

Semiannual Report To Congress

April 1, 2016 to September 30, 2016



**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

In accordance with the Inspector General (IG) Act of 1978, as amended, I am pleased to present the first Office of Inspector General (OIG) semiannual report. The report summarizes the strategic activities and accomplishments for the required reporting period from April 1, 2016 through September 30, 2016. Section 5 of the IG Act requires the Chairperson to transmit this report to the appropriate committees or subcommittees of Congress within 30 days of its receipt.

In December 18, 2015, P.L. 114-113 amended the IG Act and enacted to establish the OIG for the Committee for Purchase From People Who Are Blind or Severely Disabled. The OIG footprint started on June 6, 2016 with the appointment of the Acting Inspector General by the Chairperson, Committee for Purchase From People Who Are Blind or Severely Disabled. The Acting IG began the development and implementation of leadership oversight and accountability of the OIG. The building blocks towards the accomplishment of the OIG's statutory mission is based on a three year implementation strategy plan with a timeframe from planning to sound management of OIG full capability.

The OIG looks forward to the continuing work with Congress, the U.S. AbilityOne Commission senior leadership and its affiliates, towards the focus on process excellence that delivers quantitative, qualitative and actionable results.

A handwritten signature in dark ink, appearing to read "Eugene Quinn Jr.", with a stylized flourish at the end.

Eugene Quinn Jr.
Acting Inspector General
October 12, 2016

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, as amended. It summarizes the OIG's strategic activities and accomplishments for the modified period of June 6, 2016 through September 30, 2016.

During the reporting period the OIG did not start or complete audits or investigations due to the unique implementation formulation for such establishment. The strategic efforts were focused on OIG management initial stand-up of operations and tracking noteworthy actions to demonstrate continued collaboration, innovation and smart investments. In addition, materialized the relationship with Congress to provide the legislative safety net that helps protect IG independence and objectivity from the start.

The OIG footprint included the following level of performance:

- Communicated with Congress and the Chairperson on legislative progress and performance of management actions.
- Briefed the U.S. AbilityOne Commission on statutory requirements, appointment, duties and responsibilities.
- Initiated requirements and allocated funds for the acquisition of products and services across a full array of business operations and strive to save taxpayer money.
- Optimized strategic partnerships with the Federal OIG community, Congressional committees, and working relationship with the U.S. AbilityOne Commission.
- Continued learning about CPPBSD's operations, administration and management structure, as well as reporting requirements.

In addition, the OIG's efforts were engaged towards outlining the following key performance initiatives:

- Fiscal Year 2018 OIG Budget Request.
- Fiscal Years 2019-2023 Strategic Plan.
- Fiscal Year 2019 Annual Performance Plan.

The OIG inaugural tactical approach builds on the ambitious, formulated and adopted efforts to help ensure effective program and operations for CPPBSD. 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. Following the premise to provide activities in the upcoming years focused on accelerated performance improvement.

ABILITYONE BACKGROUND

In 1938, Congress established a program under the Wagner-O'Day Act that created employment opportunities for the blind. People employed under the program manufactured and sold certain products, such as brooms and mops, to the Federal government. In 1971, Congress expanded the program under the Javits-Wagner-O'Day (JWOD) Act to employ people with other severe disabilities and provide services (in addition to products) to Federal customers. In 2006, the Committee for Purchase From People Who Are Blind or Severely Disabled (CPPBSD) took on the brand name of AbilityOne. Today, the AbilityOne program provides more services than products.

Operating as the U.S. AbilityOne Commission, CPPBSD is the independent Federal agency that administers the AbilityOne legal and regulatory requirements. Members of the Commission are appointed by the President of the United States and oversee the AbilityOne powers and responsibilities in its mission to provide employment opportunities for people who are blind or have significant disabilities in the manufacture and delivery of products and services to the Federal government. At full complement, the Commission is composed of 15 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 full-time staff, 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®. The hierarchy structure led by the U.S. AbilityOne Commission, and supported by the CNAs along with a national network of nonprofit agencies (NPAs) satisfies the essence of the AbilityOne statutory authority and mission.

