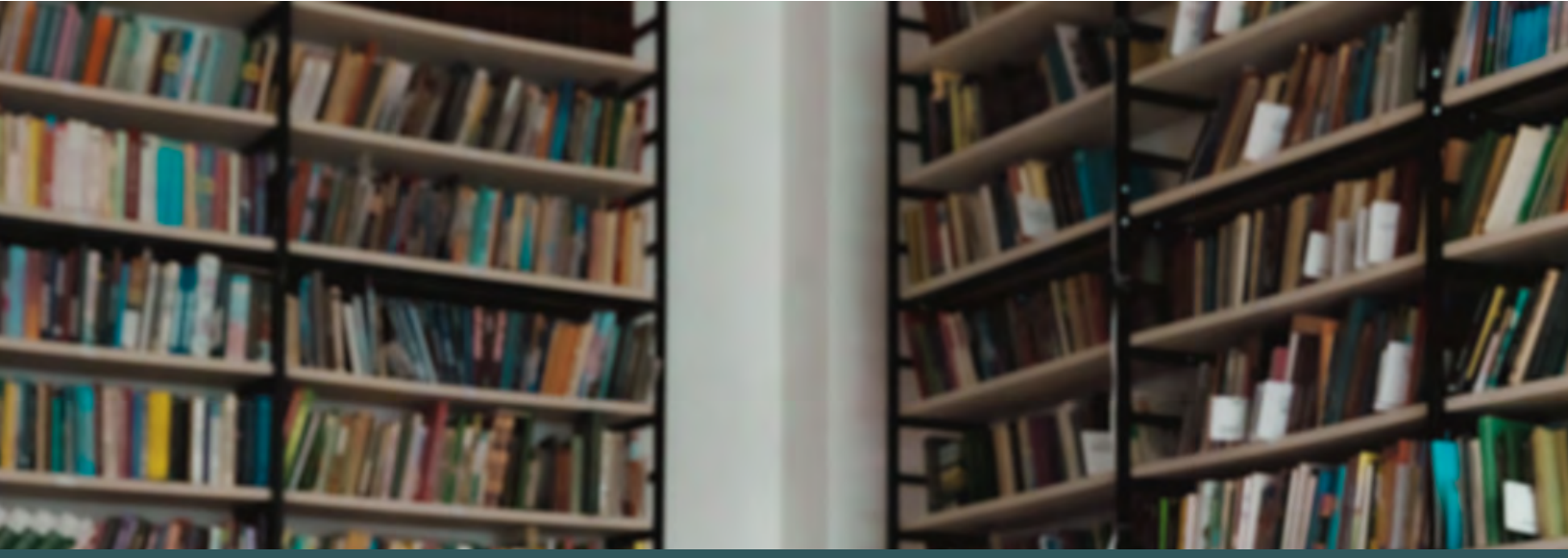

Semiannual Report to Congress, No. 85

April 1, 2022–September 30, 2022

U.S. Department of Education
Office of Inspector General

Office of Inspector General
Sandra D. Bruce
Inspector General

November 2022

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Message from Sandra D. Bruce
Inspector General

On behalf of the employees of the U.S. Department of Education (Department) Office of Inspector General (OIG), I present this Semiannual Report on the activities and accomplishments of this office from April 1, 2022, through September 30, 2022. The audits, investigations, and related work highlighted in the report are products of our mission to identify and stop fraud, waste, and abuse; and promote accountability, efficiency, and effectiveness through our oversight of the Department's programs and operations.

On April 4, 2022, OIG staff returned to the workplace. Since that time, we have been operating in what we refer to as a "steady state" posture, with staff working in OIG offices, in a hybrid of telework and in-office work or working remotely. Throughout this reporting period, we continued to coordinate closely with the Department and monitor and incorporate new recommendations from the Centers for Disease Control and the Safer Federal Workforce Taskforce into our overall operational protocols. We continued our efforts to connect with one another, collaborate, and create new ways of approaching and conducting our oversight and law enforcement efforts so we could meet our responsibilities on behalf of America's taxpayers and students. In the pages of this report, you will find the results of our efforts and highlights of the work we completed during this time period.

In our audit-related work, we issued 14 reports, identified more than $14.4 million in questioned and unsupported costs, and offered recommendations aimed at improving Department programs and operations. Examples of this audit work are highlighted below. In addition, we completed 22 quality control and desk reviews of required audits submitted by recipients of Department funding, issued an update to the audit guide for proprietary schools receiving Higher Education Emergency Relief Funding (HEERF), and issued a notice to independent public accountants notifying them of a deficiency in their audits that resulted in an additional $155 million in education-related emergency relief funds being audited. You will find more on this work beginning on page 7 of this report.

- Our fiscal year (FY) 2022 Federal Information Security Modernization Act of 2014 (FISMA) inspection determined that the Department's security program and practices were operating at an effective level of security. We did identify areas needing some improvement and made 10 recommendations to assist the Department with increasing the effectiveness of its information security programs. In addition, we followed up on the status of the recommendations we offered in our recent FISMA reports. Of the 77 recommendations included in our FY 2019 to FY 2021 FISMA reports, we determined that 20 recommendations remained open: (1) 1 out of 37 remained open from FY 2019; (2) 9 out of 24 remained open from FY 2020, and (3) 10 out of 16 remained open from FY 2021. As noted in our report, this progress demonstrates the Department's efforts toward achieving an effective security program.

- For FY 2021, we found that the Department did not comply with the Payment Integrity Information Act because it did not meet one of the six compliance requirements established under the Act. Specifically, the Department reported an improper payment estimate for an Elementary and Secondary Education Act of 1965, as amended, Title I, Part A program that exceeded 10 percent. We also concluded that the Department's improper payment estimates were not reliable for three of its programs that required an estimate for FY 2021: Improving Basic Programs Operated by Local Education Agencies (Title I, Part A) program; the Federal Pell Grant program; and the William D. Ford Federal Direct Loan program.

- We issued six reports specific to pandemic relief aid, including a report which determined that the State of Oklahoma could not support its stated processes for awarding funds to eligible entities for four of the five initiatives that it funded with its Governors Emergency Education

Relief (GEER) fund grant. As a result, it lacked assurance that $31 million of its $39.9 million grant was awarded for initiatives that aligned with the purpose of the GEER grant fund. We also identified more than $650,000 in purchases made from microgrants provided to qualifying families that did not appear to be education-related, such as televisions, air conditioners, and Christmas trees.

- We issued three reports specific to disaster recovery, including a report which determined that although the Puerto Rico Department of Education generally accounted for Emergency Impact Aid program funds in accordance with Federal guidelines, it reported inaccurate and unsupported displaced student count data to the Department. As a result, we projected that Puerto Rico should not have received and expensed an estimated $6.5 million in Emergency Impact Aid program funds.

- Our audit of the effectiveness of Charter School Programs in increasing the number of charter schools found that the Department could improve its tracking and reporting on charter schools that recipients opened and expanded using Charter School Program funds and charter schools that remained open after Charter School Program funding had ended, and that information collected by the Department showed that grant recipients did not always open or expand the number of charter schools they committed to opening or expanding.

In our investigative work, we closed 26 investigations involving fraud or corruption and secured more than $16.4 million in restitution, settlements, fines, recoveries, and forfeitures. As a result of this work, criminal actions were taken against numerous people, including current and former school officials and service providers who cheated students and taxpayers. Our investigative work included the following.

- A U.S. Army soldier stationed at Fort Stewart pled guilty to leading a "prolific fraud scheme" in which she and others illegally raked in millions of dollars from pandemic relief aid and Federal student aid discharge programs. Specific to the loan discharges, the soldier charged people in exchange for submitting falsified U.S. Department of Veterans Affairs certifications for total and permanent disability to the Department of Education in order to fraudulently secure the discharge of more than a dozen student loans totaling more than $1 million.

- Actions were taken against individuals for their roles in separate student loan discharge fraud scams. In the first case, a man was sentenced to prison for orchestrating a $48 million Total or Permanent Disability program fraud scheme. The man offered to help unsuspecting student borrowers obtain discharges in exchange for a fee, then fabricated hundreds of U.S. Department of Veterans Affairs letters that he used to apply for Total or Permanent Disability discharges. And in the second case, a nurse practitioner was charged in a $10.5 million Total or Permanent Disability fraud case, allegedly deceiving more than 100 borrowers into believing they qualified for various forms of student loan relief and charged them fees—often between 10 and 20 percent of the loan amount—to facilitate their loan discharges.

- Career Training Specialists, LLC, doing business as Stone Academy—a for-profit school that awards career diplomas in various medical fields—and its owner agreed to pay more than $1 million to settle allegations that they violated the Federal False Claims Act. The owner and the school were alleged to have mailed direct payments to loan servicers on behalf of more than 100 students in attempts to prevent those students from defaulting on their loans and being counted in Stone Academy's cohort default rate.

- Actions were taken against a number of high-ranking K–12 officials for fraud, including prison sentences for two former school superintendents and others in a $10 million virtual education fraud scheme in Alabama, and the former president of the Madison District Public Schools Board of Education (Michigan) and a school district contractor who were charged in a kickback scheme arising out of the contractor's payments of over $560,000 in bribes to the former president in exchange for $3.1 million in school contracts.

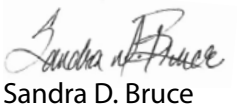
- Four former administrators at the Columbus, Georgia, campus of the Apex School of Theology pled guilty to charges related to their roles in a multimillion-dollar student aid fraud scam.

> The administrators recruited people to enroll in the schools with promises of "free money." Administrators told recruits that they would not have to attend classes or do any of the work—all they had to do was agree to split their student aid award balances with them.

Our Semiannual Report also contains information on other efforts the OIG completed during this reporting period, including summary tables containing statistical and other data as required by the Inspector General Act of 1978, as amended, and other statutes.

I would like to share with you that during this reporting period, the OIG also issued its 5-year operational Strategic Plan and our 5-year Diversity, Equity, Inclusion, and Accessibility Strategic Plan. I am particularly proud of these plans as they were conceived, written, and produced entirely by OIG staff—a diverse group of colleagues from all OIG components, grade levels, backgrounds, and expertise. These plans not only exemplify our commitment to and understanding of our statutory role and responsibilities, but they reflect the people-focused values that inspire our work. Through these products, we set the framework for our future, ensuring that we produce and deliver products and services that are valuable and accessible to the diverse public we serve. Lastly and perhaps best of all, they present a positive outlook for our future, and our desire for constant improvement.

In closing, I look forward to continuing to work with this outstanding OIG team, the Department, members of Congress, and my colleagues in the inspector general community to provide our nation's taxpayers with assurance that the Federal government is using their hard-earned money effectively and efficiently.



Sandra D. Bruce
Inspector General

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Pandemic Relief Oversight

The U.S. Department of Education (Department) has been charged with allocating billions of dollars to assist States, K–12 schools, school districts, and institutions of higher education in meeting their needs and the needs of their students impacted by the coronavirus disease 2019 (COVID-19). The Office of Inspector General (OIG) has been charged with ensuring that these vital funds are used as required and reach the intended recipients, and with investigating misuse, theft, and other criminal activity involving these funds.

Reports

Three measures have been signed into law providing the Department with more than $280 billion to assist States, K–12 schools, school districts, and institutions of higher education in meeting their needs and the needs of their students impacted by the coronavirus pandemic—the Coronavirus Aid, Relief, and Economic Security Act or CARES Act (March 2020), the Consolidated Appropriations Act, 2021-Coronavirus Response and Relief Supplemental Appropriations Act or Coronavirus Supplemental Appropriations (December 2020), and the American Rescue Plan (March 2021). The OIG has been conducting audits and reviews of programs, grants, requirements, and flexibilities established under these laws. This work has been highlighted in previous Semiannual Reports to Congress and on our pandemic oversight webpage, with our planned work noted in our Pandemic Relief Oversight Plan and in our annual work plans. During this reporting period, we issued six reports specific to pandemic relief aid. Summaries of those reports follow.

States' Awarding and Monitoring of Governors Emergency Education Relief Fund Grants

During this reporting period, we issued the second and third reports in our series of audits on whether selected States designed and implemented (1) awarding processes that ensured Governor's Emergency Education Relief (GEER) fund grants were used to support local educational agencies (LEA) and institutions of higher education (IHE) that were most significantly impacted by the pandemic, or LEAs, IHEs, and

other education-related entities within the States that were deemed essential for carrying out emergency educational services; and (2) monitoring processes that ensured subgrantees used GEER grant funds in accordance with pandemic relief aid laws and other applicable Federal requirements. Our first report, involving the State of Missouri, was highlighted in our last Semiannual Report to Congress. In July, we issued our second report, which involved the State of Oklahoma, and in September we issued our third report, involving the State of Michigan. Summaries of these reports follow.

Oklahoma's Administration of the GEER Fund Grant

The Governor of Oklahoma received $39.9 million in GEER grant funds. The Governor's office allotted $18 million to the Office of Educational Quality and Accountability, $12 million to the Statewide Virtual Charter School Board, $8 million to the State Department of Education, and $1 million to Tri-County Technical College. These entities carried out activities for five initiatives: (1) CARES Act Incentive Grants, (2) Learn Anywhere Oklahoma, (3) Bridge the Gap Digital Wallet, (4) Stay in School Fund, and (5) Skills to Rebuild. Our audit of Oklahoma's administration of these GEER grant funds found that the State did not award all of the funds in accordance with the CARES Act, Federal regulations, Department guidance, and GEER grant award conditions. Our work identified the following.

- First, among our findings specific to its grant awards, we found that for four of the five initiatives that Oklahoma funded with its GEER grant, it could not support its stated processes for awarding funds to eligible entities. As a result, Oklahoma lacked assurance that its awards to three entities under these initiatives—totaling $31 million of the State's $39.9 million GEER grant—aligned with the purpose of the GEER grant fund. Further, in awarding GEER grant funds to entities for all five of its initiatives, Oklahoma did not adhere to Federal requirements to clearly identify subawards to subrecipients and to provide those subrecipients with certain required information at the time of the subawards. This created an increased risk of subrecipients not using GEER grant funds in accordance with Federal statutes and the terms and conditions of the GEER grant award. Further, we tested the process that the Oklahoma State Department of Education established to award grant funds to LEAs for the CARES Act Incentive Grants, and the process that Oklahoma established to award grant funds to applicants for the Bridge the Gap and Stay in School Fund initiatives. For these three initiatives, we found that, in general, the entities responsible for the initiatives adhered to established award processes; however, one of Oklahoma's GEER grant contractors did not require its subcontractor to adhere to Federal record retention requirements. This resulted in us not being able to fully confirm the eligibility of 8 of the 10 students we sampled for the Stay in School Fund initiative. Without documentation to confirm the eligibility of recipients of GEER grant funds, Oklahoma does not have assurance that the recipients were those the GEER grant was intended to serve.

