



U.S. Department of Education  
Office of Inspector General

# FYs 2021–2022 Annual Plan

October 2020



Office of Inspector General  
Sandra D. Bruce  
Acting Inspector General

October 2020

This report is in the public domain. Authorization to reproduce it in whole or in part is granted. While permission to reprint this publication is not necessary, the citation should be: U.S. Department of Education, Office of Inspector General, FYs 2021–2022 Annual Plan.

### Please Note:

The Office of Inspector General's FYs 2021–2022 Annual Plan is available on the ED OIG website at <http://www2.ed.gov/about/offices/list/oig/workplan.html>.

All images used under license from Shutterstock.com.

# Message from the Acting Inspector General

I am pleased to provide the U.S. Department of Education (Department) Office of Inspector General (OIG) annual plan for fiscal years (FY) 2021–2022. Our annual plan identifies the audits, inspections, and other activities that the OIG intends to undertake to assist the Department in fulfilling its responsibilities to America’s citizens and students.

Our FYs 2021–2022 annual plan details the assignment areas and resources we plan to devote to evaluations of the efficiency, effectiveness, and integrity of Department programs and operations. It aligns the OIG’s work and resources to achieve our mission, meet the goals of our Strategic Plan, and focus attention across challenge areas to the Department. As such, our planned and ongoing work involves Department programs and operations at all levels—Federal, State, and local—and incorporates suggestions from Department leaders, the Office of Management and Budget, and members of Congress.

The Department will face several challenges in FY 2021; perhaps most significant among those are the implementation, management, and oversight of the programs and funding authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act provides the Department with more than \$30 billion in funding to assist States, schools, school districts, and institutions of higher education in meeting the needs of students impacted by the pandemic. The Department must oversee, manage, and administer CARES Act funding to ensure transparency and accountability and that recipients and subrecipients are aware of their responsibilities, use the funds as intended, and comply with applicable laws.

We will do our part to ensure that the Department effectively carries out its new and existing responsibilities and that CARES Act and other Department programs and funds are reaching the intended recipients, operating as intended, and achieving the desired results. We plan to dedicate a significant amount of our resources to the programs that received CARES Act funds, as well as continue our work involving the \$2.9 billion in funding the Department received to help States and schools meet the educational needs of students affected by

the 2018 and 2019 hurricanes and wildfires. We will also continue our work involving Federal student aid programs; K–12, special, and vocational education programs; and Department management and internal operations. In addition, we will continue to help identify emerging risks and vulnerabilities throughout the Department and will dedicate resources to ensuring that critical Federal education funds are being used for the purposes intended.

Furthermore, to better respond to our changing operational environment, the OIG has established a new activity that will devote resources to limited-scope reviews in high-interest areas to provide faster completion times when compared to traditional audits. Planning for this work will be a collaborative and dynamic process involving input from multiple OIG components on a recurring basis, including Investigation Services; Information Technology, Audits and Computer Crime Investigations; Audit Services; and Counsel. Our goal is to identify value-added, quick response work that furthers our ability to promote the efficiency, effectiveness, and integrity of the Department’s programs and operations. This initiative will start operations with a focus on CARES Act-related activities during FY 2021.

While this plan provides a 2-year framework for activities that we intend to accomplish, we retain the flexibility to divert resources to other priorities as they arise. Often, OIG receives tasks from external sources, such as new legislative mandates, Congressional hearings and inquiries, Department requests, or government-wide reviews. These tasks are usually nondiscretionary and unplanned. Whether we are examining an issue on our work plan or a new, unplanned assignment, we will meet our overarching goal and turn our resources into results.

We look forward to continuing to work with the Department and the Congress in meeting our goals and fulfilling our mission.



Sandra D. Bruce  
Acting Inspector General



# Contents

U.S. Department of Education Office of Inspector General FYs 2021–2022 Annual Plan	1
FYs 2021–2022 Work Plan Priority Areas and Activities	3
Specialized Work: CARES Act and Disaster Recovery	3
Federal Student Aid Programs and Operations	8
K–12, Special, and Vocational Education Grant Programs and Operations	11
Department Management and Operations	13
Other OIG Efforts	17
FY 2021 Management Challenges and FYs 2021–2022 Work Plan Projects	18
Acronyms and Abbreviations	21



# U.S. Department of Education Office of Inspector General FYs 2021–2022 Annual Plan

## Mission Statement

Our mission is to promote the efficiency, effectiveness, and integrity of the Department's programs and operations through our independent and objective audits, investigations, inspections, and other activities.

