

Department of Education
OFFICE OF INSPECTOR GENERAL
Fiscal Year 2022 Budget Request

CONTENTS

	<u>Page</u>
Appropriations Language	CC-1
Analysis of Language Provisions and Changes	CC-2
Amounts Available for Obligation	CC-3
Obligations by Object Classification	CC-4
Obligations by Object Classification, Supplemental, CARES Act (P.L. 116-136)	CC-5
Summary of Changes.....	CC-6
Authorizing Legislation	CC-7
Appropriations History	CC-8
Activity:	
Office of Inspector General.....	CC-9

OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General, as authorized by section 212 of the Department of Education Organization Act, [\$63,000,000] \$70,115,000, of which \$2,000,000 shall remain available until expended.¹ (*Department of Education Appropriations Act, 2021*)

NOTE

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document which follows the appropriations language.

OFFICE OF INSPECTOR GENERAL

Analysis of Language Provisions and Changes

Language Provision	Explanation
<u>1...of which up to \$2,000,000, shall remain available until expended.</u>	The language provides that of the amount appropriated, \$2 million would be no-year funding. The need for the additional flexibility is for two main reasons: (1) due to delays in hiring, multiyear funds provide additional flexibility to allow the OIG to restore its FTE level; and (2) since 21 percent of the OIG budget is associated with common support provided by the Department, multiyear funds allow for flexibility if actual costs are lower than expected and funds are returned to the OIG at end of the fiscal year, or if actual costs are higher than expected and additional funds are required for the OIG.

OFFICE OF INSPECTOR GENERAL

Amounts Available for Obligation
(dollars in thousands)

Appropriation and Adjustments	2020	2021	2022
Discretionary budget authority:			
Appropriation	\$63,000	\$63,000	\$70,115
Transfer from:			
<u>Department of Education, CARES Act</u> ² for:			
Inspector General (P.L. 116-136).....	7,000	0	0
Transfer from:			
<u>Department of Education, CRRSAA Act</u> ³ for:			
Inspector General (P.L. 116-260).....	<u>0</u>	<u>5,000</u>	<u>0</u>
Subtotal, adjusted discretionary appropriation	7,000	5,000	0
Mandatory budget authority:			
Transfer from:			
<u>Department of Education, American Rescue Act</u> ⁴ for:			
Inspector General.....	<u>0</u>	<u>5,000</u>	<u>0</u>
Subtotal, mandatory appropriation.....	0	5,000	0
Total, discretionary and mandatory appropriation	70,000	73,000	70,115
Disaster Relief unobligated balance, start of year	4,699	3,255	1,878
CARES Act unobligated balance, start of year	0	6,905	2,905
CRRSAA Act unobligated balance, start of year.....	0	0	5,000
American Rescue Plan Act unobligated balance, start of year.....	0	0	5,000
Disaster Relief unobligated balance, end of year	-3,255	-1,878	0
CARES Act unobligated balance, end of year	-6,905	-2,905	0
CRRSAA Act unobligated balance, end of year	0	-5,000	-3,000
American Rescue Plan Act unobligated balance, end of year	<u>0</u>	<u>-5,000</u>	<u>-5,000</u>
Total, direct obligations	64,539	68,377	76,898

¹ Disaster Relief Funding includes appropriations from the Bipartisan Budget Act of 2018 and the Additional Supplemental Appropriations for Disaster Relief Act of 2019.

² CARES Act Funding includes appropriations from the CARES Act of 2020.

³ CRRSAA Act Funding includes appropriations from the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021.

⁴ American Rescue Plan Act Funding includes appropriations from the American Rescue Plan Act of 2021.

OFFICE OF INSPECTOR GENERAL

Obligations by Object Classification
(dollars in thousands)

Object Class		2020 Actual	2021 Appropriation	2022 Request	Change from 2021 to 2022
11.10	Full-time permanent	\$24,809	\$30,122	\$31,764	\$1,642
11.31	Full-time temporary	49	0	136	136
11.32	Part-time	228	0	136	136
11.33	Consultants	0	0	0	0
11.51	Overtime	1,755	0	0	0
11.52	Awards	<u>532</u>	<u>935</u>	<u>1,031</u>	<u>96</u>
	Compensation subtotal	27,373	31,057	33,067	2,010
12.00	Benefits	9,568	13,032	14,424	1,392
13.00	Benefits for former personnel	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Comp/benefits subtotal	38,607	44,089	47,491	3,402
21.00	Travel	497	736	1,808	1,072
22.00	Transportation of things	196	0	0	0
23.10	Rental payments to GSA	5,933	6,718	6,766	48
23.31	Communications	820	159	244	85
23.32	Postage/fees	<u>2</u>	<u>2</u>	<u>0</u>	<u>-2</u>
	Subtotal 23	6,755	6,879	7,010	131
24.00	Printing and reproduction	6	1	1	0
25.10	Advisory and assistance services	999	0	652	652
25.21	Other services	2,368	2,531	2,661	130
25.22	Training/tuition contracts	388	369	649	280
25.30	Goods/services from Federal sources	1,614	1,533	1,603	70
25.40	Operations/maint of facilities	0	0	0	0
25.71	Operations/maint of equip.	10	3	5	2
25.72	IT services/contracts	<u>7,555</u>	<u>5,508</u>	<u>6,772</u>	<u>1,264</u>
	Subtotal 25	12,934	9,944	12,342	2,398
26.00	Supplies	120	45	122	77
31.10	IT equipment/software	1,064	892	1,263	371
31.30	Other equipment	<u>214</u>	<u>16</u>	<u>78</u>	<u>62</u>
	Subtotal 31	1,278	908	1,341	433
32.00	Building alterations	<u>0</u>	<u>398</u>	<u>0</u>	<u>-398</u>
	Total, Obligations	61,713	63,000	70,115	7,115

OFFICE OF INSPECTOR GENERAL

Obligations by Object Classification, Supplemental, CARES Act (P.L. 116-136)
(dollars in thousands)

