



U.S. Department of Education  
Office of Inspector General

# FY 2012 Annual Plan

**Office of Inspector General**

Kathleen S. Tighe

*Inspector General*

October 2011

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**Please Note:**

The Inspector General's *FY 2012 Annual Plan* is available on the ED/OIG Web site at [www.ed.gov/offices/oig](http://www.ed.gov/offices/oig).



# Message from the Inspector General

I am pleased to provide the U.S. Department of Education (Department) Office of Inspector General (OIG) Annual Plan for fiscal year (FY) 2012. This Annual Plan presents the major initiatives and priorities this office intends to undertake to assist the Department in fulfilling its responsibilities to America's taxpayers and students.

The FY 2012 Annual Plan includes our FY 2012 Work Plan, which details the assignment areas and resources we plan to devote to evaluating the efficiency, effectiveness, and integrity of Department programs and operations. Our Work Plan incorporates suggestions from Department leaders and staff, the Office of Management and Budget, and members of Congress.

Our focus for FY 2012 is clear: accountability and results. We will closely examine both of these focus areas involving Department programs and operations at all levels—Federal, State, and local. First, with the new higher education program integrity regulations now in effect, the Federal Student Aid office (FSA) must have adequate mechanisms in place to effectively monitor, oversee, and enforce compliance with these new requirements. FSA must also provide adequate oversight of the schools, lenders, guaranty agencies, and servicers participating in the student financial assistance programs. Participants in the programs must be held accountable for complying with all applicable laws, regulations, and guidance. The OIG plans to dedicate a significant proportion of its resources in FY 2012 to addressing issues associated with the student financial assistance programs, including the investigation of allegations of fraud in these programs.

Second, in the area of elementary, secondary, and special education, the OIG plans to dedicate resources to issues involving annual yearly progress, charter schools, the Department's competitive awards processes, and the Individuals with Disabilities Education Act maintenance of effort provision. A significant portion of our work will focus on addressing weaknesses and vulnerabilities already identified in these programs, as well as uncovering any potential new risks to fraud, waste, and abuse.

Third, we will continue to devote resources to ensuring that funds authorized under the American Recovery and Reinvestment Act of 2009 (Recovery Act), the Education Jobs Fund, and any new funding associated with the proposed American Jobs Act of 2011 are used to achieve program goals and objectives in accordance with applicable laws, regulations, and Departmental guidance. In addition, with Recovery Act funding for the three largest Department programs set to expire in FY 2012, the OIG plans

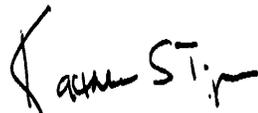
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to evaluate the results of the reviews of Recovery Act education programs and make recommendations to help improve future program authorization, implementation, and oversight.

Finally, we will continue to identify emerging risks and vulnerabilities throughout the agency's operations and Federal education programs, recommending corrective actions to ensure that Federal education funds are used for the purposes intended.

Although this Annual Plan provides a framework for activities we intend to carry out in FY 2012, the OIG is often required to perform unanticipated work based on legislative mandates, congressional or Departmental inquiries, or government-wide reviews. We must be flexible enough to address these other priorities as they arise.

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

A handwritten signature in black ink, appearing to read "Kathleen S. Tighe". The signature is stylized and cursive.

Kathleen S. Tighe  
Inspector General

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# U.S. Department of Education Office of Inspector General FY 2012 Annual Plan

## Mission Statement

To promote the efficiency, effectiveness, and integrity of the Department's programs and operations, we conduct independent and objective audits, investigations, inspections, and other activities.

## Introduction

The U.S. Department of Education (Department), Office of Inspector General (OIG) Strategic Plan for fiscal year (FY) 2011 through FY 2015 sets forth our mission, vision, and goals for 5 years. 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:

- Conduct and supervise audits and investigations relating to its agency's programs and operations.
- Provide leadership and coordination, and recommend policies for activities designed to promote economy, effectiveness, and efficiency in the agency's programs and operations; and prevent and detect 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

The OIG's Strategic Plan for FY 2011-FY 2015 provides the roadmap by which we plan to accomplish our mission. To meet our mission, we have established the following goals (the OIG Strategic Plan is available on our Web site at [www.ed.gov/oig](http://www.ed.gov/oig)):

### Goal 1

Improve the Department's ability to effectively and efficiently implement its programs to promote educational excellence and opportunity for all students.

