had they been in place at that time.

We found that while the new controls improved the SBA's ability to detect fraud schemes, the controls would not have detected some of the fraud in the prior 66 cases. Further, we found that some of the same fraud schemes are going undetected despite the additional controls.

We concluded that the SBA's updated controls for PPP would have significantly benefited from a formal fraud risk assessment before the program re-opened in January 2021.

Read more in our [full report](#).

Additionally, we issued a report entitled [Small Business Administration Paycheck Protection Program Phase III Fraud Controls](#) that examined fraud controls the SBA added to the PPP in January 2021. Some of these controls were later used by the SBA to administer the Restaurant Revitalization Fund in May 2021.

We work closely with the Office of Management & Budget (OMB), the American Rescue Plan implementation team, and partner IGs to address

issues with pandemic relief data and opportunities to enhance payment integrity. For example, we reviewed SBA's COVID-19 EIDL program before the loan threshold was increased to \$2 million. That review resulted in the addition of new controls, including safeguards to detect and handle suspicious IP addresses, program eligibility checks, and other preventative measures.



With the American Rescue Plan Act, the Biden administration established a dedicated implementation team to help coordinate the various programs the Act created or funded. Over the past year, we have participated in dozens of “**Gold Standard**” meetings with this team, where agency officials present their implementation plans for programs to their agency's IG, the PRAC, the American Rescue Plan implementation team, and OMB officials.

**The Gold Standard meetings have raised the bar on coordinated oversight by enabling agency officials to fine-tune pandemic relief programs before they launch.**

## Goal Four—Ensure Effective and Efficient PRAC Operations

### Fulfill Statutory Responsibilities

During this reporting period, PRAC Chair Michael Horowitz spoke extensively about the PRAC's efforts to help oversee the coronavirus response. For example, on March 17 he testified before the U.S. Senate Committee on Homeland Security & Governmental Affairs about the PRAC's ongoing oversight work, achievements over its first two years, and the collaborative model it is building to provide a legacy for effective, coordinated government oversight during and after the pandemic.

Chair Horowitz also highlighted results the PRAC achieved through discussions with the Administration and reiterated the imperative that executive departments and agencies do more to

incorporate lessons learned from previous rounds of COVID-19 stimulus—such as those discussed in our [September 2021 report](#).

Further, Chair Horowitz testified that the PRAC's efforts could be enhanced by the reforms outlined in the Administrative False Claims Act of 2021, which would raise the jurisdictional limit for administrative recoveries of 'smaller' false or fraudulent claims against the government from \$150,000 to \$1 million. This change would extend the PRAC's and the Inspector General community's ability to use this fraud-fighting tool to recover pandemic-related funds for taxpayers.



**Percentage of Cases by Program**  
(October 1, 2021, through March 31, 2022)

<i>Program Area</i>	<i>Percentage of Cases by Program</i>
Paycheck Protection Program	34%
Pandemic Unemployment	29%
Economic Injury Disaster Loans	24%
Health & Safety (Vaccination, Testing, PPE, Bio)	4%
Other (Coronavirus Food Assistance Program, Price Gouging, Economic Impact Payments)	4%

Source: Assembled by the PRAC from DOJ RSS feed.

Note: The percentages above credit all agencies involved in a single case in the individual totals. Combined totals only count unique totals; therefore, the total count will not equal the total of each OIG's statistics.

*Table 2. Percentage of Cases by Program*

**Investigative Results**  
(October 1, 2021, through March 31, 2022)

<i>Office of Inspector General</i>	<i>Arrests/Indictments</i>	<i>Convictions</i>
Amtrak	1	0
Defense Criminal Investigative Service	7	6
Department of Agriculture	0	2
Department of Education	2	2
Department of Health and Human Services	34	13
Department of Homeland Security	31	11
Department of Housing and Urban Development	0	1
Department of Justice	2	0
Department of Labor	203	91
Department of the Treasury	1	0
Department of Veterans Affairs	1	1
Federal Deposit Insurance Corporation	86	28
Federal Housing Finance Agency	37	10
Federal Reserve Board	65	20
Small Business Administration	162	85
Social Security Administration	10	4
Special Inspector General for Pandemic Recovery	6	1
Treasury Inspector General for Tax Administration	91	39
U.S. Agency for International Development	0	1
U.S. Postal Service	6	3

Source: Assembled by the PRAC from Department of Justice RSS feed

Note: Investigative work often involves several law enforcement agencies working on the same case. OIGs may conduct cases with other OIGs, other Federal law enforcement agencies, and State and local law enforcement entities. The counts above credit all OIGs involved in the case and do not represent unique cases.

*Table 3. Investigative Results*

# Paycheck Protection Program and Economic Injury Disaster Loan Case Highlights

## Amtrak OIG

### Amtrak Employee Charged with CARES Act Fraud and Stealing Government Funds

An Amtrak employee was charged with making false statements and stealing government funds related to the CARES Act. According to court documents, the defendant made false statements to SBA about the purpose of pandemic-related relief loans, including PPP from which he received approximately \$89,000. The defendant also applied for and received unemployment benefits through the Louisiana Workforce Commission despite being fully employed by Amtrak.

## Federal Housing Finance Agency OIG

### Business Owner Sentenced in Connection with Obtaining More Than \$6 Million in COVID Relief Fraud Scheme, Georgia

A business owner was sentenced to 41 months in prison, five years supervised release, and ordered to pay over \$7 million in restitution and more than \$2 million in forfeiture for a fraud scheme resulting in more than \$6 million in PPP loans being disbursed. The defendant previously pleaded guilty to bank fraud.

