

Office of Inspector General



April 1, 2020 – September 30, 2020

U.S. AbilityOne Commission

Office of Inspector General

Message from the Inspector General

The future, tell your own story.

The theme for this Semiannual Report to Congress is “the future, tell your own story.” Successful program participants in the AbilityOne Program write their own story for their future. They will tell you, “I have written my own story for success, not the one others have written for me.” In our NPA knowledge-aided visits, OIG has met and talked with nearly 400 program participants. Each has her or his own story, and that is the future of the program. OIG will tell the narrative of a program in need of accountability. The story of the program participants depends on the strength of leadership.

During the reporting period, the coronavirus pandemic continued to challenge health, daily habits, work patterns, and America’s economy while driving deep across the globe. Our thoughts remain with those hardest-hit, including the program participants—the blind and people with disabilities around the country—who are affected by the economic havoc this virus is wreaking. OIG is engaged with the federal government’s response. We are involved with CIGIE’s effort to protect the public and the government from fraud stemming from the global pandemic.

In this Semiannual Report, we are pleased to report on the largest body of oversight work performed by the OIG to date. A few highlights:

Fraud at NPAs takes away job opportunities from blind and disabled workers and remains an investigative priority for OIG. This reporting period marked the completion of a significant false claims case involving Industries for the Blind and Visually Impaired of Wisconsin (IBVI). It was a joint investigation partnering us with other OIGs and the Department of Justice and resulted in about \$2 million to the United States to resolve allegations that IBVI violated the False Claims Act and Anti-Kickback Act in connection with AbilityOne contracts for GSA, Interior, and the Army.

Another highlight of our work is to ensure the resiliency of the Commission. We issued a Management Alert to the Commission titled, “Lack of Management Action on Enterprise Risk Management and Internal Control Enters Critical Stage” (OIG 20-05) as notice that the Agency’s ability to mitigate risk in its programs and operations remains inadequate. We emphasized that Senior Agency staff have failed to address internal controls, and nonconformance with Office of Management and Budget (OMB) revised Circular A-123, Management’s Responsibility for Enterprise Risk Management and Internal Control, persists.

The Cooperative Agreements Audit was completed during the reporting period. The performance audit report was issued on April 3, 2020. The objectives of the performance audit were to determine whether the Agreements are adequately designed and operating effectively to improve performance and transparency of the AbilityOne Program. The audit concluded that the Agreements were effective and designed to enhance accountability, operational effectiveness, integrity, and transparency of the Program, but there are opportunities for improvements with the Commission’s oversight of CNAs as it relates to compliance, deliverables, and performance measurements contained in the Agreements.

In the reporting period, the issues involving the Commission’s antideficiencies continue to hamper

the Commission's financial platforms and stability. Congress determines the amount of funding available to an agency by enacting appropriations to cover programs, projects, purchases, and services needed by the agency during the period for which the funds are made available. The Antideficiency Act prohibits the agency from exceeding its appropriations. GSA issued its report of investigation to the Commission Chairperson on July 28, 2020, which concluded that the antideficiencies involved nearly 20 violations or occurrences and that they amounted to about 13 percent of the total budget authority.

During this period, we took the initiative to virtually visit two NPAs for our knowledge-aimed activities. We visited ACHIEVE in Arizona and LCI in North Carolina. Visiting with the NPAs, through virtual tours and meetings with management and program participants was a huge boost to everyone's spirits during the pandemic, and an incredible learning opportunity for the OIG.

Over the last several months, our OIG has participated as a member of CIGIE workgroups. Our Deputy IG invited Commission Member Kesteloot as a speaker. Mr. Kesteloot addressed strategies and issues for increasing the hiring of blind and people with disabilities in the workforce. We thank the Commissioner for being an ambassador for the program. His talk helped CIGIE better understand the blind and disabled community.

We are pleased to discuss in this Semiannual Report to Congress the launch of OIG's new webpage. OIG completed its pilot website on [oversight.gov](https://www.oversight.gov) and went live during the reporting period. Our co-leader on the project, the Department of Justice OIG, took its own new website live, too. Visit us! <https://www.oversight.gov/abilityone/>

I want to congratulate and thank Chairperson Robinson for his service, contributions to the Commission, and working to support our still young OIG. Tom Robinson's retirement reminds us that our government careers enable us to work among the highest caliber people. We welcome the excellent new officers, Jeffrey Koses as Chairperson and Bob Kelly as Vice-Chair. The OIG is already working well together with the new officers as trusted partners.

Through our work, the OIG strives to help the program reach the potential, innovation, and growth that will sustain AbilityOne's mission. We will tell the story that needs to be told.

Thomas K. Lehrich
Inspector General

Frequently Used Abbreviations

American Foundation for the Blind (AFB)

Central Nonprofit Agency (CNA)

Committee for Purchase from People Who Are Blind or Severely Disabled (Commission)

Coronavirus Aid, Relief, and Economic Security Act (CARES)

Council of the Inspectors General for Integrity and Efficiency (CIGIE)

Department of Justice (DOJ)

Department of Veterans Affairs (VA)

Federal Information Security Modernization Act (FISMA)

Fiscal Year (FY)

Government Accountability Office (GAO)

Generally Accepted Government Auditing Standards (GAGAS)

Independent Public Accounting (IPA)

Inspector General (IG)

Information Technology (IT)

Javits-Wagner-O'Day (JWOD)

National Industries for the Blind (NIB)

Nonprofit Agency (NPA)

Office of Inspector General (OIG)

Office of Management and Budget (OMB)

Procurement List (PL)

Source America (SA)

Semiannual Report (SAR)

Inspector General Act of 1978, as amended (IG Act)

Memorandum of Understanding (MOU)

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HIGHLIGHTS

Statistical Highlights from Audits and Investigations

The following statistics summarize the OIG's audits, investigations, findings and recommendations which are covered in this report.

Office of Audits



Completed Projects:

- 1 - ERM Management Alert Report
- 1 - Performance Audit



Findings / Recommendations Produced

- 5 - Findings Produced / 7 - Recommendations Given



Audits in Progress:

- 1 - FISMA Audit, 2 - Performance Audits, 1 - Financial Statement Audit

Office of Investigations



- 19 - Allegations Received



- 2 - Investigations Closed / 24 - Allegations Closed



- 39 - Open Matters at End of Reporting Period

Audit Findings & Recommendations

Examples of OIG Audits Findings and Recommendations completed during this semiannual reporting period:

- **Performance Audit on the AbilityOne Cooperative Agreements (Report No. 02-04)**

The objectives of the performance audit were to determine whether the Agreements are adequately designed and operating effectively to improve the performance and transparency of the AbilityOne Program. The audit concluded that the Agreements were effective and designed to enhance accountability, operational effectiveness, integrity, and transparency of the Program, but there are opportunities for improvements with the Commission's oversight of CNAs as it relates to compliance, deliverables, and performance measurements contained in the Agreements.

- **Lack of Management Action on Enterprise Risk Management (ERM) and Internal Control Enters Critical Stage (Report No. 20-05)**

OIG issued this management alert to the Agency to assist with progress in risk management. ERM provides an enterprise-wide, strategically aligned portfolio view of organizational challenges that leads to better insight to effectively prioritize resource allocations to mitigate risks to achieve goals and objectives. Our office identified and reported each year the lack of an ERM program as a management challenge for the Commission in the Top Management and Performance Challenges Reports since 2017. Properly implementing an ERM framework is instrumental in mitigating risk, improving organizational resiliency, and preventing and detecting occurrences of fraud in the Program. However, the lack of progress by the Commission in implementing an ERM framework coupled with open audit recommendations leaves the Commission vulnerable to fraud and mismanagement of resources.

Investigative Accomplishments

Examples of OIG Investigative Accomplishments during this semiannual reporting period:

Investigations Completed

- The interagency case into Industries for the Blind and Visually Impaired of Wisconsin (IBVI) resulted in a \$1.9 million settlement. The case resolved alleged violations of the False Claims Act and Anti-Kickback Act in connection with AbilityOne contracts for GSA, Interior, and the Army.
- Spoofing Attack On U.S. AbilityOne Commission and a breach of the Official's account at OPM's Employee Express system, and release of the Official's PII from government systems- The Office of Inspector General, with assistance from GSA OIG, completed an investigation on a spoofing attack that targeted the U.S. AbilityOne Commission. The attack concluded with a theft from the payroll of a Senior Agency Official (the "Official"), a breach of the Official's account at OPM's Employee Express system, and release of PII from government systems. During the course of the investigation, AbilityOne employees expressed concern that the hacker appeared to use inside knowledge to succeed at the spoofing attack. AbilityOne OIG examined how the hacker may have gained access to the information necessary to spoof the Official's name and writing style, as well as how the hacker knew to target the attack at the contractor in

charge of payroll. We also examined whether AbilityOne policies and actions of staff may have enabled the hacker's success. AbilityOne written IT policies forbid the sharing of system access. With technical assistance from the IT office, the Official shared access to the Official's outlook email system with two assistants. Access included all sent and received emails and the ability to send emails on behalf of the Official. The shared access was critical to the hacker's success, as the hacker deceived staff into using the Official's email account to reset an OPM Employee Express password and to forward the reset code from the Official's government email account to the hacker. The Official's violation of the IT policy contributed to the hacker's success.