### Goal 2

Strengthen the Department's efforts to improve the delivery of student financial assistance.

### Goal 3

Protect the integrity of the Department's programs and operations by detecting and preventing vulnerabilities to fraud, waste, and abuse.

### Goal 4

Contribute to improvements in Department business operations.

### Goal 5

Strive for a diverse and skilled workforce that is provided with the means and assistance necessary to achieve the OIG's mission with excellence, accountability, and integrity.

The first four goals focus on our responsibilities under the IG Act to promote economy, efficiency, and effectiveness and to prevent and detect waste, fraud, and abuse. The fifth goal focuses on the internal functions of the OIG and provides the foundation for our capacity to achieve the other four goals now and in the future. More details are available in the OIG Strategic Plan on the specific strategies developed for each goal and associated performance measures.

## FY 2012 Management Challenges

For FY 2012, the OIG identified the following areas as significant management challenges for the Department (the full management challenges report is available in a separate report on our Web site at [www.ed.gov/oig](http://www.ed.gov/oig)):

1. Improper Payments,
2. Information Technology Security,
3. Oversight and Monitoring, and
4. Data Quality and Reporting.

# FY 2012 Work Plan

The FY 2012 Work Plan for audit, inspection, investigation, and other activities is presented under each of the first four goals in the sections that follow. At the end of the report, we present a table that correlates the FY 2012 Work Plan projects to the FY 2012 Management Challenges. In addition to the OIG goals and FY 2012 Management Challenges, we also assessed the work proposed in terms of the availability of the necessary resources to accomplish it.

## Goal 1: Improve the Department's ability to effectively and efficiently implement its programs to promote educational excellence and opportunity for all students.

Our audit work in the area of promoting educational excellence and opportunity for all students includes specific work pursuant to the Recovery Act and its goals of promoting economic recovery and education reforms, as well as other Department programs. Our investigations focus on serious allegations of fraud and corruption involving Recovery Act and other programs. Although our work related to the student financial assistance programs would also contribute to Goal 1, that work is provided under Goal 2. Priority work for Goal 1 in FY 2012 includes the following:

### Recovery Act Programs

- **Local Educational Agency (LEA) Use of Recovery Act and Education Jobs Funds.** Continue our work to evaluate 22 LEAs in 22 States to provide a national perspective on how LEAs are using Recovery Act and Education Jobs funds.
- **Progress in Meeting Race to the Top (RTT) Fund Goals and Uses of RTT Funds.** Determine how RTT recipients measure and report progress and the extent to which they have achieved program objectives; and determine how RTT recipients use RTT funds, including whether those uses are in accordance with their approved applications and relevant laws and regulations. In addition, we will evaluate the Department's monitoring to ensure RTT program objectives are being met.
- **Performance by Recipients of Investing in Innovation Funds.** Determine whether recipients of Investing in Innovation funds are achieving program goals and objectives and evaluate the adequacy and effectiveness of the Department's monitoring to ensure that recipients are meeting goals and objectives.

- **State Educational Agency (SEA) Award and Monitoring of School Improvement Grants.** Continue determining whether State Improvement Grants were appropriately awarded and effectively monitored by SEAs.
- **Centers for Independent Living Controls over Recovery Act Funds.** Continue our work to determine whether effective fiscal controls are in place to safeguard Recovery Act funds provided to Centers for Independent Living.
- **Processes to Mitigate Risk in Teacher Incentive Fund Program Awards.** Continue our work to evaluate the adequacy of the Department’s processes to ensure that funded applications demonstrated the involvement and needed support of teachers, principals, other personnel, and unions to carry out program activities; and to evaluate the Department’s monitoring plans for funded applicants proposing a planning period to determine whether applicants made progress toward developing the core element(s) that were lacking and mitigated related performance risk.
- **LEA Maintenance of Effort Flexibility Due to Recovery Act, Individuals with Disabilities Education Act (IDEA), Part B, Funds.** Continue our work to evaluate IDEA Maintenance of Effort provisions—requirements to maintain a minimum level of funding for special education programs. We will continue to evaluate whether the provisions are being met at selected LEAs, whether waivers allowing LEAs to reduce local special education expenditures are granted only to eligible entities, and whether LEAs spent the “freed up” funds appropriately. Our evaluation will also include the potential long-term impact on funding for special education programs.
- **Lessons Learned from Recovery Act Implementation.** Evaluate results of the reviews of Recovery Act education programs and make recommendations to help improve future program authorization, implementation, and oversight.