The defendant submitted six fraudulent PPP loan applications for business entities the defendant owned or controlled seeking over \$7.9 million in total. Over \$6 million was disbursed and \$2.1 million of the fraudulent proceeds was seized from the defendant.

In each PPP loan application, false representations included the average monthly payroll and the number of employees working for the company. Fabricated IRS records, false bank statements, and fictitious payroll reports were also submitted in connection with those applications. The PPP loan proceeds received were not used for authorized PPP business expenses.

## Federal Reserve Board OIG

### Owner of Information Technology Services Company Fraudulently Sought More than \$13 Million in SBA PPP Loans

A federal grand jury convicted the defendant in February 2022 for filing fraudulent loan applications seeking more than \$13 million in forgivable PPP loans. The defendant submitted six fraudulent PPP loan applications on behalf of his company to four different SBA-approved lenders. In each loan application, the defendant misrepresented the number of employees and payroll expenses he had. The defendant also submitted fraudulent IRS tax forms in support of his applications. The evidence at trial showed his company was a startup that lacked U.S.-based payroll and U.S.-based employees. As a result of his scheme, the defendant obtained a \$2 million PPP loan. The government recovered approximately \$1.97 million of the loan funds.

## Federal Deposit Insurance Corporation OIG

### Man Convicted for \$27 Million PPP Fraud Scheme

According to court documents and evidence presented at trial, the defendant submitted 27 PPP loan applications to four banks between April and June 2020 on behalf of eight companies solely owned by the defendant in applications seeking a total of \$27 million in PPP loans. In his fraudulent

applications, the defendant claimed that each company had 100 employees and average monthly payroll of \$400,000. Evidence also showed that the defendant submitted IRS documents falsely stating that each of the companies had an annual payroll of \$4.8 million.



In a single day, the defendant withdrew **\$248,000 of fraudulently obtained PPP funds** in cashier's checks and deposited them into another bank account that he controlled.

Based on these fraudulent loan applications, three of the defendant's companies were able to obtain \$3 million in PPP funds. He used the funds for personal expenses, cash withdrawals, payments on his personal credit cards, transfers to other personal and business accounts he controlled, and renting an oceanfront apartment in Santa Monica.

The defendant was convicted of bank fraud, false statements to a financial institution, and money laundering.

## U.S. Department of Justice OIG

### Recidivist Fraudster and Co-Conspirator Charged in Covid-19 Relief Loan, Identity Theft, And Money Laundering Scheme

A recidivist fraudster and his co-conspirator were charged with scheming to fraudulently obtain \$7.5 million from PPP and the EIDL program. The conspirators used stolen identities to claim that they had full control of a number of companies, which they purported employed more than 200 people and paid more than \$3.2 million in monthly wages. In reality, the conspirators did not operate these companies. They attempted to obtain more than \$7.5 million in PPP and EIDL program funds and successfully obtained more than \$1 million through their scheme. They used the funds to

buy cryptocurrency and stocks, to cover personal expenses, and to withdraw cash.

## Small Business Administration OIG

### Four More Charged in \$35 Million COVID-19 Relief Fraud Scheme

A federal grand jury in Houston returned a superseding indictment against four additional individuals involving more than 80 false and fraudulent PPP loan applications. The group allegedly falsified the number of employees and monthly payroll expenses of their respective businesses. In total, the defendants' sought over \$35 million in PPP loans and obtained approximately \$18 million, according to the charges.

The superseding indictment further alleges that the group laundered a portion of the fraudulent loan proceeds by writing checks from companies that received PPP loans to fake employees who, in turn, cashed more than over 1,100 fake paychecks totaling more than \$3 million.

## Social Security Administration OIG

### New York and Florida Resident Admits to \$6.8 Million PPP Fraud Scheme

The defendant admitted his role in a scheme to fraudulently obtain PPP loans totaling over \$6.8 million from April 2020 through March 2021, in which he submitted 21 fraudulent applications to 13 lenders on behalf of nine purported businesses that the defendant controlled.

The defendant's fraudulent PPP applications contained falsified information to the lenders, including the number of employees, the federal tax returns for his purported businesses, and

payroll documentation. The defendant obtained approximately \$4.6 million in PPP funds, which he transferred to brokerage accounts.

## Special IG for Pandemic Recovery (SIGPR)

### Oklahoma Woman Pleads Guilty to CARES Act Main Street Lending Program Fraud

A woman in Oklahoma pleaded guilty to bank fraud and money laundering related to a loan obtained through the Main Street Lending Program, a lending facility established by the Federal Reserve Board and supported with funding authorized by CARES Act.

The woman obtained a loan and executed a loan agreement while falsely representing that she would use the funds for working capital and payroll only. She also falsely represented she would not make financial distributions to herself as the owner of her company. Instead, she allegedly laundered the loan proceeds by paying for construction of her personal home. Other loan proceeds were used to purchase a luxury SUV for her personal use. SIGPR conducted this investigation jointly with the Office of Inspector General for the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection.

## Treasury Inspector General for Tax Administration

### 22 People Charged in Connection with a Multimillion Dollar PPP Fraud Scheme

Twenty-two individuals, residing across the United States, have been charged with wire fraud conspiracy and other related charges in connection with a fraudulent scheme to obtain \$3,899,377 in PPP.

