

# Semiannual Report To Congress

*October 1, 2016 to March 31, 2017*



**Committee for Purchase From People Who Are Blind or Severely Disabled  
Office of Inspector General**



**An independent Federal agency responsible for the administration on the Javits-Wagner-O'Day Act (41 U.S.C. §§8501-8506).**

*Operating as the U.S. AbilityOne Commission*



**The U.S. AbilityOne Commission carries out the AbilityOne powers and responsibilities.**



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## MESSAGE FROM THE INSPECTOR GENERAL

On behalf of the Committee for Purchase From People Who Are Blind or Severely Disabled (CPPBSD) Office of Inspector General (OIG), I am pleased to present our second Semiannual Report to Congress for the period ended March 31, 2017. CPPBSD was established by Congress on December 18, 2015 (P.L. 114-113) and, as required by Section 5 of the Inspector General Act of 1978 (IG Act), as amended (5 U.S.C. App.), this report outlines the performance activities undertaken by the OIG from October 1, 2016 to March 31, 2017.

Over the past 6-month period, the OIG did not perform audits or investigations as we progress through the early stages of OIG's formation and development. OIG continues to implement OIG management actions and strategic outreach engagements to help ensure effective independent operations. The accomplishments necessary to stand up the OIG are far more than performance management standards, they translate words into actions to achieve the desired outcome to deliver critical services most effectively into the future. The execution and application for managing, operating, and conducting the work of the OIG, requires continuous communication with Congress and the CPPBSD. I would like to express my appreciation to CPPBSD's Chairperson for his steadfast support as we continue to develop the OIG into a dynamic, resourceful and independent entity.

In closing, the management philosophy and operating style of OIG strives to promote the CPPBSD mission, and work in the best interest to preserve and protect CPPBSD's programs, operations and the people served. As we pursue the IG mandate through continued collaboration, innovation and smart investments, the three-year implementation timeframe, this strategy continues to set the course for future success.



Eugene Quinn Jr.  
Acting Inspector General  
April 28, 2017

## EXECUTIVE SUMMARY

The semiannual report is issued by the Committee for Purchase From People Who Are Blind or Severely Disabled (CPPBSD) Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978 (IG Act), as amended. It summarizes the OIG's strategic activities and accomplishments for the period October 1, 2016 through March 31, 2017.

During the reporting period the OIG did not engage in audits or investigations due to the continued effort in developing an independent and objective operational infrastructure. Strategic efforts were focus on OIG's initial management operations and noteworthy actions to demonstrate continued collaboration, innovation and smart investments. In addition, OIG continued to develop the relationship with Congress to provide the legislative safety net that helps protect IG independence and objectivity from the start.

Towards implementing a full and traditional OIG, the following performance outcomes reflect advanced progress on:

- Financial Management;
- Human Capital Management;
- IT Management;
- Procurement and Acquisition Management; and
- Real Property Management.

In addition, while confronting limited resources and budget constraints, OIG's strategic engagements with CPPBSD provided opportunities to understand and support the following agency activities:

- Annual Reporting Provisions;
- Financial Statement Performance; and
- Organizational Emerging Matters.

The OIG inaugural tactical approach builds on the ambitious formulated and adopted efforts to help ensure effective CPPBSD programs and operations. In all matters relating to OIG work, we incorporated the quality standards framework set by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and information derived from the Government Performance and Results Act (GPRA) Modernization Act of 2010 (GPRAMA) for the betterment alignment of goals, objectives and expected outcome.

## INTRODUCTION

In 1938, Congress passed the Wagner-O'Day Act to provide employment opportunities for people who are blind to manufacture mops and brooms to sell to the Federal Government. In 1971, the Javits-Wagner-O'Day (JWOD) Act expanded the Wagner-O'Day Act to include people with significant disabilities, and also authorized for services to be provided to the Federal Government. The JWOD Act established the Committee for Purchase From People Who Are Blind or Severely Disabled (CPPBSD), as the federal agency responsible for implementing and administering 41 U.S.C. §§ 8501-8506. In 2007, CPPBSD adopted the AbilityOne® trademark to organize the program under a distinctive banner. In 2011, the Committee adopted the operational name of the U.S. AbilityOne Commission (hereafter Commission), to take advantage of the strong and unified AbilityOne name without affecting the statutory name of the agency.