- Second, our audit determined that the monitoring processes Oklahoma designed and implemented to ensure that subgrantees used GEER grant funds in accordance with the CARES Act and other applicable Federal requirements for four of the five initiatives it funded with the GEER grant

needed strengthening. For example, out of more than $6.1 million in purchases made by parents under one program, more than $652,700 (11 percent) of the purchases were for items that did not appear to be education-related, such as televisions, air conditioners, and Christmas trees.

- Third, we concluded that Oklahoma did not follow cash management requirements. Specifically, Oklahoma drew down its entire GEER grant award but did not have an immediate cash need for the funds at the time of the draw down and did not minimize the amount of time between the draw down and disbursal of the funds to subrecipients. Drawing down an excessive amount of funds without an immediate cash need increases the risk of mismanagement of the funds.

We made 14 recommendations to address the issues identified. Specific to its grant awards, our recommendations included that Oklahoma provide documentation, or a full and detailed written explanation, of the process it used to determine the initiatives it supported with GEER grant funds and the entities it selected to administer the initiatives. Specific to its monitoring processes, we recommended that it return $652,720 in questionable Bridge the Gap expenditures or provide documentation to show that the expenditures were allowable or that the items were purchased with personal funds. We also recommended that it perform a 100-percent review, or review a statistical sample, of the $5,473,894 in Bridge the Gap expenditures that we did not review, to determine whether the expenditures were allowable, and return the funds for any unallowable expenditures to the Department. Finally, specific to cash management, we recommended that Oklahoma develop and implement controls to ensure that its State agencies that receive Federal funds have written cash management policies and procedures, including policies for the draw down and disbursement of grant funds in accordance with Federal requirements, and return to the Department any unexpended GEER grant funds applicable to our audit scope that are being held by GEER grant subrecipients. Oklahoma officials did not state whether they agreed or disagreed with the findings and recommendations in the draft report; however, they did identify corrective actions that the State has taken or plans to take. Oklahoma GEER Report

Michigan's Administration of the GEER Fund Grant

The Governor of Michigan received $89.4 million in GEER grant funds. The Governor's Office allocated $60 million to the Michigan Department of Education; $24 million to Michigan's Departments of Treasury and Labor and Economic Opportunity; and $5.4 million to four other education-related entities (Detroit Public Television, Michigan Virtual University, the Michigan Elementary and Middle School Principals Association, and the Michigan Department of Education's Office of Great Start). These entities carried out activities for seven programs: (1) K–12 GEER, (2) Future for Frontliners scholarship program, (3) Statewide public television program, (4) the teacher professional learning program, (5) Evolution Labs program, (6) Early On program, and (7) Building Healthy Communities: Step Up for Wellness program.

Specific to the grant awards, we found that for five of the seven programs that Michigan funded with its GEER grant (Evolution Labs, Building Healthy Communities: Step Up for Wellness, Statewide public television, teacher professional learning, and Early On), Michigan could not support that it awarded the funds to eligible entities that were deemed essential for carrying out emergency educational services, providing childcare and early childhood education, providing social and emotional support, or protecting education-related jobs, as required. As a result, Michigan lacked assurance that its awards to four entities under these programs—totaling $5.4 million of the State's $89.4 million GEER grant—aligned with the purpose of the GEER grant fund.

"As a result, Michigan lacked assurance that its awards to four entities under these programs—totaling $5.4 million of the State's $89.4 million GEER grant—aligned with the purpose of the GEER grant fund.

Regarding its monitoring processes, our audit determined that the Michigan Department of Education did not have a written plan to monitor its GEER grant subgrantees. It had planned to contract with an audit firm to conduct monitoring of its GEER grant subgrantees; however, as of March 30, 2022, the contract had not been finalized. The Michigan Department of Education did conduct some monitoring activities and implement reimbursement processes for its subgrantees. However, for two (K–12 GEER and Early On programs) of the seven programs, the monitoring activities and reimbursement processes that it designed and implemented to ensure that the subgrantees used the GEER grant funds in accordance with the CARES Act and other applicable Federal requirements did not provide reasonable assurance that the entities used the funds for allowable purposes. Specifically, the Michigan Department of Education did not require the subgrantees to submit documentation to support expenditures, and one of the monitoring activities was not applicable to subgrantees that would not receive an annual single audit. We also found that for one (Future for Frontliners scholarship program) of Michigan's seven programs, although Michigan's Departments of Treasury and Labor and Economic Opportunity designed and implemented a reimbursement process for IHEs that provided assurance that reimbursements were for students who met eligibility

and enrollment requirements, additional monitoring is needed to ensure that IHEs' requested reimbursement amounts are accurately calculated.

To address the issues identified, we recommended that Michigan (1) provide documentation, or a full and detailed explanation, of the process it used to determine that the four education-related entities that received GEER grant funds were essential for carrying out emergency educational services, providing childcare and early childhood education, providing social and emotional support, or protecting education-related jobs; (2) develop and implement a process to ensure that it documents the criteria and decisions made for awarding future GEER grant funds in accordance with applicable requirements; (3) timely design and implement a monitoring plan that will ensure that K–12 GEER and Early On program subgrantees' uses of GEER grant funds comply with the CARES Act and other applicable Federal requirements; and (4) develop and implement a process to review, on at least a sample basis, and using a risk-based approach, supporting documentation and award calculations for the Future for Frontliners scholarship awards. We also recommended that the U.S. Department of Education take appropriate action if the documentation and other information provided by Michigan in response to the above recommendations does not support that the State followed applicable requirements. Michigan officials agreed, at least in part, with all of our findings and recommendations. Michigan GEER Report

Office of Postsecondary Education's Oversight of Higher Education Emergency Relief Fund Grants

The CARES Act, Coronavirus Supplemental Appropriations, and the American Rescue Plan provided more than $76 billion for the Higher Education Emergency Relief Fund (HEERF) program to mitigate the impact of the coronavirus on students and schools. The funds were to be used to defray expenses associated with the coronavirus, carry out student support activities, and provide emergency financial aid grants to students. The Department's Office of Postsecondary Education (OPE) is responsible for administering and overseeing the HEERF grants, which were awarded to more than 4,900 schools. As part of its oversight duties, OPE is responsible for monitoring schools to ensure that they use HEERF grant funds appropriately and that HEERF performance goals are met.

We conducted an audit to determine whether OPE had an adequate process in place to ensure that institutions of higher education (schools) used HEERF grant funds appropriately and that performance goals were met. We concluded that OPE needs to strengthen its oversight processes. Among our findings, we determined that OPE established and implemented several controls to promote transparency and accountability in program administration; however, it did not perform or document several key activities that are essential to effective program oversight. Specifically, OPE did not (1) develop a monitoring framework to guide its monitoring practices, procedures, and controls; (2) conduct a risk assessment of the HEERF program to identify potentially significant areas of concern; and (3) design and implement a risk-based monitoring plan to provide assurance that HEERF grant funds are being used appropriately and performance goals are being met. Further, specific to performance goals, we found that although OPE established a metric related to the timeliness of its initial HEERF awards to schools, it did not otherwise establish

any clear performance goals for the HEERF program or specific metrics that would provide a basis against which it could monitor individual schools' performance or report on outcomes at the program level. As noted in our report, the challenges OPE faced in its oversight could partly be attributed to increased workload and resource demands related to administering and monitoring the HEERF program, as staff had to supplement their normal grant workload with additional HEERF-related tasks until OPE was able to establish a dedicated unit and acquire additional resources devoted entirely to HEERF administration and oversight.

Further, OPE focused its initial efforts on awarding and allocating HEERF grants as quickly as possible, and because of the finite amount of available resources and other competing commitments, OPE did not develop HEERF-specific guidance that would require its program officials to perform necessary oversight activities. Although it was important for OPE to allocate and award HEERF grant funds timely, it was also important for OPE to design and implement a risk-based monitoring plan to help ensure that schools use those funds appropriately and meet performance goals.

Based on our finding, we recommended that OPE develop guidance containing key steps for OPE staff to follow if they are tasked with implementing emergency programs when experiencing resource and time constraints. We also recommend that OPE develop a monitoring framework for the HEERF program that uses a risk assessment process to identify and prioritize significant program risks, and design and implement a risk-based monitoring plan and associated key control activities. OPE did not state whether it agreed or disagreed with our finding but partially agreed with our recommendations and described some of the actions it has taken or will take in response to our recommendations. OPE HEERF Report

Duplicate HEERF Grant Awards

While analyzing HEERF program award data in the Department's grants management system (G5), we identified schools that were awarded the same HEERF award twice (duplicate awards). We identified 25 duplicate HEERF grant awards that OPE made to 24 schools, totaling about $73 million, which had not been corrected and documented in G5 as of August 2021. OPE officials stated that their processes for reviewing and approving HEERF applications and awards, which evolved over time, resulted in OPE identifying and correcting many duplicate HEERF grant awards. However, we found that OPE's processes did not always prevent or timely identify and correct duplicate HEERF grant awards, and that OPE did not consistently document activities taken to correct duplicate awards. According to G5 data, most of the schools did not draw down funds from the duplicate award; however, eight schools did draw down the funds. Specifically:

- Two schools drew down and retained about $1.2 million in duplicate award funds.
- Three schools drew down about $3.2 million in HEERF funds from the incorrect subprogram because they had two Student Aid Portion awards and did not have an Institutional Portion award. The schools drew down and used their duplicate Student Aid Portion award as their Institutional Portion award resulting in the schools drawing down the correct amount of HEERF funding in total.
- Three schools drew down about $600,000 in HEERF funds and returned the funds 4–8 months later.
- Sixteen schools did not draw down funds from the duplicate HEERF award.

Based on our identification of these duplicate awards, we determined that OPE could improve its quality assurance review process for HEERF and other future emergency Federal education programs to lessen the risk of making overpayments to schools and of schools drawing down more funds than they were allocated. As such, we recommended that OPE design and implement written policies and procedures for HEERF and other future emergency programs that specifically address (1) application and award verification procedures designed to prevent duplicate awards from occurring, (2) quality assurance reviews of obligated HEERF funds including analyses to identify duplicate awards, and (3) the correction and documentation of erroneous awards in a timely manner. OPE did not state whether it agreed or disagreed with the finding but agreed with the recommendation. Duplicate HEERF Report

The Department's Use of Pandemic Assistance Program Administration Funds

Through the three pandemic relief aid laws (CARES Act, Coronavirus Supplemental Appropriations, and the American Rescue Plan), the Department was provided with $38 million in program administration funds to prevent, prepare for, and respond to coronavirus, domestically or internationally. This amount does not include the $161.1 million provided in student aid administration funds (which we are covering in a separate report not yet issued). We conducted a review to determine the

Department's progress on spending program administration funds authorized by coronavirus response and relief laws, including how those funds have been used to date, and the Department's plans for using remaining funds.

We found that the Department allocated its program administration funds to 11 principal offices, with about $20.1 million allocated for personnel expenditures to support a total of 190.5 full-time equivalents and $17.7 million allocated for non-personnel expenditures including information technology systems and services and General Services Administration building services such as cleaning and overtime utilities. As of February 1, 2022, the Department had obligated or committed approximately $19.4 million (51 percent) of the $38 million in total pandemic assistance program administration funds. The Department still had about $18.6 million in Coronavirus Supplemental Appropriations and American Rescue Plan pandemic assistance program administration funds available to use by September 30, 2023, and September 30, 2024, respectively. Further, we determined that the Department was on track to obligate all of its program administration funds prior to the dates the funds are set to expire. The Department obligated all of its CARES Act program administration funds by September 30, 2021. The Department had obligated or committed 48 percent of its Coronavirus Supplemental Appropriations program administration funds, with still over a year left in which to obligate the remaining funds, and has obligated or committed 29 percent of its American Rescue Plan program administration funds with over 2 years left in which to obligate remaining funds.

As noted in our report, per section 321 of the Coronavirus Supplemental Appropriations, the Department was required to provide a detailed spend plan of anticipated uses of funds, to include estimated personnel and administrative costs, to the House and Senate Committees on Appropriations within 30 days of the date of enactment (December 27, 2020). It further required the plan to be updated and submitted every 60 days until September 30, 2024. We found that the Department provided its initial spend plan within the specified timeframe, but it did not provide updates every 60 days as required. Specifically, the Department submitted only two updates as of May 20, 2022. The first update was submitted 91 days after the initial spend plan, and the second update was submitted 388 days after the first update was submitted. As such, we suggested that the Department ensures it provides updated spend plans to Congress as required. The Department agreed with our suggestion.
Program Administration Funds Report

Allocation of ESSER I Funds at Selected Local Educational Agencies

We conducted a review that sought to describe how selected LEAs allocated Elementary and Secondary School Emergency Relief (ESSER) funds provided under the CARES Act (ESSER I). Through the CARES Act, Congress appropriated more than $13 million in ESSER funds to State educational agencies (SEA) to provide to LEAs and charter schools that are LEAs to support a wide range of activities to address the impact of the coronavirus pandemic on elementary and secondary schools. SEAs awarded subgrants to LEAs in proportion to the amount of funds the LEAs received in the 2019–2020 school year under Part A of Title I (Title I) of the Elementary and Secondary Education Act of 1965, as amended (ESEA).

Our review focused on direct allocations to Title I schools and on allocations made exclusively for the benefit of children with disabilities. Section 18003(d) of the CARES Act lists the broad, allowable (but not required) uses of program funds, including any ESEA-authorized activity; activities addressing the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and students in foster care; and purchasing educational technology to aid the educational interaction between students and instructors (which may include assistive technology and adaptive equipment). As noted in our report, LEAs had broad discretion in their use of ESSER I funds. Although several provisions of the CARES Act refer to but do not require using funds for activities that address the needs of low-income students and students with disabilities, the Department encouraged LEAs to allocate ESSER I funds to support remote learning for all students, especially disadvantaged and at-risk students.

For the 46 LEAs in our review, we found that as of March 2022, the LEAs had spent more than $19.2 million, or about 95 percent, of the $20.2 million in ESSER I funds that they were awarded. The majority of these funds were spent on district-wide programs, and about 26 percent of the funds were allocated to specific schools, with the majority of that portion allocated to Title I schools over non-Title I schools. Regardless of whether LEAs spent ESSER I funds at the district or school level, they may have used the funds for the benefit of all students, including children with disabilities. Further, LEAs designated a portion of funds to exclusively serve children with disabilities. As this was an informational report, it did not include any recommendations. ESSER Allocation Report

Investigations and Outreach

Below you will find information on an OIG pandemic relief aid investigation and an update on our coronavirus fraud awareness and outreach efforts.