Infrastructure Accomplishments

- OIG successfully completed the launch of a comprehensive case management system. The new case management system is FedRAMP certified.
- OIG launched a new and improved hotline portal webpage.

Introduction

On December 18, 2015, the Consolidated Appropriations Act of 2016 (P.L. 114-113) amended the Inspector General Act of 1978 (IG Act) and created the Inspector General (IG) for the U.S. AbilityOne Commission. The Office of Inspector General (OIG) is responsible for conducting audits, investigations, and preventing fraud, waste, abuse, and mismanagement in the Commission's programs and operations, and recommending policies and procedures to promote economy, efficiency, and effectiveness. The IG Act requires the IG to keep the Commission, Chairperson, and Congress fully and currently informed about problems and deficiencies of the Commission and its operations.

The Committee for Purchase from People Who Are Blind or Severely Disabled, operating as the U.S. AbilityOne Commission (AbilityOne, or Commission, or Agency), is responsible for administering the AbilityOne Program pursuant to the Javits-Wagner-O'Day (JWOD) Act (41 U.S.C. §§ 8501–8506). The AbilityOne Program is the largest source of employment in the United States for people who are blind or have significant disabilities. Through the AbilityOne Program, over 45,000 Americans who are blind or have significant disabilities are employed in the service, manufacturing, and delivery of over \$4 billion in contracts for the Federal Government.

AbilityOne designates Central Nonprofit Agencies (CNAs) to facilitate the employment of people who are blind or have significant disabilities through nonprofit agencies (NPAs) employers. The dynamics of the CNAs are changing and growing. Adding to the two CNAs National Industries for the Blind (NIB) and SourceAmerica (SA), on July 26, 2018, the AbilityOne Commission designated a third CNA, American Foundation for the Blind (AFB). AFB joins NIB (established in 1928) and SA (established in 1974), albeit with a period of research and studies with no NPAs, or federal contracts.¹

COVID-19

The coronavirus continues to challenge health, daily habits, and the economy, and continues to have a substantial impact on the AbilityOne program. OIG has continued in telework status for the entirety of the reporting period, and it has maintained a high level of engagement and productivity.

OIG is engaged with the federal government's response to the pandemic. The Inspector General is involved with a CIGIE-wide domestic and international effort to protect the public and the government from fraud stemming from the global pandemic. The OIG is a member of a COVID-19 working group that stays up to date on legislation, Agency responses, and medical and scientific information, while addressing the legal issues impacting the OIG community.

The Pandemic Response Accountability Committee (PRAC) was established as a committee of CIGIE by the CARES Act which was signed into law on March 27, 2020. PRAC was created to

¹ 41 CFR Chapter 51-3.

promote transparency and prevent and detect fraud, waste, abuse, and mismanagement as it relates to the Coronavirus Response. Robert A. Westbrooks oversees PRAC and helps execute its responsibilities.

OIG delivered presentations to CNAs on PRAC and the CARES Act, sharing available information and strategies the government is using to address the challenges posed by the pandemic. The head of PRAC, Bob Westbrooks, was kind enough to join in one of our presentations to the CNAs, adding tremendous value by providing first-hand knowledge of PRAC's responsibilities and activities.

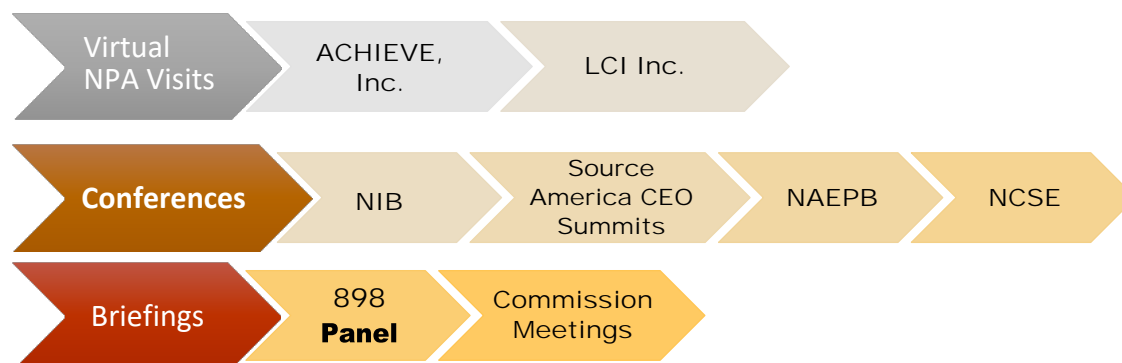
PRAC provides several resources including: publishing oversight reports created by federal OIGs overseeing their agencies' response to the coronavirus pandemic; hosting a hotline where individuals can submit fraud, waste, and abuse allegations; and maintaining a list of pandemic-related work by OIGs.

OIG conducted virtual tours of NPAs during the reporting period. Among the goals of the virtual tours is to educate the NPAs on the government's response to COVID-19, and to learn how the NPAs are adjusting to the new and more challenging environment.

OIG Outreach

As a part of a continuous effort to deepen its understanding of the AbilityOne Program that it oversees, our OIG conducts NPA visits, attends and often presents at conferences, routinely meets with and briefs the Commission, and speaks with industry experts. This outreach is designed to inform the AbilityOne Program community of the function of an OIG in a government Agency new to OIG oversight, and to promulgate the IG's message of promoting integrity and efficiency, while also preventing waste, fraud, and abuse.

In the reporting period, the nation continued to be under the threat of the COVID-19 pandemic. OIG took the initiative to continue conducting NPA visits, compatibly with the condition of the new environment. OIG designed and conducted its NPA visits through leveraging technology and IT platforms for video meetings in real time, in order to be able to continue its outreach during these uncertain times affecting employers and program participants alike.



NPA Educational Visits

During the reporting period, the OIG continued its tradition of meeting with NPAs. To maintain safety during the pandemic, OIG transitioned to 100% virtual visits. OIG visited ACHIEVE, Inc., an NPA that is part of SourceAmerica CNA network, and LCI, which is part of the NIB CNA network. Both virtual visits took place after extensive planning and coordination, between the OIG and the NPA and among the various operating units in the NPA itself.

We thank ACHIEVE, and LCI for willing to serve as the pilot with OIG for the creation and testing of the virtual visit model. The OIG successfully connected with NPAs and their program participants on the ground, effectively conducting OIG outreach during a pandemic.

ACHIEVE, Inc., Yuma, AZ

OIG conducted a virtual visit of ACHIEVE, Inc. The visit was hosted by the President and CEO, and OIG was provided the opportunity to meet with senior leadership and to complete a virtual tour of the manufacturing facilities of the organization.

Virtual Visit to Achieve, Inc.

ACHIEVE, Inc., has been in existence for over 50 years in the Southwest of rural Arizona. It serves individuals with developmental disabilities, including but not limited to, cognitive disabilities, autism, and cerebral palsy, as well as any Wounded Warrior who is enrolled with services through the Arizona Department of Economic Security, Division of Developmental Disabilities or Rehabilitation Services Administration.

ACHIEVE offers housing opportunities for individuals who require supported living and are diagnosed with a serious mental illness. ACHIEVE's AbilityOne contracts include Janitorial and Grounds Maintenance services with Homeland Security.





LCI Inc., Durham, NC

OIG conducted a virtual visit of LCI, based in Durham, NC. LCI is a manufacturing, distribution, wholesale, retail, and technology services provider, and one of the largest employers of Americans who are blind or visually impaired. For the OIG visit, LCI prepared a virtual tour of the Base Supply Center at Ft. Bragg for the AbilityOne contract, and a real-time video walkthrough of the service areas.

LCI was originally founded in 1936 as a manufacturing business. LCI expanded over time to operate two distribution centers, over 35 military base retail stores, and four e-commerce spaces. In total, LCI employees produce over 400 products available on the federal procurement list.



Virtual Visit
to LCI Inc.



OIG Has Visited Over Thirty AbilityOne
Program Employers (NPAs)



Forum Presentations

During this period, the OIG presented at NIB, SourceAmerica CEO Summits, the National Council of SourceAmerica Employers (NCSE), and the National Association for the Employment of People who are Blind (NAEPB). These presentations provided the AbilityOne community with an overview of oversight work, including the functions of an OIG, recent audit results, and projections for the future.

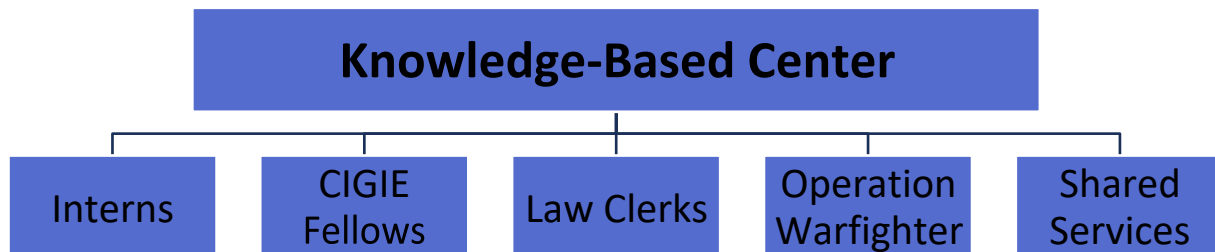
Commission Briefings

U.S. AbilityOne Commission Meeting

The OIG presented at the U.S. AbilityOne Commission virtual meeting. The Inspector General discussed the virtual NPA visit to ACHIEVE Inc., the launch of the new OIG webpage, and the civil fraud case portfolio.