Over the years, the Commission has administered and managed the employment program for people who are blind or have significant disabilities. The Commission is composed of 15 Presidential members: 11 who represent Federal agencies and four who are private citizens knowledgeable about the employment challenges faced by people who are blind or have significant disabilities. The Commission is supported by a full-time staff of 24 individuals, and led by a career Senior Executive Service (SES) member. The Commission has designated two central nonprofit agencies (CNAs) to assist with program implementation: National Industries for the Blind (NIB) and SourceAmerica. Today, the AbilityOne program provides job opportunities to more than 47,000 Americans, through a national network of 500 plus nonprofit agencies (NPAs), and accounts for about \$3.2 billion in Federal contracts.

On December 18, 2015, Congress amended the IG Act in Public Law (P.L.) 114-113 to establish the CPPBSD Office of Inspector General (OIG). The Consolidated Appropriations Act of 2016, enabled the CPPBSD Chairperson to appoint an Inspector General for the Committee. The OIG stand up operations began in June 2016 after the Assistant IG for Investigations was appointed Acting IG. As such, the OIG is part of the organizational structure of the parent agency CPPBSD; however, its operational environment is different from the U.S. AbilityOne Commission to avoid interference with IG's independence and oversight responsibility on AbilityOne's functions and activities.

The long history and past performance of AbilityOne's programs and operations are indicative of future success and continued innovation. The mutual desire of the Commission and OIG is to promote program economy, efficiency and effectiveness. The Commission's role is to manage the AbilityOne programs and operations. OIG's role includes providing measures to prevent and detect fraud, waste, abuse, or mismanagement for the greater benefit on employment opportunities for the blind and significant disabled; as well as ensure sustained products and services for the benefit on government-wide operations. AbilityOne is more than a mandatory source for the purchase of products and services by the federal government. It should influence efficient government spending while making a difference in the lives of the American people who are blind or have significant disabilities.

## REVIEW OF LEGISLATION AND REGULATIONS

Section 4(a)(2) of the IG Act authorizes the IG to review and comment on existing and proposed legislation and regulations relating to the agency, or affecting OIG operations. We provided feedback on three important legislations.

Section 898 of the National Defense Authorization Act for Fiscal Year 2017 (P.L. 114-328), requires the Secretary of Defense to establish the Panel on the Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity. The nexus of the 898 Panel is to address effectiveness and internal controls for Department of Defense (DoD) AbilityOne contracts. The Act also requires the Secretary of Defense to establish a more comprehensive AbilityOne training program at the Defense Acquisition University (DAU). The Panel includes representation across-DoD Components, U.S. AbilityOne Commission, and the Inspector General from both DoD and CPPBSD. OIG's feedback provided for future duties assigned to the Panel and complement the progress on the OIG build-up, minimize duplication of efforts and preserve the IG independence.

President Obama signed into law the Inspector General Empowerment Act of 2016 (H.R. 6450), to strike an appropriate balance between affording Inspectors General the access they need and protecting American's privacy and civil liberties. Subsequently, CIGIE stood up working groups for the implementation of the many provisions of the Inspector General Empowerment Act. CPPBSD OIG took a particular interest on the new reporting requirements (IG Act §5) for the Semiannual Reports to Congress (SARC). We offered comments to assist CIGIE and the IG community on the establishment of a guide designed to assist IG Offices in complying with the revisions and additional reporting requirements.

Discussion draft legislation on Every Dollar Counts Act of 2016 (MIR16654), proposes the elimination, consolidation, and realignment of certain IGs. The draft bill also proposes CIGIE to run a hotline for IGs, the change of pay of certain IGs, and other amendments to the IG Act. CPPBSD OIG was mentioned as a new established entity, but also proposed alignment to another Department IG Office. We developed an Information Paper to depict the CPPBSD OIG initial operational actions towards standing up a full IG Office capability, and the potential impact on the proposal for the alignment into another Department IG Office. Further coordination with the appropriate committees or subcommittees of Congress will follow.

## MAJOR ACTIVITIES, INITIATIVES, AND RESULTS

Pursuant to Section 5(a) of the IG Act, the IG is responsible to report on the following 22 areas accordantly.