## Other Programs

(May include a combination of Recovery Act and other funding.)

- **Improvements in Adequate Yearly Progress (AYP) Results under Title I of the Elementary and Secondary Education Act, as Amended (ESEA).** Determine whether select reported LEA/school improvements in AYP are accurate, supported, and were achieved in accordance with applicable laws, regulations, and guidance; and evaluate Department and SEA oversight of improvements in AYP to ensure that reported results are appropriate.
- **Competitive Award Process for ESEA Programs.** Evaluate the effectiveness and efficiency of the competitive grant processes followed for ESEA programs in ensuring that the highest rated grantees are selected and that necessary controls are in place to mitigate risk.
- **Department Research and Evaluation Activities.** Determine whether internal controls and management processes within the Policy and Program Studies Service, under the Department’s Office of Planning, Evaluation,

and Policy Development, are effective in ensuring that its research and evaluation projects are performed and completed timely and result in products that are useful to Department stakeholders.

- **Discretionary Grant Results.** Determine whether the information provided in grantee final reports meets requirements, is used to evaluate the success of individual projects and the grant program as a whole, and is disseminated to allow potential grantees to replicate and/or build on successful programs and to provide transparency to the general public on grant costs and results.
- **Supplemental Educational Services Programs.** Determine whether students are provided appropriate supplemental educational services when required, determine whether the services are effective in improving academic performance, and evaluate the Department and SEA/LEA monitoring of the program to ensure its effectiveness and compliance with laws and regulations.
- **Payback Provisions of Selected Grant Programs.** Determine whether select Department payback programs effectively meet program objectives by training recipients who subsequently perform work related to the program; if not, determine whether the Department obtains repayment of the assistance received for recipients that do not fulfill work agreements.

## Goal 2: Strengthen the Department's efforts to improve the delivery of student financial assistance.

Our planned work in the student financial assistance programs includes Departmental oversight of schools, lenders, guaranty agencies, and servicers. We will also continue to devote significant resources toward investigating allegations of fraud in student financial assistance programs, with an ongoing focus on distance education programs (see also work described under Goal 3). Priority work to be performed in FY 2012 under this goal will include the following:

- **Oversight of Schools Participating in the William D. Ford Federal Direct Loan Program (Direct Loan program).** Continue our work to evaluate the effectiveness of Federal Student Aid (FSA) oversight of schools participating in the Direct Loan program to ensure compliance with program requirements and the prompt disbursement of Direct Loan funds.
- **Oversight of Federal Family Education Loan Program (FFELP) Participants.** Evaluate the effectiveness of FSA's oversight and monitoring of FFELP participants to ensure that payments to participants are appropriate and accurate and that program participants service loans and perform other functions appropriately and in compliance with program requirements.
- **Guaranty Agency Health.** Continue our work to evaluate the effectiveness of the Department's activities to ensure effective performance of guaranty agencies during the phase-out of FFELP loans.