The unique public-private structure of AbilityOne was set up more than seven decades ago when Federal purchasing was simpler and much smaller in scale. Today, billions of Federal procurement dollars flow through the program every year and tens of thousands of people who are blind or have severe disabilities are employed through it. However, that being said the AbilityOne lacked an office to independently audit and investigate waste, fraud, and abuse, and to make recommendations for enhancing integrity and operations. In 2015, the AbilityOne program accounted for about \$3.1 billion of Federal procurements. Further, the AbilityOne program has a national footprint, with just below 600 NPAs participants employing nearly 47,368 people (3,000 veterans) who are blind or significantly disabled. These employees earned over \$589 million in wages last year. The AbilityOne program is the single largest source of employment for the blind and others with severe disabilities.

REVIEW OF LEGISLATION AND REGULATIONS

Section 4(a)(2) of the IG Act, makes the IG responsible to review and comment on existing and proposed legislation and regulations for their potential impact and its operations. We did not comment on Agency legislation or regulation relating to CPPBSD's programs and operations during this timeframe, based on the initial stand-up of the OIG, upon request from the U.S. AbilityOne Commission, or other known matters affecting our operations.

MAJOR ACTIVITIES, INITIATIVES, AND RESULTS

Pursuant to Section 5(a) of the IG Act, the IG is responsible to report on the following 16 areas accordingly.

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 and inspection reports issued.
7. Summary of each significant report.
8. Reports issued with questioned costs.
9. Reports issued with recommendations of funds be put to better use.
10. Audit reports issued before the start of the reporting period for which no management decision had been made by the end of the reporting period.
11. Significant revised decisions by management during the reporting period.
12. Significant management decisions with which the Inspector General is 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.

RELATED OPERATIONAL ACTIVITIES

During this reporting period, the OIG did not deliver quality audit and investigative products and services. The efforts were directed towards standing-up OIG management actions. The attention was devoted on ongoing activities to enhance operational efficiencies and help ensure future OIG workforce excellence. The following depicts the most significant milestones from the 3-year implementation plan:

- December 18, 2015, the IG Act of 1978 designated a Federal OIG entity for CPPBSD.
- June 6, 2016, the Chairperson from CPPBSD appointed an Acting IG.
- July 11, 2016, Supervisory Assistant Auditor (Assistant IG for Audit) brought on board to provide senior management support with the foundational implementation strategy.
- July 14, 2016, Acting IG briefed the U.S. AbilityOne Commission members on the purpose, structure and reporting requirements for Designated Federal Entity (DFE) OIG.

We also took steps to highlight our commitment to promote economy, efficiency, effectiveness, and integrity in CPPGSD's program and operations through the following actions:

- Continued partnership with General Services Administration (GSA) for acquiring OIG workspace, products and services, and human resource management requirements.
- Communication with Congressional staff members to discuss ongoing OIG activities.
- OIG development of budget requirements for FY2018.
- Establish FY2019 – FY2023 OIG Strategic Plan.
- Compile the FY2019 OIG Annual Performance Plan.
- Strategic engagement with various CIGIE committees and establish an identity across the Federal IG community.
- Foster positive relationships with Congress, Chairperson, U.S. AbilityOne Commission staff, and its affiliates to understand emerging and evolving performance challenges.
- Research top management challenges within the agency.