Knowledge-Based Center

OIG implements a Knowledge-Based Center as a part of its organizational structure. The resource needs for the OIG far exceed current staffing levels. The goal of the knowledge-based center is to provide a vehicle and an organized center for additional OIG staffing and support through MOUs with other government agencies, internships, rotations, details, Council of the Inspectors General for Integrity and Efficiency (CIGIE) Fellows, and other shared services, while leveraging positive synergies.



CIGIE Fellow

OIG participated in the CIGIE fellow program and its multi-phased process. CIGIE fellows provide experience and expertise in management, as well as other knowledge areas of strength for OIGs. In the reporting period, OIG participated in the CIGIE Fellow initiative and provided direction based on having hosted a fellow from the EPA OIG. AbilityOne OIG's Knowledge-Based Center values the CIGIE fellow model for enhancing OIG capabilities as well as providing the fellows with experience with new environments, challenges, and diverse work platforms for the building of their career and development.

The Washington Center

Academic student interns from the Washington Center participated in our audit and pre-law internship program. The interns assisted with work projects such as the development of end of year reports and

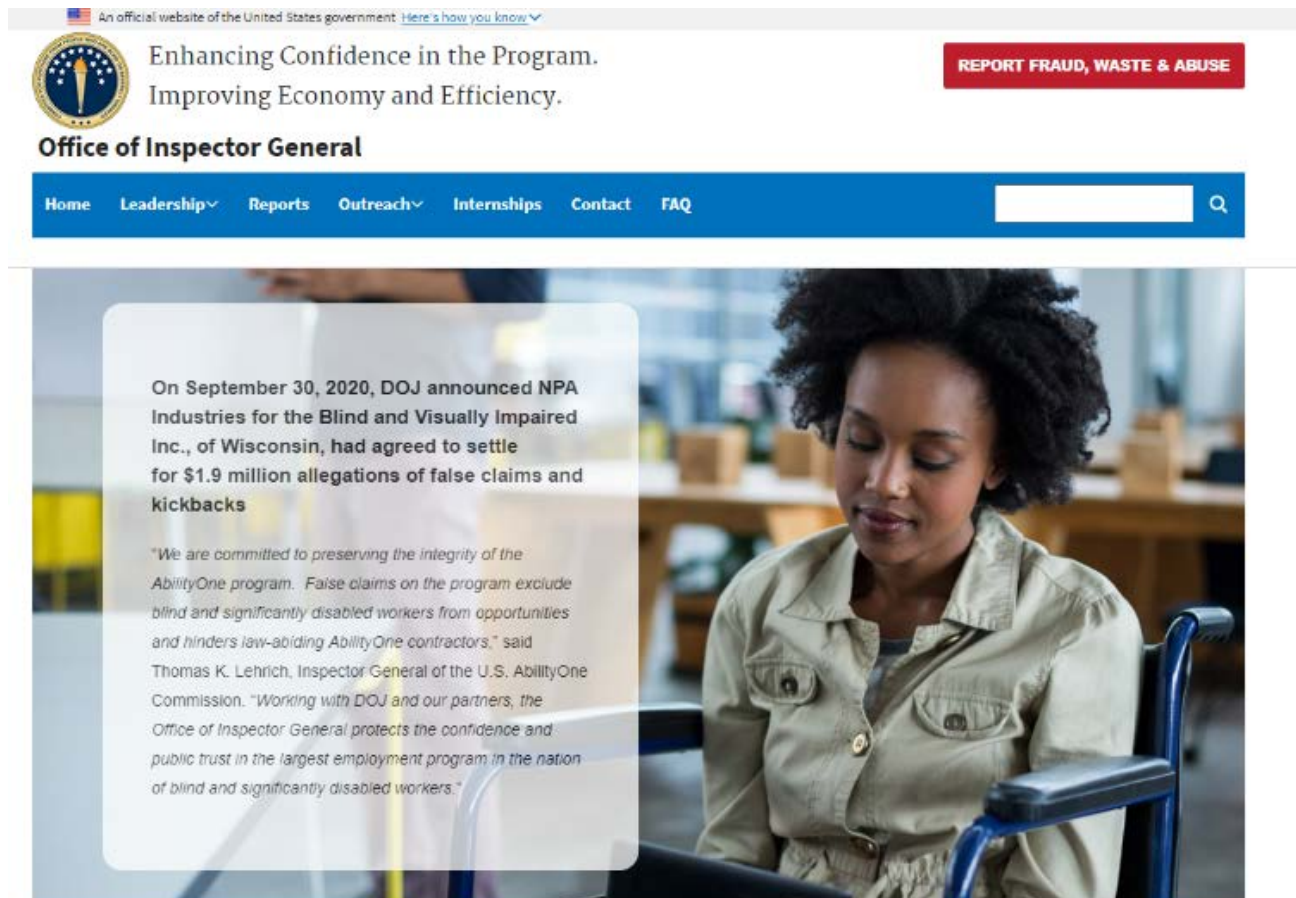
support with the production of Semiannual Reports (SAR), along with developing content and assisting with web design and other OIG work and publications, including research on legislative topics. Each student is assigned a mentor that guides the student through a successful academic internship experience, providing exposure to the work of the government, and utilizing their academic background and skills.

Launch of New OIG Webpage

OIG participated in a CIGIE working group to enhance and further build the capabilities of oversight.gov for the IG community. During the reporting period, OIG completed its pilot website on oversight.gov and went live on the new web platform. Our co-leader on the project, the Department of Justice OIG, took its own new website live in the reporting period as well.

As a goal of the effort, we hope that our work on this project helps other small OIGs to stand up their own webpages on oversight.gov: <https://www.oversight.gov/abilityone/>

AbilityOne OIG – Oversight.gov’s Home Page



The screenshot shows the official website of the Office of Inspector General for AbilityOne. At the top, a banner reads "An official website of the United States government" with a link "Here's how you know". Below this is the AbilityOne logo, a circular seal featuring a torch and the words "ABILITYONE". To the right of the logo, the text reads "Enhancing Confidence in the Program. Improving Economy and Efficiency." A red button on the right says "REPORT FRAUD, WASTE & ABUSE". Below the logo and text is the "Office of Inspector General" title. A blue navigation bar contains links: Home, Leadership, Reports, Outreach, Internships, Contact, and FAQ. A search bar is on the right. The main content area features a large image of a woman with curly hair, wearing a light-colored jacket, sitting in a blue wheelchair. Overlaid on the left side of the image is a white text box with the following text: "On September 30, 2020, DOJ announced NPA Industries for the Blind and Visually Impaired Inc., of Wisconsin, had agreed to settle for \$1.9 million allegations of false claims and kickbacks." Below this is a quote: "We are committed to preserving the integrity of the AbilityOne program. False claims on the program exclude blind and significantly disabled workers from opportunities and hinders law-abiding AbilityOne contractors," said Thomas K. Lehigh, Inspector General of the U.S. AbilityOne Commission. "Working with DOJ and our partners, the Office of Inspector General protects the confidence and public trust in the largest employment program in the nation of blind and significantly disabled workers."

Website Sample from FAQs

I think the Office of Inspector General may want to ask me some questions for an audit or investigation. What do I have to do?

First, please remember OIG questions are designed simply to determine the facts. Feel free to ask us before or at the beginning of an interview if you have questions or concerns. We request that you cooperate fully with OIG audits and investigations, which means providing information relating to the performance of your job-related duties. If an employee determines not to answer questions or produce documents on request, the OIG may report the matter to the employee's supervisor, and continue raising the matter to the Chairman or Congress until cooperation is received. Employees are also responsible for reporting violations, or suspected violations, of the law or any abuse, waste, mismanagement or irregular activities regarding AbilityOne programs to the Office of Inspector General.

Keep in mind that cooperating with an OIG audit or investigation does not limit an individual's Fifth Amendment right not to incriminate oneself. In addition, Federal laws protect employees from reprisal by employers for "blowing the whistle" on illicit activity. For more information about whistleblower protection, please click on our "Am I a Whistleblower" tab. You may also go to this website [U.S. Office of Special Counsel \(OSC\)](#), or review this OSC pamphlet, "[Know Your Rights When Reporting Wrongs](#)."

Office of Audits

The office of audits provides audit oversight to a Commission responsible for administering the \$4 billion AbilityOne Program. Guided by an audit plan that identifies key areas of risk, during the reporting period the OIG office of audits conducted one audit, announced three audits, and issued a management alert on Enterprise Risk Management. The completed audits produced five findings and seven recommendations.

Completed Audits

Audit Report on the U.S. AbilityOne Cooperative Agreements (Report No. 20-04)

The Cooperative Agreements Audit was completed during the reporting period. The OIG Performance audit report was issued on April 3, 2020. The objectives of the performance audit were to determine whether the Agreements are adequately designed and operating effectively to improve performance and transparency of the AbilityOne Program.

The audit concluded that the Agreements were effective and designed to enhance accountability, operational effectiveness, integrity, and transparency of the Program, but there are opportunities for improvements with the Commission's oversight of CNAs as it relates to compliance, deliverables, and performance measurements contained in the Agreements.