- **Sufficiency and Transparency of Proprietary Schools' Financial Statement Data.** Continue our work to determine whether the audited financial statements submitted by proprietary schools include sufficient information about how Title IV Higher Education Act of 1965, as amended (Title IV) funds are used to provide the transparency needed for FSA officials to make informed programmatic decisions.
- **Implementation of Gainful Employment Regulations.** Determine whether FSA has sufficient mechanisms in place to collect, analyze, and verify the accuracy of gainful employment data reported by schools.
- **Prohibitions Against Incentive Compensation and Misrepresentation.** Assess the effectiveness of FSA oversight of, and schools' compliance with, prohibitions against incentive compensation and misrepresentation.
- **Institutions' Use of Servicers for Title IV Payment Processing.** Determine whether schools and servicers comply with requirements for processing direct payments to students to ensure that students are not unfairly charged fees and have ready access to their balances.
- **Loan Discharges for Total and Permanent Disability.** Identify the problems that borrowers with disabilities face in pursuing total-and-permanent disability discharges and assess FSA's efforts to remedy them.
- **Loan Repayment, Default Prevention, and Collections.** Evaluate the effectiveness of FSA's oversight and monitoring of loan operations, including an evaluation of student loan default trends and the use of longer repayment periods, deferments, and forbearances; and the actions taken by FSA, its contractors, and guaranty agencies to prevent defaults and to collect on defaulted loans.
- **FSA Oversight of Foreign Medical School Pass Rates.** In response to a congressional request, continue our review to determine the adequacy and appropriateness of actions taken by FSA in response to foreign medical schools that did not submit licensing exam pass rate data in 2009, as required, or submitted the required data but did not meet the pass rate requirement.
- **Requirements for Drug and Alcohol Policies at Institutions of Higher Education.** In response to a congressional request, continue our review to determine whether the Department is appropriately ensuring that institutions of higher education are in compliance with the drug and alcohol abuse prevention program regulations.

### Goal 3: Protect the integrity of the Department's programs and operations by detecting and preventing vulnerabilities to fraud, waste, and abuse.

The continuing and planned work under Goals 1, 2, and 4 contributes to the OIG's work under this goal. Through our audit and investigative work, proactive data analyses, and other reviews, we assess fraud risk, evaluate fraud indicators, and perform testing designed to detect fraud, waste, and abuse. Our investigations, audit, inspections, and computer forensics staff work together to help identify weaknesses in internal controls that could leave the Department's programs or operations vulnerable to these risks. The result of this interdisciplinary work can result in criminal and civil investigations of fraud in the Department's programs and operations. For FY 2012, the following priority projects in particular will evaluate potential risks and vulnerabilities to fraud, waste, and abuse in Department programs:

- **Final SEA and LEA Expenditures Under the Recovery Act.** Determine whether select SEAs and LEAs obligated and expended final funding on appropriate Recovery Act activities and in accordance with program requirements and any applicable waivers; and evaluate the Department's oversight of the Recovery Act funding closeout process, including granting of any waivers for ESEA Title I funds and any returns of funds.
- **Distance Education Program Requirements and Monitoring.** Based on past and continuing audit and investigative work, we will continue to evaluate the adequacy of current distance education requirements, Department and/or accrediting agency monitoring, and school compliance with requirements in administering student financial assistance programs.
- **Oversight of Charter Schools.** Continue our work to evaluate the potential risks involved in the charter school program. We will determine whether Department, SEA, and authorizing entity oversight and monitoring activities are effective in ensuring that charter schools meet program goals and objectives and that funds are used for intended purposes.
- **SEA and Department Oversight of Agreements Between Charter Schools and Charter Management Organizations (CMOs) or Educational Management Organizations (EMOs).** Expanding our work in the charter school area, we will determine whether select charter schools and their governing boards are independent from the CMOs/EMOs that manage the schools and that other contract terms are appropriate. We also plan to evaluate Department and SEA controls to ensure independence of the charter schools and CMO/EMO, as well as the appropriateness of other contract terms.
- **21st Century Community Learning Centers Program.** Based on past and continuing investigations and other concerns received, we will continue our work to evaluate the vulnerabilities and risks in the 21st Century Community Learning Centers program. We will evaluate whether the

program grants are awarded and monitored effectively to ensure that funds are spent for the intended purposes and that program objectives are being met.