## Introduction

The U.S. Department of Education (Department) Office of Inspector General (OIG) [Strategic Plan](#) sets forth our mission, vision, and goals. Our mission is rooted in our statutory responsibilities under the Inspector General Act of 1978, as amended (IG Act). The IG Act established OIGs as independent and objective organizations within the Federal departments and agencies. The IG Act authorizes each OIG to do the following:

- Conduct and supervise audits and investigations relating to its agency's programs and operations.
- Provide leadership, coordinate, and recommend policies for activities designed to promote economy, effectiveness, and efficiency in the agency's programs and operations; and to prevent and detect waste, fraud, and abuse in the agency's programs and operations.
- Keep its agency head and Congress fully and currently informed of problems and deficiencies in the agency's programs and operations and on the status of corrective actions.

## Strategic Plan Goals

The OIG's Strategic Plan for FY 2018–FY 2022 provides the road map by which we plan to accomplish our mission. To meet our mission, we have established the following goals:

- **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 sufficient resources to carry out the OIG's mission.
- **Goal 3:** Implement internal processes that promote organizational effectiveness, stewardship of resources, and accountability.

The first goal focuses on our responsibilities under the IG Act to promote economy, efficiency, and effectiveness and to prevent and detect waste, fraud, and abuse. The

second and third goals focus on the people, culture, and internal functions of the OIG, providing the foundation for our capacity to achieve the first goal now and in the future. The OIG's Strategic Plan provides more details on the specific strategies developed for each goal and associated performance measures.

## FY 2021 Management Challenges

For FY 2021, the OIG identified the following areas as significant management challenges for the Department:

- CARES Act,
- Oversight and Monitoring,
- Data Quality and Reporting,
- Improper Payments, and
- Information Technology Security.



# FYs 2021–2022 Work Plan

## Priority Areas and Activities

The activities presented in our FYs 2021–2022 Annual Plan are conducted under the OIG’s first Strategic Plan goal. These activities were developed in consideration of factors that include an assessment of risk to the Department’s programs and operations, the OIG’s mission and goals, stakeholder feedback, FY 2021 Management Challenges, and resource availability. We present these activities in four priority areas: (1) specialized work specific to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and disaster recovery; (2) Federal student aid programs and operations; (3) K–12 grant programs and operations, and (4) Department management and operations. At the end of the work plan, we include a table that correlates the FYs 2021–2022 work plan projects to the FY 2021 Management Challenges.

### Specialized Work: CARES Act and Disaster Recovery

#### CARES Act

On March 27, 2020, Congress passed, and the President signed into law the CARES Act. The CARES Act provided the Department with more than \$30 billion in emergency education funding for students, elementary and secondary schools, postsecondary institutions, and States in response to the coronavirus disease 2019 (COVID-19) pandemic. The CARES Act also allowed the Department to provide State educational agencies (SEAs) and local educational agencies (LEA) with waivers of certain statutory or regulatory requirements and included provisions intended to provide borrowers with emergency relief.

In response, the OIG plans to perform a series of audits and inspections relating to CARES Act programs, requirements, and flexibilities. This will include reviews of Department’s oversight of multiple grant programs and relief funds, grantee management and use of CARES Act awards, and the effectiveness of the Department’s processes to implement flexibilities in the student financial assistance programs.

#### Disaster Recovery

In 2018 and 2019, Congress passed, and the President signed into law measures providing the Department with more than \$2.9 billion to help States and schools meet the educational needs of students affected by the 2017, 2018, and 2019 hurricanes, wildfires, and other disasters. This funding allowed the Department to provide assistance under programs that included grants for Immediate Aid to Restart School Operations (Restart), Temporary Emergency Impact Aid for Displaced Students (Emergency Impact Aid), Defraying Costs of Enrolling Displaced Students, and Emergency Assistance to Institutions of Higher Education. In 2020,

the OIG issued [several reports](#) specific to disaster recovery. In FY 2021, the OIG plans to continue its work to ensure that eligible participants receive the proper funding and that recipients use the funds appropriately to restore the learning environment for students and families affected by the identified natural disasters.

## New Specialized Work: CARES Act-Related

### *Education Stabilization Fund Discretionary Grants*

**Rethink K12 Education Models Grants**—Determine whether the Department designed and implemented a monitoring process that provided reasonable assurance that Rethink K–12 Education Models Grants applicants that received funding for microgrants (1) appropriately allocated the funds and (2) used the funds for allowable and intended purposes.

**Reimagining Workforce Preparation Grants**—Determine whether the Department (1) awarded Reimagining Workforce Preparation Grants in accordance with Department policy and to appropriately qualified entities and (2) designed and implemented an effective monitoring process.