The report included seven recommendations to assist the Commission in strengthening its oversight effectiveness and transparency of the Program:

- Implement better practices for the Quality Assurance Surveillance Plan (QASP) process that includes additions to the QASP plan.
 - Complete a work force analysis to determine staffing requirements based on major mission activities.
 - Ensure the Commission's Agreements are harmonized with compliance enforcement protocol.
 - Review and assess the requirements of the deliverables listed in Section G, attachment 1 of the Agreements.
 - Review and analyze the Fee and Expenditure Reports and other materials received from the CNAs.
 - Ensure that responses to follow up questions from CNAs have been addressed and included in the reports prior to sending the Fee and Expenditure Reports to Congress.
- Ensure the CNAs have access to clear and complete guidance to follow when responding to Commission requests.

Audit of U.S. AbilityOne Cooperative Agreements (available here)		
	Findings	Recommendations
1	Improvements in The Process And Measurement Of The Criteria Used To Develop The Key Performance Indicators (KPI) Are Needed.	One
2	Commission's Limited Resources Have Resulted In Ineffective Compliance Enforcement For The AbilityOne Program And Agreement Requirements.	Two
3	Program Performance Objectives And Deliverables Are Outdated Resulting In Inefficient And Wasted Resources.	One
4	Lack Of Evidence That The Commission Performs Data Analysis On CNAs' Reports Puts Program Measurements At Risk.	Two
5	Our Review Of The Commission Policies Revealed They Are Not Aligned With The Cooperative Agreements Requirements And In Some Cases May Be Outdated.	One

Completed Products

OIG Issues a Management Alert on Lack of Management Action on Enterprise Risk Management (ERM) and Internal Control Enters Critical Stage (Report No. 20-05)

OIG issued this management alert to the Agency to assist with progress in risk management. ERM provides an enterprise wide, strategically aligned portfolio view of organizational challenges that leads to better insight to effectively prioritize resource allocations to mitigate risks to achieve goals and objectives. OIG identified and reported the lack of an ERM program as a management challenge for the

Commission each year in the Top Management and Performance Challenges Reports since 2017.

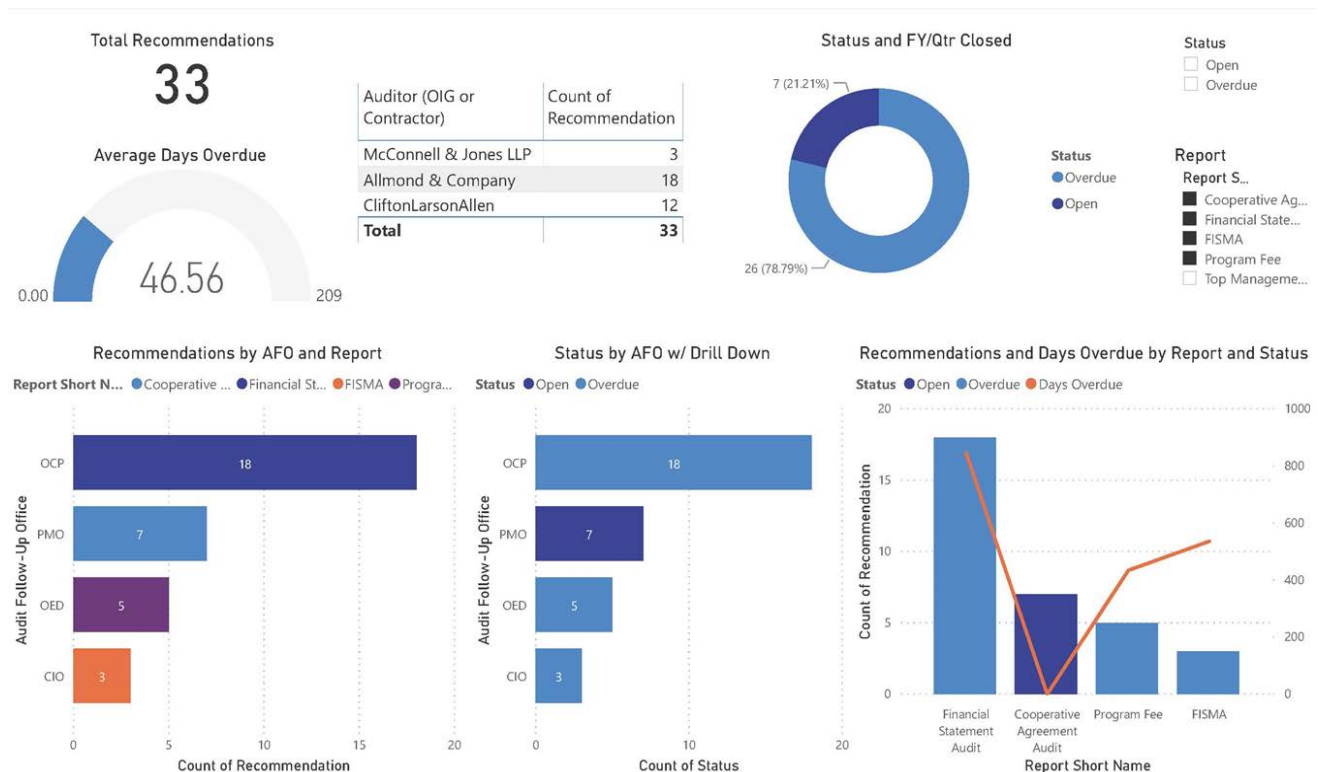
Properly implementing an ERM framework is instrumental in mitigating risk, improving organizational resiliency, and preventing and detecting occurrences of fraud in the Program. However, the lack of progress by the Commission in implementing an ERM framework coupled with open audit recommendations leaves the Commission vulnerable to fraud and mismanagement of resources and diminishes reasonable assurance that the AbilityOne program is being managed and administered efficiently, effectively, and in compliance with applicable laws and regulations.

Audit Recommendation Dashboard

OMB Circular A-50, Audit Follow-up, requires audit reports to be resolved by Agency management within six months of the audit report issuance date. OIG tracks the Commission's implementation of audit recommendations and encourages proactive efforts by the Agency through meetings with the Commission to discuss open recommendations and to review recommendations ready to be closed.

During the reporting period, OIG updated its audit recommendation reconciliation matrix and replaced it with the OIG Audit Recommendation Dashboard. The audit recommendation dashboard is an innovative, interactive, dynamic, cutting-edge tool that tracks and manages audit recommendations with drill-down capabilities that can provide ad hoc reports to Commission leadership and staff on the status (e.g. open/closed) of recommendations affecting their areas of responsibility. A sample of the OIG's Audit Recommendation Dashboard is included below.

As of September 30, 2020, the Office of Audits is tracking 33 open audit recommendations.



Audits In-Progress

Audit of the Central Nonprofit Agency Selection of Nonprofit Agencies for Project Assignment and Allocation of Orders

OIG initiated the performance audit of the Central Nonprofit Agency (CNA) Selection of Nonprofit Agencies (NPAs) for Project Assignment and Allocation of Orders. Our overall objective is to assess the extent to which the implementation of the project assignment and allocation process by the CNAs is effective and follows applicable laws and regulations as well as established policies and procedures. This performance audit will look into the Commission and CNAs' policies and procedures as well as best practices for making recommendations to the Commission for NPAs' project assignments and allocation of orders. The assignment of projects to Base Supply Centers (BSC) will be included as part of the audit scope. The OIG engaged the independent public accounting firm CliftonLarsonAllen (CLA), LLP to conduct the audit and issue the report, with OIG providing oversight as required by the IG Act of 1978, as amended. Expected completion: 1st quarter FY2021.

Audit of the Procurement List Addition Process, Procedures, and Practices

OIG engaged with CLA to conduct the performance audit of the Procurement List Addition Process, Procedures, and Practices. The overall objective is to determine whether the Procurement List addition process is transparent and performed efficiently, effectively, and in compliance with applicable laws, regulations, and policies. The audit will assess the effectiveness of the policies, procedures, and practices employed by the Commission when approving the addition or removal of products and services from the Procurement List, as well as CNA processes for producing and providing procurement list addition packages.

The establishment of the Fair Market Price (FMP) is a significant part of the Addition process, and the audit will assess the effectiveness of the FMP guidance as well as how effective PLIMS supports the program. Expected completion: 2nd quarter FY2021.

Audit of the U.S. AbilityOne Commission's Fiscal Year 2020 Financial Statements

OIG entered into a contract with Allmond & Company, LLC, (Allmond) an independent certified public accounting firm, to conduct the Financial Statement Audit of the Commission. Allmond will consider the Commission's financial statements and balance sheet as of September 30, 2020, to determine whether the Commission's financial statements were fairly presented, in all material respects, in accordance with the U.S. generally accepted accounting principles. Expected completion: 1st quarter FY2021.

Fiscal Year 2020 Evaluation of the U.S. AbilityOne Commission's Information Security Program

OIG entered into a contract with McConnell and Jones, LLP, an independent certified public accounting firm, to conduct the audit of the Commission's information security program pursuant to the Federal Information Security Modernization Act of 2014 (FISMA). The overall objective is to determine the effectiveness of the Commission's information security program and practices. The audit will assess information security program controls to support the OIG's reporting of FISMA metrics into the

Department of Homeland Security's (DHS) CyberScope application. Expected completion: 1st quarter FY2021.