Object Class	2020 Actual	2021 Appropriation	2022 Request	Change from 2021 to 2022
11.10 Full-time permanent	\$65	\$2,011	\$2,759	\$748
11.31 Full-time temporary	0	0	0	0
11.32 Part-time	0	0	0	0
11.51 Overtime	0	0	0	0
11.52 Awards	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Compensation subtotal	65	2,011	2,759	748
12.00 Benefits	29	784	1076	292
13.00 Benefits for former personnel	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Comp/benefits subtotal	95	2795	3,835	1,040
21.00 Travel	0	48	98	50
22.00 Transportation of things	0	0	0	0
23.10 Rental payments to GSA	0	0	0	0
23.31 Communications	0	1	1	0
23.32 Postage/fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal 23	0	0	0	0
24.00 Printing and reproduction	0	0	0	0
25.10 Advisory and assistance services	0	0	0	0
25.21 Other services	0	43	43	0
25.22 Training/tuition contracts	0	9	22	13
25.30 Goods/services from Federal sources	0	0	0	0
25.40 Operations/maint of facilities	0	0	0	0
25.70 Operations/maint of equip.	0	0	0	0
25.72 IT services/contracts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal 25	0	0	0	0
26.00 Supplies	0	4	4	0
31.10 IT equipment/software	0	0	0	0
31.30 Other equipment	<u>0</u>	<u>3</u>	<u>3</u>	<u>0</u>
Subtotal 31	0	3	3	0
Total, Obligations	95	2,902	4,004	1,102

OFFICE OF INSPECTOR GENERAL

Summary of Changes
(dollars in thousands)

2021	\$63,000
2022	<u>70,115</u>
Net change	+7,115

Increases:	2021	Change
	<u>Appropriation</u>	from <u>2021</u>
<u>Built in:</u>		
Increase in personnel compensation and benefits.	\$43,154	+\$3,402
Increase in Rent to GSA.	6,718	+48
<u>Program:</u>		
Increase in Travel.	736	+1,072
Increase in Training.	369	+280
Increase in Advisory and Assistance Services.	0	+652
Increase in Communications.	159	+85
Increase in Goods/Services from Government.	1,533	+70
Increase in Supplies.	45	+77
Increase in Information Technology Services/Contracts.	5,508	+1,264
Increase in OIG's cost for IT Equipment/Software.	892	+371
Net changes in other areas.	2,950	<u>-206</u>
Net Change		7,115

OFFICE OF INSPECTOR GENERAL

Authorizing Legislation
(dollars in thousands)

Activity	2021 Authorized	2021 Appropriation	2022 Authorized	2022 Request
Inspector General (<i>DEOA, Section 212</i>).....	<u>Indefinite</u>	<u>63,000</u>	<u>Indefinite</u>	<u>\$70,115</u>
Total appropriation		63,000		70,115

OFFICE OF INSPECTOR GENERAL

Appropriations History
(dollars in thousands)

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2013	\$67,187	\$59,933 ¹	\$59,933 ¹	\$59,820
2014	62,401	59,820 ²	59,820 ²	56,691
Transfer (P.L.113-6)	0	0	0	1,100
2015	62,347	N/A ³	59,700 ³	57,791
2016	59,181	N/A ⁴	58,791 ⁴	57,791
2017	59,256	59,256 ⁵	57,791 ⁵	59,256
2018	61,941	59,256 ⁶	59,256 ⁶	59,256 ⁶
2019	61,143	59,256 ⁷	61,143 ⁷	61,143 ⁷
2020	63,418	67,418	61,143 ⁸	63,000 ⁸
2021	68,019	64,000	63,000 ⁹	63,000 ⁹
2022	70,115			

¹The levels for the House and Senate allowances reflect action on the regular annual 2013 appropriations bill, which proceeded in the 112th Congress only through the House Subcommittee and the Senate Committee.

²The House allowance is shown as N/A because there was no Subcommittee action; Senate allowance reflects Committee action only.

³The House allowance is shown as N/A because there was no Subcommittee action; Senate allowance reflects Senate Subcommittee action only.

⁴The levels for House and Senate allowances reflect action on the regular annual 2016 appropriations bill, which proceeded in the 114th Congress only through the House Committee and Senate Committee.

⁵The levels for the House and Senate allowances reflect Committee action on the regular annual 2017 appropriations bill; the Appropriation reflects the Consolidated Appropriations Act, 2017.

⁶The level for the House allowance reflects floor action on the Omnibus appropriation bill; the Senate allowance reflects Committee action on the regular annual 2018 appropriations bill; the Appropriation reflects the Consolidated Appropriations Act, 2018 (P.L. 115-141).

⁷The levels for the House and Senate allowance reflect Committee action on the regular annual 2019 appropriations bill; the Appropriation reflects enactment of the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 (P.L. 115-245).

⁸The Senate allowance reflects the Chairman's mark; the Appropriation reflects the Further Consolidated Appropriations Act, 2020 (P.L. 116-94).

⁹The level for the House Allowance reflects subcommittee action. The level for Senate Allowance reflects the Chairman's mark; the Appropriation reflects Division H of the FY 2021 Consolidated Appropriations Act, 2021 (P.L. 116-260).

OFFICE OF INSPECTOR GENERAL

Office of Inspector General

(Department of Education Organization Act, Section 212)

(dollars in thousands)

FY 2022 Authorization: Indefinite¹

Budget Authority:

	<u>2021</u> <u>Appropriation</u>	<u>2022</u> <u>Request</u>	<u>Change from</u> <u>2021 to 2022</u>
Personnel Compensation and Benefits			
Costs	\$44,089	\$47,491	+\$3,402
Non-Personnel Costs	<u>18,911</u>	<u>22,624</u>	<u>+3,713</u>
Total	63,000	70,115	+7,115
FTE	236 ¹	236 ¹	0

¹ Excludes 6 FTE associated with Disaster Relief funding and 20 FTE associated with CARES Act funding.

PROGRAM DESCRIPTION

The Office of Inspector General's (OIG) mission is to promote efficiency, effectiveness, and integrity in the U.S. Department of Education's (Department) programs and operations through independent and objective audits, investigations, inspections, and other activities. The role of the OIG is to monitor the Department's performance and report to the Congress and to the Secretary on opportunities for improvement and any problems or deficiencies.