### *Elementary and Secondary School Emergency Relief (ESSER) Fund*

**LEAs' Use of ESSER Funds for Technology**—Describe LEAs' uses of ESSER funds for technology purposes and their practices for safeguarding assets from misuse or loss.

**Department Monitoring of SEA Use of ESSER Funds**—Determine whether the Department designed and implemented a monitoring process that provided reasonable assurance that SEAs (1) used ESSER funds in accordance with CARES Act and other applicable Federal requirements and (2) effectively monitored their LEAs to ensure that LEAs used ESSER funds in accordance with CARES Act and other applicable Federal requirements.

### *Flexibilities in the Student Financial Assistance Programs*

**Cancellation of Borrower Loans and Implementation of Title IV Waiver Requirements**—Determine whether Federal Student Aid (FSA) (1) designed processes for implementing waivers to the return of Title IV funds and the cancellation of Direct Loans for students who withdrew because of the COVID-19 pandemic and (2) implemented the processes in accordance with the CARES Act, Federal regulations, and Department guidance.

Also, determine whether selected schools complied with the provisions in the CARES Act, Federal regulations, and Department guidance for waivers to the return of Title IV funds for students who withdrew because of the pandemic.

**Exclusion of Subsidized Loan Usage and Federal Pell Grant Lifetime Usage**—Determine whether FSA excluded from students' subsidized loan usage and Federal Pell Grant lifetime usage any payment periods that the students did not complete because of qualifying emergencies.

**Department's Processes to Implement Flexibilities to Teacher Education Assistance for College and Higher Education (TEACH) Grant Service Obligations**—Evaluate FSA's plans to (1) excuse portions of TEACH Grant service obligations under COVID-19 and (2) ensure TEACH grantees receive full-time

credit toward their service obligations for part-time and temporarily interrupted service due to the COVID-19 pandemic.

*Governor’s Emergency Education Relief (GEER) Fund*

**State Plans for Use of GEER Funds**—Review States’ initial reports to identify how they planned to use GEER funds within the authorized categories.

*Higher Education Emergency Relief (HEER) Fund*

**Department Controls Over Schools’ Use of HEER Funds**—Determine whether the Office of Postsecondary Education established systems of internal control that provide reasonable assurance that institutions of higher education used their HEER funds for allowable and intended purposes.

**Schools’ Use of Funds: Grants to Eligible Students and Use of Institutional Portion**—Determine whether selected institutions of higher education (1) used at least 50 percent of their HEER funds to provide Emergency Financial Aid Grants to Students and (2) used the institutional portion of their HEER funds for allowable and intended purposes.

**Schools’ Institutional Expenditures Reporting**—Assess the reporting of information contained on selected schools’ websites, including whether the information met the reporting requirements the Department established.

*Title IV Oversight*

**Department’s Continued Oversight of Title IV Participants while Implementing CARES Act Related Requirements**—Determine what changes, if any, FSA management made to its oversight of schools participating in programs authorized under Title IV of the Higher Education Act of 1965, as amended, as a result of the COVID-19 pandemic.





## New Specialized Work: Disaster Recovery Related

### *Emergency Assistance to Institutions of Higher Education*

**Selected Institutions of Higher Education Use of Funds**—Determine whether selected institutions of higher education used program funds for activities directly related to mitigating the effects of a covered disaster or emergency and in a manner consistent with their applications for program funds.

### *Emergency Impact Aid*

**Selected States' Administration of the Emergency Impact Aid Program**—Determine whether selected SEAs (1) provided accurate and complete displaced student count data to the Department and (2) ensured that LEAs appropriately accounted for Emergency Impact Aid program funds in accordance with Federal requirements. Work is anticipated at multiple locations.

### *Restart*

**Puerto Rico Department of Education's Use of Restart Funds**—Determine whether the Puerto Rico Department of Education used Restart program funds for allowable and intended purposes.

**Selected States' Allocations and Uses of Restart Funds**—Determine whether selected SEAs (1) appropriately allocated Restart program funds and (2) ensured that LEAs and nonpublic schools used Restart program funds for allowable and intended purposes. Work is anticipated at multiple locations.

## Continuing Specialized Work: CARES Act-Related

### *Department Operations*

**Department's Reopening Plan Following COVID-19**—Determine the Department's plans and procedures for returning employees to Federal offices.

### *Flexibilities in the Student Financial Assistance Programs*

**FSA's Implementation of Temporary Borrower Relief Under the CARES Act: Suspension of Involuntary Collections on Defaulted Student Loans**—Evaluate

the results of FSA’s process for (1) suspending involuntary collection on defaulted Federal Department-held loans in response to the national emergency due to the coronavirus pandemic and (2) refunding payments involuntarily collected on defaulted Federal Department-held loans in accordance with Department regulations and guidance.