Challenges

A challenge facing the OIG in both business units, the Office of Audits and the Office of Investigations, is building necessary resources. Congress has provided strong support and needed funding as we build out the office. The OIG remains young, and building a comprehensive audit and investigative program to address the many facets and layers of the AbilityOne Program requires additional resources for sustained time and effort, as well as adequate staff size with specialized skills and expertise.

Additional OIG Activities

Top Management and Performance Challenges Report

During the reporting period, OIG held our brainstorming session on the work plan for the 2020 Top Management and Performance Challenges report for inclusion in the Commission's FY 2020 Performance and Accountability Report (PAR).

Under the Reports Consolidation Act of 2000 (PL 106-531), the OIG reports on the most significant management and performance challenges facing the Commission. Our report will reflect on and assist in highlighting the challenging environment facing the Commission and its Program.

In this year's Top Management and Performance Challenges Report, we will include as the most pressing challenges: financial mismanagement, anti-deficiency act violations, a lack of risk management, recommendations from the 898 Panel, and lapses in accountability.

We plan on meeting with Commission staff and stakeholders to discuss progress on previously reported challenges and identify any new/emerging issues.

Antideficiency Act Violations and Agency Reporting Requirements

Congress determines the amount of funding available to an agency by enacting appropriations to cover programs, projects, purchases, and services needed by the agency during the period for which the funds are made available. The Antideficiency Act (ADA) prohibits the agency from exceeding the enacted appropriations for the year.

On December 13, 2019, OIG provided a Financial Statement Audit (FSA) Report to the agency, conducted by the independent public accounting firm Allmond & Company, LLC (Allmond). Allmond's report identified significant departures from federal reporting requirements and accounting principles. Among the problems, Allmond noted that the Commission potentially violated the ADA by entering in new obligations using funds that were no longer available for obligation.

Allmond's findings noted eight new obligations, which totaled \$704,875.19 that were recorded in the

general ledger for FY17 and 18 but occurred during FY19. The findings also noted two instances totaling \$451,333.08 in which lump sums of payments recorded to current year obligations were transferred to prior years, as well as six instances in which the amount recorded the Commission's general ledger to obligate prior year funds did not agree to the source documentation. The Commission concurred with all recommendations from the Financial Statement Audit, including those reflecting the potential ADA violations.

On December 20, 2019, OIG issued a memorandum to the Chairperson and AbilityOne executives outlining the mandatory process once an agency is aware of potential ADA violations. As outlined, the first step is for an agency to conduct an investigation into the cause of the violations. On February 27, 2020, OIG issued a follow-up memorandum to the Executive Director requesting the status.

The Commission engaged GSA to conduct the investigation on its behalf. In late July 2020, GSA completed its investigation; in the report, it discussed finding multiple, intentional violations of the ADA by agency personnel. Pursuant to the requirements of the Act and OMB Circular A-11, the Commission must "immediately" report the violations, with all relevant facts and a statement of actions taken, to the President, Congress, and the Comptroller General.

As of the close of the reporting period, the U.S. AbilityOne Commission has not reported the violations, with all relevant facts and a statement of actions taken, to the President, Congress, and the Comptroller General.

OIG Meets with OGE regarding OGE's Review of the AbilityOne Ethics Program

Another oversight agency, the Office of Government Ethics (OGE), issued a report identifying numerous and serious deficiencies in AbilityOne's ethics program.² During the reporting period, OIG met with OGE regarding the report issued by OGE and was briefed on the ten recommendations OGE issued to the Commission for the AbilityOne ethics program.

Office of Investigations

The Offices of Investigations (OI) is responsible for detecting and investigating fraud, waste, and abuse within the U.S. AbilityOne Commission and its Programs. Investigations may be criminal, civil, administrative, or of a contractual nature. Fraud, waste, and abuse within the AbilityOne program leads to the loss of jobs for Americans who are blind or severely disabled, many of whom are veterans.

While the program is administered by the U.S. AbilityOne Commission, the billions of dollars a year in goods and services are contracted for by federal agencies directly with the NPAs. Contracting with NPAs for these goods and services is not optional: the U.S. AbilityOne Commission has a mandatory procurement list of goods and services that federal agencies are required to purchase, without competition. As a result, investigative oversight spans much of the federal government; OI investigations are often conducted along with partners from the Offices of Inspectors General at the federal agencies

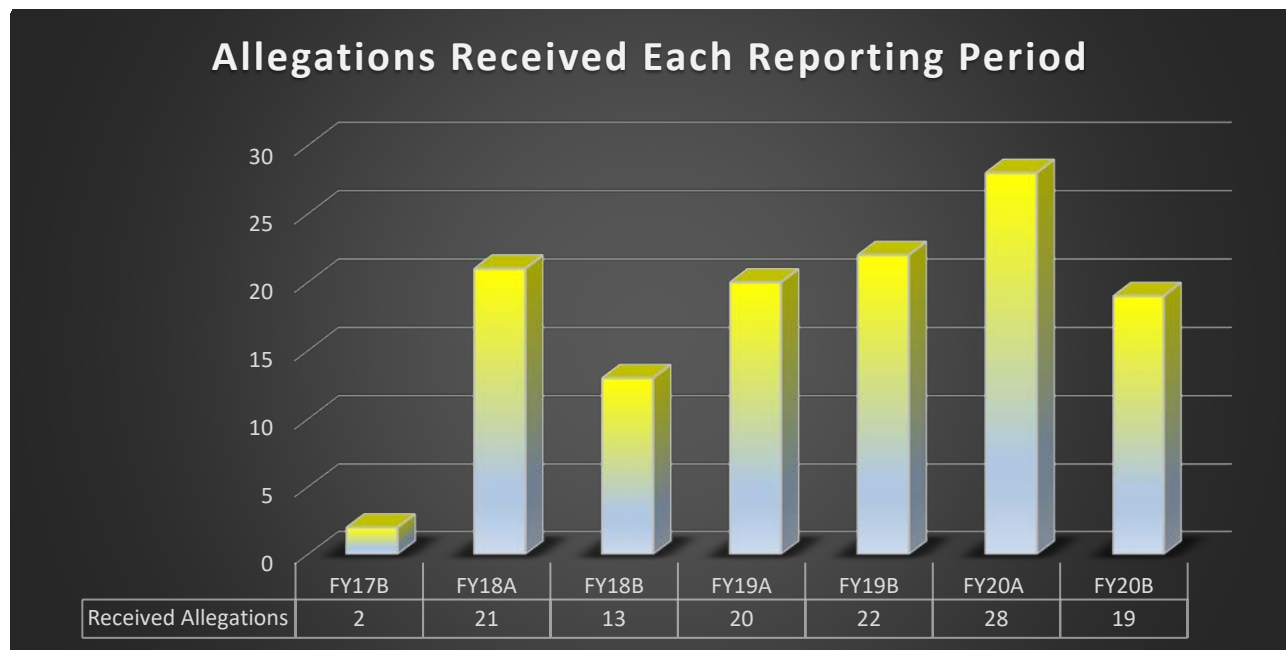
² U.S. AbilityOne Commission Ethics Inspection Report (Report No. 20-50I, September 29, 2020) ([https://www.oge.gov/web/oge.nsf/0/62932FC1D2F1AD7D852585F8005C77F4/\\$FILE/2020%20AbilityOne%20Inspection%20Report%2020-50I.PDF](https://www.oge.gov/web/oge.nsf/0/62932FC1D2F1AD7D852585F8005C77F4/$FILE/2020%20AbilityOne%20Inspection%20Report%2020-50I.PDF)).

that hold the AbilityOne contracts at issue.

OIG made progress during the reporting period: it achieved milestones in investigations, continued to process allegations, increased its support of interagency investigations, and completed planned rollouts of investigative infrastructure.

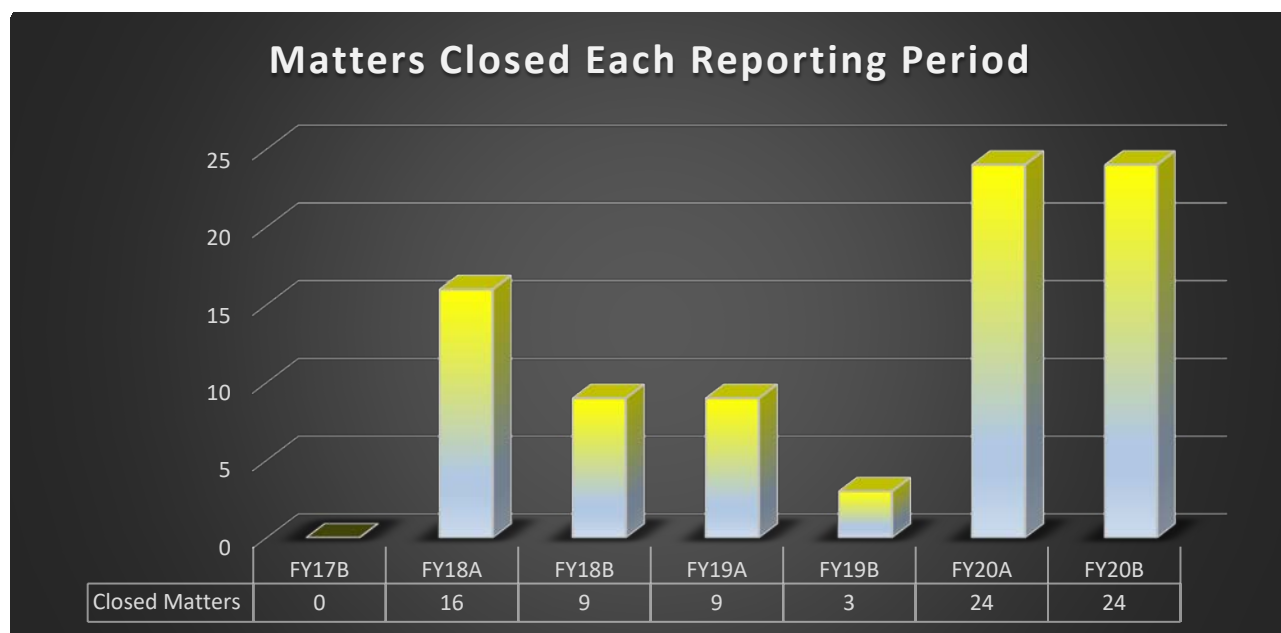
Hotline

OI manages the hotline, which includes email, phone, and a fillable web-form, by which the public may reach our office to report allegations of fraud, waste, or abuse. During the reporting period, the office received a total of 19 allegations.