U.S. Army Chief Warrant Officer Pled Guilty to Multiple Fraud Schemes, Including Total and Permanent Disability Fraud (Georgia)

A U.S. Army Chief Warrant Officer stationed at Fort Stewart pled guilty to leading a "prolific fraud scheme" in which she and others illegally raked in millions of dollars from pandemic relief aid programs and Federal student loan forgiveness. From August 2017 through May 2021, the officer submitted more than 150 fraudulent Paycheck Protection Program loan applications to the Small Business Administration for herself and others, resulting in more than $3.5 million in fraudulent disbursements. In addition, conspirators paid the officer to submit falsified U.S. Department of Veterans Affairs certifications for total and permanent disability to the U.S. Department of Education in order to fraudulently secure the discharge of more than a dozen student loans totaling more than $1 million. Press Release

Two Louisiana College Students Sentenced for HEERF Fraud (Louisiana)

In our last Semiannual Report, we highlighted our case involving two Louisiana College students who pled to charges of identity theft in a conspiracy to fraudulently get HEERF aid for their own use. During this reporting period, they were sentenced for their roles in the scheme. The two and others obtained the student identification numbers and passwords of nine students and, without authority, accessed the school's student portal where they applied for grants in the names of those students and directed the grant payments to bank accounts controlled by members of the conspiracy. The two were each sentenced to serve a year of probation and ordered to pay $5,600 in restitution.

Investigative Efforts Leading to Return of HEERF

As a result of our investigative efforts associated with our work that identified schools that received duplicate HEERF awards (summary highlighted above), two schools returned the funding.

Barber Institute of Texas Returns More Than $113,200 in HEERF (Texas)

The owner of Barber Institute of Texas received more than $113,200 in student portion and institutional portion HEERF grants. We determined that the school did not disburse the HEERF student portion funds to students as required, and as such, returned more than $56,600 to the Department in March. In addition, under the CARES Act, schools are required to spend at least 50 percent of the student and institutional HEERF funds received on emergency financial aid grants to students. However, as Barber Institute of Texas did not disburse HEERF student portion funds to students, it also returned an additional $56,600 in HEERF institutional portion funds.

Prospect College Returns More than $415,400 in Duplicate HEERF Grants (Washington, D.C.)

The owner of Prospect College returned more than $415,400 in HEERF. The owner applied for and received duplicate HEERF, receiving more than $1.6 million; however, $415,427 was a duplicate amount that the school should not have received.

Fraud Awareness Outreach Efforts

Throughout this reporting period, the OIG continued to distribute fraud awareness materials aimed at helping stakeholders identify and report suspected fraud involving pandemic relief aid. This included a digital booklet and a one-page flyer. The materials highlight what education-related coronavirus fraud could look like and provides information on free resources to help identify and report fraud to the OIG. The OIG's Special Investigations Unit and regional investigative staff also continued to conduct outreach to stakeholders on identifying and reporting fraud and participated in Federal-State COVID-19 task forces and work groups. These task forces are a collective of Federal and State law enforcement and prosecutive entities combining their investigative power to quickly address fraud complaints and to identify, investigate, and prosecute fraud related to the pandemic.

Pandemic Response Accountability Committee

The CARES Act established the Pandemic Response Accountability Committee (PRAC), composed of inspectors general from across the Federal government. The PRAC is tasked with conducting, coordinating, and supporting inspectors general in the oversight of the trillions of dollars in emergency Federal spending to address the economic impacts of the COVID-19 pandemic. The CARES Act named nine specific agency inspectors general to the PRAC, including the U.S. Department of Education. Inspector General Sandra D. Bruce represents the OIG on the PRAC, chairs the PRAC's subcommittee on Government Accountability Office (GAO) and State and local oversight efforts, and is a member of the PRAC Financial Sector Oversight Workgroup.

During this reporting period, the PRAC's GAO, State and Local Subcommittee continued to hold "listening post" sessions—small discussion groups for those charged with providing oversight of coronavirus response and relief funds to discuss challenges, best practices, and to share information with State and local auditors, State treasurers, certified public accounting firms and Tribal oversight entities, American Institute of Certified Public Accountants, GAO, other OIGs, and the National Association of State Auditors, Comptrollers, and Treasurers. These listening posts provide an open and safe forum to discuss challenges, concerns, and best practices; facilitate collaboration and coordination of Federal, State, local and Tribal audit/single audit, program, and other work when possible; and perhaps best of all, help find solutions to challenges in real-time.

The PRAC also launched a new interactive tool during this reporting period, providing information on pandemic funds, expenditures, and OIG reports and investigations by agency. The U.S. Department of Education information is available here on the PRAC's website. Finally, the OIG also continued to work on several PRAC cross-cutting projects, including a multiagency project required by the CARES Act specific to contracts and grants staffing, and a multiagency impact case studies project at six locations to determine whether the Federal program spending aligned with the intended goals and objectives. We will share the results of this work once issued.

OTHER ACTIVITIES

Participation on Committees, Work Groups, and Task Forces

- **PRAC.** Inspector General Sandra D. Bruce is a member of this Committee, established under the CARES Act. Inspector General Bruce is also leading the PRAC's subcommittee focused on GAO and State and local oversight efforts and is also a member of the Financial Sector Oversight Work Group. OIG Assistant Inspector General for Investigation Services Robert Mancuso also participates with the PRAC Identity Theft and Redress group.
- **Council of Counsels to the Inspectors General COVID-19 Work Group.** Counsel to the Inspector General Antigone Potamianos and OIG Assistant Counsels continued to help lead the governmentwide OIG attorney working group regarding COVID-19 related legal issues.
- **Coronavirus/COVID-19 Federal-State Task Forces.** OIG criminal investigators continued to work with their Federal and State investigative and prosecutive partners to address pandemic relief aid fraud.

Disaster Recovery Oversight

In 2018 and 2019, Congress passed and the President signed into law measures providing the Department with nearly $2.9 billion to assist K–12 schools, school districts, and institutions of higher education in meeting the educational needs of students affected by the hurricanes and wildfires that ravaged a number of States and territories. Congress also provided funding to the OIG to carry out oversight activities, such as auditing Department and grantee management and spending of disaster recovery funds; examining the effectiveness of recovery programs; and investigating misuse, theft, and other criminal activity involving these funds.

Reports

During this reporting period, we issued three reports specific to disaster recovery funds. The first is our fourth report in our series involving the Temporary Emergency Impact Aid for Displaced Students (Emergency Impact Aid) program—funding that LEAs and nonpublic schools can use to provide instructional opportunities for displaced students who enroll in their schools and for expenses incurred in serving displaced students. The audits seek to determine whether selected SEAs ensured that displaced student count data provided to the Department were accurate and complete, and that Emergency Impact Aid program funds were appropriately allocated and appropriately accounted for within Federal guidelines. This audit involved the Puerto Rico Department of Education.

The second audit is another in our series of audits examining selected SEAs' administration of Immediate Aid to Restart School Operations (Restart) program funding. Restart funds assist LEAs with expenses related to restarting schools in areas affected by disasters. In this audit, we examined the California Department of Education to determine whether it appropriately allocated Restart program funds and ensured that LEAs and nonpublic schools used Restart program funds for allowable and intended purposes. You can find our previous work involving SEAs, Emergency Impact Aid, and Restart here on our website.

Our third audit looked at Florida's Gulf Coast State College to determine whether the school used 2019 Emergency Assistance to Institutions of Higher Education

(Emergency Assistance) program funds in accordance with Federal requirements and its approved application for program funds. This is the first audit we conducted involving these disaster recovery-focused funds, which were provided to help the school and its students impacted by Hurricane Michael in 2018. You will find the results of these three reports below.

Puerto Rico Department of Education's Administration of the Temporary Emergency Impact Aid for Displaced Students Program

We determined that although the Puerto Rico Department of Education (Puerto Rico) generally accounted for Emergency Impact Aid program funds in accordance with Federal guidelines, it reported inaccurate and unsupported displaced student count data to the Department. This happened because Puerto Rico incorrectly interpreted the Federal definition of a displaced student for the Emergency Impact Aid program and lacked effective written procedures and sufficient information system controls to ensure that accurate student enrollment and withdrawal data were entered in its student information system. As a result, we projected that Puerto Rico should not have received and expensed an estimated $6.5 million in Emergency Impact Aid program funds.

To improve Puerto Rico's processes for gathering and reporting accurate and supported displaced student count data to the Department, we recommended that it develop and implement (1) internal controls to ensure that officials and staff responsible for gathering data used for Federal reporting requirements obtain an understanding of the rules and regulations surrounding the grant programs they are tasked with overseeing and (2) effective written procedures and sufficient information system controls to ensure that accurate student enrollment and withdrawal data are entered in its student information system in a consistent manner. We also recommended that Puerto Rico provide support for the inaccurate and unsupported displaced student counts or return $6.5 million in Emergency Impact Aid program funds to the

Department. Puerto Rico officials did not state whether they agreed or disagreed with our findings or recommendations, but did describe the corrective actions they have or planned to implement. Puerto Rico Report

California Department of Education's Administration of the Immediate Aid to Restart School Operations Program

We found that the California Department of Education (California) appropriately allocated 2018 and 2019 Restart program funds to the LEAs and nonpublic schools included in our review. Although we did not identify any unallowable costs at the LEAs reviewed, we determined that California needs to improve its processes for ensuring that LEAs use Restart program funds for allowable and intended purposes. Specifically, California did not always adhere to its established procedures for reimbursement of expenditures for the 2018 Restart program, including not obtaining supporting documentation for $103,124 in expenditures for two of the LEAs we reviewed; did not timely monitor the Restart program; and did not ensure remittance of interest earned on Restart program funds that were advanced to LEAs.

Because of the issues identified, we determined that California has limited assurance that Restart program funds were used in accordance with requirements. Specifically, because California did not follow its established reimbursement procedures for 4 of the 5 LEAs we reviewed, it is likely that California did not follow its established procedures for some of the 12 other LEAs that received $3.4 million in 2018 Restart program funds, thereby increasing the risk that Restart program funds were not always used for allowable and intended purposes. Additionally, there is an increased risk concerning uses of funds by other LEAs, particularly the 17 LEAs that received $15.8 million in advanced funding under the 2019 Restart program, because California had not conducted timely monitoring reviews and would not collect sufficient information on expenditures in LEAs' Final Performance Reports such that it could rely on these reports alone for monitoring purposes. Finally, by not ensuring LEAs remitted interest earned on Restart program funds, there is an increased risk that LEAs may view the interest earned as an additional source of revenue, particularly those who received advanced funding. Further, since California's 2019 Restart grant has been extended to December 16, 2022, LEAs may keep unexpended Restart program funds in their accounts longer and possibly accumulate more interest, thus increasing the risk that interest earned on Federal program funds could be misused.

We recommended that California (1) implement procedures to timely monitor expenditures for the Restart program at LEAs; (2) ensure its reimbursement processes, are implemented as designed when administering future disaster programs; (3) provide support for the unsupported expenditures identified for one LEA that received Restart program funds under reimbursement or return $15,355; (4) determine whether other LEAs that received Restart program funds under reimbursement provided supporting documentation for all requested funds, and if not, obtain and review documentation from the LEAs and return any funds that were not properly used or supported; and (5) review LEAs with unspent balances of Restart program funds and ensure that any interest earned over $500 is remitted. California did not agree with all of our findings or recommendations. California Report

Gulf Coast State College's Use of 2019 Emergency Assistance to Institutions of Higher Education Program Funds

We conducted an audit to determine whether Gulf Coast State College (Gulf Coast) used 2019 Emergency Assistance program funds in accordance with Federal requirements and its approved application for program funds. Gulf Coast received $2.6 million in Emergency Assistance program funds to assist the school and students following Hurricane Michael in 2018. Per the Bipartisan Budget Act of 2018, Emergency Assistance funds were to be used for student financial assistance, faculty and staff salaries, equipment, student supplies and instruments, or any purpose authorized under the Higher Education Act of 1965, as amended. The Emergency Assistance grant program's Frequently Asked Questions (issued on July 27, 2018) specified that the funds must be used for activities directly related to mitigating the effects of a covered disaster or emergency on students and institutions.

Our audit found that Gulf Coast used about $1.8 million in Emergency Assistance program funds for activities that were not allowable in accordance with Federal requirements. Specifically, Gulf Coast used about $1.7 million in Emergency Assistance program funds for lost tuition revenue that was not authorized under the Additional Supplemental Appropriations for Disaster Relief Act, 2019 and $96,365 for the purchase of new equipment unrelated to the covered disaster. Gulf Coast identified these uses of funds in a revised budget for its Emergency Assistance grant and provided an analysis related to lost tuition revenue to OPE. OPE approved the revised budget even though the lost tuition revenue cost was not authorized by the Additional Supplemental Appropriations for Disaster Relief Act, 2019. Because it had received approval from OPE, Gulf Coast assumed that these activities were allowed. Gulf Coast could have used the almost $1.8 million in Emergency Assistance program funds that we identified as having been used for unallowable activities on activities that would have directly mitigated the effects of the emergency and met the educational needs of affected students. These allowable activities could have further supported Gulf Coast's strategies for becoming fully operational, prioritizing, to the extent possible, students who are homeless or at risk of becoming homeless as a result of displacement due to the covered disaster or emergency.

> "Our audit found that Gulf Coast used about $1.8 million in Emergency Assistance program funds for activities that were not allowable in accordance with Federal requirements.

We recommended that Gulf Coast reallocate the almost $1.8 million in questioned costs from the Emergency Assistance program funds that it used for lost tuition revenue and the purchase of equipment for future disasters prior to closing out the grant or return the questioned costs to the Department. If allowable costs cannot be reallocated for the amount of lost tuition revenue, we recommended that OPE

report a violation of the Antideficiency Act to the President, Congress, and the Comptroller General as required by 31 United States Code 1351.