Two of the conspirators in the scheme allegedly submitted or helped submit PPP loan applications on behalf of 22 businesses. For their work on the PPP loan applications, the conspirators allegedly received a percentage of the funded loan amount as a “success fee” from each purported business owner. The business owners, in turn, allegedly communicated the loan amount they wanted to receive, submitted loan applications with fake supporting documents the conspirators created, and paid them a percentage of the funded loan amount.

## Pandemic Unemployment Case Highlights

### Department of Homeland Security OIG

#### Virginia Inmate Sentenced for Role in Pandemic Unemployment Benefits Scheme

A Virginia inmate was sentenced to 57 months in prison for his involvement in a scheme to obtain pandemic-related unemployment benefits by using the personally identifiable information of more than 30 other inmates.

The inmate and his co-conspirators, including the prisoners whose information was used for the unemployment applications, shared the proceeds of the crimes, which amounted to over \$330,000. Although the conspirators initially obtained \$436,834, the Virginia Employment Commission was able to reclaim some of the disbursed funds after discovering the fraud.

## Department of Labor OIG

### State Contractor Sentenced in \$3 Million Unemployment Fraud Scheme

The defendant was sentenced to 58 months in federal prison after pleading guilty for her role in a multi-million-dollar unemployment insurance fraud scheme aimed at defrauding the State of Michigan and the Federal Government.

According to court records, the defendant was a contract employee for the State of Michigan Unemployment Insurance Agency. Her duties included reviewing, processing, and verifying the legitimacy of unemployment insurance claims. In exchange for processing fraudulent claims—including those filed with stolen identities—the defendant accepted bribes.

In total, the defendant used her insider access to fraudulently release payment on over 700 claims. As part of her sentence, the defendant had to pay restitution to Michigan in the amount of \$3,793,186.

### One-Time State Employee Sentenced to More than 5 Years in Prison for Fraudulently Obtaining Nearly \$4.3 Million in COVID Relief Funds

A former California Employment Development Department employee was sentenced to 63 months in prison for causing nearly 200 fraudulent pandemic-related unemployment insurance benefit claims to

be filed in other people's names, resulting in nearly \$4.3 million in fraud. Between April and October 2020, the employee filed and caused the filing of UI benefit claims asserting claimants were self-employed independent contractors, often identifying them as cake decorators or event attendants who were out of work due to the COVID-19 pandemic. The defendant obtained many of the names, Social Security numbers, and other identifying information through her prior work as a tax preparer. This was a joint investigation with the FBI, U.S. Postal Inspection Service, Homeland Security Investigations, California Employment Development Department, U.S. Secret Service, and Social Security Administration-Office of Inspector General.

## United States Postal Service OIG

### Virginia Postal Employee Convicted of Pandemic Unemployment Assistance Fraud

A maintenance mechanic from Richmond, VA was convicted of Pandemic Unemployment Assistance fraud for receiving over \$15,000 in benefits to which they were not entitled. The investigation revealed the employee lied on the application documents and was in fact actively employed by the United States Postal Service. The employee pled guilty to Theft of Public Money, and was sentenced to 1-year probation, as well as \$15,950 in restitution.

## Department of Housing and Urban Development OIG

### Woman Previously Convicted in Fraud Scheme Admits to Defrauding the Federal Housing Administration, Business and Unemployment COVID Relief Programs

The defendant admitted in federal court that she provided false information to a mortgage lender when applying for a Federal Housing Administration-

backed mortgage, and that she fraudulently applied for EIDL and unemployment insurance benefits. In addition, the defendant failed to disclose that she was on federal supervised release at the time of the charged fraudulent activities and subject to a \$385,533 federal restitution order. In total, the defendant received over \$40,000 in COVID relief benefits to which she was not entitled. Additionally, the defendant also admitted that she submitted a fraudulent EIDL loan application claiming that she was an independent contractor whose business had been impacted by the pandemic.

## Health Care/Medicare Fraud Case Highlights

### Department of Health and Human Services (HHS) OIG

#### Lab Owner Pleads Guilty to \$6.9 Million Genetic Testing & COVID-19 Testing Fraud Scheme

The defendant pleaded guilty in the Southern District of Florida to a \$6.9 million conspiracy to defraud Medicare by paying kickbacks and bribes to obtain doctors' orders for medically unnecessary lab tests that were then billed to Medicare. The defendant exploited the COVID-19 pandemic by bundling COVID-19 testing with other forms of testing that patients did not need, including genetic testing and tests for rare respiratory pathogens.

In total, the defendant submitted over \$6.9 million in false and fraudulent claims to Medicare for these medically unnecessary tests. The defendant pleaded guilty to one count of conspiring to commit health care fraud.

## Other Case Highlights

### U.S. Department of Education OIG

#### Two Louisiana College Students Pled Guilty to Identity Theft Associated with the HEERF Program

Two Louisiana College students pled guilty to charges of identity theft in a conspiracy to fraudulently get coronavirus Higher Education Emergency Relief Fund (HEERF) aid for their own use. The two and others obtained the student identification numbers and passwords of nine students and, without authority, accessed the school's student portal where they applied for HEERF grants in the names of those students and directed the grant payments to bank accounts controlled by members of the conspiracy.