The OIG has authority to inquire about all program and administrative activities of the Department and related activities of all parties working under contracts, grants, or other arrangements with the Department. OIG staff and contracted auditors both make these inquiries.

To carry out its responsibilities, the OIG audits and inspects Department programs and operations to determine compliance with applicable laws and regulations, economy and efficiency of operations, and effectiveness in achieving program goals. The OIG also conducts criminal, civil, and administrative investigations related to the Department's programs and operations.

In addition, the OIG maintains a hotline portal (<https://oighotline.ed.gov>) where anyone may report fraud, waste, or abuse involving Department of Education funds or programs as well as whistleblower reprisal complaints. Allegations can be reported in six languages. The OIG also maintains a hotline phone number (1-800-MISUSED) that provides instructions on how to report fraud, waste, or abuse. Each month the hotline receives approximately 300 complaints and approximately 200 telephone contacts. The OIG also receives over 100 complaints per month through Federal Student Aid's (FSA) Feedback system.

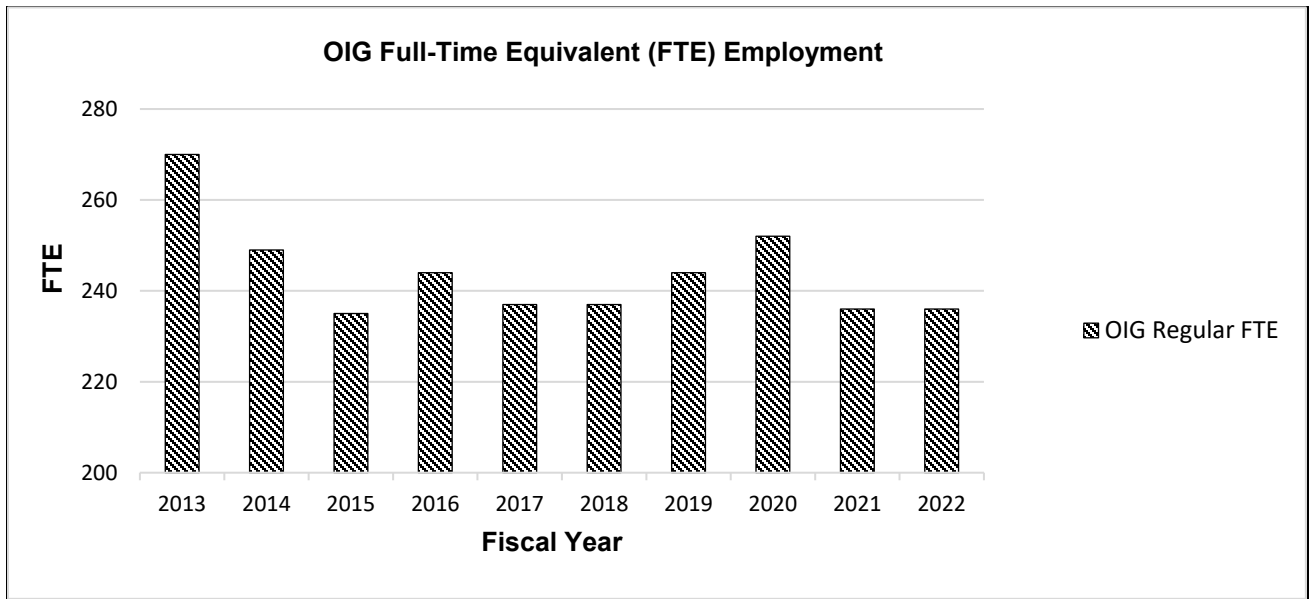
OFFICE OF INSPECTOR GENERAL

Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2017	\$59,256
2018	61,143
2019	61,143
2020	63,000
2021	63,000

FY 2022 BUDGET REQUEST

For fiscal year 2022, the Administration is requesting \$70.1 million, an increase of \$7.1 million more than the fiscal year 2021 Enacted level of \$63 million. The requested amount will allow the OIG to cover its anticipated operational expenses and maintain its fiscal year 2021 staffing level of 236 full time employees (FTE). A 10-year history of the OIG’s staffing is shown in the following chart:



The OIG requests that \$2 million of the appropriation be in no-year funding to allow for flexibility if actual costs are higher or lower than expected, especially for overhead and shared services.

For expenses necessary for the Office of Inspector General, as authorized by section 212 of the Department of Education Organization Act, \$70,115,000 of which \$2,000,000 shall remain available until expended. (Department of Education Appropriations Act, 2021).

The fiscal year 2022 requested amount is the minimum amount needed to sustain the OIG’s present workforce, maintain its current audit, investigative, and information technology security workload, provide funding for statutorily required training, operate its 16 regional and field offices, cover a 2.7 percent pay increase, and resume travel to pre-pandemic levels. Funding below the \$70.1million would result in the OIG imposing a hiring freeze so that it can reduce its FTE workforce to cover its

OFFICE OF INSPECTOR GENERAL

anticipated fiscal year 2022 increased personnel and non-personnel costs. Further, the OIG's budget request does not include the \$6.5 million for its anticipated expiring leases and construction costs associated with its offices in Puerto Rico, Headquarters PCP, and New York and any other building alteration costs. These funds have been included in the Department's Building Modernization budget request. As such, the Department will be responsible for covering those costs directly.

Over the last several years, and as shown in previous budget submissions, unanticipated costs associated with common support and general personnel and non-personnel services have required the OIG to divert funds it intended to use for FTE to cover those costs. As a result, the OIG has not been able to keep pace with the need for its audit and investigative services. An example of this is OIG's audit work, where it has been limited in the number of programs and operations, OIG has been able to audit over the last several years and has been unable to perform a number of planned audits (as presented in OIG's Annual Plans) because of resource limitations and other high-risk work.

In fiscal year 2022, the OIG will continue to operate from various locations throughout the country. Approximately 57 percent of the OIG's staff will be assigned to 16 regional and field office locations in Ann Arbor, Atlanta, Boston, Chicago, Dallas, Denver, Kansas City, Long Beach, Nashville, New York, Philadelphia, Pittsburgh, Pembroke Pines (Florida), Phoenix, Sacramento, and San Juan (Puerto Rico). The remaining 43 percent will be in the Washington, D.C., headquarters office.