Gulf Coast disagreed with our finding and recommendations, acknowledging that the finding may be factually correct, stating that OPE and the OIG were both representatives of the Department, and as such, it was concerned with the inconsistent interpretation of the regulations by OPE and OIG with respect to the unallowable costs presented in the finding. Although we agreed that Gulf Coast did seek guidance from OPE before using Emergency Assistance program funds and acted in good faith after it received approval from OPE, we maintain that our finding is factually correct and supported by sufficient and appropriate audit evidence. OIG is an operationally independent part of the Department responsible for conducting audits of Department programs and operations to promote the economy, efficiency, and effectiveness in the administration of such programs and operations. As a result of our independence, there are instances where we arrive at different conclusions than other Department officials based on the specific evidence we obtain in connection with the audits we conduct. We determined that the Department did not have the authority to approve the uses of funds identified in this report contrary to the statutory requirements. Gulf Coast Report

Investigative Efforts

During this reporting period, the OIG continued to promote its fraud awareness materials specific to disaster recovery. This included special posters aimed at helping school officials and others identify and report potential fraud involving Disaster Recovery funds, and our Eye on ED podcast episodes specific to disaster recovery, including an episode on identifying and reporting disaster recovery fraud in Spanish. The free posters and Eye on ED podcast are available via our website. In addition, OIG criminal investigators continued to work with the National Center for Disaster Fraud Working Group, a partnership between the U.S. Department of Justice and various law enforcement and regulatory agencies to improve and further the detection, prevention, investigation, and prosecution of fraud related to natural and man-made disasters.

OTHER ACTIVITIES

Participation on Committees, Work Groups, and Task Forces

- **Council of the Inspectors General on Integrity and Efficiency (CIGIE) Disaster Assistance Working Group.** The OIG participates in this group that helps coordinate the Federal inspectors general community's oversight efforts of disaster-related funds.
- **National Center for Disaster Fraud.** The OIG is involved in this partnership between the U.S. Department of Justice and various law enforcement and regulatory agencies that work to improve and further the detection, prevention, investigation, and prosecution of fraud related to disasters.

Federal Student Aid Programs and Operations

The Federal student financial aid programs have long been a major focus of our audit and investigative work. These programs are inherently risky because of their complexity, the amount of funds involved, the number of program participants, and the characteristics of student populations. OIG efforts in this area seek not only to protect Federal student aid funds from fraud, waste, and abuse, but also to protect the interests of the next generation of our nation's leaders—America's students.

Investigations

Identifying and investigating fraud in Federal student financial assistance programs has always been a top OIG priority. The results of our efforts have led to prison sentences for unscrupulous school officials and others who stole or criminally misused Federal student aid funds, significant civil fraud actions against entities participating in the Federal student aid programs, and hundreds of millions of dollars returned to the Federal government in fines, restitutions, and civil settlements.

Investigations of Schools and School Officials

The following are summaries of OIG investigations and links to press releases involving Federal student aid fraud and other fraud involving schools and school officials.

Four Former Apex School of Theology Administrators Pled Guilty in Multimillion Fraud Scheme (Georgia)

Four former administrators at the Columbus, Georgia, campus of the Apex School of Theology pled guilty to charges related to their roles in a multimillion dollar student aid fraud scam. The administrators recruited people to participate in the scam, with offers of "free money" to act as "straw students" whereby they would apply for admission and receive Federal student aid, but the students would not have to attend the school or do any work if they split their student aid award balances with the administrators. The administrators completed and submitted phony admission and student aid applications on behalf of the straw students, submitted plagiarized

work for them, took their tests, and logged into the school's website as if they were the students in order to deceive the Department into believing they were legitimate students making satisfactory academic progress. The four used the millions of dollars they obtained through the scheme for their personal benefit. Press Release

Stone Academy and Owner Agree to $1 Million Settlement (Connecticut)

In May, Career Training Specialists, LLC, doing business as Stone Academy—a for-profit school with campuses in East Hartford, Waterbury, and West Haven that awards career diplomas in various medical fields—and its owner agreed to pay more than $1 million to settle allegations that they violated the Federal False Claims Act. From February 2015 through March 2019, the owner and the school were alleged to have mailed 154 small, direct payments to loan servicers on behalf of 102 students in attempts to prevent those students from defaulting on their loans and being counted in Stone Academy's cohort default rate. The payments were made with money orders purchased and filled out by the owner without the students' knowledge or consent, and in a manner intended to conceal the fact that these payments were made by the owner and the school. Stone Academy then failed to disclose to the Department its actual, higher cohort default rate. In addition to making payment of more than $1 million, the owner agreed to cease involvement and participation in the operations, and divest direct ownership of both Stone Academy and another for-profit school, Creative Workforce, LLC, doing business as Paier College of Art. Press Release

Former Reynolds Community College Financial Aid Director Sentenced for Fraud (Virginia)

A former financial aid director at Reynolds Community College was sentenced to 63 months in prison for orchestrating a $230,000 student aid fraud scheme. From 2006 through 2017, the former director used her access to the school's financial aid system to boost the financial aid eligibility for her co-conspirators (her family and friends) who were not otherwise eligible for student aid benefits at the school. The former director had agreements with her co-conspirators to receive a portion of the improperly obtained student aid funds as compensation. The former director spent the funds on personal expenses, including repairs for her personal vehicle, retail shopping, and family expenses.

Former Southern University Professor Sentenced for Fraud (Louisiana)

After living as a fugitive in Iran and Turkey for more than a decade, a former professor at Southern University returned to the U.S. and was sentenced to 24 months in prison for fraud and money laundering. Beginning in 2008, the former professor and his co-conspirator, the former Information Technologies Director at the school's College of Engineering, conceived a scheme to defraud the school by submitting fraudulent equipment quotes in the names of fictitious vendors. The co-conspirator created fraudulent computer equipment purchase requests, generated fraudulent quotes for the equipment in the name of shell companies that the two created, and then submitted the fraudulent quotes to the school's purchasing department for payment. As a result of their efforts, the school issued 14 checks totaling more than $150,000. The former professor was indicted in 2011. By this time, he had left the school and was abroad. He remained a fugitive for more than a decade. In mid-2021, the former professor met with agents from the FBI and agreed to return to the U.S.

to accept responsibility for his crimes. His co-conspirator pled guilty in 2010 and has fully served his sentence, which included both a term of imprisonment and an order to pay restitution to Southern University. Press Release

Administrator, Professor Sentenced for Roles in Temple University School of Business School Rankings Fraud (Pennsylvania)

In our last Semiannual Report to Congress, we highlighted our case involving the former Dean of Temple University's Richard J. Fox School of Business and Management, who was sentenced to prison and ordered to pay a $250,000 fine for orchestrating a rankings fraud scheme. During this reporting period, two other scheme participants were sentenced for their roles: a former Fox Business School administrator was sentenced to 1 year of probation, 100 hours of community service, and was ordered to pay a $1,000 fine; and a Fox Business School professor was sentenced to 6 months under house arrest, 3 years of probation, and was ordered to pay a $100,000 fine. The three devised a scheme to deceive the school's applicants, students, and donors into believing that the school offered top-ranked business degree programs, so they would pay tuition and make donations to Temple. From 2014 until at least 2018, they submitted false information about the school's online Master of Business Administration and part-time Master of Business Administration programs to U.S. News & World Report in order to inflate Fox's rankings in the annual U.S. News surveys of top business school programs.

Investigations of Student Aid Fraud Rings

Below are summaries and links to press releases on actions taken over the last 6 months against people who participated in Federal student aid fraud rings. Fraud rings are large, loosely affiliated groups of criminals who seek to exploit distance education programs to fraudulently obtain Federal student aid. These cases are just a sample of the large number of actions taken against fraud ring participants during this reporting period.

Action Taken Against Another Member of $3 Million Fraud Ring (California)

A member of a fraud ring was sentenced to serve 24 months in prison and 24 months of supervised release, and she was ordered to pay more than $2 million in restitution for her role in student aid fraud ring. As shared in a recent Semiannual Report, from about 2011 through 2014, the ring used the identities of more than 220 people, a number of which they purchased through a broker or were people they knew to be in prison, to apply for admission to and to receive student aid from eight online colleges in those individuals' names. They created and submitted fraudulent admissions and student aid forms and had the student aid award balances sent to bank accounts that they controlled. As a result of their fraudulent efforts, the ring obtained more than $2 million in Pell grants and $1 million in other student aid to which they were not entitled.

Leader of $1 Million Fraud Ring Sentenced (California)

In our last Semiannual Report, we highlighted our case involving three women who were arrested for their roles in a fraud ring that targeted more than $1 million in Federal student aid. During this reporting period, the ringleader was sentenced for her role in the scheme. The ring obtained the personally identifiable information of 235 people—including victims of identity theft and inmates in California State prisons—that the ring used to apply for admission to and to receive student aid from Fullerton College and other schools. As a result of their actions, more than $1 million in Federal student aid was disbursed to these straw students. The ringleader was sentenced to time served and 3 years of supervised release and was ordered to pay more than $869,000 in restitution.

"The ring obtained the personally identifiable information of 235 people—including victims of identity theft and inmates in California State prisons—that the ring used to apply for admission to and to receive student aid from Fullerton College and other schools. As a result of their actions, more than $1 million in Federal student aid was disbursed to these straw students.

Leader of $300,000 Fraud Ring Pled Guilty to ID Theft, Possession of Firearm in Furtherance of Drug Trafficking Crime, and Federal Student Aid Fraud (North Carolina)

The leader of a fraud ring pled guilty to using identities of family members, drug addicts and homeless people to steal over a quarter of a million dollars in Federal student aid, as well as possessing a firearm in furtherance of drug trafficking. Between 2014 and 2020, the ringleader submitted false information on Free Applications for Federal Student Aid (FAFSA) and other fabricated documents seeking admission to and to receive Federal student aid from Cape Fear Community College on behalf of 28 people. The ringleader targeted homeless individuals whom he tricked into giving

him their personal information by falsely claiming he was collecting information for the census. He also obtained names and personal information from people in exchange for illegal narcotics. As a result of these fraudulent efforts, the ringleader sought to obtain some $300,000 in Federal student aid. The ringleader also pled guilty to Possession of a Firearm in Furtherance of a Drug Trafficking Offense, as during a search warrant, law enforcement found various amounts of cocaine, marijuana, and opiates, as well as items indicative of drug trafficking, including a scale, cutting agent, packaging material, $9,000 cash, and a loaded firearm. Press Release

Leader of $293,000 Fraud Ring Pled Guilty (Illinois)

The leader of a student aid fraud ring pled guilty and agreed to pay more than $220,000 in restitution for theft of government funds. The ringleader created and submitted falsified and fraudulent FAFSAs and other documents on behalf of people without their consent for purported admissions to and to receive Federal student aid from multiple post-secondary schools. The man knew that these people would not attend classes or earn college credit, some of whom were incarcerated at the time. As a result of his fraudulent efforts, the ring obtained more than $293,000 in Federal student aid.

Leader of $289,000 Fraud Ring Pled Guilty (North Carolina)

A man pled guilty to orchestrating a student aid fraud ring that obtained more than $289,000 in Federal student aid. From 2016 through 2018, the ringleader solicited friends and associates for their personally identifiable information which was used to apply for admission to and to receive student aid from a number of online colleges, including Grand Canyon University, American Public University System,

and Southern New Hampshire University. The ringleader communicated with the schools claiming to be the students, attended classes, and completed coursework in their names, which enabled him to receive the aid. The ringleader had the student aid refund awards sent to bank accounts under his control.

Leader of $126,200 Fraud Ring Charged (Montana)
The leader of a suspected student loan fraud ring was charged in a 14-count indictment involving wire fraud, aggravated identity theft and student aid fraud. Between January 2016 and December 2019, the ringleader allegedly enrolled unwitting family members and others in online classes at Great Falls College/ Montana State University. When doing so, the ring applied for and received more than $126,200 in Federal student aid. The ringleader also fraudulently used and submitted multiple American Indian Tuition Waivers, allegedly creating and using false enrollment forms from Native American Tribes, all of which were designed to result in larger student aid amounts, which members of the ring used for their own purposes. Press Release

Investigations of Other Student Aid Fraud Cases

The following are summaries and links to press releases on the results of additional OIG investigations into abuse or misuse of Federal student aid.

Man Running a $48 Million Student Loan Discharge Fraud Scam Targeting Veterans Sentenced (Georgia)
A man was sentenced for operating a scheme that caused approximately $48 million in outstanding Federal student loans to be fraudulently discharged by exploiting a program intended for disabled military veterans. The man targeted some 500 veterans/ student loan borrowers, offering to help them obtain discharges for Federal student loans in exchange for a fee. He claimed that special government programs existed for authorizing the discharge of their loans, however, his business relied on false statements he made to Federal Student Aid. He submitted to the Department fraudulent U.S. Department of Veterans Affairs letters claiming that the borrowers were military veterans who were eligible for student loan discharges due to a total or permanent disability, even though the borrowers did not lawfully qualify for the discharge. As a result of his criminal efforts, about $48 million in student loans were fraudulently discharged. The man was sentenced to serve 6 years in prison and 3 years

“A man was sentenced for operating a scheme that caused approximately $48 million in outstanding Federal student loans to be fraudulently discharged by exploiting a program intended for disabled military veterans. The man targeted some 500 veterans/ student loan borrowers, offering to help them obtain discharges for Federal student loans in exchange for a fee.

of supervised release and was ordered to pay more than $910,400 in restitution. Press Release

Nurse Practitioner Charged in $10.5 Million Dollar Total and Permanent Disability Discharge Fraud (New York)

A nurse practitioner was charged for allegedly orchestrating a scheme that resulted in the fraudulent discharge of over $10.5 million in student loans. From June 2017 through March 2022, the woman deceived over 100 borrowers into believing they qualified for various forms of student loan relief, including total and permanent disability relief, and charged them fees—often between 10 and 20 percent of the loan amount—to facilitate their loan discharge process. The nurse practitioner is alleged to have used the personal identifying information of the borrowers to submit fraudulent applications for student loan discharge applications. She also allegedly used the stolen identities, medical license numbers, and forged signatures of over a dozen medical doctors to falsify medical diagnoses and disability certifications. It is estimated that she earned at least approximately $1 million as a result of the scheme. Press Release

Man Representing Himself as a U.S. Citizen Sentenced (Missouri)

A Costa Rican man who represented himself as a U.S. citizen was sentenced for making false statements. The man used a fraudulent Puerto Rican birth certificate to apply for and receive a Social Security number and a U.S. passport. He used the fraudulently obtained Social Security number and passport to, among other schemes, apply for and receive more than $78,000 in Federal student aid for attendance at three community colleges. The man was sentenced to serve 6 months in prison

and 3 years of supervised release and was ordered to pay more than $78,300 in restitution.

Man Charged for Submitting Fraudulent FAFSA, Other Aid Applications (Ohio)

A man was charged with four counts of wire fraud for allegedly falsifying information on Federal student aid forms. The man allegedly underreported his income, assets, and net worth of investments on a number of Federal education aid forms, including Facts Grant and Management Applications and on his daughter's FAFSAs. As a result of his alleged actions, the man's children received institutional funding from two private schools in Ohio and his daughter received Federal student aid in amounts for which she was not entitled. The loss is estimated to be in excess of $58,000.