### *GEER Fund*

**State Awarding and Monitoring of GEER Funds**—Determine whether selected States designed and implemented (1) awarding processes that ensured that GEER funds were used to support LEAs and institutions of higher education that were most significantly impacted by coronavirus or other education-related entities within the State that were deemed essential for carrying out emergency educational services and (2) monitoring processes that ensured that subgrantees used GEER funds in accordance with CARES Act and other applicable Federal requirements.

## Continuing Specialized Work: Disaster Recovery-Related

### *Reallocations of Campus-Based Funding to Institutions of Higher Education*

**Federal Student Aid’s Processes for Reallocating Funds in Accordance with the Hurricanes Harvey, Irma, and Maria Education Relief Act of 2017**—Determine whether FSA designed and implemented processes that provided reasonable assurance that it reallocated unexpended award year 2016–2017 campus-based student financial assistance program funds in accordance with the Hurricanes Harvey, Irma, and Maria Education Relief Act of 2017.

### *Emergency Impact Aid*

**Selected SEAs’ Administration of the Emergency Impact Aid Program**—Determine whether selected SEAs (1) provided accurate and complete displaced student count data to the Department and (2) ensured that LEAs appropriately accounted for Emergency Impact Aid program funds in accordance with Federal requirements. We are continuing work in Florida, Massachusetts, and Puerto Rico.

# Federal Student Aid Programs and Operations

The Department disburses more than \$120 billion in Federal student aid annually to more than 11 million postsecondary students and their families, and manages an outstanding student loan portfolio valued at more than \$1.5 trillion, making it one of the largest financial institutions in the country. As such, effective oversight and monitoring of its programs, operations, and program participants is critical to ensure that the programs are not subject to fraud, waste, and abuse. Our planned and continuing work in the student financial assistance programs includes Department oversight of schools, servicers, and other program participants. We will also continue to devote significant resources towards investigating allegations of fraud in student financial assistance programs. New priority work and continuing work within this area for FY 2021 include the following.

## New Priority Work: Federal Student Aid Programs and Operations

### *Experimental Sites Initiative*

**Second Chance Pell Experiment**—Determine whether the Department designed and implemented the Second Chance Pell experiment to include meaningful and measurable results to support changes to the Higher Education Act of 1965, as amended, or regulations.

### *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.

### *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.

### *Streamlining Student Aid Systems and Processes*

**FSA’s Transition to the Next Generation FSA Financial Services Environment**—Assess the effectiveness of FSA’s life cycle management under the Next Generation FSA contracts.

**FSA’s Implementation of the NextGen Payment Vehicle Account Program Pilot**—Determine whether the payment vehicle program pilot agreements contained safeguards to protect students and whether FSA had processes to effectively evaluate the pilot program.

## Continuing Work: Federal Student Aid Programs and Operations

### *Accreditation*

**The Department’s Recognition of the Accrediting Council for Independent Colleges and Schools as an Accreditor**—Determine (1) the Department’s process for assessing Accrediting Council for Independent Colleges and Schools compliance with Federal regulatory criteria for recognition and (2) what evidence the Department considered in its review of selected recognition criteria and whether the Department’s conclusions were supported by evidence.

### *Clery Act*

**Controls over Clery Act Reporting**—Determine whether the Department had adequate oversight over the quality of crime statistics reported by postsecondary schools under the Clery Act.

Also, determine whether selected schools had controls to ensure that they reported complete and accurate campus crime statistics under the Clery Act. We issued a report on the University of North Georgia ([A09T0006](#)) in FY 2020 and are continuing work at the University of Texas at San Antonio.

### *Federal Student Aid Operations*

**FSA’s Accountability as a Performance-Based Organization**—Determine the extent to which the Department had processes for ensuring that FSA’s FY 2020–2024 strategic goals, objectives, and related performance indicators were effective.



**FSA’s Process for Developing Valid and Reliable Statistical Formulas—**Determine whether FSA and the Office of Postsecondary Education designed and implemented processes that provided reasonable assurance that the statistical analyses that they used were accurate, reliable, and based on quality information.

*Monitoring of Title IV Program Participants*

**The Department’s Oversight of Dream Center Education Holdings—**Describe (1) how FSA drew down and applied surety funds from letters of credit for Education Management Corporation and Dream Center Education Holdings and how FSA ensured that the surety funds were used in accordance with the terms of the Provisional Program Participation Agreement and any other requirements; (2) how FSA ensured that Dream Center Education Holdings complied with requirements for drawing down and disbursing Title IV program funds; (3) the Department’s involvement in the transactions between Education Management Corporation and Dream Center Education Holdings or its affiliated entities and the steps the Department took to protect students and taxpayers; (4) the Department’s involvement in the transactions between Dream Center Education Holdings or its affiliated entities and Education Principle Foundation and the steps the Department took to protect students and taxpayers; (5) the Department’s involvement in the transactions between Dream Center Education Holdings or its affiliated entities and Studio Enterprise Manager and the steps the Department took to protect students and taxpayers.