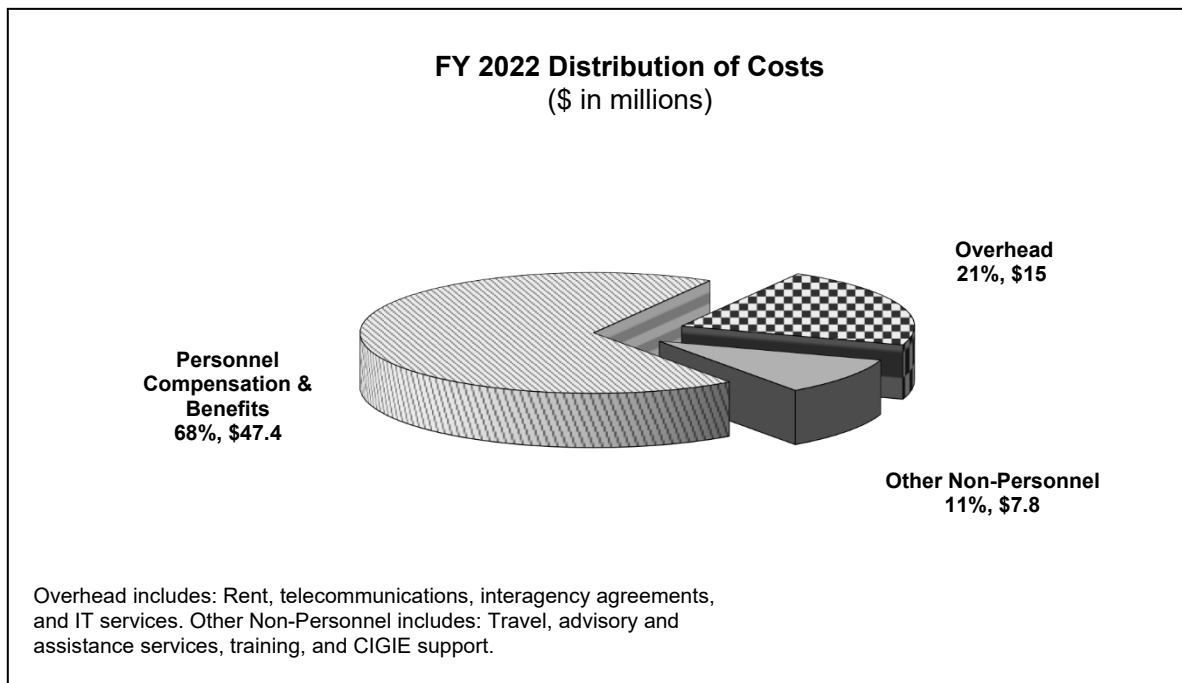
No-Year Funding

The OIG's fiscal year 2021 appropriation included \$2 million in no year funding. The OIG is requesting this again for fiscal year 2022. This no-year funding provides the OIG with additional flexibility for seemingly frequent, unanticipated year-end changes usually associated with common support and central information technology support provided by the Department. These multiyear funds allow for flexibility if actual costs are lower than expected and funds are returned to the OIG at the end of the fiscal year, or if actual costs are higher than expected and additional funds are required from the OIG.

FY 2022 Distribution of Costs

Below you will find the OIG's justification for the requested amount, including information on operational and distribution costs and OIG priorities specific to its audit, investigative, and information technology security efforts.

OFFICE OF INSPECTOR GENERAL



In accordance with § 6(g) of the Inspector General Act, 5 U.S.C. app 3 § 6(g)(1), the Inspector General has certified that the amount requested for required training of OIG's staff, including amounts designated for the statutorily required training provided by the Federal Law Enforcement Training Center (FLETC), the Inspector General Criminal Investigator Academy (IGCIA), and in the Department's centralized services, would satisfy all the OIG's fiscal year 2022 training requirements.

Personnel Compensation and Benefits (PC&B) Costs

Personnel compensation and benefits costs (PC&B) is the largest of OIG's operational costs (68 percent of the OIG budget). At the fiscal year 2022 funding request, the OIG will be able to sustain 236 FTE, with a PC&B expectation of \$47.4 million. This is a \$3.4 million increase over fiscal year 2021, resulting from a 2.7 percent pay increase and associated increase in benefits.

Law Enforcement Availability Pay

The fiscal year 2022 Request also covers law enforcement availability pay (required by 5 U.S.C. § 5545) paid to criminal investigators who are required to be available during hours that are not part of the regular work week. For the budget request, law enforcement availability pay is included in the regular personnel compensation amount.

Non-Personnel Costs

OIG is requesting \$22.6 million in fiscal year 2022 for Non-Personnel costs, an increase of \$3.7 million over fiscal year 2021 Enacted level. Of the total, \$15 million is for Departmental Centralized

Services (overhead expenses), including the Department's IT infrastructure and support contracts

OFFICE OF INSPECTOR GENERAL

(Department IT contracts), and \$7.6 million is for other non-personnel operational costs.

Departmental Centralized Services Overhead Costs

Departmental Centralized Services Overhead is the OIG's second largest pool of costs (21 percent of the OIG's budget). The OIG is requesting \$15 million in fiscal year 2022 for overhead costs/Departmental centralized services, \$1.5 million more than the fiscal year 2021 Enacted level. Rent and the Department's information technology contract use approximately 87 percent of the centralized services resources. Other major items included in overhead costs are interagency agreements for services such as payroll processing, guard services, background security investigations, communications, and information technology services and contracts. In addition, the communications and information technology services and contracts amounts will be used primarily for the Department's information technology contracts, which cover equipment, telecommunications, processing services, network support, end-user support, maintenance, and improvements.