### U.S. Agency for International Development (USAID) OIG

#### Florida Man Charged with Stealing Ventilators Intended for Critically Ill COVID-19 Patients in El Salvador Arrested in Texas

In February 2022, two defendants were sentenced to 41 months each for stealing 192 medical ventilators worth approximately \$3 million in Southern Florida. The ventilators were owned by the United States Agency for International Development (USAID) and were bound for a COVID-19 intensive care facility in El Salvador as part of USAID's global health supply chain contract. USAID OIG's joint investigation with the FBI and local law enforcement led to the recovery of 191 of the stolen ventilators.

## Veterans Affairs OIG

### Former Biloxi, VA Employee Sentenced to Prison for Stealing VA Property

The defendant was sentenced to serve 12 months in federal prison for stealing government property and was also ordered to pay a \$40,000 fine and \$23,584 in restitution to the VA.

The defendant stole personal protective equipment, electronics, and medical equipment while working as the Assistant Chief of Supply Chain Management for the Gulf Coast Veterans Health Care System. Starting in 2019 and continuing to December 2020, the defendant stole items belonging to the VA and resold them to local pawn stores and on his personal eBay account. In total, the defendant made more than \$50,000 selling the stolen N-95 masks and over \$9,000 selling stolen iPads and iPhones.

## U.S. Department of Agriculture OIG

### Individual Sentenced to 36 Months of Probation and Ordered to Pay More Than \$76,000 in Restitution for Theft of Government Funds

USDA OIG was alerted by a Farm Service Agency office in Louisiana that an individual allegedly submitted false documentation for assistance under the Coronavirus Food Assistance Program. A subsequent investigation revealed that the individual falsely claimed to have owned 1,046 head of cattle, although the individual had never owned more than 10 head of cattle. The individual also submitted fictitious receipts to support the false number resulting in the individual receiving funding to which they were not entitled.

# Key Insights Through Oversight Reports

From October 1, 2021, through March 31, 2022, 29 Offices of Inspectors General issued 79 oversight reports related to the Federal Government's COVID-19 pandemic response, and these reports identified \$9.8 billion in monetary findings (e.g., questioned costs or funds put to better use).<sup>1</sup> OIGs also made 184 recommendations to improve the federal government's response to the pandemic, such as improving internal controls and providing more oversight of recipients.



See the following table on the following page for more information about the reports issued by our OIG partners. For a complete list of all oversight reports issued, see [Appendix B](#) on page 29.

As we will discuss in the following pages, these federal oversight products provided key insights on:

1. Increasing Fraud Controls and Managing Risk,
2. How Incomplete Data Can Impact Agency Leadership Decision-Making,
3. Improving Service Performance and Reform, and
4. Assessing Efforts to Use and Expand Remote Work Capabilities.

We have also observed that OIGs are increasingly directing their focus to building upon previous pandemic oversight work. Indeed, as pandemic programs mature, OIGs have started establishing best practices and identifying lessons learned that can apply broadly to future situations as well. For instance, one best practice for additional oversight—

and remote program oversight, in particular—includes the use of surveys to gauge the overall effectiveness of program implementation.

During this reporting period, the PRAC expanded its coordination activities to incorporate oversight work by State Auditors, as exemplified in [our capping report](#) on the pandemic unemployment insurance.

## Key Insight 1: Increased Focus on Fraud Controls and Managing Risk

Federal pandemic programs were particularly susceptible to fraud. As such, OIGs have worked to evaluate how federal agencies have addressed fraud and how the lessons learned from the pandemic can be applied to future fraud risk frameworks. OIGs have found that federal agencies could have improved overall fraud risk management and controls for community development programs, pension benefit programs, and small business loan programs. In addition, OIGs have used data analytic techniques to help identify fraud and improve its oversight activities in this area.

For example, HUD OIG found that the Office of Community Planning and Development had not completed its own fraud risk assessment or maintained an inventory of fraud risks for the Community Development Block Grant program and Emergency Solutions Grant program—the two HUD programs that received the majority of the agency's CARES Act funding. As part of its final report, HUD

<sup>1</sup> These oversight reports include all reports, memorandums, and advisories issued by the OIGs related to the COVID 19 response funding and programs.

## Oversight Reports from October 1, 2021, through March 31, 2022

<i>Office of Inspector General</i>	<i>Total Reports</i>	<i>Total Recommendations</i>	<i>Total Monetary Findings<sup>a</sup></i>
U.S. Agency for International Development	1		
U.S. Architect of the Capitol	2		\$3,600,000
Department of Agriculture	2		
Department of Defense	4	8	
Department of Education	3	6	
Department of Health and Human Services	5		
Department of Homeland Security	5	11	
Department of Housing and Urban Development	6	14	\$5,430,000,000
Department of the Interior	3	26	\$231,084
Department of Justice	2	2	
Department of Labor	5	24	
Department of the Treasury	3	3	\$500,000
Department of Transportation	1		
Department of Veterans Affairs	6	22	\$3,600,000
Environmental Protection Agency	1	3	
U.S. Federal Housing Finance Agency	1		
General Services Administration	2		
Federal Reserve Board & Consumer Financial Protection Bureau	1	2	
U.S. National Credit Union Administration	1		
National Science Foundation	1	3	
Pandemic Response Accountability Committee	4	5	
U.S. Peace Corps	1		
Pension Benefit Guaranty Corporation	1		
Railroad Retirement Board	2	14	\$310,359
Small Business Administration	4	10	\$4,377,243,774
Social Security Administration	2		
Special Inspector General for Pandemic Recovery	4		
Tennessee Valley Authority	1	1	
U.S. Treasury Inspector General for Tax Administration	5	30	
<b>Totals</b>	<b>79</b>	<b>184</b>	<b>\$9,815,485,217</b>

<sup>a</sup> "Monetary findings" include all questioned costs and funds put to better use identified by each OIG.