*Professional Judgement*

**Schools’ Compliance with the Requirements for Using Professional Judgment to Adjust Students’ Financial Information—**Determine whether selected schools applied, documented, and reported their use dependency override and professional judgment in accordance with Sections 479A and 480 of the Higher Education Act of 1965, as amended. We are continuing our work at the National Aviation Academy of Tampa Bay, Bais HaMedrash and Mesivta of Baltimore, and University of Southern California.

*Verification*

**FSA’s Controls over the Free Application for Federal Student Aid Verification Process—**Describe FSA’s control activities over institutional processes for completing verification and reporting verification results in accordance with Federal requirements. Completed work involving selected schools’ compliance with verification and reporting requirements can be found on our website.

*Emerging Areas of Heightened Risk*

**Audits, Inspections, and Investigations of Selected Program Participants—**Throughout the year, we may receive referrals from program offices requesting review of postsecondary institutions or other student financial assistance program participants where the possibility of fraud, waste, or abuse of Federal funds has been identified. We also receive Hotline allegations or other information alleging fraud or misuse of Federal funds or may otherwise identify specific institutions that warrant review. Objectives will vary based on the nature of the concerns. Generally, objectives will relate to whether the institutions are complying with regulations, program guidelines, and the Higher Education Act, as amended, or will help alert the Department to any emerging and systemic areas of abuse.





*Every Student Succeeds Act (ESSA)*

**Statewide Accountability Systems Under ESSA**—Determine whether (1) the Department provided adequate oversight of SEAs’ 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.

*Emerging Areas of Heightened Risk*

**Audits, Inspections, and Investigations of Select Grantees**—Periodically, program offices will request that we review grantees where the possibility of fraud, waste, or abuse of Federal funds has been identified. We also receive Hotline allegations or other information alleging fraud or misuse of Federal funds, or otherwise identify specific grantees that warrant review. Objectives will vary based on the nature of the referral or reasons for conducting the audit work. Generally, the objectives will relate to whether grantees are complying with applicable laws, regulations, and grant terms.

## Continuing Work: K–12, Special, and Vocational Education Grant Programs and Operations

*Charter Schools*

**Charter School Program Grants for Replication and Expansion of High-Quality Charter Schools**—Continue our work to determine whether the Department adequately monitored grantees’ performance and uses of funds. Also determine whether selected grantees (1) reported complete and accurate information on the annual performance reports that they submitted for their Replication and Expansion grants and (2) spent grant funds in accordance with Federal cost principles and their approved grant applications. We issued a report on our work at Individuals Dedicated to Excellence and Achievement Public Schools ([A05S0013](#)) in November 2019. We are continuing our work at InspireNOLA Charter Schools.

*Individuals with Disabilities Education Act (IDEA)*

**SEAs’ Oversight of Virtual School Implementation of IDEA**—Continue our work to determine whether selected SEAs and LEAs had sufficient internal controls to ensure that individualized education programs were developed in accordance with Federal and State requirements for children with disabilities who attended virtual charter schools and that these students were provided with the services described in their individualized education programs. We are continuing our work in Ohio and Pennsylvania.

*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.

# Department Management and Operations

The Department needs effective systems of internal control, well-managed business processes, and sufficient monitoring and financial management systems to help achieve its organizational goals. We routinely plan and conduct audits and other reviews focused on ensuring the efficiency, effectiveness, and integrity of the Department’s management and operations. In addition, through our audit and investigative work, proactive data analytics, and other reviews, we assess risks, evaluate indicators, and perform tests that are designed to detect fraud, waste, and abuse. Our investigations, audit, computer analysis, and computer forensics staff work together to help identify weaknesses in internal controls that could leave the Department’s programs or operations vulnerable to fraud, waste, and abuse. This interdisciplinary work can result in criminal and civil investigations of fraud in the Department’s programs and operations. For FYs 2021–2022, the following activities will evaluate potential risks and vulnerabilities to fraud, waste, and abuse in Department programs.