Departmental Centralized Services (dollars in thousands)

Item	2021 Appropriation	2022 Request	Difference
Rent	\$6,718	\$6,766	\$48
Central IT	4,865	6,155	1,290
Other Central Support	1,824	1,943	119
Centralized Services	\$13,407	\$14,864	\$1,457

Other Non-Personnel Costs

The OIG's fiscal year 2022 budget request for other non-personnel costs is \$7.8 million, representing 11 percent of the OIG's overall budget. This is an increase of \$3.7 million over the fiscal year 2021 level. These costs include travel, training, contracts, services, and IT needs not covered by the Department's centralized services.

Travel

The OIG is requesting \$1.8 million in fiscal year 2022 for travel, \$1.1 million more than the fiscal year 2021 Enacted level. The requested amount for fiscal year 2022 covers travel expenses for the requested staff of auditors, investigators, and other specialists and is necessary to perform the OIG audit and investigative mission. Most OIG work involves travel to State Educational Agencies, local educational agencies, schools, other grantees, loan servicers, contractors, and other recipients of Federal education funds, to conduct audits, and for criminal investigators to travel to Federal, State, and local courthouses, and numerous locations to interview witnesses, conduct search and arrest warrants, and gather evidence. Many of these locations are outside of cities where the OIG has staff, thus necessitating travel.

OFFICE OF INSPECTOR GENERAL

Advisory and Assistance Services

Federal Information Security Modernization Act (FISMA) Audit. The OIG is requesting \$652,000 in fiscal year 2022 for advisory and assistance services, \$652,000 more than the fiscal year 2021 Enacted level. The requested funding level would provide contractor support for audit services that support assessing the effectiveness of the Department's information security program as mandated by FISMA. As part of that review, the OIG will also continue to evaluate the effectiveness of general and technical IT security controls of the Department's mission-critical and support systems and the Department's overall information security plans, programs, and practices.

Other Services

The OIG is requesting \$1.9 million in fiscal year 2022 for contracted services needed for the OIG to meet statutory audit requirements, \$128,000 more than the fiscal year 2021 Enacted level. This amount is primarily to contract with an independent certified public accounting firm to audit the Department's financial statements. In accordance with the Inspector General Act of 1978, as amended, and the Chief Financial Officer Act, the OIG oversees the financial statement audits. The audits will result in reports on the Department's, and FSA's financial statements. Audits will examine and analyze account balances, review applicable financial systems, and evaluate internal controls and compliance with certain laws, regulations, contracts, and grant agreements. Audit results will assess the fair presentation of the financial statements, make recommendations for improving financial management, accountability, and stewardship, and identify areas requiring further review by management. The fiscal year 2022 request also includes \$492,000 for car leases, an increase of \$100,000 over the fiscal year 2021 Enacted level.

Training

The OIG is requesting \$526,000 in fiscal year 2022 for training, \$251,000 more than the fiscal year 2021 Enacted level, for the OIG-specific training of auditors, investigators, and business operations staff. Training funds are needed to provide professional and statutorily mandated training for the OIG's auditors and investigators. As required by the Government Accountability Office, auditors performing work under generally accepted Government auditing standards must maintain professional competencies through continuing professional education (CPE) by completing, every 2 years, at least 80 hours of CPE that directly enhance the auditor's professional proficiency to perform audits or attestation engagements. At least 20 hours of the 80 should be completed in any 1 year of the 2-year period. The OIG's criminal investigators must also complete periodic statutory and Attorney General-mandated law enforcement training requirements to maintain their statutory law enforcement authorities. The OIG maintains a staff of accredited trainers to deliver firearms and other mandated training to the OIG investigators, and the trainers require specific refresher courses to maintain their accreditation. In addition, the requested amount will cover the costs of review courses and examinations to obtain professional certifications, such as Certified Public Accountant, Certified Information Systems Auditor, Computer Forensic Examiner, and Certified Fraud Examiner; send the OIG investigators to FLETC/IGCIA; and obtain advanced IT skills to address ever increasing computer requirements and processes, as well as combat new threats and weaknesses.

To control the costs associated with mandatory training requirements, the OIG plans to continue to use such technologies as WebEx, video conferencing, and web-enabled training courses to

OFFICE OF INSPECTOR GENERAL

accomplish continuing education requirements, as well as using qualified OIG staff to deliver required training while attending only essential/critical vendor-offered courses. The OIG will also continue to minimize training costs by having staff attend CIGIE-supported or OIG community-sponsored training events.

Goods/Services from Government

The OIG is requesting \$549,000 in fiscal year 2022 for goods and services from shared Federal sources, an increase of \$46,000 from the fiscal year 2021 Enacted level. Within this request, \$255,600 will cover the OIG's funding support for the Council of the Inspectors General on Integrity and Efficiency (CIGIE), in accordance with § 6(g) of the Inspector General Act of 1978, as amended, 5 U.S.C. This contribution is 0.36 percent of the OIG fiscal year 2022 designated funding level based on a total budget request of \$71 million, including the CIGIE amount. The fiscal year 2022 request also includes \$183,250 in miscellaneous interagency agreements covering a variety of services provided by other Federal agencies, of which \$95,000 is designated for FLTEC and IG CIA for required training.

IT Services/Contracts

The OIG is requesting \$623,000 in fiscal year 2022 for IT services/contracts, \$9,000 less than the fiscal year 2021 Enacted level, for contracts for system support and expertise. This request includes programmer services and maintenance for various OIG systems and applications, and services and support for IT security operations, computer forensics, and data analytics experts. None of these costs are covered by the Department Centralized Services IT funding.

IT Equipment/Software

OIG is requesting \$1.2 million in fiscal year 2022 for IT equipment/software, \$373,000 more than the fiscal year 2021 Enacted level. This amount covers support for non-centralized IT software maintenance agreements, software license renewals, and equipment purchases necessary for the OIG to conduct its audit and investigative work. None of these costs are covered by the Department Centralized Services IT funding.

FY 2022 Priorities and Goals

The OIG's strategic goals are the following:

Goal 1: Deliver high-quality, timely, and impactful products and services that promote efficiency, effectiveness, and integrity in the Department's operations and programs.

Goal 2: Cultivate a diverse, highly skilled, and inspired workforce with enough resources to carry out the OIG's mission.

Goal 3: Implement internal processes that promote organizational effectiveness, stewardship of resources, and accountability.

