



John P. Higgins, Jr.
Recovery Accountability and Transparency Board
Assistant Director of Audits, Evaluations, and Inspections

The Inspector General Role in the American Recovery and Reinvestment Act (ARRA)

FAA Budget Briefing to Industry
Falls Church, Virginia
June 12, 2009





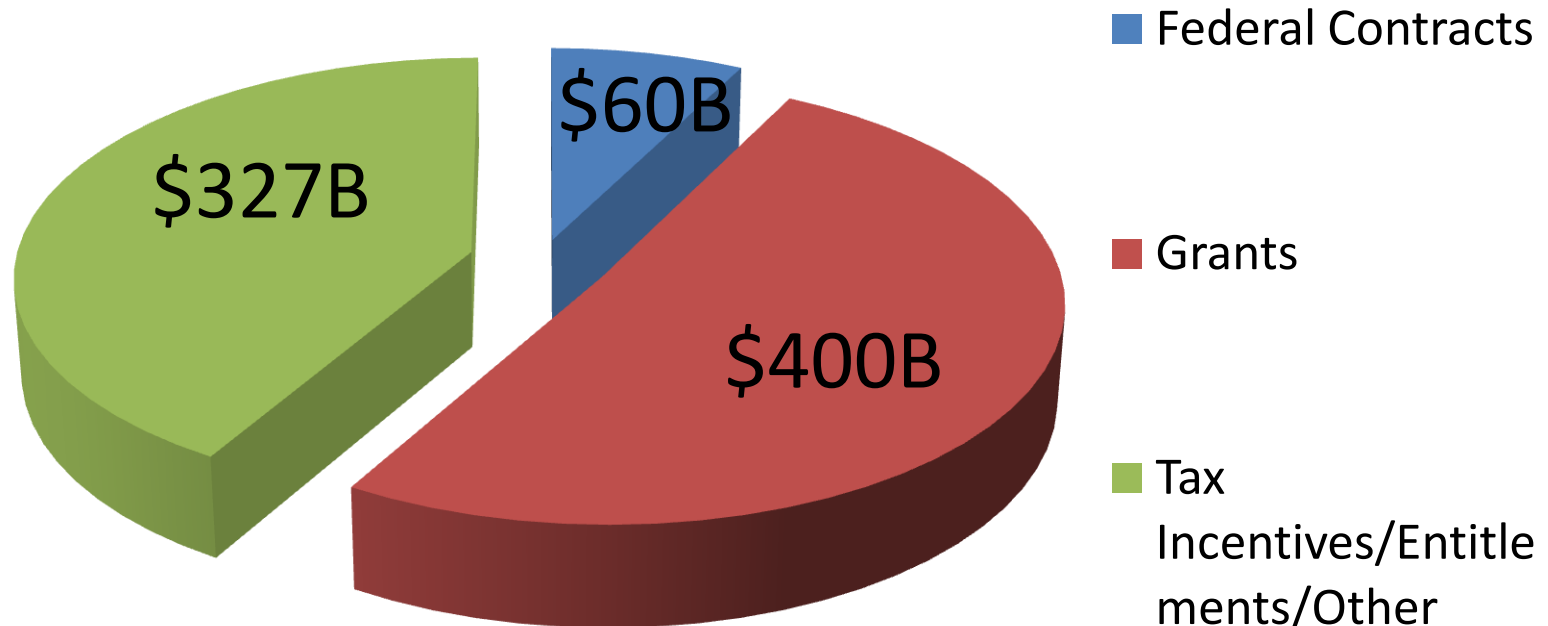
American Recovery and Reinvestment Act



- \$787 Billion available
- Save and create 3 or 4 Million jobs
- Lay the foundation for a robust and sustainable 21st century economy



Breakout of \$787 Billion Recovery Act Funding



(Source – OMB)



Recovery Accountability and Transparency Board



- **Education** – explain the Recovery Act to the public
- **Transparency** – show how, when, and where the money is spent
- **Accountability** – provide data to evaluate the progress of the Act



Board Members



Board Members

- Earl Devaney (Chairman)
- Agriculture IG – Phyllis Fong
- Commerce IG – Todd Zinser
- Energy IG – Greg Friedman
- HHS IG – Daniel Levinson
- Homeland IG – Richard Skinner
- Justice IG – Glenn Fine
- Transportation IG – Calvin Scovel
- Treasury IG – Eric Thorson
- TIGTA IG – Russell George
- Education IG – Mary Mitchelson (acting)
- **ADDED** Interior IG – Mary Kendall (acting)
- **ADDED** Defense IG – Gordon Heddell



Board Committees



- **Recovery.gov**
 - HHS IG – Daniel Levinson
 - TIGTA – Russell George
 - Commerce IG – Todd Zinser
 - Defense IG – Gordon Heddell
- **Accountability**
 - Justice IG – Glenn Fine
 - Homeland IG – Richard Skinner
 - Energy IG – Greg Friedman
 - Education IG – Mary Mitchelson (acting)
- **Recovery Funds Working Group**
 - Transportation IG – Calvin Scovel
 - Agriculture IG – Phyllis Fong
 - Interior IG – Mary Kendall
 - Treasury IG – Eric Thorson



Recovery.gov Initiatives



- **Posting Reports**
 - Agency and OIG Plans (May 2009)
 - Agency Weekly and OIG Monthly Financial Data (On-going)
 - Recipient reporting (Oct 2009)
- **Enhance Recovery.gov (Version 2.0)**
 - Facilitate recipient reporting
 - Allow data visualization



Recipient Reporting Requirements



Federal Agency



Prime Recipient Level (State)



Sub Recipient Level 1 (School Board)



Sub Recipient Level 1 reports information on 2nd level sub recipient

Sub Recipient Level 2 (School)