## New Priority Work: Department Management and Operations

### *Emerging Areas of Heightened Risk*

**Audits, Inspections, or Investigations of Department Operations and Programs, and Responses to Congressional Inquiries or Requests**—Throughout the year, we may receive requests from various sources, including Congress, to review specified Department operations, programs, or officials where the possibility of fraud, waste, or abuse of Federal funds has been identified or suspected. We may receive additional requests from these sources to review the efficiency, effectiveness, and integrity of the Department’s management and operations. We also receive Hotline allegations or other information alleging fraud or misuse of Federal funds or may otherwise identify specific Department operations, programs, or officials that warrant review. Objectives will vary based on the nature of the concerns.

## Continuing Work: Department Management and Operations

### *Civil Rights*

**The Office for Civil Rights’ Complaint Dismissal Process**—Determine whether the Office for Civil Rights appropriately dismissed discrimination complaints in accordance with applicable policies and procedures.

### *Related OIG Activities*

**Data Analytics**—Continue to support investigations and audits by further developing proactive, intuitive, and interactive data analytic and risk model systems to identify adverse trends and possible fraud, waste, and abuse in Department programs or operations. For example, we have established data analytic processes to detect electronic fraud activities such as student aid fraud rings and identity theft within the Federal student aid arena. We developed a



visualization tool that helps to assess the overall risk for purchase card activity. We have also worked with other OIG offices and have established data matching agreements and processes to identify specific types of potential fraudulent or abusive behaviors.

**Fraud Awareness Presentations**—Continue to conduct awareness presentations to entities or people who award, disburse, or receive Federal education dollars, including Department employees, contractors, grant recipients, and school officials. The presentations highlight common fraud schemes and indicators, serving to educate people on specific vulnerabilities within the programs, contracts, and grants they oversee. The awareness presentations also enhance the OIG’s ability to generate referrals, as well as the Department’s overall ability to prevent and detect fraud.

**Hotline Operations**—The OIG Hotline provides a means for anyone to report suspected fraud, waste, or abuse involving Department funds or programs. We evaluate complaints received through the OIG website, telephone, fax, or U.S. mail and refer them for OIG investigation, audit, or other review, or other offices or agencies as appropriate.

**Technology Crimes Investigations and Digital Forensics Support**—Continue protecting the Department’s programs and network infrastructure by investigating technology-based criminal activity that impairs or obstructs the integrity and efficiency of the Department’s Information Technology infrastructure or data, and continue providing digital forensics services in support of criminal investigations conducted by the OIG. We will continue initiating investigations into the unauthorized access of any information technology system used in the administration, processing, disbursement, or management of Federal funds originating from the Department.

## Work Required by Statute: Department Management and Operations

### *Attestations, Risk Assessments, and Required Follow-up Reviews*

**Drug Control Funds and Related Performance**—Express a conclusion about the reliability of Department management’s assertions related to the National Drug Control Program activities, as stated in the current Office of National Drug Control Policy Circular.

**Grants Oversight and New Efficiency (GONE) Act of 2016**—In FY 2020, the OIG performed a required risk assessment of the Department’s Grant Closeout Process as required by the GONE Act. We identified risks with the reliability of the Department’s grant data and GONE Act reporting and with the Department’s grant closeout policies and procedures. Based on these risks we determined an audit was warranted; specific objectives of this review will be identified during project planning.

**Purchase Card Program**—Perform the required risk assessment of the Department’s purchase card program and, if deemed necessary, perform an audit of Department purchase card transactions in accordance with the requirements in the Government Charge Card Abuse Prevention Act of 2012.

### *Financial Statements*

**Department-Wide Financial Statement Audit**—Oversee and monitor the independent public accounting firm contracted to provide an opinion on whether the Department-wide financial statements were fairly presented in all material respects in accordance with accounting principles generally accepted in the United States. The independent public accounting firm will also report material weaknesses and significant deficiencies in the Department’s internal control over financial reporting and whether the Department complied with applicable provisions of Federal laws, regulations, contracts, and grant agreements that could have a material effect on the basic financial statements.

**FSA Financial Statement Audit**—Oversee and monitor the independent public accounting firm contracted to provide an opinion on whether FSA’s financial statements were fairly presented in all material respects in accordance with accounting principles generally accepted in the United States. The independent public accounting firm will also report material weaknesses and significant deficiencies in FSA’s internal control over financial reporting and whether FSA complied with applicable provisions of Federal laws, regulations, contracts, and grant agreements that could have a direct and material effect on the basic financial statements.

### *Improper Payments*

**Annual Compliance Review of the Department’s Compliance with Improper Payment Reporting Requirements**—To (1) review the payment integrity section of the Fiscal Year 2020 Agency Financial Report to determine whether the Department complied with the Payment Integrity Information Act of 2019 and (2) evaluate the agency’s (a) risk assessment methodology, (b) improper payment rate estimates, (c) sampling and estimation plans, (d) corrective action plans, and (e) efforts to prevent and reduce improper payments.