1. Significant problems, abuses and deficiencies.
2. Recommendations with respect to significant problems, abuses, and deficiencies.
3. Prior significant recommendations not yet completed.
4. Matters referred to prosecute authorities.
5. Summary of instances where information was refused or not provided.
6. List of audit, inspection, and evaluation reports issued, and dollar value of questioned costs and funds put to better use.
7. Summary of each significant report.
8. Statistical table showing the number of audit, inspection, and evaluation reports issued, and total dollar value of questioned costs to include unsupported costs.
9. Statistical table showing the number of audit, inspection, and evaluation reports issued, and dollar value of recommendations that funds be put to better use.
10. Summary of audit, inspection, and evaluation reports issued before the commencement of the reporting period for which no management decision was made.
11. Significant revised decisions by management during the reporting period.
12. Significant management decisions in which the Inspector General was in disagreement.
13. Applicable related reporting of the Federal Financial Management Improvement Act.
14. Information regarding peer review involving the OIG.
15. Outstanding recommendations from any peer review conducted by another OIG.
16. Peer reviews conducted by the IG of another OIG during the reporting period.
17. Statistical table showing the total of investigative reports, referrals, indictments and criminal information that resulted from prior referral to prosecuting authorities.
18. Description of the metrics used for developing the data for the statistical investigative table and related information.
19. Report on each investigation involving a senior Government employee where allegations of misconduct were substantiated.
20. Description of any instance of whistleblower retaliation.
21. Description of any attempt to interfere with the independence of the OIG.
22. Description of work conducted by OIG that is closed and not disclosed to the public.

## OIG OPERATIONAL PROGRESS

During this reporting period, the OIG did not deliver quality audit or investigative products and services. Instead, OIG's continued efforts were directed towards standing-up the OIG operational environment. The following depicts the most significant accomplishments from the 3-year implementation plan and help ensure future OIG workforce excellence:

- Selected, appointed and employed a full-time Administrative Officer and a part time General Counsel to carry out the OIG functions, powers, and duties.
- Developed and established policy for OIG mission, organization, management responsibilities, functions, and working relationships.
- Created a Chairperson Transition Handbook and OIG Handbook to inform, communicate and understand the OIG administrative and functional operations.
- Drafted a manual on the procedures and responsibilities for the conduct and reporting on investigations.
- Acquired lease space and office furniture from General Services Administration (GSA) for meeting OIG anticipated workforce needs at an estimated savings of \$104,925.
- Enhanced OIG information technology (IT) infrastructure with the support from parent agency to enable sub-domain email set-up and separate network platform.
- Outlined the requirements for the OIG website design for essential information on news, latest reports and publications, user friendly navigation, and more.
- Initiated market research on Hotline system and Case Management capabilities and requirements for receiving and managing issues, concerns, and complaints.
- Developed an Information Paper and continued communication efforts on OIG's independence, operating environment, and working relationship with parent agency.
- Implemented a GSA SmartPay purchase card program to make official OIG government purchases for supplies, goods, and services under the micro-purchase threshold.
- Established an OIG workbook and monthly activities review to schedule planned actions and measure performance progress towards full and traditional OIG capabilities.

Our commitment to promote and maximize the OIG characteristics reflect on the following limited strategic engagements to foster a productive, informed working relationship relating to the AbilityOne programs and operations:

- Active participants on CIGIE committees and working groups to support the initiatives, and training opportunities on the IG community.
- Participated on the audit occupational study led by the U.S. Office of Personnel Management (OPM), and gained visibility on audit recruitment strategies.
- Gained knowledge on the Government Accountability Office (GAO) High Risk Areas, and Presidential Budget Blueprint for potential impact on agency's programs and operations while also find ways for the OIG work that remains to be done.
- Provided technical oversight on the Fiscal Year (FY) 2016 IG Reporting Metrics for

the Federal Information Security Modernization Act of 2014 (FISMA).

- Learned about the agency's financial statements audit, and audits on AbilityOne contracts from different Department of Defense audit organizations.
- Shared noteworthy viewpoints aimed to generate conversation on agency performance and governance, while embraced the operational environment for OIG.
- Initiated preliminary analysis on issues or concerns to address the request for help, information, or identify trends or systemic matters.
- Informed other IG Federal agencies on inquiries about AbilityOne government business requirements to fulfill mission support of products and services.
- Started to explore the inspections and evaluations platform as an alternate OIG function in response to OIG scarce resources and baseline for future audits and investigations.