- **Process to Identify and Monitor High-Risk/At-Risk Grantees.** Continue our work to evaluate the effectiveness of the Department's process for identifying and designating high-risk/at-risk grantees, evaluate the effectiveness of the monitoring approach for these grantees, and determine whether the approach has resulted in improvement in grantee performance.
- **Data Mining and Research.** Continue to develop and use tools that can identify adverse trends and possible fraud, waste, and abuse in Department programs or operations. Using an interdisciplinary approach, we plan to establish risk assessment projects focusing on Title IV schools that are at high risk of being targets of fraudulent activities, as well as identifying the most at-risk Recovery Act award projects from an audit/investigative perspective. We are also establishing a forensic analytical project to detect electronic fraud activities, such as school enrollment irregularities, student aid fraud rings, and identity theft within the student financial assistance arena.
- **Hotline Operations.** The OIG Hotline continues to provide a means for anyone suspecting fraud, waste, or abuse involving Department funds or programs to provide their concern to the OIG. Complaints or concerns received through the Hotline are evaluated and may be referred for OIG investigation, audit, or other review, or may be referred to other offices or agencies as appropriate. The Hotline can be contacted through the OIG Web site, by email, telephone, fax machine, or regular U.S. mail delivery.

## Goal 4: Contribute to improvements in Department business operations.

In addition to the Department's administration of its programs, effective and efficient business operations are critical to ensure that the Department has the tools and other resources to effectively manage its programs and protect its assets. Our audit and inspection work will look at improper payments, information technology security, financial management, and other areas; our investigations work will cover allegations of serious fraud or misconduct by Department officials and contractors, as well as technology-related crimes. Priority work planned in this area, as well as statutory reviews for FY 2012, include the following:

- **Reviews of Improper Payments and Related Requirements.** We will continue our evaluations of the Department's implementation of the Improper Payments Improvement Act (IPIA) and subsequent legislation and guidance, through the following work:

- **Quarterly Reports on High-Dollar Overpayments.** Continue to evaluate the Department's process for identifying and reporting high-dollar overpayments, and continue monitoring and evaluating the actions taken in response to improper payments noted.
- **Compliance with the IPIA and Its Performance in Reducing and Recapturing Improper Payments.** Evaluate the effectiveness of the Department's efforts to prevent and reduce improper payments, including the effort made to comply with IPIA, as amended, and the Improper Payments Elimination and Recovery Act of 2010.
- **Accountable Official Report on High-Error Programs—Pell Grant Program.** Review the Department Accountable Official report for the Pell Grant program and assess the appropriateness of the level of risk associated with the program; determine the extent of oversight warranted; and provide the Department with recommendations, if any, for modifying the agency's methodology, improper payment reduction plans, program access and participation plans, corrective action plans, and/or internal controls.
- **Management of the Education Department Utility for Communications, Applications, and Technology Environment (EDUCATE) Contract.** Continue our work related to the effectiveness of the Department's management of the EDUCATE contract. Ongoing work is evaluating the Department's controls over cost management of the contract, identifying areas with material differences between actual and projected costs, and determining the reasons for such overages.
- **Title IV Additional Servicers.** Continue our work to evaluate the effectiveness of the Department's management of the Title IV Additional Servicers contracts to ensure appropriate contractor performance and accountability.
- **Negotiated Rulemaking Process.** In response to a congressional request, continue our review to determine whether the Department appropriately handled sensitive information during the gainful employment negotiated rulemaking process.
- **Performance and Accountability Planning and Reporting Processes.** Continue our work to evaluate the program performance reporting process to determine whether complete, accurate information is provided to allow evaluation of program results.
- **Implementation of the Government Performance & Results Act Modernization Act of 2010.** Determine whether the Department has identified and clearly articulated priority goals, milestones, and performance indicators; established a process for ensuring the validity and reliability of data; and conducted and reported on the results of quarterly performance reviews to provide information to the public on its performance and operations.
- **Suspension and Debarment Functions for Grantees.** Continue our work to evaluate whether the Department is effectively using the suspension and

debarment process for non-FSA and nonprocurement entities and individuals.