Allegations Processed and Closed

Allegations of waste, fraud, and abuse received by OIG are subject to an initial review. The graph above shows the number of allegations, while the graph below shows the number of matters closed each reporting period.



Investigations Completed

OI closed two investigations during the reporting period.

Spoofing Attack on U.S. AbilityOne Commission

The Office of Inspector General, with assistance from GSA OIG, completed an investigation on a spoofing attack that targeted the U.S. AbilityOne Commission. The attack concluded with a theft from the payroll of a Senior Agency Official (the “Official”), a breach of the Official’s account at OPM’s Employee Express system, and release of the Official’s PII from government systems.

During the course of the investigation, AbilityOne employees expressed concern that the hacker appeared to use inside knowledge to succeed at the spoofing attack. AbilityOne OIG examined how the hacker may have gained access to the information necessary to spoof the Official’s name and writing style, as well as how the hacker knew to target the attack at the contractor in charge of payroll. We also examined whether AbilityOne policies and actions of staff may have enabled the hacker’s success.

AbilityOne written IT policies forbid the sharing of system access. With technical assistance from the IT office, the Official shared access to the Official’s outlook email system with two assistants. Access included all sent and received emails and the ability to send emails on behalf of the Official. The shared access was critical to the hacker’s success, as the hacker deceived staff into using the Official’s email account to reset an OPM Employee Express password and to forward the reset code from the Official’s government email account to the hacker. The Official’s violation of the IT policy contributed to the hacker’s success.

Through the effort of AbilityOne and GSA main agencies, all payroll funds were recovered, leading to no loss for the Official or the Government. On learning that all funds had been recovered, and on learning that the hacker based their attack from a server located outside of the United States, OIG determined to

bring the investigation into the hacker to a close.

\$1.9 Million Settlement with Industries for the Blind and Visually Impaired of Wisconsin

Fraud at NPAs takes away job opportunities from blind and disabled workers and is an investigative priority for OIG. This reporting period marked the completion of a significant false claims case involving Industries for the Blind and Visually Impaired of Wisconsin (IBVI). It was a joint investigation partnering us with other OIGs and the Department of Justice and resulted in about \$2 million to the United States to resolve allegations that the IBVI violated the False Claims Act and Anti-Kickback Act in connection with AbilityOne contracts for GSA, Interior, and the Army.

In the settlement announcement, the Department of Justice included a quote from the Inspector General:

“We are committed to preserving the integrity of the AbilityOne program. False claims on the program exclude blind and significantly disabled workers from opportunities and hinders law-abiding AbilityOne contractors. Working with DOJ and our partners, the Office of Inspector General protects the confidence and public trust in the largest employment program in the nation of blind and significantly disabled workers.”

The settlement of this case resolves allegations that IBVI misrepresented its blind-to-sighted ratio of direct labor, as well as allegations of acceptance of impermissible payments and gifts from certain manufacturers.

Summary: Investigative Activity April 1, 2020 – September 30, 2020	Number
Closed allegations during the reporting period	24
Total number of closed investigations	2
Total number of persons referred to DOJ for criminal prosecution	3
Total number of persons referred to State and Local prosecuting authorities for criminal prosecution	0
Total number of indictments and criminal information that results from any prior referral to prosecuting authorities	0
Open matters at the end of the reporting period	39

Infrastructure Accomplishments

OIG successfully completed the launch of its case management system. A case management system is integral to tracking allegations, cases, referrals, and related OI work product, as well as securely storing and accessing investigative records. The new case management system is FedRAMP certified.

OIG successfully launched a new webpage hotline that streamlines the submission of allegations involving the AbilityOne program. The new hotline webpage is available [here](#).

Investigative Outreach and Fraud Awareness

OIG conducted outreach and fraud awareness efforts to the Commission and the CNAs. In multiple presentations, the Inspector General has focused on PRAC efforts, the CARES Act, and provided information and training to CNAs, NPAs, and the Commission. The Inspector General has also presented information about OIG’s civil fraud portfolio.

OI worked with the Equal Employment Opportunity Commission, the Department of Defense (“DoD”) OIG, and Veteran’s Affairs (“VA”) OIG, among others, to build processes to better coordinate on investigative referrals and matters of interest to multiple agencies.

Challenges: Office of Investigations Takes on the Challenge of a \$4 Billion Program by Engaging Partners and Maximizing Efficiencies

The AbilityOne program is unique. Where most OIGs have a distinct area of investigative jurisdiction, the AbilityOne program is used by most of the federal government across departments and agencies. For efficiency and synergy of efforts, AbilityOne OIG works with many partner-agencies in investigating cases involving AbilityOne contracts.

The contracts at issue are also unique in that they are let non-competitively via a mandatory procurement list. The potential for fraud may be greater. A recent example of an interagency investigation is a \$1.9 million settlement with IBVI of Wisconsin following a DOJ-led investigation. Full details are available at OIG’s new [website](#).

AbilityOne Program	Key Numbers
U.S. States and Territories	52
Participating Non Profits (NPAs)	500
Individuals Employed	46,000
Federal Agencies That Use Program	40
Federal Locations Hosting Workers	1,000
Annual Spending at Risk	\$4,000,000,000

With greater investigative resources for OIG, the government would achieve a concrete and measurable return on investment.



Section 898 of the National Defense Authorization Act for Fiscal Year 2017 (P.L. 114-328) required the Secretary of Defense to establish the “Panel on Department of Defense and U.S. AbilityOne Contracting Oversight, Accountability, and Integrity” (“the Panel”). The Panel has issued two reports to Congress, one in January of 2018, and one in January of 2020. The Panel plans to issue its third report to Congress in December of this year.

Pursuant to Section 898(a)(2), a representative of the Inspector General of the Department of Defense and the Inspector General of the AbilityOne Commission are statutory members of the Panel, among others. The primary mission of the Panel is to identify vulnerabilities and opportunities in DoD contracting within the AbilityOne Program and recommend improvements. The Panel established seven subcommittees to fulfill its duties as determined by Section 898(c). Since its inception, and during the reporting period, the IG leads the Panel’s Inspector General subcommittee. In addition to leading the subcommittee, the OIG provided support and advice to multiple Panel subcommittees dealing with the effectiveness and internal controls of the AbilityOne Program as it relates to DoD contracting, including to the DOJ-led subcommittee on Waste Fraud and Abuse.

The Panel’s Inspector General subcommittee is tasked with reviewing the progress of DoD IG’s recommendations from the 2016 audit report, DODIG-2016-097. The IG subcommittee previously found that the DoD had made progress with the report’s recommendations to implement existing DoD policy requiring contracting officers to check the AbilityOne’s Product List (PL) to verify whether a product or service is on the List, and to improve training for procurement personnel the AbilityOne program procurement. During its May 6, 2020, meeting, the 898 Panel found that there were still issues with procurement officers outside of the DoD. The IG made recommendations that additional training be conducted and continues to monitor the procurement officers progress.

The 898 Panel set its goals to include prioritizing and refining the actionable recommendations to improve oversight, accountability, transparency, and integrity in contracting with the AbilityOne Program. Execution of these recommendations will have a positive impact on the employment opportunities for individuals who are blind or have other significant disabilities. Until the sunset of the Panel with its last report in 2021, the IG will continue to report on the progress of the Panel.

Alphapointe, Kansas City, MO

During the reporting period, members of the 898 panel visited the Alphapointe headquarters in Kansas City. The visit enabled the 898 Panel to see Alphapointe's operations and gain insight into its origin, mission, and operations.



Veterans Employment Initiative

Section 898 of the National Defense Authorization Act (NDAA) for the Fiscal Year 2017 (Public Law 114-328) directed the Secretary of Defense to establish a panel of senior-level representatives from the Department of Defense (DoD), including the U.S. AbilityOne Commission Director of Veterans Employment & Initiatives (DVEI) along with other organizations, as specified in the legislation. The Veterans Employment and Initiatives is important in maximizing employment opportunities for veterans with severe injuries, consistent with AbilityOne program participants.

The veteran's employment and initiatives within the Commission is aligned with the Section 898 Panel's recommendations. The veteran-focused initiative is expanding and sustaining employment opportunities for service-connected/severely disabled veterans, military spouses, family members, and other blind and severely disabled individuals.