*Information Technology Security*

**Federal Information Security Modernization Act of 2014 Audit**—Determine whether the Department’s and FSA’s information security programs and practices were effective as they related to Federal information security requirements.

*Non-Federal Audits*

**Non-Federal Audit Activities**—Under the Inspector General Act, the Single Audit Act, the Higher Education Reauthorization Act and implementing regulations, Uniform Guidance, and cognizant agency responsibility guidelines, the OIG is responsible for assuring the quality and usefulness of the non-Federal audit process and ensuring that non-Federal audits meet requirements and are reliable and effective tools to improve the integrity and effectiveness of Department programs. To meet those responsibilities, the OIG performs desk reviews and quality control reviews to assess the quality of non-Federal audits, provides technical assistance to non-Federal auditors, develops or assists in developing audit guidance, participates in certain post-audit activities, and represents the Department at interagency meetings involving the non-Federal audit process.

*Whistleblower Activities*

**Mandatory Contractor Whistleblower Reprisal Investigations**—The OIG is required by statute to intake and investigate certain allegations of reprisal provided by contractor, subcontractor, grantee, and subgrantee employees. These investigations are required to be completed within 360 days at most, and to be provided to the Secretary of Education for a determination of whether a reprisal occurred and an appropriate remedy.

## Other OIG Efforts

### Legislation and Regulations

The IG Act also states that the OIG is responsible for reviewing existing and proposed legislation and regulations related to the programs and operations of the Department. The OIG accomplishes this in several ways, as follows.

- Review and comment on draft legislation, regulations, and proposed Department policies, procedures, and guidance; observe negotiated rulemaking sessions; and participate in an advisory capacity on Departmental policy groups.
- Review and comment on pending legislation or regulations of other agencies that affect the Department, its recipients, or entities participating in Department programs.
- Provide recommendations to Congress for consideration during the reauthorization process for Department programs.
- Review and provide comments to the Office Management Budget on proposed regulations, including participation on Office of Management and Budget workgroups to draft and revise regulations.

### Other Activities

The OIG also performs several other activities related to its obligation to keep Congress informed about any problems or deficiencies with the Department's administration of its programs and operations, including participation in cross-agency groups, as follows.

- Respond to congressional requests for information or analysis.
- Participate as a member of the Council of the Inspectors General on Integrity and Efficiency, including the committees for Audit, Investigation, and Information Technology, and also the Pandemic Response Accountability Committee. Also participate in interagency workgroups sponsored by the council, including the Federal Audit Executive Council, the Assistant Inspectors General for Investigations Committee, and the Council of Counsels to the Inspectors General.

# FY 2021 Management Challenges and FYs 2021–2022 Work Plan Projects

The following table shows both planned and ongoing projects and how they align with the FY 2021 Management Challenges. Ongoing work is indicated with an asterisk.

FY 2021 Management Challenge	Related FYs 2021–2022 Work Plan Projects
CARES Act	<ul style="list-style-type: none"> <li>• Rethink K–12 Education Models Grants</li> <li>• Reimagining Workforce Preparation Grants</li> <li>• LEAs Use of ESSER Funds for Technology</li> <li>• Department Monitoring of SEA Use of ESSER Funds</li> <li>• Cancellation of Borrower Loans and Implementation of Title IV Waiver Requirements</li> <li>• Exclusion of Subsidized Loan Usage and Federal Pell Grant Lifetime Usage</li> <li>• Department’s Processes to Implement Flexibilities to TEACH Grant Service Obligations</li> <li>• State Plans for Use of GEER Funds</li> <li>• Department Controls Over Schools’ Use of HEER Funds</li> <li>• Schools’ Use of Funds—Grants to Eligible Students and Use of Institutional Portion</li> <li>• Schools’ Institutional Expenditures Reporting</li> <li>• Department’s Continued Oversight of Title IV Participants While Implementing CARES Act Related Requirements</li> <li>• Department’s Reopening Plan Following COVID-19*</li> <li>• FSA’s Implementation of Temporary Borrower Relief Under the CARES Act: Suspension of Involuntary Collections on Defaulted Student Loans*</li> <li>• State Awarding and Monitoring of GEER Funds*</li> </ul>
Oversight and Monitoring	<p><b>Disaster Recovery</b></p> <ul style="list-style-type: none"> <li>• Allocation and Use of Restart Program Funds</li> </ul> <p><b>Student Financial Assistance Programs</b></p> <ul style="list-style-type: none"> <li>• Department’s Recognition of the Accrediting Council for Independent Colleges and Schools as an Accreditor*</li> </ul>