- **Federal Real Property Assistance Act Program.** Continue our work to evaluate the Department's process for awarding parcels of surplus real property under the Federal Real Property Assistance Act program and monitor the use of the property to ensure program goals and objectives are met.
- **Audit Resolution Process.** Continue our review of the effectiveness and timeliness of the Department's external audit resolution process.
- **System Security Controls over the Education Central Automated Processing System.** Evaluate information security plans, programs, and practices in accordance with the E-Government Act including Title III of the Federal Information Security Management Act (FISMA) and the Privacy Act of 1974.
- **FISMA Report.** Assess the agency's overall compliance with the security provisions of FISMA and related information security standards identified within Office of Management and Budget (OMB) guidelines.
- **FY 2012 Department-wide Financial Statement Audit.** Provide oversight and monitoring of the independent public accounting firm contracted to report as to whether the Department-wide basic financial statements are fairly presented in all material respects. With respect to the financial statements, report on whether internal control provides reasonable assurance of achieving objectives and whether the Department has complied with applicable laws and regulations.
- **FY 2012 FSA Financial Statement Audit.** Provide oversight and monitoring of the independent public accounting firm contracted to provide an opinion as to whether the FSA financial statements are fairly presented in all material respects. With respect to the financial statements, report on whether FSA's internal control provides reasonable assurance of achieving objectives and whether FSA has complied with applicable laws and regulations.
- **FY 2012 Special Purpose Financial Statement Audit.** Provide oversight and monitoring of the independent public accounting firm contracted to report on whether the Department's special-purpose financial statements are fairly presented in all material respects, in conformity with applicable accounting principles and requirements.
- **Accounting for Drug Control Funds and Related Performance.** In accordance with statutory requirements, express a conclusion about the reliability of the Department's management assertions related to the National Drug Control Program activities.
- **Oversight of Non-Federal Auditors.** Under the IG Act, the OIG is responsible for oversight of non-Federal auditors. To this end, the OIG develops and issues guidance and provides technical assistance to non-Federal auditors. The OIG also conducts quality reviews of single

audits and compliance audits conducted by non-Federal auditors to determine whether the audits were conducted in accordance with appropriate audit standards and applicable audit guidance.

## Other Activities

The IG Act also provides 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 comments to the Department on its proposed 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 impact the Department, its recipients, and/or entities participating in Department programs.
- Provide recommendations to Congress for consideration during the reauthorization process for Department programs.
- Review and provide comments to Office of Management and Budget on proposed regulations, including participation on workgroups to draft and revise regulations.

The OIG also performs a number of 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:

- Respond to congressional requests for information or analysis.
- Participate as a member of the Council of Inspectors General for Integrity and Efficiency (CIGIE), including the committees for Audit, Investigation, and Information Technology. Also participate in interagency workgroups sponsored by CIGIE, including the Federal Audit Executive Council, the Assistant Inspectors General for Investigations Committee, and the Council of Counsels to the Inspectors General.
- Participate as a member of the Recovery Accountability and Transparency Board and its committees. Lead or participate in projects to evaluate Recovery Act programs across agencies.
- Participate as a member of the newly formed Government Accountability and Transparency Board. The board will focus on rooting out misspent tax dollars and making Government spending more accessible and transparent. The board will recommend a broad range of strategies to make spending data more reliable and accessible to the American people.

# Appendix A. FY 2012 Work Plan and FY 2012 Management Challenges

This table aligns our planned and ongoing projects presented in the FY 2012 Work Plan with the related FY 2012 Management Challenges. Ongoing work is indicated with an asterisk. This table includes discretionary work only—OIG audits and other reviews required by statute or Executive Order are not included.

Management Challenge	Related FY 2012 Work Plan Project
Improper Payments	<ul style="list-style-type: none"> <li>• Quarterly Reports on High-Dollar Overpayments*</li> <li>• Compliance with the IPIA and its Performance in Reducing and Recapturing Improper Payments</li> </ul>
Information Technology Security	<ul style="list-style-type: none"> <li>• System Security Controls over Education Central Automated Processing System</li> </ul>
Oversight and Monitoring	<ul style="list-style-type: none"> <li>• LEA Use of Recovery Act and Education Jobs Funds *</li> <li>• Final SEA and LEA Expenditures under the Recovery Act</li> <li>• Progress in Meeting RTT Goals and Uses of RTT Funds</li> <li>• Performance by Recipients of Investing in Innovation Funds</li> <li>• SEA Award and Monitoring of State Improvement Grants *</li> <li>• Centers for Independent Living Controls over Recovery Act Funds *</li> <li>• Processes to Mitigate Risk in Teacher Incentive Fund Program Awards *</li> <li>• LEA Maintenance of Effort Flexibility Due to Recovery Act, IDEA Funds *</li> <li>• Lessons Learned from Recovery Act Implementation</li> <li>• Improvements in AYP Results under Title I of the ESEA</li> <li>• Oversight of Charter Schools *</li> <li>• SEA and Department Oversight of Agreements Between Charter Schools and CMO/EMO</li> </ul>