Father of Former Student Pled Guilty to Charges Associated with Phony Identity Theft Claim (Arkansas)

The father of a former University of Arkansas student pled guilty to making false statements related to his Parent Plus loans. In 2014 and 2015, the man obtained two Parent PLUS loans totaling more than $27,300 for his daughter to attend the school. In 2020, he filed a false identity theft claim in an attempt to have the loans discharged. The claim was ultimately denied. Further, records revealed that the man included the Parent PLUS loan information in his 2017 petition for bankruptcy.

New Student Loan-Related Scam Awareness and Prevention Materials

During this reporting period, the OIG produced new materials aimed at helping student loan borrowers (college undergraduates and graduates) protect themselves from student loan-related scams and identity theft. These infographics and flyers provide helpful tips and proactive steps for student borrowers to take to avoid falling victim to student loan scams, student loan forgiveness scams, student loan debt relief scams, and identity theft, and actions to take should they think their personal information has been stolen. The materials are available here on our website.

OTHER ACTIVITIES

Participation on Committees, Work Groups, and Task Forces

- **FBI Cyber Crime Investigations Task Force.** The OIG is a member of this task force of Federal, State, and local law enforcement agencies conducting cybercrime investigations nationwide, with agents physically located in Washington, D.C., and Boston, Massachusetts.

Reviews of Legislation, Regulations, Directives, Memoranda and Other Activities

- **Department's Final Regulations on issues related to student loans and affordability.** The OIG provided a comment on the draft of the Department's Final Regulations on issues related to student loans and affordability to improve the document's quality, clarity, and integrity.
- **Department's Notice of Proposed Rulemaking on issues relating to institutional eligibility and oversight.** The OIG provided comments on the draft of the Department's Notice of Proposed Rulemaking on issues related to institutional eligibility and oversight to improve the document's quality, clarity, and integrity.
- **Department's Final Regulations on issues related to institutional eligibility and oversight.** The OIG provided comments on the draft of the Department's Final Regulations on issues related to institutional eligibility and oversight to improve the document's quality, clarity, and integrity.
- **Department's notice of updated waivers and modifications of statutory and regulatory provisions governing the Federal student financial aid programs under the authority of the Higher Education Relief Opportunities for Students Act of 2003 (HEROES Act).** The OIG provided comments on the draft notice in our unique area of responsibility on a proposed waiver to prevent abuse. The Department addressed our comments by clarifying the terms of the waiver.

Elementary and Secondary Education Programs

The Department administers more than 100 programs that involve 56 States and territorial educational agencies, more than 17,000 public school districts, more than 130,000 schools, and numerous other grantees and subgrantees. Effective oversight of and accountability in how these entities spend the Department funding they receive is vital. Through our audit work, we identify problems and propose solutions to help ensure that the Department's programs and operations meet the requirements established by law and that federally funded education services reach the intended recipients—America's students. Through our criminal investigations, we help protect public education funds for eligible students by identifying those who abuse or misuse Department funds and holding them accountable for their unlawful actions.

Report

The Charter School Program (CSP) was first authorized in October 1994 under Title X, Part C of the ESEA. Section 4301 of the ESEA, as amended, sets forth eight objectives for the CSP. Two of those objectives are (1) provide financial assistance for the planning, program design, and initial implementation of public charter schools and (2) increase the number of high-quality charter schools available to students across the United States. The CSP office within the Department's Office of Elementary and Secondary Education (OESE), Office of Discretionary Grants and Support Services, is responsible for overseeing CSP grants. Since FY 1995, the CSP has provided nearly $4 billion for the creation of charter schools through the following three grants:

- Expanding Opportunities Through Quality Charter School Programs Grants to State Entities ($3.3 billion awarded from 1995 through 2017);
- Charter Schools Program Grants to Charter Management Organizations for the Replication and Expansion of High-Quality Charter Schools, ($463 million awarded from 2010 through 2017); and
- Charter School Programs Grants to Charter School Developers for the Opening of New Charter Schools and for the Replication and Expansion of High-Quality Charter Schools, ($91 million awarded from 2002 through 2017).

During this reporting period, we issued an audit that sought to (1) describe what OESE did to track and report on the number of charter schools opened and expanded using CSP funds and the number of charter schools that stay open after Federal funding ends, (2) determine whether CSP grant recipients opened and expanded the number of charter schools proposed in their approved grant applications, and (3) determine whether the charter schools funded by CSP grants remained open for at least 2 years after funding ended. You will find the results of our work below.

Effectiveness of Charter School Programs in Increasing the Number of Charter Schools

Our audit found that the CSP office created processes for tracking and reporting on charter schools opened and expanded with CSP funds and charter schools that remained open through the grant performance period end date. After the grant performance period ended, and the CSP office had closed the CSP grants, it did not track and report on whether charter schools that CSP grant recipients had opened and expanded with CSP funds remained open. Although the CSP office created processes for tracking and reporting on charter schools opened and expanded and charter schools that remained open through the grant performance period end date, those processes did not result in CSP grant recipients reporting clear, reliable, and timely information in their final performance reports (FPR), annual performance reports (APR), and data collection forms. The processes also did not result in the CSP office receiving all the information needed to assess grant recipients' performance or evaluate the overall effectiveness of the CSP.

During the grant performance period, the CSP office used information from APRs, replication and expansion spreadsheets provided by charter management organizations, and data collection forms to assess whether CSP grant recipients were implementing their approved projects in compliance with the law, regulations, guidance, and their approved grant applications. After the grant performance period end date, the CSP office collected FPRs and final data collection forms and performed grant closeout procedures. After it closed the grants, the CSP office neither required CSP grant recipients to report updated information on the charter schools that had been opened or expanded with CSP funds nor collected information from other sources that would allow it to make its own determination of which CSP-funded charter schools remained open after CSP funding ended.

Our reviews of 94 CSP grant recipients' FPRs, APRs, and data collection forms disclosed discrepancies between the numbers of charter schools that the 94 CSP grant recipients reported as opened or expanded using CSP funds. Our reviews also disclosed that CSP grant recipients did not always submit or did not timely submit their FPRs, APRs, and data collection forms. Finally, our reviews disclosed that FPRs or APRs did not always clearly disclose the number of charter schools opened or expanded using CSP funds.

Our reviews of their approved grant applications and final or most recent (if a final was not available) data collection forms disclosed that 94 CSP grant recipients did not always open or expand the number of charter schools that they committed to opening or expanding. According to their approved grant applications, the 94 CSP grant recipients collectively committed to opening or expanding 1,570 charter

schools using CSP funds. The final or most recent data collection forms for the 94 CSP grant recipients disclosed that they collectively reported opening or expanding about 51 percent (798) of the 1,570 charter schools that they committed to open or expand using CSP funds. Of these 798 charter schools, 82 were charter schools that had been open for less than 2 years at the time of our analysis. Of the remaining 716 charter schools, 91 percent (651) remained open for at least 2 years after their CSP funding ended.

As noted in our report, although neither the CSP legislation nor any implementing regulations require the CSP office to track or report on the number of schools that remain open after CSP funding ends, obtaining and making such information available to the public would help OESE and other stakeholders assess the effectiveness of the CSP. Without such information, OESE, Congress, and the public cannot reach conclusions on whether the CSP increased the number of high-quality charter schools in operation and taxpayers received a worthwhile return on their investments.

We recommended that the CSP office (1) collect data on the number of CSP-funded charter schools that remain open for at least 2 years after CSP funding ended and make that information available to the public; (2) ensure that CSP grant recipients report in FPRs, APRs, and data collection forms clear, reliable, and timely information on the number of charter schools that they opened or expanded using CSP funds; and (3) ensure that program officers routinely compare the information reported in FPRs and APRs with the information reported in data collection forms and require CSP grant recipients to timely reconcile any identified discrepancies. The Department partially agreed with both of our findings and agreed with two of our three recommendations. CSP Report

Investigations

OIG investigations in the elementary, secondary, special, and vocational education areas include criminal investigations involving bribery, embezzlement, and other unlawful activity, often involving State and local education officials, educational services providers, and contractors who abused their positions of trust for personal gain. Examples of some of these investigations and links to press releases follow.

Investigations of School Officials, Contractors, and Educational Services Providers

The following are summaries of OIG investigations involving K–12 school officials and contractors.

Former School Superintendents, Others Sentenced in $10 Million Virtual Education Fraud Scheme (Alabama)

In a recent Semiannual Report, we highlighted our investigation involving former school officials for their roles in a $10 million fraud scheme involving Alabama's virtual school: the former Athens City Schools District superintendent, the former superintendent of the Limestone County School District, the former Athens City Schools District administrator, a former business owner, and a former football coach. During this reporting period, the five were sentenced to prison for their roles in the scam. The conspirators fraudulently enrolled students in virtual public schools

and then falsely reported those students to the Alabama State Department of Education. They obtained student identities to use in their scheme from various private schools located across the State by offering the private schools various inducements—including computers, direct payments, and access to online curriculum—to persuade the private schools to share their students' academic records and personally identifiable information with the public school districts. The conspirators created fake report cards, manufactured false addresses for the private schools students who lived outside of Alabama, and submitted falsified course completion reports to the Alabama State Department of Education, who then paid the school districts millions of dollars for the cost of supposedly educating these private school students, who at no time attended the virtual public schools. They skimmed a portion of that State money for their personal use. The former Athens Superintendent was sentenced to serve 60 months in prison and was ordered to pay more than $2.8 million in restitution, the former Athens Administrator was sentenced to serve 66 months in prison and was ordered to pay more than $1.3 million in restitution, the former educator/business owner was sentenced to 22 months in prison and was ordered to pay more than $1.3 million in restitution; the former football coach was sentenced to serve 24 months in prison and was ordered to pay more than $273,000 in restitution and fines; and the former Limestone superintendent was sentenced to serve 18 months in prison and was ordered to pay $28,000 in restitution and fines. Press Release, Press Release

Former President of the Madison District Public Schools Board of Education and a Contractor Charged in Kickback Scheme (Michigan)

The former president of the Madison District Public Schools Board of Education and a business owner were charged with conspiracy for their roles in a kickback scheme. The former president allegedly used his position to award some $3.1 million in school maintenance and construction contracts to the business owner, who was his long-time friend, in exchange for a financial kickback. The contractor admitted that he had to "pay to play" in the school district, so wrote checks from his company to a company solely owned by the former school board president. The business owner admitted to making more than $560,000 in payments to the former president, which the former president spent on personal luxuries such as vacations in Florida and a boat slip. Press Release

Syracuse City School District Teachers Pay More Than $31,800 for Submitting False Timecards to Federally Funded High School Dropout Program (New York)

Two Syracuse City School District teachers agreed to pay more than $31,800 to resolve allegations that they submitted false timecards in connection with the School District's Twilight Program. The Twilight Program is an after-school credit recovery program to help students graduate on time. The employees were alleged to have falsified time sheets claiming to have worked hours that they did not, created a fake home visit log to falsely claim they were visiting Twilight students at their homes, and added phony Twilight classes to a roster to make it appear as if there were actual classes that needed to be taught. During this reporting period, two of the three employees entered into agreements to settle claims made against them. The first employee agreed to pay more than $20,750, and the second employee agreed to pay more than $11,100. USAO Press Release, State Comptroller Press Release

Consultant Who Conspired with Former Secretary of the Puerto Rico Department of Education Sentenced (Puerto Rico)

In our last Semiannual Report, we noted that the former Secretary of the Puerto Rico Department of Education was sentenced to prison for conspiracy and fraud. During this reporting period, a consultant was sentenced for his role in the conspiracy. The consultant was involved in the Secretary receiving a drastically reduced price for an apartment and other incentives in exchange for ceding Puerto Rico Department of Education school space to a private company. The consultant was sentenced to time served and a $21,000 fine.

OTHER ACTIVITIES

Participation on Committees, Work Groups, and Task Forces

- **Puerto Rico Anti-Public Corruption Task Force.** The OIG is a member of a joint task force focused on combatting public corruption in Puerto Rico. The task force is led by the U.S. Department of Justice and includes the FBI, Puerto Rico and local law enforcement agencies, and Federal OIG offices.
- **Puerto Rico Education Sustainability Team.** OIG staff are participating on this Department team in an advisory capacity, sharing our knowledge of fraud risk areas, as well as strengths and weaknesses that we have identified through decades of work involving Puerto Rico Department of Education, and the recommendations we made to improve those weaknesses.
- **Association of Government Accountants Partnership for Management and Accountability.** The OIG participates in this partnership that works to open lines of communication between Federal, State, and local governmental organizations to improve performance and accountability.
- **Intergovernmental Audit Forums.** OIG staff serve on several intergovernmental audit forums, which bring together Federal, State, and local government audit executives who work to improve audit education and training and exchange information and ideas regarding the full range of professional activities undertaken by government audit officials.

Department Management and Operations

Effective and efficient business operations are critical to ensure that the Department effectively manages and safeguards its programs and protects its assets. Our reviews in this area seek to help the Department accomplish its objectives by ensuring its compliance with applicable laws, policies, and regulations and the effective, efficient, and fair use of taxpayer dollars with which it has been entrusted.

Reports

OIG work completed over the last 6 months in this area includes statutory audits involving information technology security and financial management; and reviews of the Department's compliance with other Federal regulations, statutes, and policies. Summaries of this work follow.

Information Technology Security

The E-Government Act of 2002 recognized the importance of information security to the economic and national security interests of the United States. The Federal Information Security Modernization Act of 2014 (FISMA) amends FISMA 2002, by providing several modifications that modernize Federal security practices to address evolving security concerns. These changes result in less overall reporting, strengthens the use of continuous monitoring in systems, increases focus on the agencies for compliance, and result in reporting that is more focused on the issues caused by security incidents. FISMA 2014 also required the Office of Management and Budget (OMB) to amend/revise OMB Circular A-130 to eliminate inefficient and wasteful reporting and reflect changes in law and advances in technology. FISMA requires OIGs to assess the effectiveness of the agency's information security program. It specifically mandates that each independent evaluation include a test of the effectiveness of information security policies, procedures, and practices of a representative subset of the agency's information systems and an assessment of the effectiveness of the information security policies, procedures, and practices of the agency.