Table 4. Oversight Reports from October 1, 2021, through March 31, 2022

OIG, in coordination with the PRAC, [developed a fraud risk inventory](#) and identified five overall factors that contribute to the fraud risk for CARES Act funds. These included increased funding and volume of payments, the pandemic environment, CARES Act provisions, decentralized processes, and reliance on self-certification.

In addition, the Pension Benefit Guaranty Corporation (PBGC) OIG also [recognized the inherent change in fraud risk](#) for the Special Finance Assistance program, which received ARP funding. The source of funding, size of payments, timing of responding to applications, and the intended time horizon of the payments created a different risk context than other programs administered by PBGC. As a result, PBGC OIG identified several risk categories for PBGC to consider when assessing existing processes within the next risk context.

Further, the PRAC [identified fraud risks within PPP](#) by analyzing fraud schemes prosecuted by the DOJ. The PRAC identified five common PPP fraud schemes: self-certification misrepresentation, fake documents, multiple applications, fictitious business/operating history, identify theft/synthetic identities. The PRAC also highlighted that the internal controls in place to mitigate fraud in the final round of the program might still have missed instances of these fraud types.

Several OIGs have also applied additional analytics techniques to effectively make conclusions and improve oversight by identifying potential fraud. In November 2021, SBA OIG issued a Management Advisory detailing its collaboration with the Department of the Treasury's Do Not Pay Business Center to determine if the SBA provided Economic Injury Disaster Loans (EIDLs) to ineligible recipients from March to November 2020. As a result of the data matching efforts with the Do Not Pay Business Center, SBA OIG identified that over \$3.1 billion in COVID-19 EIDL and \$550 million in emergency EIDL grants were distributed to potentially ineligible

recipients. SBA OIG recommended that SBA use the "batch match" or "continuous monitoring" functions available through the Do Not Pay portal to identify potentially ineligible applicants before disbursing program funds in the future.

## Key Insight 2: Incomplete Data Can Hinder Agency Leadership Decision-Making

Incomplete and inaccurate data can pose significant threats to an agency's mission and the implementation of its program. It can also limit an OIG's ability to identify negative effects or possible solutions. One example includes inconsistent and unreliable data used for COVID-19 vaccine distribution and tracking and highlights the importance of having reliable data reporting to enhance agency leadership decisions. For example, the Department of Defense (DoD) intended to prioritize vaccines for individuals with positions critical to national defense and those at highest risk for developing severe illness. However, DoD OIG [found that officials may not have effectively distributed or administered COVID-19 vaccines](#) to the DoD workforce because the agency used unreliable vaccine-eligible population data. Similarly, [the Department of Veterans Affairs \(VA\) OIG identified](#) that while the Veterans Health Administration quickly modified existing systems and developed new tools to track supply, dosage, and distribution of COVID-19 vaccines to veterans and employees, this system hosted inconsistent and inaccurate data due to inadequate validation and user errors. The incomplete data directly affected managers' ability to schedule and prioritize COVID-19 vaccinations.

Conversely, increased data visibility can bolster transparency, improve data accuracy, and ultimately improve accountability. For example, the Board of Governors of the Federal Reserve System OIG

identified in a February 2022 report that not only did the Board meet their 30-day reporting requirements to Congress and provide complete and materially accurate data, it also voluntarily provided additional transaction-specific data for some lender programs that exceeded statutory reporting requirements, allowing for additional data transparency for the program.

## Key Insight 3: Improving Customer Service Performance and Reform

Customer service has been a significant area of focus since the onset of the pandemic due to the high number of program functions and service populations that have been significantly affected. Some service-related issues, like staffing capacity for telephone calls, flexibility of telephone services to accommodate remote work, and managing backlogs, have been exacerbated by the pandemic. In December 2021, [President Biden issued Executive Order 10458](#) which directs federal agencies to focus on and improve its customer service to the American public. OIG reports can help offer insights into challenges agencies faced in providing good customer service during the pandemic, as well as opportunities moving forward post-pandemic. Opportunities include recommendations related to improving essential customer service performance like collecting customer feedback, establishing service standards and performance measures, and comparing customer service performance to similar federal services and the private sector.

For example, [IRS reported](#) that as of November 20, 2021, it had 7.8 million cases in its Accounts Management inventory, with 56.8% of the inventory remaining unprocessed for over 45 days. The Treasury Inspector General for Tax Administration (TIGTA) found that increasing call volumes reduced



### Insights Through Surveys

In November 2020, we issued the [Agile Products Toolkit](#) to encourage OIGs to use surveys as a way of obtaining information quickly and remotely. Since then, OIGs have expanded their efforts to use surveys and, within this reporting period, several OIGs employed the use of surveys in their oversight products. These surveys allowed for on-the-ground insights into government operations, the impact of pandemic programs on intended beneficiaries, and how the pandemic posed unique challenges to the public. Insights like these are critical to informing government operations and program design—and underscore the value of surveys as an oversight mechanism, now and in the future.

HUD OIG completed two surveys to obtain insights about public housing agencies' [experiences](#) with the administration of CARES Act funds, and insights about [challenges](#) Section 232 nursing homes faced during the pandemic. For example, nursing home respondents indicated that state and federal guidance lacked consistency and required burdensome reporting, making it difficult to keep up with regulation changes.