2nd level sub recipient does not report directly but provides information to the Sub Recipient Level 1 for it to submit to Recovery.gov

Lowest Data Collection Level-----

**Sub Recipient Level 3
(Roofing Company)**



Data on 3rd or lower level recipients is not reported



Statutory Requirements for Recovery.gov Committee



- Connections to other Government websites (§ 1526(b))
- Explanation of the Act for citizens (§ 1526(c)(1))
- Visual information to enhance public awareness of the use Recovery Act funds (§ 1526(c)(3))
- Detailed data on contracts awarded using Recovery Act funds (§ 1526(c)(4))
- Printable reports on Recovery Act funds obligated by month to each State and congressional district (§ 1526(c)(5))
- A means for the public to give feedback on the performance of contracts (§ 1526(c)(6))

CONTINUED ON NEXT PAGE



Statutory Requirements for Recovery.gov Committee



- Detailed information on contracts and grants using Recovery Act funds, to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006, allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by OMB (§ 1526(c)(7))
- A link to estimates of the jobs sustained or created by the Act (§ 1526(c)(8))
- A link to information about announcements of grant competitions and solicitations for contracts to be awarded (§ 1526(c)(9))

CONTINUED ON NEXT PAGE



Statutory Requirements for Recovery.gov Committee



- Links to other government websites with information concerning Recovery Act funds, including Federal agency and State websites (§ 1526(c)(10))
- Information on Federal allocations of formula grants and awards of competitive grants using covered funds (§ 1526(c)(12))
- Information on Federal allocations of mandatory and other entitlement programs by State, county, or other appropriate geographical unit (§ 1526(c)(13))
- Links to or information about how to access job opportunities (§ 1526(c)(14))



Accountability Initiatives



- **Complaint Referral Process**
 - Recovery.gov receives citizen complaints
 - Coordination cross OIG Community and with GAO
- **Oversight Coordination**
 - OIGs, GAO, Federal agencies
 - Between Federal, state, and local governments



Statutory Requirements for Accountability Committee



- Review whether there are appropriate mechanisms for interagency collaboration relating to Recovery Act funds (§ 1523(a)(2)(F))
- Recommend to agencies measures to prevent fraud, waste, and abuse relating to Recovery Act funds (§ 1523(c)(1))
- Conduct audits and reviews of spending of Recovery Act funds; coordinate activities with IGs to avoid duplication and overlap (§ 1524(a))
- Determine through audit or review whether there are abuses and refer matters for investigation to the appropriate IG (§ 1523(a)(2)(C))
- Coordinate oversight activities with the Comptroller General and State auditors (§ 1528)
- Collaborate on audits and reviews with any IG (§ 1524(b)(2))



Recovery Funds Working Group Initiatives



- **OIG Recovery Act Plan**
 - Created reporting template unique to OIG Community
 - Use plans to respond to inquiries regarding Recovery Act oversight
 - Consolidate final plans to post on Recovery.gov
- **OIG Monthly Report**
 - Created monthly report template unique to OIG Community
 - Use data to respond to inquiries regarding Recovery Act oversight
 - Aggregate data to use in quarterly and annual reports
- **Evaluation of Acquisition and Grant Personnel**
 - Created evaluation checklist to be used by OIGs
 - Use data to make government-wide recommendations regarding Recovery Act oversight
 - Summarize data and issue a report to be posted on Recovery.gov



Recovery Funds Working Group Initiatives



- **Single Audit Project**
 - Addressing timeliness of reporting
 - Addressing scope of review
- **Oversight Coordination**
 - Coordinate efforts cross OIGs, GAO, and Federal agencies
 - Coordinate efforts between Federal, state, and local governments
- **Recovery Board Reporting**
 - Issue quarterly reports on the use of Recovery Act funds
 - Issue annual reports on the use of Recovery Act funds
 - Issue other reports as appropriate



Statutory Requirements for Recovery Funds Working Group Committee



- Review whether reporting of contracts and grants meets standards and specifies the purpose and measures of performance (§ 1523(a)(2)(A))
- Review whether competition requirements have been satisfied (§ 1523(a)(2)(B))
- Review whether there are qualified acquisition and grant personnel overseeing Recovery Act funds (§ 1523(a)(2)(D))
- Review whether personnel overseeing Recovery Act funds are adequately trained (§ 1523(a)(2)(E))
- Submit “flash reports” on potential management and funding problems that require immediate attention (§ 1523(b)(1))
- Submit quarterly reports summarizing findings of the Board and IGs (§ 1523(b)(2))
- Submit annual reports consolidating quarterly reports (§ 1523(b)(3))



Inspector General Role in Recovery Act Oversight



- **Board Initiatives are OIG Community Initiatives**
 - Board Staff and OIG Community partner together
 - Board Staff capacity cannot match OIG Community Staff capacity
 - Board Staff help coordinate across 29 OIGs involved in oversight
- **Education**
 - Outreach to program managers and fund recipients
 - Fraud awareness training
 - Brochures outlining best practices
- **Transparency**
 - Posting work product reports on Recovery.gov and OIG websites
 - Collaboration with GAO and state and local governments
 - Reporting on oversight efforts
- **Accountability**
 - Audits / Inspections / Evaluations
 - Investigations
 - Complaints and Whistleblower Allegations



Board Staff Contacts

(202) 245-7900



- **Director Recovery.Gov** – Michael Wood
- **Assistant Director IT** – Jim Warren
- **Assistant Director Content** – Alice Siempelkemp
- **Assistant Director Investigations** – Douglas Hassebrock
- **Assistant Director Audits, Evaluations & Inspections** – John Higgins
- **Assistant Director Procurement & Grant Compliance** – Don Salo
- **Assistant Director Legal Outreach** – Catherine Votaw