# APPENDICES

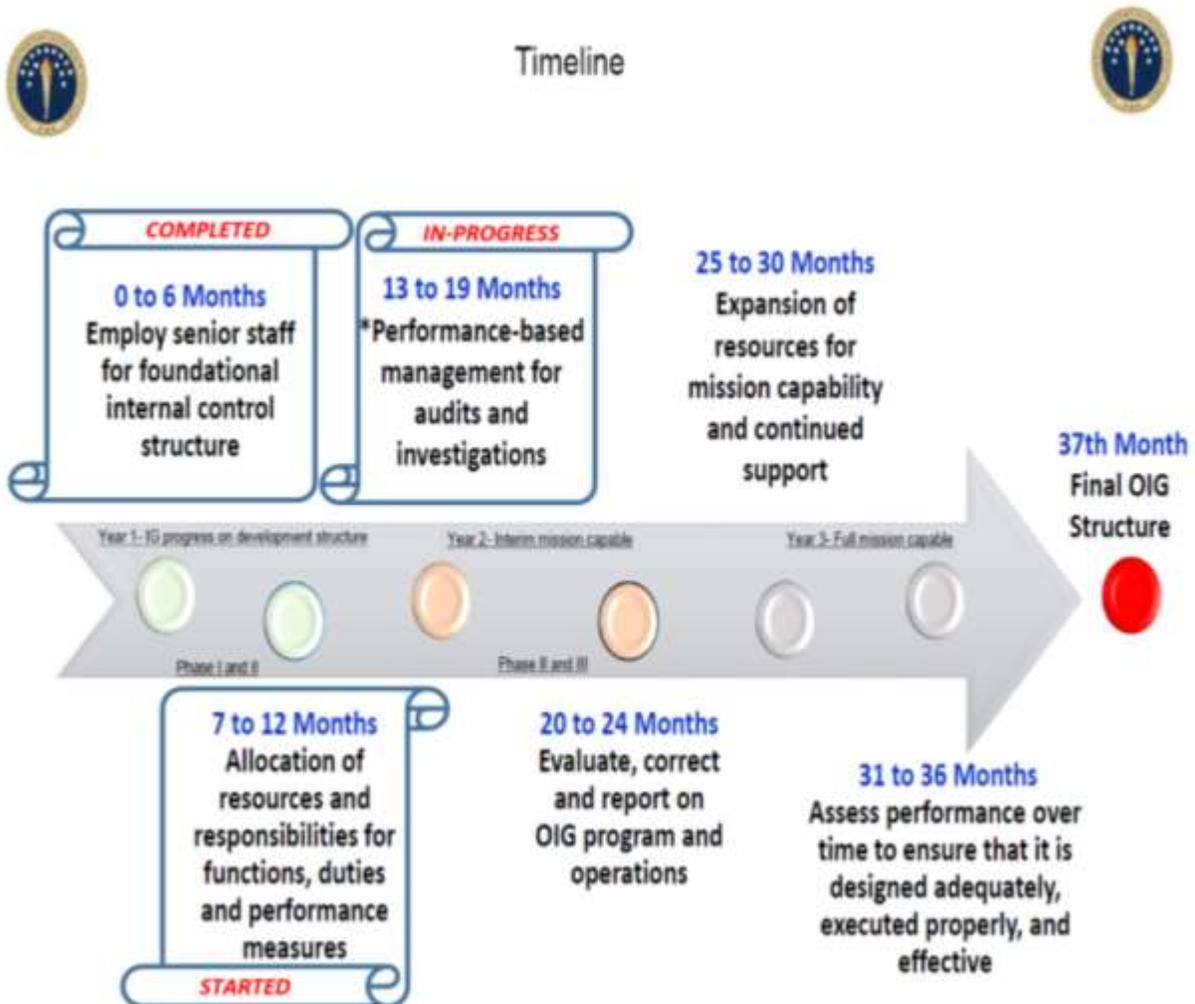
## Appendix 1 – Index of IG Act Reporting Requirements