According to the Commission's Budget Justification for FY2020 veterans benefit from numerous wounded warrior transition programs, training, and employment opportunities furnished by AbilityOne-authorized providers. Approximately 3,000 wounded, ill or injured veterans work in direct labor jobs in the AbilityOne Program. In addition, NPAs employ approximately 4,000 veterans working in indirect labor positions, including supervisory and management roles. The range of their military service stretches from Vietnam to Afghanistan and Iraq.

Most recently, the Department of Labor Education and Training Administration, an approved AbilityOne Apprenticeship, announced its initiative supporting the goal of higher-paying and career employment opportunities for service-connected/severely disabled and blind veterans. The initiative facilitates the employment of persons with severe disabilities or blindness. As Congress and the AbilityOne Commission look to increase employment opportunities for veterans, DVEI continues to look at ways to maximize resources by collaborating with existing DoD and other Government agencies opportunities such as the DoD SkillBridge program, the DoD Warrior Care Operation Warfighter program, and the Department of Labor-VETS program.

AbilityOne and Procurement

The Rule of Two and Legislative Changes to the VA Procurement Process

The “Rule of Two,” established under the *Veterans Benefits Act of 2006* (VBA), required the VA to set aside certain contracts for veteran-owned small business (VOSBs) where there is a “reasonable expectation” that two or more VOSBs will bid on the contract “at a fair and reasonable price that offers best value to the United States.”³ This VBA requirement created a conflict with existing sourcing requirements under JWOD, and left open the question of whether VBA or JWOD requirements should be applied first. In its 2018 decision, *PDS Consultants*,⁴ the U.S. Court of Appeals, Federal Circuit, ruled the VBA requirements took priority over the AbilityOne procurement list, jeopardizing contracts for products and services that had previously been provided through AbilityOne program contracts.

In an effort to preserve employment of the blind and severely disabled, Congress passed the *VA Contracting Preference Consistency Act of 2020*,⁵ which became law on August, 8, 2020, and was created to preserve the AbilityOne Program with respect to products and services VA was purchasing before the VBA was enacted in 2006. The Veterans First Program under the VBA still applies to all other products and services. In order to ensure compliance with *VA Contracting Preference Consistency Act of 2020*, the VA revised its Acquisition Regulation VAAR at Part 808 to restore AbilityOne as a priority mandatory source for covered products on the Procurement List, except that contracts previously awarded to VOSBs between December 22, 2006 and August 7, 2020 shall continue to receive preference under certain conditions.⁶

Medical/Surgical Prime Vendor-Next Generation (MSPV-NG) Current Structure

VA Acquisition Management was added to the GAO 2019 High Risk List, where the VA was specifically cited for a “lack of effective medical supplies procurement strategy.” The VA is CNA National Industries for the Blind (NIB)’s third-largest federal customer under the AbilityOne Program. In 2018, sales to the VA amounted to fifteen percent of NIB’s total AbilityOne Program sales. These sales equate to nearly 800 jobs for Americans who are blind or significantly disabled, many of whom are veterans. SourceAmerica has numerous contracts within this program. As identified by the OIG, Program erosion is a top management challenge facing the U.S. AbilityOne Commission and its Program. OIG has identified three inter-related issues:

- 1) Lack of essentially-the-same (ETS) and AbilityOne compliance on the current MSPV NG formulary;
- 2) Absence of AbilityOne products on the MSPV 2.0 formulary; and
- 3) Risk of a blanket non-manufacturer waivers being issued to cover products sold to the VA.

³ *Veterans Benefits, Health Care, and Information Technology Act of 2006*, Pub. L. No. 109-461, (codified at 38 U.S.C.A. § 8127(d)).

⁴ *PDS Consultants, Inc. v. U.S., Winston-Salem Industries for the Blind*, 907 F.3d 1345 (October 17, 2018).

⁵ Public Law No. 116-155 (2020) (codified as amended at 38 U.S.C.).

⁶ Memorandum, Class Deviation from the VA Acquisition Regulation 808.002, Priorities for Use of Mandatory Government Sources (VIEWS 03255281).

VA contracts were awarded to four prime vendors (PVs) that cover 23 VISNs, 152 medical centers, and 1,400 community-based outpatient clinics across the United States. The VA allows PVs to partner with veteran-owned small businesses (VOSB)/service-disabled veteran-owned small businesses (SDVOSB). The VA determines the contract offering and issues a monthly product catalog known as the “formulary.” The current formulary has up to 22,757 products listed; 872 are AbilityOne items. The Veterans Health Administration (VHA) manages the product offering, and the Strategic Acquisition Center (SAC) manages the contracts. The procurement strategy for the Prime Vendor contracts disregarded the applicability of the JWOD Act after the Federal Circuit’s decision in *PDS Consultants* by precluding the AbilityOne NPAs from participating in any of the four tiers of the solicitation, which allowed both small businesses and any other commercial entity to bid before applying the JWOD Act mandatory priority.

Current challenges identified with MSPV NG include the lack of an agreement with the VA to implement an ETS review process for the formulary. Federal law prohibits federal agencies from purchasing elsewhere items that are essentially the same (ETS) as AbilityOne items on the Procurement List. See 41 CFR § 51-5.3(a). Accordingly, agencies such as GSA have used an ETS review process to avoid products appearing on the formulary that are ETS to AbilityOne products, which are mandated for purchase by the Javits-Wagner-O’Day Act as implemented by the Federal Acquisition Regulation (FAR).

Additionally, prime vendors (PVs) require commercial supplier agreements to be signed by the NPAs that manufacture the products. The GSA requires its distributors to block any ETS offerings to the federal customer and requires AbilityOne distributor authorization for all large contracts, including Federal Strategic Sourcing Initiatives (FSSI) for commodity products. The VA, however, does not have any similar requirement to be a PV. Three of the four Veteran Administration’s PVs have agreed to terms required by the U.S. AbilityOne Commission, but one Veterans Administration’s PV has refused. This lack of a single vendor’s agreement results in lost sales for the AbilityOne program, thus reducing employment opportunities for people who are blind.

MSPV 2.0 and the Revised Acquisition Strategy for the AbilityOne Program

The VA follows the VAAR Rule of Two (“Ro2”) in determining the fulfillment of their support requirements for consumable medical supplies used in the MSPV program. The non-manufacturing waiver allows the item(s) to be acquired from VSOB/SDVOSB suppliers who have the capability to source the item(s) but not the capability to manufacture them. Allowing this practice opens the door for VOSB/SDVOSBs (many of whom are individually owned “storefront” operations) to source products offshore; whereas, if the requirements were sourced from NPAs through the AbilityOne Program, the products would remain in production in the United States and continue to create employment for people who are blind or significantly disabled, many of whom are veterans.

In order to ensure compliance with *VA Contracting Preference Consistency Act of 2020*, the VA revised its Acquisition Regulation VAAR at Part 808 to restore AbilityOne as a priority mandatory source for covered products on the Procurement List, except that contracts previously awarded to VOSBs between December 22, 2006 and August 7, 2020 shall continue to receive preference under certain conditions.⁷

⁷ Memorandum, Class Deviation from the VA Acquisition Regulation 808.002, Priorities for Use of Mandatory Government Sources (August 14, 2020).

E-Commerce

The U.S. AbilityOne Commission announced the end of the pilot program between the Commission and Amazon. While the Commission was able to gain insight into E-Commerce platforms, the pilot did not lead to an increase in AbilityOne sales. Amazon did not block ETS offerings on its platform and substitute those products with AbilityOne products, which is a feature that the Commission requires of its authorized distributors.

In addition to the AbilityOne and Amazon pilot program arrangement, other federal agencies (the Department of Homeland Security (DHS) and the U.S. Air Force) are establishing programs with Amazon allowing the purchase by procurement officers of commercial products online through Amazon. The FY2018 NDAA, P.L. 115-91, was signed by the President on December 12, 2017, and included Section 846, “Procurement Through Commercial E-Commerce Portals.” Section 846 directed GSA, in partnership with OMB, to “...establish a program to procure commercial products through commercial E-Commerce portals for the purposes of enhancing competition, expediting procurements, enabling market research, and ensuring reasonable pricing of commercial products” (e.g., Amazon, Office Depot, etc.).

GSA’s implementation of the Section 846 E-Commerce Platform is expected to extend through FY 2020. On October 1, 2019, GSA issued a solicitation seeking platform providers in support of this initiative. The solicitation requires respondents to respect the mandatory source requirements of the AbilityOne Program; providers must block “Essentially The Same” (ETS) items in the E-marketplace and substitute AbilityOne items. The solicitation also includes FAR 52.208-9, Contractor Use of Mandatory Sources of Supply or Services, and references to the mandatory source requirements in FAR 8.002, 8.004, and 8.005.

On April 1, 2020, GSA provided an update that the Commercial Platform’s Acquisition was delayed due to the fact that GSA’s resources and priorities have shifted to support the COVID-19 response. On May 4, 2020, GSA released its Spring 2020 Federal Marketplace (FMP) Strategy. The release includes various project improvements related to the COVID-19 response and other updated policies. For instance, to support the federal government’s response to COVID-19, GSA has created buying guides to make it easier to identify building, screening, and IT services available for acquisition. The Acquisition Resources Hub on GSA’s website also has a hub where suppliers can submit modifications to temporarily add non-Trade Agreement Act (TAA) products. GSA continues to update its INFORM pilot program, which creates an enhanced notification and selection process. GSA began expanding the INFORM effort in FY2020 and continues to do so through the present day. See [here](#) for more details regarding policy improvements by GSA.