DOJ OIG used two surveys to obtain a better understanding of telework experiences of DOJ's litigating and adjudicating personnel—distributing 9,909 surveys and receiving 4,286 responses (a 43% response rate). These surveys, for example, identified that litigation attorney respondents and immigration judge respondents had differing views on preferred telework structures.

SIGPR used a [survey](#) to obtain responses from lenders and borrowers about the Main Street Lending Program. The survey identified that a majority of respondents viewed the program positively and as successful in enabling businesses to continue operations during the pandemic, but also identified three common critiques about the program structure including the complexity of the program, restrictive eligibility requirements, and borrowers' difficulty in finding participating lenders.



URGENT RISK IDENTIFICATION



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SUMMARIZING LESSONS LEARNED

resources to resolve Account Management inventories because many Accounts Management employees split their time between working cases and answering IRS' toll-free telephone calls. TIGTA made 19 recommendations to better utilize existing capacity, increase resources to process the backlog inventory, and prioritize tools that reduced the volume of tax account correspondence by enabling taxpayers to directly upload documents into Accounts Management's inventory.

Some OIGs also found that higher demand for remote service options and needed flexibilities to accommodate remote employees affected customer service. For example, [the Social Security Administration \(SSA\) OIG found](#) that the pandemic impacted SSA telephone service performance due to limited in-person services and the agency shift to provide a larger percentage of their services over the telephone via field office numbers and their national 800-number. SSA addressed 51 percent of its more than 151 million calls during FY 2020 using employees or automated services. That performance matched—and in some cases, exceeded—those at comparable federal service call centers that year, and even some industry call centers. Even with high call center performance, SSA recorded 67.8 million abandoned calls due to wait times in FY 2020. Planned efforts by SSA to address the challenges identified by SSA OIG include hiring additional call service staff, modifying its automated service operations to improve customer experience, implementing a new centralized telephone system that will fully use its service capacity, and collecting most information on performance and customer experience.

OIGs also attempted to understand how the move to a remote work posture impacted the service that their parent agencies were delivering to the American public. For example, [the United States Department of Labor \(DOL\) OIG found](#) that the Employment and Training Administration's Job Corps, who educate roughly 29,000 students on

their campuses, were unprepared to transition to remote learning. While Job Corps did develop innovative alternatives for in-person instruction, Job Corps did not have the infrastructure in place to deliver all their education programs in a remote capacity and delayed students' progress. [HHS OIG found](#) telehealth was critical for providing services to Medicare beneficiaries during the first year of the pandemic. Twenty-eight million beneficiaries used telehealth services, or more than 2 in 5 Medicare beneficiaries. Understanding the use of telehealth during the first year of the pandemic can shed light on how the temporary expansion of telehealth affected where and how beneficiaries accessed their health care. The Centers for Medicare and Medicaid Services (CMS) could use these findings to inform changes to the services that are allowed via telehealth on a permanent basis.

## Key Insight 4: Using and Expanding Remote Work Capabilities

At the start of the pandemic, the majority of the federal workforce, and the services that these agencies provide, transitioned to a remote work posture. While this transition initially sought to promote the health and safety of the federal workforce and the American public, a number of agencies have begun to expand their telework capabilities. With this transition to a remote posture and longer-term expansion of telework flexibilities, agencies faced additional cybersecurity challenges. For example, TIGTA found that the IRS, whose remote workforce increased from 26,000 to 60,700 between March and September 2020, relied on existing software that the agency has had in place since 2004 under its Enterprise Remote Access Project along with the purchase of additional licenses and doubling its bandwidth capacity by the end of FY 2020. The IRS has also utilized two-factor authentication since 2005, which has been a key

component of the agency's access management strategy during the pandemic. Additionally, [TIGTA found](#) that IRS has continuous monitoring and network scanning which identifies vulnerabilities and that these processes were not impacted by the increase in teleworking. Alternatively, [the Tennessee Valley Authority \(TVA\) OIG found](#) that the expansion of remote access for TVA employees and contractors created several cybersecurity gaps even though TVA had been consistent with cybersecurity remote access best practices. In addition, the [Railroad Retirement Board OIG found](#) areas of improvement for their parent agency due to internal control deficiencies in RRB's deployment of mobile phones.

The oversight community has also been engaged in assessing the effectiveness of agency efforts to return personnel back to an in-person setting, the benefits of continuing remote work, and the agency decisions about its work posture moving forward. The [National Science Foundation \(NSF\) OIG assessed](#) if the agency's merit review panels, which

were moved to a virtual setting due to the pandemic, cost less and provided more opportunities for diversity and inclusion when held virtually instead of in person. NSF OIG found that between April 2020 and March 2021, NSF saved \$13.5 million in expenses for merit review panels compared to the year prior, and NSF staff reported that remote panels increased participation opportunities for individuals with small children, with disabilities, or who cannot travel. However, NSF has limited data about the diversity of panelists due to low response rates to requests for demographic information. The [National Credit Union Administration OIG found](#) that agency leadership communicated effectively and took appropriate actions based on reliable information and expert guidance to protect the health and safety of their staff as they transitioned to an optional back in-person setting. The OIG noted that the agency continues to evaluate transition plans as the pandemic evolves.