Our FY 2022 FISMA inspection looked to assess the Department's progress at improving the maturity of its security program and practices. It focused on 20 core metrics within 5 security functions and 9 associated metric domains for cybersecurity management using criteria outlined in the FY 2022 Inspector General FISMA metrics developed by CIGIE and issued by OMB. The five functions and their associated metric domains were (1) Identify (Risk Management, Supply Chain Risk Management); (2) Protect (Configuration Management, Identity and Access Management, Data Protection and Privacy, and Security Training); (3) Detect (Information Security Continuous Monitoring); (4) Respond (Incident Response); and (5) Recover (Contingency Planning). Using this framework, we assessed the effectiveness of each security function using maturity level scoring prepared in coordination with the CIGIE, OMB, and the U.S. Department of Homeland Security.

The scoring distribution is based on five maturity levels: (1) Ad-hoc, (2) Defined, (3) Consistently Implemented, (4) Managed and Measurable, and (5) Optimized. Level 1, Ad-hoc, is the lowest maturity level and Level 5, Optimized, is the highest maturity level. For a security function to be considered effective, an agency's security programs must score at or above Level 4, Managed and Measurable.

FY 2022 FISMA Results

Based on the 20 core metrics, we determined that the Department's overall maturity rating for its security program and practices is Level 4, Managed and Measurable, which is considered to be operating at an effective level of security. In FY 2022, the Department improved its maturity rating for 20 core metrics within 4 security functions from FY 2021, increasing from Level 3, Consistently Implemented to Level 4, Managed and Measurable. Specific to each of metric domains, we determined:

- Level 4—Managed and Measurable (effective) for the following five domains: Configuration Management, Security Training, Information Security Continuous Monitoring, Incident Response, and Contingency Planning.
- Level 3—Consistently Implemented (not effective) for the following four domains: Risk Management, Supply Chain Risk Management, Identity and Access Management, and Data Privacy and Protection.
- None of the Department's domains were rated Level 1 (ad hoc) or Level 2 (defined).

As noted above, four of the domains were identified at Level 3, which is not considered effective. Level 3 signifies that policies, procedures, and strategies are consistently implemented, but quantitative and qualitative effectiveness measures are lacking. Although our inspection found that the Department had made several improvements in these areas, additional actions were needed, as we identified similar conditions noted in previous FISMA reports. As such, we made 10 recommendations to assist the Department with increasing the effectiveness of its information security programs in these areas.

In addition, during our inspection, we followed up on the status of recommendations offered in recent FISMA reports. Of the 77 recommendations included in our FY 2019 to FY 2021 FISMA reports, we determined that 20 recommendations remained open: 1 out of 37 remained open from FY 2019, 9 out of 24 remained open from FY 2020,

and 10 out of 16 remained open from FY 2021. Our work shows the Department continues to demonstrate its progress in working to achieve an effective security program. The Department agreed or partially agreed with our findings and recommendations. FISMA Report

Improper Payments

Improper payments—payments that should not have been made or were made in the incorrect amount—have consistently been a government-wide priority and taking actions to reduce them is a requirement for Federal agencies. In March 2020, the Payment Integrity Information Act of 2019 (PIIA) was signed into law in an effort to improve government-wide efforts to identify and reduce improper payments. The PIIA requires each agency, in accordance with guidance prescribed by OMB, to periodically review all programs and activities that the agency administers and identify all programs and activities that may be susceptible to significant improper payments. For each program and activity identified as susceptible to significant improper payments, the agency is required to produce a statistically valid estimate, or an estimate that is otherwise appropriate using a methodology approved by OMB, of the improper payments made by each program and activity and include those estimates in its annual Agency Financial Report. To comply with the PIIA, an agency must meet six specific requirements; if it does not meet one or more of these requirements, then it is considered not compliant. Per OMB, those six requirements are as follows.

1. Published payment integrity information with the annual financial statement, and posted the annual financial statement and accompanying materials on the agency website.

2. Conducted improper payment risk assessments for each program with annual outlays greater than $10,000,000 at least once in the last 3 years, and adequately concluded whether the program is likely to make improper payments above or below the statutory threshold.

3. Published improper payment estimates for programs susceptible to significant improper payments in the accompanying materials to the annual financial statement.

4. Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.

5. Published an improper payment reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement, demonstrated improvements to payment integrity or reached a tolerable improper payment rate, and developed a plan to meet the improper payment reduction target.

6. Reported an improper payment estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the annual financial statement.

The PIIA also requires each agency's inspector general to determine the agency's compliance with the statute in each fiscal year. As part of the review, the law requires the inspector general to evaluate the accuracy and completeness of the agency's reporting and its performance in preventing and reducing improper payments. Below you will find the results of our FY 2021 review.

Department's Compliance with Improper Payments Requirements for FY 2021

For FY 2021, we found that the Department did not comply with the PIIA because it did not meet one of the six compliance requirements. Specifically, the Department did not comply with requirement six (6), as it reported an improper payment estimate for the Improving Basic Programs Operated by Local Educational Agencies (Title I, Part A) program, that exceeded 10 percent. This happened because the Department determined that all of the 24 Title I, Part A program payment transactions that it sampled for one specific SEA were technically improper since this SEA was not able to submit the documentation prescribed by the Department to support the payment transactions.

The 24 payments totaled about $9.8 million and were payments that the SEA made to some of its LEAs. In addition to the 24 payments, there were 2 smaller improper payments totaling $14,767 that the Department identified for another SEA that also contributed to the 14.77 percent improper payment estimate that the Department reported for the program. Because the Department was not in compliance with the PIIA, it must submit to OMB a description of the actions that it will take to come into compliance and share the plan with the appropriate Congressional committees.

Our audit also determined that the Department's improper payment estimates were not reliable for three of its programs that required an estimate for FY 2021—the Title I, Part A program, the Federal Pell Grant program (Pell), and the William D. Ford Direct Loan (Direct Loan) program. Specifically, we found the following.

- Title I, Part A—The improper payment sampling and estimation plan the Department developed for the Title I, Part A program was not adequate for SEAs that use an advance payment process that does not allow the SEA to directly link payment transactions (expenditures) to specific G5 system draw downs. We also found that the improper payment testing spreadsheets for the Title I, Part A program contained unsupported results.
- Pell and Direct Loan—The improper payment sampling and estimation plan the Department developed for the Pell and Direct Loan programs included nonrandom student-level sampling from some of the compliance audits that Federal Student Aid used to calculate the estimates, which affects the appropriateness and accuracy of the confidence intervals.

We made four recommendations to address the issues identified, including that the Department submit a plan to the appropriate Congressional committees describing the actions it will take to bring the Title I, Part A program into compliance with the PIIA. We also recommended that the Department design and implement an improper payment sampling and estimation plan for its Title I, Part A program that will produce a reliable estimate, and develop and implement procedures to ensure that the results it records in its Title I, Part A program improper payment testing

spreadsheets are accurate and supported. In addition, we recommended that the Department, in conjunction with Federal Student Aid, develop and implement procedures to ensure that the sampling and estimation plans for the Pell and Direct Loan programs will produce reliable estimates, or produce an estimate that is otherwise appropriate using a methodology approved by OMB. The Department agreed with some of our findings and recommendations. Improper Payments Report

Department's Compliance with the Geospatial Data Act

The Geospatial Data Act, enacted on October 5, 2018, formalizes governance processes related to geospatial data, provides policy and guidance to empower the use of geospatial data and technology, and facilitates broad cooperation between the public and private sectors.

The Geospatial Data Act also requires the Inspectors General of covered agencies, not less than once every 2 years, to submit to Congress an audit of the collection, production, acquisition, maintenance, distribution, use, and preservation of geospatial data by the covered agency, which shall include a review of (1) the compliance of the covered agency with the standards for geospatial data, including metadata for geospatial data, established under section 757; (2) the compliance of the covered agency with the requirements under section 759(a); and (3) the compliance of the covered agency on the limitation on the use of Federal funds under section 759A.

Our audit found that the Department is in compliance with the applicable responsibilities outlined under Section 759(a) of the Geospatial Data Act. Specifically, we found that the Department implemented 12 of the 13 covered agency responsibilities listed in Section 759(a) of the Geospatial Data Act that we reviewed. We were unable to evaluate compliance with one covered agency responsibility as the applicable data standards related to this responsibility have not yet been defined by the Federal Geographic Data Committee and OMB. We recommended that the Department ensure continued implementation of the covered agency responsibilities listed under Section 759(a) of the Geospatial Data Act. Further, we recommended that the Department ensure that Section 759(a)(6) is implemented once applicable guidance becomes available. The Department agreed with our finding and recommendations. Geospatial Data Act Report

Family Educational Rights and Privacy Act

In July, the OIG responded to a request from Congressman Robert "Bobby" Scott, Chairman of the U.S. House of Representatives' Committee on Education and Labor, regarding the Department's enforcement and monitoring of entities' compliance with the Family Educational Rights and Privacy Act of 1974 (FERPA). In September 2021, the OIG started an audit to evaluate the Department's oversight and enforcement of entities' compliance with FERPA.

However, because our preliminary work did not identify any areas of significant risk related to our audit objective, the responsive actions that the Student Privacy Policy Office (SPPO)—the Department office responsible for FERPA oversight and enforcement of entities' compliance with FERPA—has taken since our 2018 FERPA audit, and other competing priorities, we decided to close this audit. We did gather

sufficient information to address the Chairman's questions, which we share below with a short summary of our responses. FERPA Response

What investigations and enforcement actions does the Department take beyond the resolution of complaints, including but not limited to proactive enforcement and monitoring?

According to its director, SPPO's primary mechanism for enforcing FERPA is resolving complaints. SPPO also performs the following activities to promote compliance with FERPA: expedited resolution of complaints; technical assistance; student privacy website that includes training resources, policy, and guidance; and self-initiated investigations of potential violations.

Does the Department monitor school compliance with FERPA? Does the Department use information from its complaint resolution function to inform its monitoring and proactive enforcement activities? What steps does the Department take to address potential noncompliance that it identifies through its monitoring activities?

According to the SPPO director, FERPA does not require SPPO to monitor entities' compliance with FERPA. However, SPPO obtains information from various sources to learn about emerging issues in the student privacy landscape, including potential noncompliance. Those various sources include complaints and requests for technical assistance, news reports pertaining to FERPA or student privacy, quarterly meetings with student privacy sector leaders from SEAs, and referrals from other Department offices or other Federal agencies. SPPO leadership stated that SPPO uses the information from these various sources to inform its FERPA enforcement and technical assistance efforts.

Does the Department conduct self-initiated investigations of potential FERPA violations? Under what circumstances does the Department conduct a self-initiated investigation? How many self-initiated investigations has the Department conducted? How does the Department identify potential FERPA violations to investigate?

As of May 31, 2022, SPPO had two self-initiated investigations of potential FERPA violations in progress. Although SPPO has focused its enforcement activities on resolving complaints, conducting self-initiated investigations of potential FERPA violations is an option in certain circumstances, such as when SPPO receives a technical assistance request that includes indicators of a potential FERPA violation.

Has the Department implemented appropriate corrective actions in response to the recommendations from OIG's prior audit report?

The Department developed a corrective action plan that was responsive to all eight recommendations and had completed corrective action for six of the eight recommendations.

OTHER ACTIVITIES

Participation on Committees, Work Groups, and Task Forces

- **Department of Education Senior Assessment Team.** The OIG participates in an advisory capacity on this team that provides oversight of the Department's assessment of internal controls and related reports. The team also provides input to the Department's Senior Management Council concerning the overall assessment of the Department's internal control structure, as required by the Federal Managers' Financial Integrity Act of 1982 and OMB Circular A-123, Management's Responsibility for Internal Control.
- **Department of Education Investment Review Board and Planning and Investment Review Working Group.** The OIG participates in an advisory capacity in these groups that review technology investments and the strategic direction of the information technology portfolio.
- **Department Human Capital Policy Working Group.** The OIG participates in this group that meets monthly to discuss issues, proposals, and plans related to human capital management.

Other OIG Efforts

This section of our Semiannual Report contains information on other efforts completed during this reporting period specific to the OIG. This includes our required non-Federal audit-related work, other reports, and noteworthy activities. Below you will find summaries of this work.

Non-Federal Audit Activities

The Inspector General Act of 1978, as amended, requires that inspectors general take appropriate steps to ensure that any work performed by non-Federal auditors complies with Government auditing standards. To fulfill these requirements, we perform a number of activities, including conducting desk reviews and quality control reviews of non-Federal audits, providing technical assistance, and issuing audit guides to help independent public accountants or audit organizations performing audits of participants in the Department's programs.

Desk Reviews and Quality Control Reviews

The OMB's "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" requires entities, such as State and local governments, universities, and nonprofit organizations that spend $750,000 or more in Federal funds in one year to obtain an audit, referred to as a "single audit." Additionally, for-profit institutions, foreign schools, and their servicers that participate in the Department programs and for-profit lenders and their servicers that participate in Department programs are required to undergo annual audits performed by independent public accountants or audit organizations in accordance with audit guides that the OIG issues. These audits assure the Federal government that recipients of Federal funds comply with laws, regulations, and other requirements material to Federal awards. To help assess the quality of the thousands of audits performed each year, we conduct quality control reviews of a sample of audits.

We also perform desk reviews of a sample of audit reporting packages to identify quality issues that may warrant follow-up work, revisions to the reporting package, or appropriate management official attention.

The CIGIE issued the following guidance regarding the classification of desk reviews and quality control review results.

- Pass—reporting package or audit documentation contains no quality deficiencies or only minor quality deficiencies that do not require corrective action for the audit under review or future audits.
- Pass with Deficiencies—reporting package or audit documentation contains quality deficiencies that should be brought to the attention of the auditor (and auditee, as appropriate) for correction in future audits.
- Fail—reporting package or audit documentation contains quality deficiencies that affect the reliability of the audit results or audit documentation does not support the opinions contained in the audit report and require correction for the audit under review.

During this reporting period, we completed nine full desk reviews and concluded that one (11 percent) was Pass, seven (78 percent) were Pass with Deficiencies, and one (11 percent) was Fail.

We also completed 13 quality control reviews of engagements conducted by 6 independent public accountants or audit organizations. We concluded that two (15 percent) were Pass, seven (54 percent) were Pass with Deficiencies, and four (31 percent) were Fail.

