



Office of Inspector General

Commission Briefing

Thomas K. Lehrich
Inspector General

July 2, 2018





Roadmap

- One-Year Highlights
- Top Management Challenges Report
- Learning the business of the Agency through visits
- CNAs Audits
- CIGIE Capstone Report
- Products
- Q & A



IG Focus

- Enhancing confidence in the program
- Increase economies and efficiencies
- Program growth

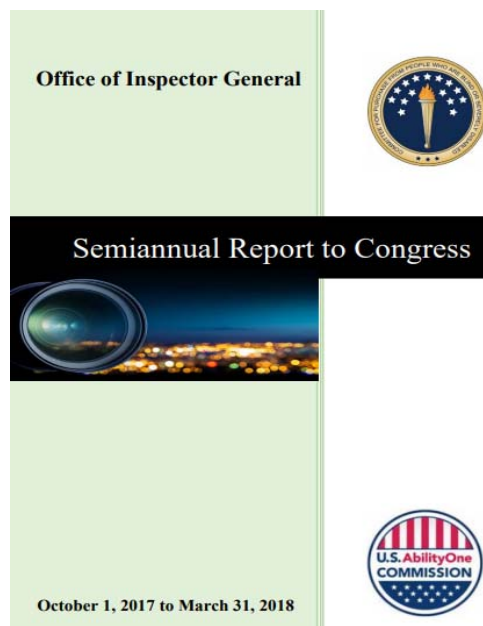


Standing Up the Office

- Understanding the Program through program visits
- Audit planning (Issued report for FY 2018-2019)
- Investigative priorities
- Top Management Challenges
- Web portal
- Hotline Center
- 2 Semiannual Reports (SARs) to Congress



IG Semiannual Report to Congress



- 2 Semiannual Reports to Congress
- Best practices and on standards





Accomplished Results

- DoD 898 Panel:
 - IG of DoD & AbilityOne Contracting Oversight, Accountability and Integrity Subcommittees
- Prepared and delivered draft design of CNA Review Plan to Agency leadership
- OIG NPA visits
- Fraud awareness training
- Developed an omnibus umbrella audit contract
- FISMA
- eCommerce - Amazon



Top Management Challenges Report - CIGIE

- On April 2018, CIGIE Issued for the first time a report of the Top Management and Performance Challenges Facing Multiple Federal Agencies.
- Report identified AbilityOne as an agency facing challenges:
 - 1) FUNDING AND STAFFING:**
 - AbilityOne OIG reported that AbilityOne does not have adequate staffing and resources to effectively execute its responsibilities and sustain its mission.
 - AbilityOne OIG further reported that its agency faces challenges as it operates with a staff of less than 31 people responsible for administering a \$3 billion program with locations in all 50 states, Puerto Rico, and Guam.
 - 2) TRAINING**
 - AbilityOne experienced problems with contracting officers of Client government agencies being able to navigate acquisition regulations.
 - Contracting officers experienced confusion as to how rules about AbilityOne contracts should be interpreted and implemented.



Top Management Challenges Report - OIG

- Erosion of statutory program authority
- Impact on effectiveness due to lack of resources
- Enhancing of program-wide compliance
- Establishing of an enterprise-wide risk management network



CNAs Audits

Developed a comprehensive plan for oversight of CNAs:

- Evaluation of the NPA assignment of projects and allocation of orders.
- Audit of the Fee to Qualified and Approved NPAs.
- Review the appeal (reconsideration) process for the selection decision on NPAs project assignment and allocation of orders.
- Evaluation on the CNAs recommendations of order allocations to designated NPAs.
- Review completed actions of the Cooperative Agreements by CNAs.
- Audit on the quality of products in support of meeting Government requirements.
- The market evolution for the expansion of products and services growth and innovation.



Key Program Visits to Understand the Business of AbilityOne

OIG NPA Visits for FY17

- **Work Incorporated**
 - Boston, MA
 - August 2017
- **Lighthouse Louisiana**
 - New Orleans and Baton Rouge, LA
 - September 2017
- **Outlook Nebraska, Inc.**
 - Omaha, NE
 - September 2017
- **Blind Industries & Services of Maryland (BISM)**
 - Baltimore, MD
 - August 2017



Key Program Visits to Understand the Business of AbilityOne

OIG NPA Visits for FY18

- **Envision – BSC and R&D**
 - Wichita, KS
 - December 2017
- **North Bay Industries**
 - Rohnert Park, CA
 - February 2018
- **ReadyOne**
 - El Paso, TX
 - March 2018
- **NFB**
 - Baltimore, MD
 - May 2018
- **Skookum (expected)**
 - Seattle, WA
- **Pride Industries (expected)**
 - Roseville, CA



Engagement

Continued regular meetings with the CEO and Leadership of:

- National Industries for the Blind
- SourceAmerica



Going Forward

- DoD 898 Panel
- Top Management Challenges Report
- Staff building
- Audit plan
- CNA oversight
- eCommerce – Amazon
- OIG NPA Visits
- SAR (April-September 2018)

Work in Progress:

- Evaluation of Commission's Reporting Requirements
- Financial Statement Audit
- Top Challenges Update
- CNA Review Launch in the Fall



Thank You Mr. Chairperson Kesteloot

Q&A