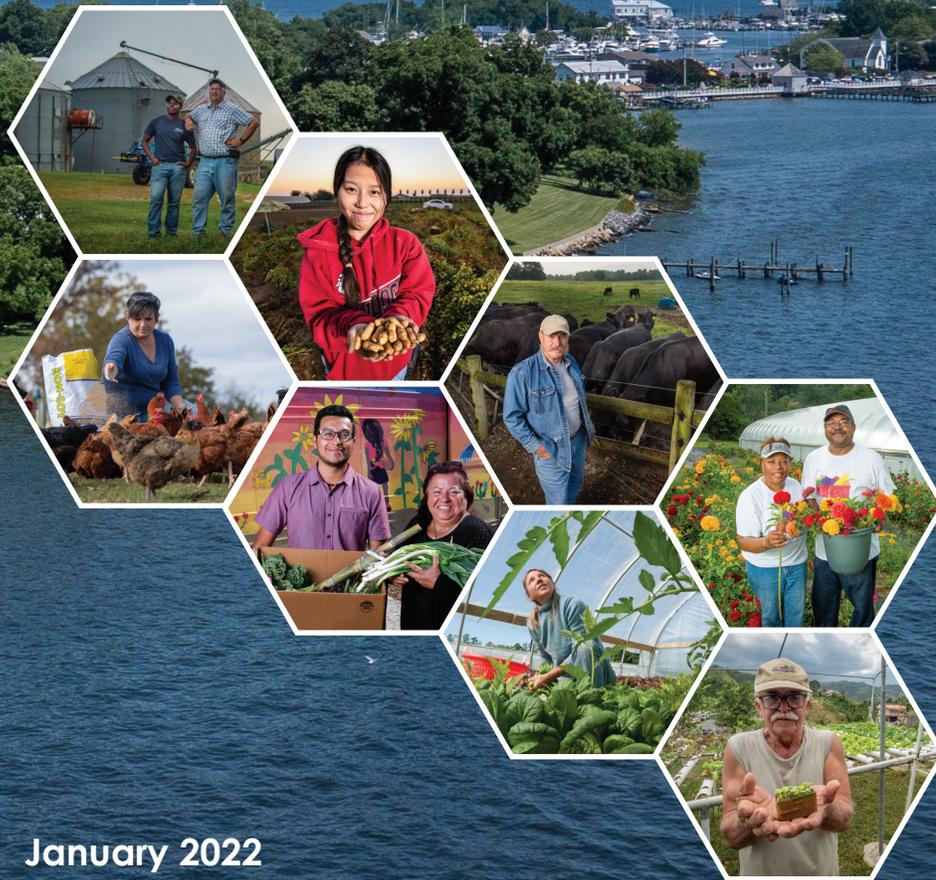




OIG Oversight Plan Infrastructure Investment and Jobs Act Funding



January 2022

**UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL
OIG OVERSIGHT PLAN
INFRASTRUCTURE INVESTMENT AND JOBS ACT FUNDING
January 2022**

Introduction

The Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 (Act), signed on November 15, 2021, provided the U.S. Department of Agriculture (USDA) more than \$8.3 billion in funding. More than \$2.9 billion is directed toward broadband loans and grants, watershed and flood prevention operations, and a new bioproduct pilot program using agricultural commodities. The Act provided more than \$5.4 billion for forestry programs designed to reduce wildland fire risk and restore ecosystems. USDA’s Office of Inspector General (OIG) received more than \$27.1 million to provide oversight of the forestry programs funded by the Act.¹ The following provides a summary breakdown of this funding.