FY 2021 Management Challenge	Related FYs 2021–2022 Work Plan Projects
Oversight and Monitoring (Continued)	<ul style="list-style-type: none"> <li>• FSA’s Accountability as a Performance-Based Organization*</li> <li>• FSA’s Process for Developing Valid and Reliable Statistical Formulas*</li> <li>• Department’s Oversight of Dream Center Education Holdings*</li> <li>• Schools’ Compliance with the Requirements for Using Professional Judgment to Adjust Students’ Financial Information* <ul style="list-style-type: none"> <li>• National Aviation Academy of Tampa Bay*</li> <li>• Bais HaMedrash and Mesivta of Baltimore*</li> <li>• University of Southern California*</li> </ul> </li> <li>• FSA’s Controls over the Free Application for Federal Student Aid Verification Process*</li> <li>• Second Chance Pell Experiment</li> <li>• Department’s Plans and Processes to Proactively Monitor the Financial Health of Postsecondary Schools</li> <li>• FSA’s Process for Developing Valid and Reliable Statistical Formulas*</li> <li>• School Compliance with Career Pathway Programs and Ability to Benefit Provisions</li> <li>• FSA’s Transition to the NextGen Financial Services Environment</li> <li>• FSA’s Implementation of the NextGen Payment Vehicle Account Program Pilot</li> </ul> <p><b>Grantees</b></p> <ul style="list-style-type: none"> <li>• Charter School Program Grants for Replication and Expansion of High-Quality Charter Schools <ul style="list-style-type: none"> <li>• InspireNOLA Charter Schools*</li> </ul> </li> <li>• State Educational Agencies’ Oversight of Virtual School Implementation of IDEA <ul style="list-style-type: none"> <li>• Ohio Department of Education*</li> <li>• Pennsylvania Department of Education*</li> </ul> </li> <li>• The Department’s Controls Over Student Support and Academic Enrichment Program Grants*</li> <li>• Effectiveness of Charter School Program Grants in Increasing the Number of High-Quality Charter Schools</li> <li>• Statewide Accountability Systems Under ESSA</li> <li>• Quality Control Reviews of Single and Compliance Audits</li> </ul>

FY 2021 Management Challenge	Related FYs 2021–2022 Work Plan Projects
Data Quality and Reporting	<ul style="list-style-type: none"> <li>• Data Reliability and Use of Emergency Impact Aid Program Funds                             <ul style="list-style-type: none"> <li>• Florida Department of Education*</li> <li>• Puerto Rico Department of Education*</li> <li>• Massachusetts Department of Education*</li> </ul> </li> <li>• The Department’s Controls over Clery Act Reporting                             <ul style="list-style-type: none"> <li>• University of Texas at San Antonio*</li> </ul> </li> <li>• Department-Wide Financial Statement Audit</li> <li>• FSA Financial Statement Audit</li> <li>• Department’s Accounting for Drug Control Funds and Related Performance</li> </ul>
Improper Payments	<ul style="list-style-type: none"> <li>• Annual Compliance Review of the Department’s Compliance with Improper Payment Reporting Requirements</li> <li>• Department’s Purchase Card Program*</li> </ul>
Information Technology Security	<ul style="list-style-type: none"> <li>• Federal Information Security Modernization Act of 2014 Audit</li> </ul>

# Acronyms and Abbreviations

CARES Act	Coronavirus Aid, Relief, and Economic Security Act
COVID-19	coronavirus disease 2019
Department	U.S. Department of Education
Emergency Impact Aid	Temporary Emergency Impact Aid for Displaced Students
ESSA	Every Student Succeeds Act
ESSER	Elementary and Secondary School Emergency Relief
FSA	Federal Student Aid
FY	fiscal year
GEER	Governor’s Emergency Education Relief
HEER	Higher Education Emergency Relief
IDEA	Individuals with Disabilities Education Act
IG Act	Inspector General Act of 1978, as amended
LEA	local educational agency
OIG	Office of Inspector General
Restart	Immediate Aid to Restart School Operations
SEA	State educational agency

Anyone knowing of fraud, waste, or abuse involving U.S. Department of Education funds or programs should contact the Office of Inspector General Hotline:

<http://OIGhotline.ed.gov>

We encourage you to use the automated complaint form on our website; however, you may call toll-free or write the Office of Inspector General.

Inspector General Hotline  
1-800-MISUSED  
(1-800-647-8733)

Inspector General Hotline  
U.S. Department of Education  
Office of Inspector General  
400 Maryland Ave., S.W.  
Washington, D.C. 20202

You may make a report anonymously.

The mission of the Office of Inspector General is to promote the efficiency, effectiveness, and integrity of the U.S. Department of Education's programs and operations.

<http://www2.ed.gov/oig>