# Appendix A: Acronyms

ARP	American Rescue Plan Act of 2021	OIG	Office of Inspector General
CARES Act	Coronavirus Aid, Relief, and Economic Security Act	OMB	Office of Management and Budget
CIGIE	Council of the Inspectors General on Integrity and Efficiency	PACE	Pandemic Analytics Center of Excellence
CMS	Centers for Medicare & Medicaid Services	PBGC	Pension Benefit Guaranty Corporation
COVID-19	Coronavirus Disease 2019	PPP	Paycheck Protection Program
CRF	Coronavirus Relief Fund	PRAC	Pandemic Response Accountability Committee
DoD	Department of Defense	SBA	Small Business Administration
DOJ	Department of Justice	SFA	Special Financial Assistance Program
DOL	Department of Labor	SIGPR	Special Inspector General for Pandemic Recovery
EIDL	Economic Injury Disaster Loan	SQL	Structured Query Language
EPA	Environmental Protection Agency	SSA	Social Security Administration
HEERF	Higher Education Emergency Relief Fund	Treasury	Department of the Treasury
HHS	Department of Health and Human Services	TIGTA	Treasury Inspector General for Tax Administration
HUD	Department of Housing and Urban Development	TVA	Tennessee Valley Authority
IG	Inspector General	USAID	U.S. Agency for International Development
IRS	Internal Revenue Service	VA	Department of Veterans Affairs
NSF	National Science Foundation		

# Appendix B: Pandemic-Related Reports by Office of Inspector General

Offices of Inspectors General (OIGs) issued a total of 79 reports between October 1, 2021, and March 31, 2022, related to the COVID-19 pandemic response. The following information provides a list and summary of each of those reports.

## [U.S. Agency for International Development OIG](#)

*COVID-19 Information Brief #4*, October 28, 2021

## [U.S. Architect of the Capitol OIG](#)

*Effects of COVID-19 and the Events of January 6 Have Increased the Cannon House Office Building Renewal Project's Contracts by \$5.6 Million and Further Increases are Expected*, OIG-AUD-2022-02, March 28, 2022

*Architect of the Capitol Use of Enhanced Paid Leave Authorities*, March 15, 2022

## [U.S. Department of Agriculture OIG](#)

*USDA COVID-19 Funding Dashboard*, 21-045-01, October 28, 2021

*COVID-19—Oversight of the Emergency Food Assistance Program—Interim Report*, 27801-0001-21(2), October 18, 2021

## [U.S. Department of Defense OIG](#)

*Audit of DoD Implementation of the DoD Coronavirus Disease—2019 Vaccine Distribution Plan*, DODIG-2022-058, February 1, 2022

*Management Advisory Regarding Results from Research for Future Audits and Evaluations Related to the Effects of the 2019 Novel Coronavirus on DoD Operations*, DODIG-2022-054, January 19, 2022

## [U.S. Department of the Interior OIG](#)

*Fulfillment of Purchase Card Orders*, 2021-FIN-022, January 19, 2022

*Pandemic Purchase Card Use*, 2020-FIN-73, October 22, 2021

*Pandemic-Related Contract Actions*, 2021-FIN-010, October 13, 2021

## [U.S. Department of Education OIG](#)

*Missouri's Administration of the Governor's Emergency Education Relief Fund Grant*, A20GA0018, February 10, 2022

*The Department's Implementation of CARES Act Flexibilities to TEACH Grant Service Obligations*, I20DC0024, January 20, 2022

*Review of State Plans for Use of Governor's Emergency Education Relief Funds*, F20DC0028, December 20, 2021

## [U.S. Department of Health and Human Services OIG](#)

*Telehealth Was Critical for Providing Services to Medicare Beneficiaries During the First Year of the COVID-19 Pandemic*, OEI-02-20-00520, March 15, 2022

*The Assistant Secretary for Administration Awarded and Managed Five Sole Source Contracts for COVID-19 Testing in Accordance With Federal and Contract Requirements, A-05-21-00014, January 26, 2022*

*COVID-19 Tests Drove an Increase in Total Medicare Part B Spending on Lab Tests in 2020, While Use of Non-COVID-19 Tests Decreased Significantly, OEI-09-21-00240, December 30, 2021*

*Most Medicare Beneficiaries Received Telehealth Services Only From Providers With Whom They Had An Established Relationship, OEI-02-20-00521, October 18, 2021*

*Changes Made to States' Medicaid Programs to Ensure Beneficiary Access to Prescriptions During the COVID-19 Pandemic, A-06-20-04007, October 13, 2021*

#### [U.S. Department of Homeland Security OIG](#)

*Management Alert – Reporting Suspected Fraud of Lost Wages Assistance, OIG-22-28, March 4, 2022*

*CISA Should Validate Priority Telecommunications Services Performance Data, OIG-22-15, January 12, 2022*

*Medical Processes and Communication Protocols Need Improvement at Irwin County Detention Center, OIG-22-14, January 6, 2022*

*FEMA Did Not Always Accurately Report COVID-19 Contract Actions in the Federal Procurement Data System, OIG-22-7, November 9, 2021*

*Continued Reliance on Manual Processing Slowed USCIS' Benefits Delivery During the COVID-19 Pandemic, OIG-22-12, November 3, 2021*

#### [U.S. Department of Housing and Urban Development OIG](#)

*Challenges Faced by Section 232 Nursing Homes During the Pandemic, 2022-KC-0801, March 29, 2022*

*HUD Did Not Always Comply With Its internal guide When Transitioning Offices From Mandatory to Maximum Telework During the COVID-9 Pandemic, 2022-CH-0002, February 15, 2022*