In June 2020, GSA awarded E-Commerce platform contracts to three providers: Amazon Business, Fisher Scientific, and Overstock.com Inc.⁸ In August 2020, GSA released the first of a series of posts designed to educate stakeholders on topics related to the E-commerce platform, focusing on supply chain risk management and protecting users against counterfeit goods.⁹

The OIG will continue exercising its oversight role and deepening its understanding of the E-Commerce platforms and their application to the AbilityOne Program. The OIG views the innovations of E-

⁸ <https://interact.gsa.gov/blog/gsa-awards-contracts-commercial-e-marketplace-platform-providers>

⁹ <https://interact.gsa.gov/blog/managing-supply-chain-risk-within-commercial-platforms-proof-concept>

Commerce as the future of an evolving marketplace. The OIG also considers that, for the shared success of the E-Commerce platform, it is key that the buyers of products and services, i.e. the government agencies and their purchase officers, understand that the customer that the E-Commerce platform seeks to serve is the AbilityOne Program itself.



Activities with the Inspector General Community

In the reporting period, OIG has worked with the CIGIE DE&I workgroup. OIG headed the strategy plan chapter and organized the presentation of one of the first speakers on inclusion. The speaker was presidential appointee James Kesteloot, Commission member and former Chairman of the AbilityOne Commission from 2016 to 2018, and presented on strategies and issues for increasing hiring of blind and people with disabilities in the workforce.

The AbilityOne Inspector General is a member of CIGIE, and the Inspector General also serves on CIGIE legislative committee. The IG and the Deputy IG & Counsel contribute to the law enforcement community as adjunct instructors with the faculty at the Federal Law Enforcement Training Center (FLETC)'s IG Criminal Investigator Academy, located in Brunswick, GA (Glynco).

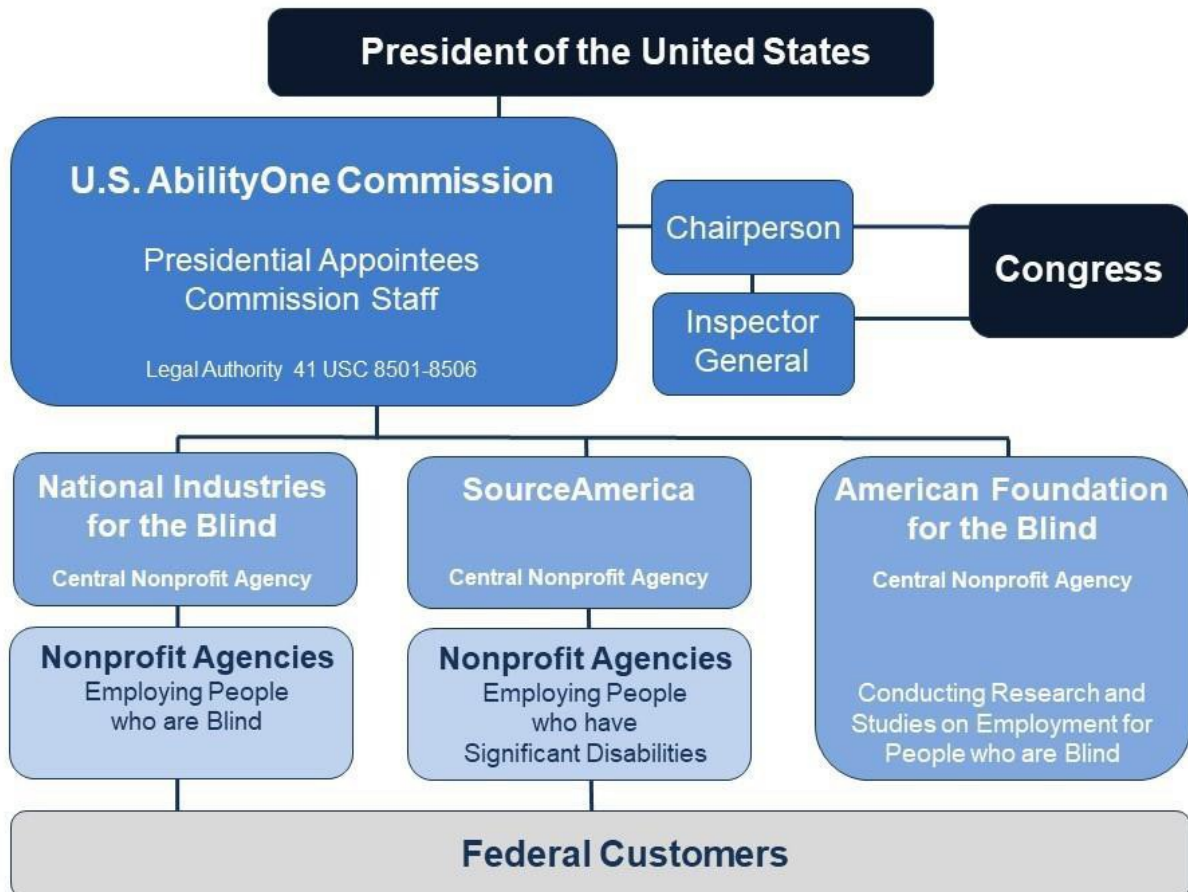
OIG has participated in the Oversight.gov program since the earliest stages of its creation. OIG continues to participate in a new CIGIE working group and pilot program for OIGs who are interested in creating a webpage that will be hosted by oversight.gov. The CIGIE initiative will make oversight.gov a single portal for government-wide oversight.

The OIG regularly participates in CIGIE working groups designed to focus on areas of IG interest, sharing best practices, and addressing various topics of pertinence specifically to smaller size OIGs. The Deputy Inspector General & Counsel to the IG is a member of the Council of Counsels of Inspectors General and the co-chair of the smaller OIG Counsel Group.

The Deputy Inspector General & Counsel was designated by the IG as the OIG's CIGIE pandemic relief point of contact, and serves as the OIG representative to other government agencies in the executive branch as well as the legislative branch, and specifically as the OIG's congressional liaison.

The Assistant Inspector General for Auditing (AIGA) participates in subgroups of CIGIE with emphasis on audit operations. The Assistant Inspector General for Investigations (AIGI) participates in AIGI quarterly meetings, attends as mandated joint training exercises with the Export-Import Bank OIG and Commerce OIG, and works on interagency investigations.

Appendix I: AbilityOne Organization Chart



Appendix II: Reporting Requirements under the Inspector General Act of 1978, as amended

IG Act Reference	OIG Reporting Requirements	Page Number
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.		
Section 4(a)(2)	Review of legislation and regulations	26-30
Section 5(a)(1)	Significant problems, abuses, and deficiencies	N/A
Section 5(a)(2)	Recommendations for corrective action	17-18
Section 5(a)(3)	Significant outstanding recommendations	18
Section 5(a)(4)	Matters referred to prosecutorial authorities	24
Section 5(a)(5) / 6(c)(2)	Information or assistance unreasonably refused or not provided	N/A
Section 5(a)(6)	Listing of completed audit, inspection, and evaluation reports	16-18
Section 5(a)(7)	Summary of significant reports	16-18
Section 5(a)(8)	Statistical table pertaining to questioned costs	N/A
Section 5(a)(9)	Statistical table pertaining to funds recommended to be put to better use	N/A
Section 5(a)(10)	Prior OIG reports unresolved, uncommented upon, desired timetable for achieving a management decision	N/A
Section 5(a)(11)	Significant revised management decisions	N/A
Section 5(a)(12)	Management decision disagreements.	N/A
Section 5(a)(13)	Information described under Section 804(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 IG	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
Section 5(a)(17)	Statistical tables pertaining to OIG investigations	22-24
Section 5(a)(18)	Description of the metrics for OIG investigative table	22-24
Section 5(a)(19)	Reports involving senior Government employees where allegations were substantiated, including the facts and circumstances of the investigation and status and disposition of the matter	N/A
Section 5(a)(20)	Instance of whistleblower retaliation	N/A
Section 5(a)(21)	Attempted agency interference with OIG independence, including budget constraints designed to limit OIG capabilities; and incidents where agency has resisted, objected, or significantly delayed access to information	N/A
Section 5(a)(22)	Inspections, evaluations, audits, and investigations of senior Government employees undisclosed to the public	N/A

Upon the enactment of the IG Empowerment Act on December 16, 2016, the OIG is required under IG Act

section 5(a)(20) to provide “a detailed description of any instance of whistleblower retaliation, including ... what, if any, consequences the establishment imposed to hold that official accountable.” Pursuant to the IG Empowerment Act’s reporting requirement, the OIG will provide information about any consequences imposed by the establishment for retaliation in the semiannual report for the period in which the OIG is informed that the consequences were imposed.

AbilityOne OIG



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Email: hotline@oig.abilityone.gov

Office of the Inspector General
Committee for Purchase From People Who Are Blind or Severely Disabled
(U.S. AbilityOne Commission)
233 Mill Road, Suite 505
Alexandria, VA 22314


www.oversight.gov/inspectors-general/abilityone-oig

<https://abilityone.gov/commission/oig.html>



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ACCOUNTABILITY COMMITTEE

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