Audit Priorities

The OIG will meet these goals through audits, investigations, human capital planning,

OFFICE OF INSPECTOR GENERAL

enterprise risk management, and other activities. These activities may identify problems, deficiencies, or opportunities for improvement and the OIG will communicate the results to those who need the information and who will monitor the results of the work to ensure issues are addressed. For fiscal year 2022, the OIG audit and investigative work look to cover the following priority/high risk areas.

OIG's audit work will continue to focus on areas of significant impact, related primarily to the Department's Management Challenges, and informed by input from the Department, Congress, and OMB. OIG will ensure that statutorily mandated work is prioritized so that OIG meets statutory deadlines and reporting requirements. OIG pursues work primarily based on OIG's published work plan, and meet quarterly to prioritize which work to begin, including newly emerging issues. OIG has placed an emphasis on improving oversight of Department programs, broadly, through a combination of audit work at the Department, and external audit work at recipients of Departmental funds. OIG has dedicated a portion of OIG's staff to develop quick response work on high priority time-sensitive issues, including requests from Congress or the Department. Following is a description of key areas OIG plans to focus on.

Student Financial Assistance Programs

- **Postsecondary Education for Students Without a High School Diploma or the Certificate of Equivalency - School Compliance with Career Pathway Programs and Ability to Benefit Provisions**—Determine the extent to which FSA (1) maintained information on which schools provide career pathway programs, (2) reviewed the eligibility of career pathway programs through program reviews and compliance audits, and (3) accurately identified and ensured correction of any program weaknesses. Also, determine the extent to which (1) selected schools developed and implemented career pathway programs that met HEA eligibility requirements, (2) students enrolled in selected schools' career pathway programs met ability-to-benefit requirements, and (3) schools correctly calculated career pathway program students' cost of attendance and Title IV aid awards and correctly determined students' enrollment statuses.
- **Monitoring of Title IV Program Participants - The Department's Plans and Processes to Proactively Monitor the Financial Health of Postsecondary Schools**—Determine the Department's plans and processes for monitoring the financial health of postsecondary schools during the pandemic to mitigate harm to students and taxpayers.
- **Streamlining Student Aid Systems and Processes - FSA's Transition to the Next Generation FSA Financial Services Environment**— Determine the extent to which FSA has processes for planning and managing the transition to the Next Generation Processing and Servicing Environment to achieve the project's goals and outcomes.

State and Local Programs

- **Charter Schools - Effectiveness of Charter School Program Grants in Increasing the Number of High-Quality Charter Schools**—Determine whether (1) selected Charter School Program grantees opened the number of charter schools proposed in their approved grant applications and (2) charter schools funded by Charter School Program grants remained open after the funding ended.

OFFICE OF INSPECTOR GENERAL

- **Every Student Succeeds Act (ESSA) - Statewide Accountability Systems Under ESSA**—Determine whether (1) the Department provided adequate oversight of State educational agencies (SEA) implementation of their approved Statewide accountability systems, particularly with regard to school identification and improvement, and (2) selected SEAs developed and implemented Statewide accountability systems and related requirements in accordance with the Elementary and Secondary Education Act, as amended by ESSA, as well as their approved consolidated State plans.
- **Grantee Monitoring - The Department's Controls over Student Support and Academic Enrichment Program Grants**—Determine whether the Department adequately oversaw grantee performance and funds awarded under the Student Support and Academic Enrichment program and ensured that SEAs met reporting requirements as established by ESSA.

Departmental Operations

- **Financial Statement Audits.** The Government Management Reform Act of 1994 expanded the Chief Financial Officers Act of 1990 by requiring, among other things, the annual preparation and audit of organization-wide financial statements of the Executive Branch departments. The OIG annually oversees and monitors the work performed by an independent public accounting firm contracted to provide an opinion on whether Department- and FSA financial statements are fairly presented. Also, under OIG oversight, the independent public accounting firm reports any material weaknesses and significant deficiencies in the Department's or FSA's internal control over financial reporting and any instances of noncompliance with certain laws, regulations, contracts, and grant agreements.
- **Improper Payments.** The Payment Integrity Information Act of 2019 requires each agency's Inspector General to determine the agency's compliance with the statute for each fiscal year. As part of this review, the OIG also evaluates various actions concerning improper payments taken by the agency.
- **Business Operations.** The effectiveness and efficiency of the Department's business operations are critical to ensure its capability to successfully manage its programs and protect its assets. The OIG regularly devotes resources to reviews that assess the Department's business operations and identify opportunities for improvement. OIG's planned and ongoing work includes an audit to assess the Department's grant closeout process and required assessments of the Department's purchase card program and its compliance with the Digital Accountability and Transparency Act of 2014.

Emerging Areas

- **Quick Response Work.** Throughout the year, the OIG allocates resources in response to high priority time-sensitive issues. This work may be based on requests from Congress or Department program offices, hotline allegations, or OIG performed risk analysis. Objectives will vary based on the nature of the referral or concerns identified.

OFFICE OF INSPECTOR GENERAL

Investigation Priorities

The OIG strives to investigate all legitimate allegations of fraud, corruption, and other criminal activity involving Department funds and programs. Unfortunately, due to staffing limitations, OIG has only been able to investigate those matters of the highest priority that would have the most significant impact on the Department's programs and operations. OIG needs and wants to do more, as bad actors and fraudsters may be able to further their schemes and scams while OIG tackles those higher-risk, higher priority cases. OIG investigations are often based on complex regulatory schemes, involve persons and entities that are geographically dispersed, and can take several years to fully develop and resolve — but can result in significant recoveries for the Federal government.