| USDA Infrastructure Investment and Jobs Act Funding | |
|--|-------------------------|
| Agency/Program Funding | Appropriation |
| Rural Utilities Service's Distance Learning, Telemedicine, and Broadband Program | \$ 2,000,000,000 |
| Natural Resources Conservation Service's Watershed and Flood Prevention Operations | \$ 918,000,000 |
| New Bioproduct Pilot Program | \$ 14,000,000 |
| <i>USDA Subtotal</i> | <i>\$ 2,932,000,000</i> |
| Forest Service (FS) State & Private Forestry | \$ 1,526,800,000 |
| FS National Forest System | \$ 2,854,000,000 |
| FS Capital Improvement and Maintenance | \$ 360,000,000 |
| FS Wildland Fire Management | \$ 696,200,000 |
| <i>FS Subtotal</i> | <i>\$ 5,437,000,000</i> |
| Total USDA Funding | \$ 8,369,000,000 |
| | |
| OIG Funding | Appropriation |
| FS State & Private Forestry | \$ 7,634,000 |
| FS National Forest System | \$ 14,270,000 |
| FS Capital Improvement and Maintenance | \$ 1,800,000 |
| FS Wildland Fire Management | \$ 3,481,000 |
| Total OIG Funding | \$ 27,185,000 |

¹ OIG received one-half of one percent of the amounts appropriated for each FS line item each year. FS funds for State & Private Forestry and Capital Improvement and Maintenance are available for up to 3 years after the year the funds are appropriated. FS funds for the National Forest System and Wildland Fire Management are available until expended. Funds will be available to OIG for oversight for the same periods.

OIG's Approach to Oversight

OIG approaches its oversight activities through the lens of its mission goals. These goals provide the foundation to all OIG oversight activities.

- Goal 1: Strengthen USDA's ability to protect public health and safety and to secure agricultural and Department resources.
- Goal 2: Strengthen USDA's ability to deliver program assistance with integrity and effectiveness.
- Goal 3: Strengthen USDA's ability to achieve results-oriented performance.

In addition, OIG focuses its oversight work on the achievement of high-level objectives to ensure that:

- USDA's funds for assistance are timely and effectively distributed and used appropriately;
- Agencies establish proper internal controls to prevent, detect, and deter fraud, waste, and abuse;²
- Program participants meet eligibility guidelines;
- Program participants properly comply with program requirements;
- Agencies establish effective compliance operations;
- Program spending and execution transparency and accountability is promoted; and
- Allegations of criminality and serious administrative misconduct are investigated timely and those responsible for criminal activity related to USDA programs are held accountable.

Utilizing our oversight goals and objectives as a foundation, OIG will assemble a multi-disciplinary team (including members from both the mission functions and operational/support functions) to develop a strategic framework that will guide OIG's infrastructure oversight efforts for the next several years. While the framework will address oversight of all USDA funding, the team will focus on the Forest Service as OIG was provided separate funding to oversee the related infrastructure activities.

² If the adequacy of internal controls was previously assessed during a prior program audit or inspection, OIG will ascertain if there have been any substantive changes to the control environment and plan its internal control review and testing accordingly.

Strategic Framework for Infrastructure Oversight

The multi-disciplinary team will assess USDA infrastructure funded activities and develop an approach and strategic framework, to include short-term and long-term oversight initiatives, to guide OIG's efforts for the next several years. The team will consider the following factors as it develops the strategic framework. Additional factors may be identified as the framework is developed.

- Pertinent legislative history and guidance from the Infrastructure Investment and Jobs Act.
- Government wide direction and reporting for infrastructure funding.
- Prior oversight history that is relevant to the use of infrastructure funds.
- Number of open recommendations relevant to program vulnerabilities and improper payments for infrastructure funded activities and how long the recommendations have been open.
- Known potential fraud risks associated with spending methodologies (e.g., contracts, grants).
- Programs receiving infrastructure funding with known fraud concerns or that have a high susceptibility for fraud.
- Data sources associated with USDA infrastructure funded activities.
- USDA and agency plans to implement and oversee the infrastructure funded activities.
- Dollar value of infrastructure funding for the program (materiality) and whether this funding will be used in new or existing programs and/or activities.
- Risk assessments of USDA infrastructure funded activities.
- Error rate/improper payment data/default rate associated with existing programs that received infrastructure funding.
- Timing of disbursements (i.e., will funds be processed quickly to recipients or extended over a period of time).
- Agency implementation of new or enhanced controls or a control structure specifically for infrastructure funding.
- Known fraud indicators to assist in proactively isolating anomalies in infrastructure related data.