IG Act Reference	OIG Reporting Requirements	Page Number Index
<p><b>Each Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30.</b></p>		
<b>Section 4(a)(2)</b>	Review of legislation and regulations.	<b>4</b>
<b>Section 5(a)(1)</b>	Significant problems, abuses, and deficiencies.	<b>N/A</b>
<b>Section 5(a)(2)</b>	Recommendations with respect to significant problems, abuse, and deficiencies.	<b>N/A</b>
<b>Section 5(a)(3)</b>	Significant recommendations described in previous semiannual report on which corrective action has not yet completed.	<b>N/A</b>
<b>Section 5(a)(4)</b>	Summary of matters referred to prosecute authorities.	<b>N/A</b>
<b>Section 5(a)(5)</b>	Summary of instances where information or assistance requested was refused or not provided.	<b>N/A</b>
<b>Section 5(a)(6)</b>	Listing subdivided according to subject matter of audit, inspection, and evaluation reports issued by OIG during the reporting period and as applicable, total dollar value of questioned costs (including separate category for dollar value of unsupported costs) and dollar value of recommendations that funds be put to better use.	<b>N/A</b>
<b>Section 5(a)(7)</b>	Summary of each significant report.	<b>N/A</b>
<b>Section 5(a)(8) A-D</b>	<p>Statistical table showing the number of audit, inspection, and evaluation reports and total dollar value of questioned costs (including separate category for dollar value of unsupported costs) for –</p> <p>Which no management comment decision has been made by commencement of the reporting period;</p> <p>Issued during reporting period;</p> <p>Which management decision was made during the reporting period; and</p>	<b>N/A</b>

IG Act Reference	OIG Reporting Requirements	Page Number Index
	Which no management decision has been made by the end of the reporting period.	
<b>Section 5(a)(9) A-D</b>	Statistical table showing the number of audit, inspection, and evaluation reports and dollar value of recommendations that funds be put to better use for – Which no management decision had been made by the commencement of the reporting period; Which were issued during the reporting period; Which management decision was made during the reporting period; and Which no management decision has been made by the end of the reporting period.	<b>N/A</b>
<b>Section 5(a)(10) A-C</b>	Summary of audit, inspection, and evaluation reports issued before the commencement of the reporting period – Which no management decision has been made; Which no establishment comment returned within 60 days; and; Which there are any outstanding unimplemented recommendations.	<b>N/A</b>
<b>Section 5(a)(11)</b>	Description and explanation of reasons for any significant revised decisions by management during the reporting period.	<b>N/A</b>
<b>Section 5(a)(12)</b>	Information concerning significant decisions by management with which the Inspector General is in disagreement.	<b>N/A</b>
<b>Section 5(a)(13)</b>	Information described under Section 05(b) of the Federal Financial Management Improvement Act of 1996.	<b>N/A</b>
<b>Section 5(a)(14)</b>	Information regarding peer reviews involving the Office of Inspector General.	<b>N/A</b>
<b>Section 5(a)(15)</b>	List of any outstanding recommendations from any peer review conducted by another Office of IG.	<b>N/A</b>
<b>Section 5(a)(16)</b>	List of any peer reviews conducted by the IG of another Office of Inspector General during reporting period.	<b>N/A</b>
<b>Section 5(a)(17) A-D</b>	Statistical tables during the reporting period showing – Total number of investigative reports;	

IG Act Reference	OIG Reporting Requirements	Page Number Index
	<p>Total number of persons referred to the Dept. of Justice for criminal prosecution;</p> <p>Total number of person referred to State and local prosecuting authorities for criminal prosecution;</p> <p>Total of number of indictments and criminal information that resulted from any prior referral to prosecuting authorities.</p>	N/A
<b>Section 5(a)(18)</b>	Description of the metrics used for developing the data for the statistical tables under paragraph (17).	N/A
<b>Section 5(a)(19) A-B</b>	<p>A report on each investigation conducted by the Office involving a senior Government employee where allegations were substantiated, including a description of –</p> <p>Facts and circumstances of the investigation;</p> <p>Status and disposition of the matter.</p>	N/A
<b>Section 5(a)20</b>	Detailed description of any instance of whistleblower retaliation, including official found to have engaged in retaliation and what, if any, consequences imposed.	N/A
<b>Section 5(a)21A-B</b>	<p>Detailed description of any attempt to interfere with the independence of the OIG, including –</p> <p>Budget constraints to limit the capabilities of the OIG;</p> <p>Incidents or restricted or significantly delayed access to information, to include justification for such action.</p>	N/A
<b>Section 5(a)22A-B</b>	<p>Detailed descriptions of particular circumstances on –</p> <p>Inspection, evaluation, and audit conducted by the OIG that is closed and was not disclosed to the public; and</p> <p>Investigation conducted by OIG involving a senior Government employee that is closed and was not disclosed to the public.</p>	N/A

## Appendix 2 – OIG 3-Year Implementation Timeline



\* process by which organizations align their resources, systems and employees to strategic objectives and priorities