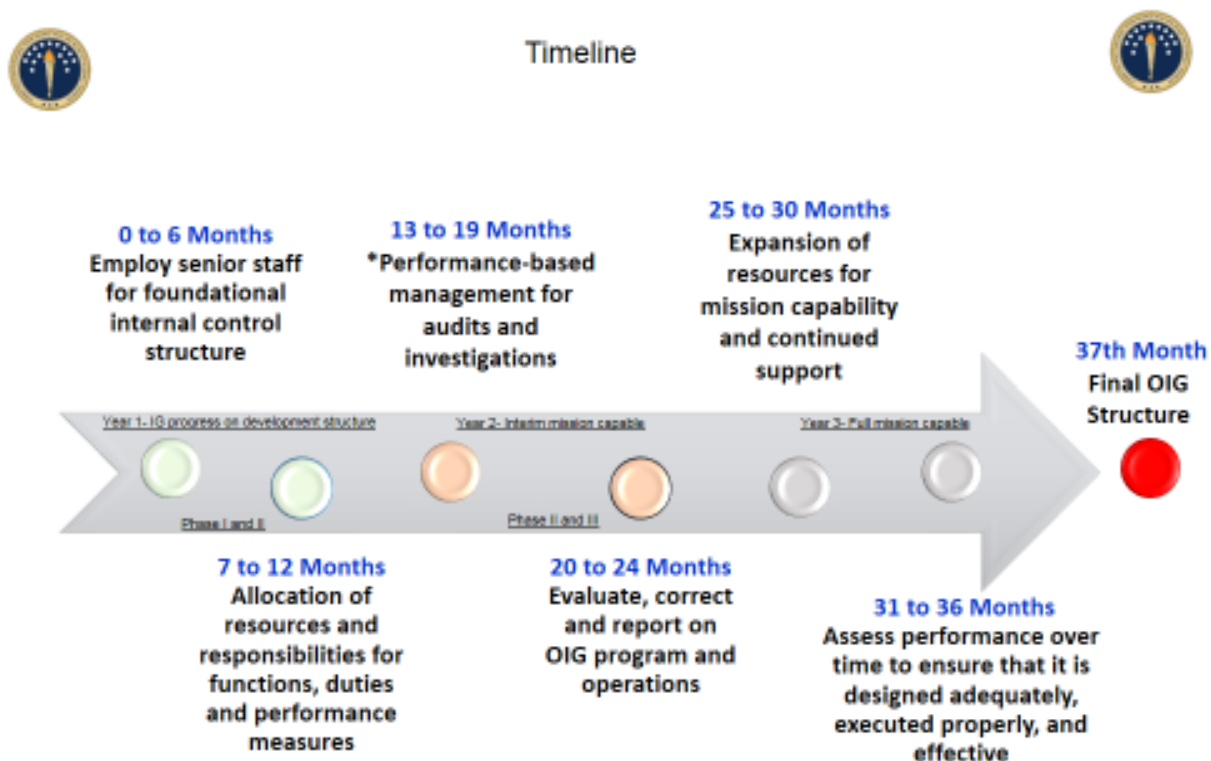
APPENDICES

Appendix 1 – Index of IG Act Reporting Requirements

IG Act Reference	OIG Reporting Requirements	Page Number Index
Section 4(a)(2)	Review of Legislation and Regulations	N/A
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	N/A
Section 5(a)(2)	Recommendations With Respect to Significant Problems, Abuses, and Deficiencies	N/A
Section 5(a)(3)	Prior Significant Recommendations Not Yet Completed	N/A
Section 5(a)(4)	Matters Referred to Prosecute Authorities	N/A
Section 5(a)(5)	Summary of Instances Where Information Was Refused or Not Provided	N/A
Section 5(a)(6)	List of Audit and Inspection Reports Issued	N/A
Section 5(a)(7)	Summary of Each Significant Report	N/A
Section 5(a)(8)a-d	Statistical Table Showing the Number of Audit Reports and Dollar Value of Questioned Costs	N/A
Section 5(a)(9)a-d	Statistical Table Showing the Number of Audit Reports and Dollar Value of Recommendations that Funds Be Put To Better Use	N/A
Section 5(a)(10)	Summary of Audit Reports Issued Before the Start of the Reporting Period for Which No Management Decision Has Been Made by the End of the Reporting Period	N/A
Section 5(a)(11)	Description and Explanation of Reasons for any Significant Revised Decisions by Management During the Reporting Period	N/A

IG Act Reference	OIG Reporting Requirements	Page Number Index
Section 5(a)(12)	Information Concerning Significant Decisions by Management With Which the Inspector General is in Disagreement	N/A
Section 5(a)(13)	Information Described under Section 05(b) of the Federal Financial Management Improvement Act of 1996	N/A
Section 5(a)(14)	Information Regarding Peer Reviews Involving the Office of Inspector General	N/A
Section 5(a)(15)	List of Any Outstanding Recommendations From Any Peer Review Conducted by Another Office of Inspector General	N/A
Section 5(a)(16)	List of Any Peer Reviews Conducted by the IG of another Office of Inspector General During Reporting Period	N/A

Appendix 2 – OIG 3-Year Implementation Timeline



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