- Work planned or in progress within the oversight community (i.e., other Federal OIGs, State and Local Auditors, and the Government Accountability Office (GAO)) to avoid duplication of oversight efforts.

The team will produce an evidence-based strategic framework that prioritizes risks and resources. The framework will also include an assessment of the appropriate technological and human resources to fulfill its oversight efforts.

Building on the strategic framework, the OIG mission areas (Audit, Investigations, and Analytics and Innovation) will focus oversight efforts, collectively and separately, on the USDA infrastructure funded activities of highest risk. Specific activities and engagements to support the achievement of the overall infrastructure oversight objectives and strategic framework could include the following:

- Developing concept papers that highlight prior oversight work and recommendations, including key themes and issues, which could strengthen the effective and efficient delivery of infrastructure funding.
- Evaluating and performing the necessary tests of the internal control systems³ for new and existing programs that received infrastructure funding to ensure: (1) funds are distributed timely; (2) program participants meet eligibility requirements; and, (3) payments are accurately computed.
- Performing final action verifications (FAV)⁴ of prior recommendations for the agencies and programs that received infrastructure funding.
- Developing spending transparency products (e.g., dashboards, data briefs, data stories).
- Developing business intelligence products to proactively identify Federal program spending anomalies, patterns, known fraud indicators (e.g., red flags, tripwires) and trends to be used for investigative consideration.
- Conducting statistical samples, computer matches, and other advanced data analysis activities (e.g., data mining, link analysis) related to planned and ongoing audits, inspections, and investigations.
- Conducting surveys and reporting results, as appropriate.

³ OIG may use data analytics and sampling to evaluate program delivery and compliance.

⁴ FAVs determine whether the final action documentation the agency provides to the Office of the Chief Financial Officer supports the agency's management decision reached with OIG. Final action is the completion of all actions that management has concluded, in its management decision, are necessary with respect to the finding and recommendations included in an audit or inspection report. Management decision is an agreement between agency management and OIG on the action(s) taken or to be taken to address a finding and recommendations cited in an audit or inspection report.

- Coordinating with other Federal OIGs, State and Local Auditors, and GAO overseeing similar infrastructure activities in order to share data, knowledge, and lessons learned.
- Conducting cross-cutting oversight initiatives with other Federal OIGs, State and Local Auditors, and GAO, as appropriate.
- Continuing active participation on various task forces at the national and regional levels to identify potential fraud schemes and working collaboratively with other Federal and State investigators and prosecutors.
- Liaising with USDA agencies to identify potentially fraudulent activities and coordinating with USDA agencies' compliance and investigations units to identify and jointly investigate violations, as appropriate.
- Identifying potential fraud and/or mismanagement to include assessing allegations from OIG complaint intake mechanisms, referrals from USDA agencies, referrals from law enforcement partners, Whistleblower complaints and potential fraud identified through OIG audit, inspection and/or analytics activities.
- Investigating potentially false statements or false certifications to obtain funds and/or false documents submitted for reimbursement or payment.
- Developing additional expertise in tracing funds and assets that are suspected or otherwise proven as directly linked to fraudulently obtained reimbursements or payments and working to seize those funds/assets.
- Investigating allegations of contract fraud with the intent to help ensure a fair and equal playing field and weed out fraud and corruption schemes that occur before, during and after contracts are awarded.
- Opening criminal, civil, and/or administrative investigations as appropriate.
- Coordinating with U.S. Attorney and State Attorney General Offices to pursue prosecution of violators, seek civil remedies and/or asset forfeiture, when warranted.
- Seeking agency administrative sanctions, including personnel action, suspension and/or debarment, where appropriate.
- Utilizing data analytics dashboards and business intelligence tools to: track all infrastructure activities and results; balance workload; and continually assess risks based on learned information.

- Reporting work completed within the strategic framework on the OIG website and in the relevant Semiannual Report to Congress.
- Further refining the strategic framework and associated plans as OIG performs its oversight activities and gains additional data-driven insight.

Approved


PHYLLIS K. FONG
Inspector General

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