In May, we issued letters to 60 independent public accountants or audit organizations responsible for 78 audits which we identified as deficient through analysis of data from the Federal Audit Clearinghouse. Our data analysis focused on auditor's

compliance with the 2021 higher risk designation for the Education Stabilization Fund, a program established by the CARES Act and managed by the Department to prevent, prepare for, and respond to the coronavirus impacts on education. The Education Stabilization Fund is composed of four primary emergency relief funds: (1) ESSER; (2) GEER fund; (3) Emergency Assistance to Non-Public Schools Fund; and (4) HEERF. We reviewed limited aspects of the 78 identified audit reports and found that the auditors did not appropriately consider the Education Stabilization Fund's higher risk designation and therefore did not audit the program in 2021, as required. We required the auditors take appropriate steps to correct the issue, and that has resulted in an additional $155 million in education-related emergency relief funds being audited as of the end of this reporting period, with additional revised audit submissions anticipated.

When a quality control review receives a rating of Fail, the independent public accountant or audit organization must resolve the deficiencies identified. If the independent public accountant or audit organization does not adequately resolve the deficiencies, we may find the audit report is not reliable and we will recommend the report be rejected. During this reporting period, we made one recommendation to the Department to reject an audit report and the Department did reject that audit report.

Furthermore, we referred an independent public accountant to the American Institute of Certified Public Accountants and to their State Board of Accountancy for possible disciplinary action. We made this referral due to the independent public accountant's unacceptable audit work. During this reporting period, we received information from the American Institute of Certified Public Accountants and a State Board of Accountancy regarding disciplinary actions taken against independent public accountants because of previous referrals. The independent public accountants were subject to fines, additional continuing professional education, and/or pre- and post-issuance reviews of audits, and were required to refrain from performing peer reviews, serving on committees, or teaching until those actions were completed. In lieu of these remedial actions, some independent public accountants elected to attest to no longer performing government audits. In addition to these remedial actions, two of the independent public accountants were subject to license and membership probation or suspension and one was also banned from providing accounting services to State or Federal government.

Technical Assistance

The OIG's Non-Federal Audit Team is also dedicated to improving the quality of non-Federal audits through technical assistance and outreach to independent public accountants or audit organizations and others, including auditee officials and Department program officials. Technical assistance involves providing advice about standards, audit guides and guidance, and other criteria and systems pertaining to non-Federal audits.

During this reporting period, we issued an update to the audit guide for proprietary schools receiving HEERF grants and conducted two training sessions focused on that audit guide update, as well as common deficiencies in HEERF audits. The training was provided to leaders in the postsecondary career education field at conferences for the Central States Private Education Network and Career Education Colleges and

Universities. In addition, the OIG issued CPA-22-02, "Identifying School's Unique Entity Identifier in Report Packages," to independent public accountants notifying them of a required change to audit report packages. A copy of the letter is available here on the OIG website.

OIG Strategic Plans, Other Efforts

During this reporting period, the OIG issued 2 reports specific to the OIG mission and goals, including our 5-year Strategic Plan for FY 2023–2028 and our 5-year Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategic Plan for FY 2023–2028. Summaries of these reports and an update on other efforts, including our work with the CIGIE, follow.

Strategic Plan for Fiscal Years 2023–2028

Issued in August, the OIG's 5-year Strategic Plan represents who we are, what we do, and our planned direction as an organization for FYs 2023–2028. It continues our 40-plus year commitment to our mission to promote the efficiency, effectiveness, and integrity of the Department's programs and operations, and to identify and help prevent fraud, waste, and abuse. It provides a framework for how the OIG can help the Department best meet its statutory mission, while delivering results and value to our stakeholders—the Department, the Congress, and America's taxpayers and students. The plan lays out our mission, vision, our core values, and our goals for the next five years. It also presents the key strategies that will enable us to reach and exceed those goals, and examples of the performance measures that we will use to assess how well we are achieving our desired objectives. Strategic Plan FY 2023–2028

DEIA Strategic Plan for Fiscal Years 2023–2028

Issued in September, the OIG's 5-year DEIA Strategic Plan affirms and advances our long-standing commitment to a diverse workforce, and an equitable, inclusive, and accessible workplace that will help ensure that the work we produce is accessible to the diverse public we serve. Our DEIA Strategic Plan aligns with the goals presented in our overall organizational Strategic Plan for FYs 2023–2028 and follows Federal policies and requirements for agencies to strengthen DEIA in their workforce policies, practices, and culture. Our plan also incorporates concepts from "Advancing Diversity, Equity, Inclusion and Accessibility: A Roadmap for Offices of Inspector General," issued in June 2022 by the CIGIE DEIA Work Group. The plan presents the vision, goals, and the strategies we will employ to help reach our goals, and how we will evaluate and measure our progress. DEIA Strategic Plan

Eye on ED Podcast

During this reporting period, the OIG released another episode in its Eye on ED podcast series. The episode focused on whistleblowers, whistleblower reprisal, and whistleblower protections involving Federal education programs and the role of the OIG in those efforts. The episode features two OIG staffers who are on

the forefront of the OIG's whistleblower efforts: Antigone Potamianos, Counsel to the Inspector General, and Nicole Gardner, Special Agent in Charge of the OIG's Headquarters Operations. OIG staff write, produce, and are featured on the Eye on ED podcast, which is available on the OIG's website and your favorite podcast listening apps. Eye on ED Podcast

Council of the Inspectors General on Integrity and Efficiency

Established by the Inspector General Reform Act of 2008, CIGIE works to address integrity, economy, and effectiveness issues that transcend individual Government agencies. Throughout this reporting period, the OIG continued to participate in myriad CIGIE committees and subgroups, including chairing the CIGIE DEIA Work Group formed in FY 2020, and the Information Technology Investigations Subcommittee. A list of all CIGIE committees, subcommittees, and work groups where OIG staff serve can be found in the section below. During this reporting period, the CIGIE DEIA Work Group issued a roadmap for advancing DEIA in the OIG community. This first-of-its-kind resource presents a path forward for OIGs of all sizes and capabilities to advance DEIA in their offices and by doing so, help to create a culture of belonging throughout the OIG community. In August both Federal News Network and Government Executive ran articles on the CIGIE DEIA Work Group and its Roadmap for advancing DEIA in the OIG community. The Government Executive article was based on its interview with Inspector General Bruce and Federal Deposit Insurance Corporation Inspector General Jay Lerner, the Chair and Vice Chair of the DEIA Work Group.

OTHER ACTIVITIES

Participation on Committees, Work Groups, and Task Forces

Inspector General Community

- **CIGIE.** OIG staff continue to play an active role in CIGIE efforts. Inspector General Sandra D. Bruce chairs the CIGIE Diversity, Equity, Inclusion, and Accessibility Work Group, and is a member of CIGIE's Audit Committee and the Information Technology Committee.
    - OIG staff currently serve on the following CIGIE committees, subcommittees, and work groups:
        - Information Technology Investigations Subcommittee
        - Assistant Inspector General for Investigations Subcommittee
        - Assistant Inspector General for Management Working Group
        - Council of Counsels to the Inspectors General
        - Data Analytics Working Group of the Information Technology Committee
        - CIGIE/OMB Reform Working Group
        - Federal Hotline Working Group
        - Disaster Assistance Working Group
        - Human Resources Directors' Roundtable
        - Enterprise Risk Management Working Group
        - Internal Affairs Working Group
        - OIG Communitywide Quality Assurance Working Group
        - CIGIE/GAO Annual Financial Statement Audit Conference
    - OIG staff lead or facilitate CIGIE training courses, including the following:
        - Planning, Organizing, and Writing Effective Reports
        - Introduction to Auditing
        - IG Criminal Investigator Academy
            - Essentials of Inspector General Investigations
            - Contract Fraud
            - Grant Fraud
            - Suspension and Debarment
            - Transitional Training Program
            - IG Hotline Operator Training Program
            - IG Hotline Strategies
            - Ethics
            - Legal Refresher Courses, including a class on the 4th Amendment
            - Adjunct Instructor Training Program

Government-Wide Audit-Related Groups

- **Whistleblower Protection Coordinator Group.** The OIG's designated Whistleblower Protection Coordinator and OIG attorneys participate in a government-wide group to stay abreast of legislation affecting internal and external whistleblowers.
- **Interagency Fraud and Risk Data Mining Group.** The OIG participates in this group that shares best practices in data mining and evaluates data mining and risk modeling tools and techniques that detect patterns indicating possible fraud and emerging risks.
- **Federal Audit Executive Council, Financial Statement Audit Committee Workgroup.** OIG staff serve on this interagency workgroup consisting of OIG auditors from numerous Federal agencies. The committee addresses government-wide financial management and financial statement audit issues through coordination with the GAO, the Department of the Treasury, and OMB. It also provides technical assistance on audit standards, policies, legislation, and guidance, and plans the CIGIE/GAO Annual Financial Statement Audit Conference.

Required Reporting

Required Tables and Appendices

The following provides acronyms, definitions, and other information relevant to the tables that follow.

Acronyms and Abbreviations Used in the Required Tables

Department	U.S. Department of Education
FSA	Federal Student Aid
HEA	Higher Education Act of 1965, as amended
IES	Institute of Education Sciences
IG Act	Inspector General Act of 1978, as amended
OCIO	Office of the Chief Information Officer
OCTAE	Office of Career, Technical, and Adult Education
OESE	Office of Elementary and Secondary Education
OFO	Office of Finance and Operations
OIG	Office of Inspector General
OPE	Office of Postsecondary Education
OPEPD	Office of Planning, Evaluation and Policy Development
OS	Office of the Secretary
OSERS	Office of Special Education and Rehabilitative Services
Recs	Recommendations
SAR	Semiannual Report to Congress
SPPO	Student Privacy Policy Office
Title I	Title I of the Elementary and Secondary Education Act of 1965, as amended

Definitions

Attestation Reports. Attestation reports convey the results of attestation engagements performed within the context of their stated scope and objectives. Attestation engagements can cover a broad range of financial and nonfinancial subjects and can be part of a financial audit or a performance audit. Attestation engagements are conducted in accordance with American Institute of Certified Public Accountants attestation standards, as well as the related Statements on Standards for Attestation Engagements.

Better Use of Funds. Better uses of funds are estimates of funds that could be used more efficiently. For example, recommendations that funds be put to better use could result in reductions in spending, deobligation of funds, or avoidance of unnecessary spending.

Flash Reports. Flash reports are used to quickly share information that focuses on user needs while maintaining overall quality. These reports are generally developed to highlight issues requiring immediate action from oversight officials or in response to stakeholder requests to rapidly review areas of heightened risk. The work supporting flash reports is performed in accordance with CIGIE "Quality Standards for Federal Offices of Inspector General" and the OIG's quality control standards.

Inspection Reports. Inspections are analyses, evaluations, reviews, or studies of the Department's programs. The purpose of an inspection is to provide Department decision makers with factual and analytical information, which may include an assessment of the efficiency and effectiveness of their operations and vulnerabilities created by their existing policies or procedures. Inspections may be conducted on any Department program, policy, activity, or operation. Typically, an inspection results in a written report containing findings and related recommendations. Inspections are performed in accordance with quality standards for inspections approved by the Council of Inspectors General for Integrity and Efficiency.

Management Information Reports. Management information reports are used to provide the Department with information and suggestions when a process other than an audit, attestation, or inspection is used to

develop the report. For example, OIG staff may compile information from previous OIG audits and other activities to identify overarching issues related to a program or operational area and use a management information report to communicate the issues and suggested actions to the Department.

Questioned Costs. As defined by the Inspector General Act of 1978 (IG Act), as amended, questioned costs are identified during an audit, inspection, or evaluation because of (1) an alleged violation of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) such cost not being supported by adequate documentation; or (3) the expenditure of funds for the intended purpose being unnecessary or unreasonable. OIG considers that category (3) of this definition would include other recommended recoveries of funds, such as recovery of outstanding funds or revenue earned on Federal funds or interest due the Department.

Special Project Reports. Special projects include OIG work that is not classified as an audit, attestation, inspection, or any other type of alternative product. Depending on the nature and work involved, the special project may result in a report issued outside the OIG. Information presented in the special project report varies based on the reason for the special project (for example, response to congressional inquiry, risk assessment, or other evaluation and analysis). The report may contain suggestions.

Unsupported Costs. As defined by the IG Act, as amended, unsupported costs are costs that, at the time of the audit, inspection, or evaluation, were not supported by adequate documentation. These amounts are also included as questioned costs.

OIG Product Website Availability Policy

OIG final issued products are generally considered to be public documents, accessible on OIG's website unless sensitive in nature or otherwise subject to Freedom of Information Act exemption. Consistent with the Freedom of Information Act, and to the extent practical, OIG redacts exempt information from the product so that nonexempt information contained in the product may be made available on the OIG website.

Required Reporting

The following pages presents summary tables and tables containing statistical and other data as required by the IG Act, as amended, and other statutes.