*FHA Borrowers Did Not Always Properly Receive COVID-19 Forbearances From Their Loan Servicers, 2022-KC-0001, February 15, 2022*

*Public Housing Agencies' Experiences and Challenges Regarding the Administration of HUD's CARES Act Funds, 2022-CH-0801, November 16, 2021*

*Lessons Learned and Key Considerations From Prior Audits and Evaluations of the CDBG Disaster Recovery Program, 2022-FW-0801, November 2, 2021*

*Fraud Risk Inventory for the CDBG and ESG CARES Act Funds, 2022-FO-0801, October 12, 2021*

#### [U.S. Department of Justice OIG](#)

*Survey of DOJ Litigating Attorneys and Immigration Judges on Work Experiences During the COVID-19 Pandemic, 20-015, December 20, 2021*

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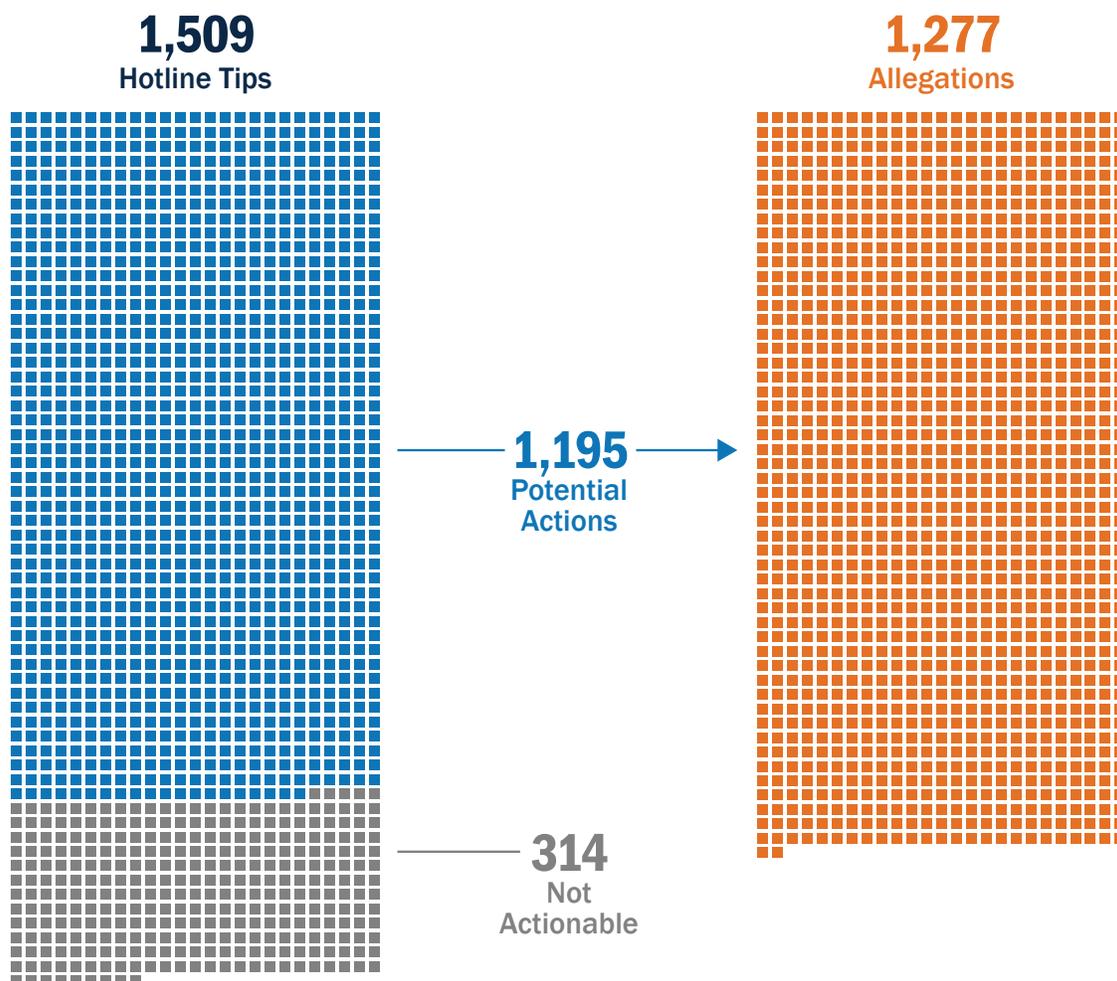
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# Appendix C: Hotline Data

Since inception, the Pandemic Response Accountability Committee received most of its hotline complaints through its [electronic complaint form](#). The PRAC's hotline provides an avenue for concerned citizens to report potential fraud, waste, abuse, and mismanagement related to the pandemic response, including the CARES Act and other related legislation.

During the reporting period, we received 1,509 hotline communications, of which 314 were filed for information or not actionable. The remaining 1,195 were deemed potentially actionable for fraud, waste, abuse, or mismanagement. From these, the PRAC forwarded 1,277 allegations to 17 different Offices of Inspectors General for review and appropriate action.<sup>2</sup>



<sup>2</sup> The number of allegations referred is higher than the number of actionable communications because some communications may contain more than one allegation.

## **For more information:**

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## **Visit us at:**

[PandemicOversight.gov](https://PandemicOversight.gov)

## **Follow us at:**

 @COVID\_Oversight

## **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](https://PandemicOversight.gov).



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