Management Challenge (continued)	Related FY 2012 Work Plan Project (continued)
Oversight and Monitoring (continued)	<ul style="list-style-type: none"> <li>• Effectiveness of the Competitive Award Process for ESEA Programs *</li> <li>• Department Research and Evaluation Activities</li> <li>• Discretionary Grant Results</li> <li>• Supplemental Educational Services Programs</li> <li>• Payback Provisions of Selected Grant Programs</li> <li>• 21st Century Community Learning Centers Program *</li> <li>• Process to Identify and Monitor High-Risk/At-Risk Grantees *</li> <li>• Suspension and Debarment Functions for Grantees *</li> <li>• Federal Real Property Assistance Act Program *</li> <li>• Oversight of Schools Participating in the Direct Loan Program *</li> <li>• Oversight of FFELP Participants</li> <li>• Guaranty Agency Health *</li> <li>• Sufficiency and Transparency of Proprietary Schools' Financial Statement Data *</li> <li>• Implementation of Gainful Employment Regulations</li> <li>• Prohibitions Against Incentive Compensation and Misrepresentation</li> <li>• Institutions' Use of Servicers for Title IV Payment Processing</li> <li>• Loan Discharges for Total and Permanent Disability</li> <li>• Loan Repayment, Default Prevention, and Collections</li> <li>• FSA Oversight of Foreign Medical School Pass Rates *</li> <li>• Requirements for Drug and Alcohol Policies at Institutions of Higher Education *</li> <li>• Distance Education Program Requirements and Monitoring *</li> <li>• Management of the EDUCATE Contract *</li> <li>• Negotiated Rulemaking Process *</li> <li>• Title IV Additional Servicers *</li> <li>• Audit Resolution Process *</li> </ul>

Management Challenge (continued)	Related FY 2012 Work Plan Project (continued)
<b>Data Quality and Reporting</b>	<ul style="list-style-type: none"> <li>• LEA Use of Recovery Act and Education Jobs Funds *</li> <li>• Final SEA and LEA Expenditures under the Recovery Act</li> <li>• Performance and Accountability Planning and Reporting Processes *</li> <li>• Implementation of the Government Performance &amp; Results Act Modernization Act of 2010</li> </ul>

# Appendix B. Abbreviations and Acronyms Used in this Report

AYP	Adequate Yearly Progress
CIGIE	Council of Inspectors General for Integrity and Efficiency
CMO	Charter Management Organizations
Department	U.S. Department of Education
Direct Loan Program	William D. Ford Federal Direct Loan Program
EDUCATE	Education Department Utility for Communications, Applications, and Technology Environment
EMO	Educational Management Organizations
ESEA	Elementary and Secondary Education Act of 1965
FFELP	Federal Family Education Loan Program
FISMA	Federal Information Security Management Act of 2002
FSA	Federal Student Aid
IDEA	Individuals with Disabilities Education Act
IG Act	Inspector General Act of 1978, as Amended
IPIA	Improper Payments Improvement Act of 2002
LEA	Local Educational Agency
OIG	Office of Inspector General
Recovery Act	American Recovery and Reinvestment Act of 2009
RTT	Race to the Top
SEA	State Educational Agency
Title IV	Title IV Higher Education Act of 1965







Anyone knowing of fraud, waste, or abuse involving U.S. Department of Education funds or programs should call, mail, or electronically submit their concerns to the Office of Inspector General.

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

Electronic Submission (internet):  
<http://www2.ed.gov/about/offices/list/oig/index.html>

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