In fiscal year 2022, the OIG anticipates focusing on the following areas:

- **Postsecondary Institutions.** The OIG will continue to devote significant resources to conducting criminal and civil investigations of postsecondary schools (i.e., for-profit, public, and private nonprofit institutions), as well as other entities that participate in these programs. Federal student aid programs represent the largest concentration of education program dollars at risk. In fiscal year 2020, OIG's postsecondary investigations resulted in the recovery of approximately \$31.1 million. These investigations currently represent approximately 53 percent of OIG's investigative inventory.
- **Elementary and Secondary Education Fraud.** The OIG will continue to focus significant resources on allegations of bribery and theft involving State and local public-school officials. From fiscal year 2016 through fiscal year 2020, the OIG investigated 127 cases involving elementary and secondary education programs. During that time, these investigations have resulted in 102 indictments and 75 convictions, and 10 civil actions securing more than \$42.4 million in restitution, fines, and civil recoveries.
- **Charter Schools.** The OIG will continue to conduct criminal investigations of fraud in charter schools. From fiscal year 2016 through fiscal year 2020, the OIG conducted 43 investigations, which represented 34 percent of the OIG's Elementary and Secondary inventory. During that time, charter school investigations resulted in 15 indictments, 16 convictions, and the recovery of over \$13.2 million.
- **Distance Education Fraud.** The OIG will continue to conduct criminal investigations involving fraud resulting from the vulnerabilities associated with the delivery of distance education; however, the OIG will generally only focus on cases involving a significant financial loss. Currently, these investigations represent about 23 percent of all open OIG cases. The OIG will continue to refer matters that are not investigated or prosecuted to the Department so that it can take appropriate action to avoid future improper payments. Distant education fraud rings represent, on average, 19 percent of the cases conducted by the OIG between fiscal years 2016 and 2020. During this time period, investigations in this area resulted in 114 indictments, 107 convictions, and recoveries of approximately \$21.1 million.
- **Whistleblower Reprisal Investigations.** The OIG continues to conduct administrative investigations of whistleblower reprisal complaints, as well as evaluate the underlying

OFFICE OF INSPECTOR GENERAL

allegations to determine if criminal or civil investigations are warranted. In 2020, the OIG received 19 whistleblower reprisal complaints resulting in 16 preliminaries initiated by the OIG to resolve these allegations.

IT Audits and Cybercrime Priorities

The OIG was one of the first offices of inspectors general to establish a combined audit-investigative information technology unit, combining audit, investigative, and computer evidence expertise to address management and security issues. The OIG's Information Technology Audits and Computer Crime Investigations (ITACCI) component conducts information technology audits, investigates computer-related crimes, provides digital forensic services, and conducts proactive data analytics. ITACCI also provides expert data analysis in support of OIG investigations and audits, develops risk models, and coordinates data mining efforts.

- **Federal Information Security Modernization Act (FISMA) Audit.** FISMA requires the OIG to perform an annual evaluation assessing the effectiveness of the agency's information security program. Each year, OIG plans and executes an annual audit to determine whether the Department and FSA's overall information technology security programs and practices are effective as they relate to Federal information security requirements. The Department maintains 116 systems that are classified as operational and are reportable under FISMA, and many of those systems contain the personally identifiable information of millions of people and are used to administer and disburse billions of Federal student aid dollars. Due to limited resources, the OIG can only complete the statutory FISMA audit.
- **Data Analytics.** ITACCI looks to focus its data analytics efforts in the growing area of fraud involving Department programs and operations and illegal electronic financial transactions. This includes unauthorized payment requests, ineligible program participants, and program abuse and fraud. This data analytics activity requires the OIG to continue to maintain its data risk assessment systems that allow the OIG to discern patterns indicating fraud, waste, and abuse and allow dynamic audit and investigative planning using risk-based analysis. ITACCI also looks to conduct data analytics projects to proactively identify criminal activity impacting the Department's programs examine the effectiveness of the relief programs, and proactively identify misuse, theft, and other criminal activity involving Department funds, including OIG's specialized work involving CARES Act and disaster recovery funds.
- **Network Intrusion/Cybercrime.** As the Department's data systems house the personally identifiable information of millions of student loan borrowers and their families, ITACCI must continue to prioritize its efforts to detect intrusions and unauthorized access into the Department's systems and criminal misuse of the Department's systems and electronic data. As criminal intrusion activity evolves, so must OIG's ability to identify and stop it. ITACCI must have the ability to identify new and emergency threats and conduct advanced digital forensics in support of high-technology investigations.
- **IT Oversight and Operational Support.** ITACCI is also responsible for providing IT oversight and operational support to OIG staff, including designing, installing, testing, implementing, and maintaining critical OIG databases and systems, and coordinates the purchase of OIG IT hardware, software, and related items. The team works to ensure the integrity and security of

OFFICE OF INSPECTOR GENERAL

sensitive OIG audit and investigative data and proactively identify and implement technology solutions for the OIG to conduct its mission more efficiently.

Additional Supplemental Appropriations

The OIG is grateful to have received supplemental appropriations for its oversight activities specific to the coronavirus pandemic and disaster recovery. Through this funding, the OIG has hired term employees and looks to hire additional term staff in fiscal year 2022 to assist with OIG's oversight work in these areas. In Fiscal year 2022, OIG also plans to evaluate contract vehicles to further assist with OIG's coronavirus-related oversight efforts.

Coronavirus Response and Relief Aid Oversight

In fiscal year 2020 and fiscal year 2021, the OIG received a total of \$17 million to carry out oversight activities related to coronavirus response and relief aid. The funding was made available through (1) the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), that provided the OIG with \$7 million for oversight efforts to remain available through September 30, 2022; (2) the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 that provided the OIG with \$5 million in no-year funding; and (3) the American Rescue Plan that provided the OIG with another \$5 million in no-year funding. In fiscal year 2022, the OIG looks to do the following:

- **Higher Education:** The OIG plans to conduct audits at the Department and schools that will focus on the Department's implementation of changes and waivers in programmatic requirements and monitoring and schools' use of funds and flexibilities. The OIG anticipates its fiscal year 2022 work to continue to focus on the Department's administration of the CARES and other coronavirus programs and funding and grantee implementation of awarded funds, including FSA's implementation of the suspension of involuntary collections on defaulted student loans and schools' use of the CARES Act's flexibilities for the campus-based programs.
- **K-12:** The OIG plans to conduct audits that will focus on the Department's grant award and oversight processes and States' and school districts' uses of funds. The OIG's work in fiscal year 2022 will continue to focus on the Department's processes for administering and overseeing grantee compliance with CARES Act and other coronavirus funding, including Education Stabilization Fund discretionary grants, as well as States' processes for awarding and monitoring subgrants under the Governor's Emergency Education Relief Fund and uses of funds under the CARES Act programs.
- **Department Management:** While addressing programmatic changes and performing additional grant awarding and monitoring activities for new programs authorized under the CARES Act, Coronavirus Supplemental, and American Rescue Plan, the Department must continue to fulfill its existing responsibilities and maintain operations to help ensure effective program performance and compliance. The OIG plans work to assess the Department's continued oversight of both Title IV participants and its early learning, elementary, and secondary education grant programs while implementing coronavirus-related education programs and requirements.

OFFICE OF INSPECTOR GENERAL

- **CARES Act Investigations.** The OIG anticipates an increase in allegations of criminal activity associated with funds disbursement 24-36 months after the passage of legislation containing emergency funds for benefits, under the CARES Act. The OIG will continue to detect fraud and conduct criminal investigations resulting from vulnerabilities associated with the diversion of CARES Act funds or the illegal interference with the Department's ability to effectively provide authorized assistance.

Disaster Recovery

In fiscal year 2018 and fiscal year 2019, the OIG received \$6 million in no-year funds for its oversight efforts specific to disaster recovery. The funding was made available through the (1) Additional Supplemental Appropriations for Disaster Relief Act of 2019; and (2) the Bipartisan Budget Act of 2018. The OIG expects to continue performing work related to disaster recovery in FY 2022, including reviews of funding allocations, data reliability, and uses of funds under the Immediate Aid to Restart School Operations and Temporary Emergency Impact Aid for Displaced Student programs.

OFFICE OF INSPECTOR GENERAL

PROGRAM PERFORMANCE INFORMATION

Specific results from audits and investigations are summarized twice yearly in the OIG Semiannual Report to Congress. All OIG reports are available on OIG's website, <http://www2.ed.gov/about/offices/list/oig/reports.html>.

Performance Measures:

In 2017, OIG developed its "Five-Year Strategic Plan" covering fiscal years 2018-2022. The plan describes the focus and direction of OIG's operations, establishes OIG's organizational goals, and outlines the strategies OIG will employ to reach those goals and the measures OIG will use to evaluate OIG's performance.

OIG's **first goal** is to deliver high-quality, timely, and impactful products and services that promote efficiency, effectiveness, and integrity in the Department's operations and programs. The strategies adopted to achieve this goal include: (1) maximize value through risk-based resource allocation, (2) provide value-added audit, investigative, and other services, (3) deliver timely results, (4) effectively and efficiently use technology to identify threats to the department's programs and operations, (5) promote data protection and information technology security, and (6) conduct effective outreach to promote programmatic and operational integrity.

OIG's **second goal** is to cultivate a diverse, highly skilled, and inspired workforce with enough resources to carry out the OIG's mission. The strategies implemented to achieve this goal are to: (1) cultivate workforce excellence, (2) provide necessary resources, (3) promote an inclusive workplace environment, and (4) recognize achievement. OIG issued a Diversity and Inclusion Strategic Plan this year that articulated specific strategies and actions to move OIG forward towards this second goal.

OIG's **third goal** is to implement internal processes that promote organizational effectiveness, stewardship of resources, and accountability. The strategies in place to achieve this goal are to: (1) promote effective financial operations, (2) deliver superior operational support, (3) provide effective quality assurance, and (4) apply an effective enterprise risk management framework.

Performance measures are reviewed annually and revised, as necessary. Several key performance measures are shown below.

Measure: Audits initiated each year in accordance with policy and focused on areas of high risk or significant importance.

Year	Target	Actual
2018	85%	100%
2019	85	100
2020	85	100
2021	85	
2022	85	

OFFICE OF INSPECTOR GENERAL

Measure: Investigations initiated each year in accordance with policy and focused on areas of high risk or significant importance.

Year	Target	Actual
2018	80%	92%
2019	80	89
2020	75	91
2021	75	
2022	75	

Measure: Recommendations in reports issued during the FY accepted by the Department and corrective action plans agreed to by OIG management.

Year	Target	Actual
2018	90%	95%
2019	90	93
2020	90	100
2021	90	
2022	90	

Measure: Draft and final audit and alternative project reports issued in accordance with policy, including applicable standards, and by the agreed-upon date.

Year	Target	Actual
2018	70%	92%
2019	70	96
2020	70	72
2021	70	
2022	70	

Measure: Preliminary inquiries of fraud, waste, and abuse processed for case initiation (investigation) or closure with a final disposition within 120 days.

Year	Target	Actual
2018	75%	76%
2019	70	77
2020	70	80
2021	70	
2022	70	

OFFICE OF INSPECTOR GENERAL

Measure: Preliminary inquiries converted to full investigations by OIG management that resulted in a criminal, civil or administrative action, or monetary result (Investigation Services).

Year	Target	Actual
2018	70%	81%
2019	70	80
2020	70	70
2021	70	
2022	70	

Measure: Preliminary inquiries converted to full investigations by OIG management that resulted in a criminal, civil or administrative action, or monetary result, or actionable referral to the Department (ITACCI).

Year	Target	Actual
2018	50%	50%
2019	70	100
2020	70	75
2021	70	
2022	70	

Measure: Information technology audits issued in accordance with policy and accepted by management by the agreed upon date.

Year	Target	Actual
2018	75%	100%
2019	90	98
2020	75	81
2021	75	
2022	75	

Measure: Substantive comments provided by OIG resulted in changes in legislation, regulations, or other policies.

Year	Target	Actual
2018	70%	86%
2019	70	78
2020	70	71
2021	70	
2022	70	

OFFICE OF INSPECTOR GENERAL

Measure: Freedom of Information Act responses processed in accordance with statutory requirements and delivered to requestors within required deadlines.

Year	Target	Actual
2018	90%	91%
2019	90	78
2020	90	71
2021	90	
2022	90	

Measure: Hotline complaints processed in accordance with policy and within the established deadlines.

Year	Target	Actual
2018	75%	94%
2019	80	95
2020	85	95
2021	85	
2022	85	