Section	Requirement	Table Number	Page Number
-	Statistical Summary of Audit-Related Accomplishments (FY 2022)	1	59
-	Statistical Summary of Investigative-Related Accomplishments (FY 2022)	2	60
Section 5(a)(1) and 5(a)(2) of the IG Act	Significant Problems, Abuses, and Deficiencies Related to the Administration of Programs and Operations	8	75
Section 5(a)(3) of the IG Act	Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed	5	66
Section 5(a)(4) of the IG Act	Matters Referred to Prosecutive Authorities (FY 2022)	2	60
5(a)(5) and 6(c)(2) of the IG Act	Summary of Instances Where Information or Assistance Was Refused or Not Provided	8	75
Section 5(a)(6) of the IG Act	Audit and Other Reports and Products Issued on Department Programs and Activities (April 1, 2022, through September 30, 2022)	3	62
Section 5(a)(8) of the IG Act	Questioned Costs Audit and Other Reports with Questioned or Unsupported Costs	6	74
Section 5(a)(9) of the IG Act	Better Use of Funds Audit and Other Reports with Recommendations for Better Use of Funds	7	74
Section 5(a)(10) of the IG Act	Unresolved Reports Issued Before the Reporting Period (Reports issued before April 1, 2022)	4	64
Section 5(a)(10)(B) of the IG Act	Reports for which No Agency Comment was Returned to the OIG within 60 Days of Issuance	5	66
Section 5(a)(10)(C) of the IG Act	Outstanding Unimplemented Recommendations with Aggregate Potential Cost Savings	4, 5	64, 66
Section 5(a)(11) of the IG Act	Significant Revised Management Decisions	8	75
Section 5(a)(12) of the IG Act	Significant Management Decisions with which the OIG Disagreed	8	75
Section 5(a)(13) of the IG Act	Unmet Intermediate Target Dates Established by the Department Under the Federal Financial Management Improvement Act of 1996	8	75
Section 5(a)(14)-(16) of the IG Act	Peer Review Results	8	75

Section	Requirement	Table Number	Page Number
Section 5(a)(17) of the IG Act	Investigative Reports Issued Number of Persons Referred to the U.S. Department of Justice Number of Persons Referred to State and Local Prosecuting Authorities Indictments and Criminal Informations that Resulted from Prior Referrals to Prosecuting Authorities	2 (All four requirements included)	60
Section 5(a)(18) of the IG Act	Description of the Metrics Used for Developing the Investigative Data for the Statistical Tables under 5(a)(17)	2	60
Section 5(a)(19) of the IG Act	Report on Each Investigation Conducted by the OIG Involving a Senior Government Employee (GS-15 or Above) Where the Allegations of Misconduct were Substantiated	8	75
Section 5(a)(20) of the IG Act	Description of Instances of Whistleblower Retaliation	8	75
Section 5(a)(21) of the IG Act	Description of Attempt by Agency to Interfere with OIG Independence	8	75
Section 5(a)(22)(A) of the IG Act	Description of Audits or Inspections Closed but Not Disclosed to the Public	8	75
Section 5(a)(22)(B) of the IG Act	Description of Investigations Involving Senior Government Employees (GS-15 or Above) that were Closed but Not Disclosed to the Public	8	75
Section 845 of the National Defense Authorization Act for Fiscal Year 2008	Contract-Related Audit Products with Significant Findings	8	75

Table 1. Statistical Summary of Audit and Other Report Accomplishments (FY 2022)

Accomplishment	October 1, 2021–March 31, 2022	April 1, 2022–September 30, 2022	FY 2022 Total
Audit Reports Issued	7	9	16
Inspection Reports Issued	1	1	2
Other Products Issued	1	4	5
Questioned Costs (including Unsupported Costs)	$2,951,542	$14,441,969	$17,393,511
Recommendations for Better Use of Funds	0	0	0
Reports Resolved by Program Managers	13	8	21
Questioned Costs Sustained (including Unsupported Costs)	$115,776	$709,993	$825,769
Unsupported Costs Sustained	$115,776	$0	$115,776
Additional Disallowances Identified by Program Managers	$0	$0	$0
Management Commitment to Better Use of Funds	$0	$0	$0

Table 2. Statistical Summary of Investigative Accomplishments (FY 2022)

Accomplishment	Description of the Metric	October 1, 2021–March 31, 2022	April 1, 2022–September 30, 2022	FY 2022 Total
Investigative Cases Opened	Number of cases that were opened as full investigations or converted from a complaint or preliminary inquiry to a full investigation during the reporting period.	34	31	65
Investigative Cases Closed	Number of investigations that were closed during the reporting period.	20	26	46
Cases Active at the End of the Reporting Period	Number of investigations not closed prior to the end of the reporting period.	184	191	191
Investigative Reports Issued	Number of Reports of Investigation issued during the reporting period.	31	29	60
Total Number of Persons Referred to State and Local Prosecuting Authorities	Number of individuals and organizations formally referred to State or local prosecuting authorities for prosecutorial decisions during the reporting period.	None	4 Criminal	4 Criminal
Total Number of Persons Referred to the U.S. Department of Justice	Number of individuals and organizations formally referred to the U.S. Department of Justice for prosecutorial decisions.	63 Criminal 4 Civil	11 Criminal 1 Civil	74 Criminal 5 Civil
Indictments and Criminal Informations that Result from Prior Referrals to Prosecuting Authorities	Number of individuals who were indicted or for whom a criminal information was filed during the reporting period.	18	12	30
Convictions/Pleas	Number of criminal convictions, pleas of guilty or nolo contendere, or acceptance of pretrial diversions that occurred during the reporting period.	30	17	47
Fines Ordered	Sum of all fines ordered during the reporting period.	$1,022,190	$372,400	$1,394,590
Restitution Payments Ordered	Sum of all restitution ordered during the reporting period.	$53,205,384	$12,411,433	$65,616,818
Civil Settlements/ Judgments (number)	Number of civil settlements completed or judgments ordered during the reporting period.	3	3	6

Accomplishment	Description of the Metric	October 1, 2021–March 31, 2022	April 1, 2022–September 30, 2022	FY 2022 Total
Civil Settlements/ Judgments (amount)	Sum of all completed settlements or judgments ordered during the reporting period.	$36,873	$1,023,950	$1,060,823
Recoveries	Sum of all administrative recoveries ordered by the Department or voluntary repayments made during the reporting period.	$83,489,431 $165,00 Voluntary	$1,556,079	$85,045,510 Recovery $165,000 Voluntary
Forfeitures/ Seizures	Sum of all forfeitures/seizures ordered during the reporting period.	$694,582	$1,072,519	$1,767,101
Estimated Savings	Sum of all administrative savings or cost avoidances that result in a savings to, or better use of funds for, a program or victim during the reporting period. These are calculated by using the prior 12-month period of funds obtained or requested and then projecting that amount 12 months forward.	$10,562,844	-	$10,562,844
Suspension and/ or Debarment Referrals	Number of referrals to the Department during the reporting period for suspension or debarment.	8	5	13

Table 3. Audit and Other Reports and Projects Issued on Department Programs and Activities (April 1, 2022, through September 30, 2022)

Table includes Department office with responsibility for the report, questioned costs, unsupported costs, and number of recommendations per each report. Summaries and links to these reports were highlighted previously in this Semiannual Report to Congress.

Office	Report Type and Number	Report Title and Date Issued	Questioned Costs	Unsupported Costs	Number of Recs
IES	Audit A22DC0071	The Department's Compliance with the Geospatial Data Act Issued: September 23, 2022	$0	$0	2
OCIO	Inspection I22IT0066	The U.S. Department of Education's Federal Information Security Modernization Act of 2014, For Fiscal Year 2022 Issued: July 28, 2022	$0	$0	10
OESE	Audit A19GA0003	Puerto Rico Department of Education's Administration of the Temporary Emergency Impact Aid for Displaced Students Program Issued: July 11, 2022	$6,500,000	$6,500,000	3
OESE	Audit A19NY0025	California Department of Education's Administration of the Immediate Aid to Restart School Operations Program Issued: July 18, 2022	$15,355	$15,355	5
OESE/OFO	Audit A20GA0011	Oklahoma's Administration of the Governor's Emergency Education Relief Fund Grant Issued: July 18, 2022	$6,126,614	$5,473,894	14
OESE	Audit A20GA0039	Michigan's Administration of the Governor's Emergency Education Relief Fund Grant Issued: September 14, 2022	$0	$0	5
OESE	Audit A21IL0034	Effectiveness of Charter School Programs in Increasing the Number of Charter Schools Issued: September 21, 2022	$0	$0	3
OESE	Flash Report F20IT0049	Allocation of ESSER I Funds at Selected Local Educational Agencies Issued: September 26, 2022	$0	$0	0
OFO/FSA	Audit A22GA0050	U.S. Department of Education's Compliance with Improper Payment Reporting Requirements for FY 2021 Issued: June 27, 2022	$0	$0	4
OFO/OPE	Audit A20NY0040	Gulf Coast State College's Use of 2019 Emergency Assistance to Institutions of Higher Education Program Funds Issued: September 22, 2022	$1,800,000	$0	2

Office	Report Type and Number	Report Title and Date Issued	Questioned Costs	Unsupported Costs	Number of Recs
OPE	Audit A20CA0029	The Office of Postsecondary Education's Oversight of Higher Education Emergency Relief Fund Grants Issued: June 1, 2022	$0	$0	2
OPE	Flash Report F20CA0047	Duplicate Higher Education Emergency Relief Fund Grant Awards Issued: June 9, 2022	$0	$0	1
OPEPD	Closure Letter A22IL0048	Audit of the Department's Enforcement of Entities' Compliance with the Family Educational Rights and Privacy Act of 1974 Issued: July 6, 2022	$0	$0	0
OPEPD	Flash Report F22DC0059	The Department's Use of Pandemic Assistance Program Administration Funds Issued: September 27, 2022	$0	$0	0
Total	16	-	$14,441,969	$11,989,249*	51

* Questioned costs include unsupported costs, so the total questioned costs for this reporting period is $14,441,969, of which $11,989,249 is unsupported costs.

Table 4. Unresolved Reports Issued Before the Reporting Period *(Reports issued before April 1, 2022)*

Table includes the Department office with responsibility for the report, a link to the report, the number of open significant recommendations, number of other open recommendations, the value of potential cost savings, and project report resolution date.

Office	Report Type and Number	Report Title	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings	Projected Resolution Date
FSA	Inspection I05T0010	Inspection of the Department's Activities Surrounding the Sale of Postsecondary Schools to Dream Center Education Holdings	3	0	$0	Projected date is unknown at this time
FSA	Audit A20IL0005	Bais HaMedrash and Mesivta of Baltimore's Use of Professional Judgment	0	3	$236,235	10/28/2022
OESE	Audit A04S0014	U.S. Virgin Islands Department of Education's Internal Controls over the Immediate Aid to Restart School Operations Program	0	5	$0	9/30/2023
OESE	Audit A04S0013	Puerto Rico Department of Education's Internal Controls Over the Immediate Aid to Restart School Operations Program	0	6	$0	9/30/2023
OESE	Audit A06T0001	Texas Education Agency's Administration of the Immediate Aid to Restart School Operations Program	0	5	$34,065	1/30/2023
OESE	Audit A02T0001	Texas Education Agency's Administration of the Temporary Emergency Impact Aid for Displaced Students Program	0	10	$12,366,942	1/30/2023
OESE	Audit A02T0006	Florida Department of Education's Administration of the Temporary Emergency Impact Aid for Displaced Students Program	0	7	$7,621,191	12/1/2022
OESE	Audit A19NY0012	Massachusetts Department of Elementary and Secondary Education's Administration of the Temporary Emergency Impact Aid for Displaced Students Program	0	10	$2,715,307	1/30/2023
OESE	Audit A20GA0018	Missouri's Administration of the Governor's Emergency Education Relief Fund Grant	0	3	$0	12/31/2022
OFO	Audit A18IL0012	InspireNOLA Charter Schools' Administration of Grants for the Replication and Expansion of High-Quality Charter Schools	0	9	$529,198	12/31/2022

Office	Report Type and Number	Report Title	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings	Projected Resolution Date
OFO	Audit A20CA0017	Remington College's Use of Higher Education Emergency Relief Fund Student Aid and Institutional Grants	0	8	$784,506	12/31/2022
Total	**11**	**-**	**3**	**66**	**$24,287,444**	**-**

Table 5. Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed

Table includes the Department office responsible for the report, link to the report, summary of the report and status of the recommendations, open significant recommendations, open other recommendations, the value of the potential cost savings, and the projected action date.

The Department commented on all reports within 60 days of issuance.

Office	Report Title Number, and Link	Summary of Report and Status of Audit/Recommendations	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings	Projected Action Date
FSA	Final Independent Auditors' Report Fiscal Years 2017 and 2016 Financial Statements Federal Student Aid A17R0002	The report identified two significant deficiencies in internal control over modeling activities and information technology controls. The report also identified one reportable noncompliance with Federal law related to delinquent student loan debt. **Current Status:** FSA informed us that the audit is resolved, but all corrective actions have not been completed.	1	0	$0	10/31/2023
FSA	Federal Student Aid's Contractor Personnel Security Clearance Process A19R0003	The audit found that FSA did not effectively implement Department requirements for the contractor personnel security screening process. The audit also found that FSA has not insured that all contractor employees have appropriate security screenings and that security screenings are initiated or verified in a timely manner. **Current Status:** FSA informed us that the audit is resolved, but all corrective actions have not been completed.	1	0	$0	9/30/2024
FSA	Federal Student Aid's Total and Permanent Disability Discharge Process A02Q0006	The audit found that FSA appropriately approved and rejected the applications. The audit identified design weaknesses in FSA's control activities for the total and permanent disability discharge application review process. **Current Status:** FSA informed us that the audit is resolved, but all corrective actions have not been completed.	0	1	$0	12/31/2022

Office	Report Title Number, and Link	Summary of Report and Status of Audit/Recommendations	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings	Projected Action Date
FSA	Final Independent Auditors' Report Fiscal Years 2020 and 2019 Financial Statements Federal Student Aid A17U0002	The report noted one material weakness in internal control over financial reporting, three significant deficiencies in internal control over financial reporting, and one instance of reportable noncompliance with Federal law related to delinquent student loan debts. **Current Status:** FSA informed us that the audit is resolved, but all corrective actions have not been completed.	2	0	$0	Projected date is unknown at this time
FSA	Federal Student Aid Controls Over the School Verification Process I06S0001	The report noted that FSA did not always address the control issues identified and did not always determine the appropriate corrective actions or complete or document the corrective actions taken. **Current Status:** FSA informed us that the audit is resolved, but all corrective actions have not been completed.	0	3	$0	10/31/2023
FSA	Federal Student Aid's Suspension of Involuntary Collection in Response to the Coronavirus Pandemic I20NY0010	The report noted that FSA took quick action to implement processes that generally achieved positive results in suspending and refunding most involuntary collections on defaulted Department-held loans. The report noted that FSA could improve its processes related to refunding involuntary collections from borrowers. **Current Status:** FSA informed us that the audit is in the Department's audit closure process.	0	0	$0	Audit Completed 9/22/2022
FSA	Final Independent Auditors' Report of Federal Student Aid's Financial Statements for Fiscal Years 2021 and 2020 A21FS0022	The report noted one material weakness and three significant deficiencies in internal controls over financial reporting. **Current Status:** FSA informed us that the audit is resolved, but all corrective actions have not been completed.	3	0	$0	Projected date is unknown at this time

Office	Report Title Number, and Link	Summary of Report and Status of Audit/Recommendations	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings	Projected Action Date
FSA	Special Allowance Payments to Sallie Mae's Subsidiary, Nellie Mae, for Loans Funded by Tax-Exempt Obligations A03I0006	The audit found that although its billings for the special allowance payments under the 9.5 percent complied with laws, Sallie Mae's billing for Nellie Mae did not comply with other requirements for the 9.5 percent floor calculation. **Current Status:** FSA informed us that the audit is under the appeal process.	0	3	$22,378,905	N/A
FSA	The Department's Implementation of CARES Act Flexibilities to TEACH Grant Service Obligations I20DC0024	The review found weaknesses in FSA's development and implementation of plans and processes to ensure TEACH grantees receive full-time credit toward their service obligations for part-time or temporarily interrupted service due to the pandemic. The report also identified weaknesses in FSA's communications with recipients and with the identification and reprocessing of recipients eligible for CARES Act flexibilities. **Current Status:** FSA informed us that the audit is resolved, but all corrective actions have not been completed.	1	0	$0	3/31/23
FSA	National Aviation Academy of Tampa Bay's Use of Professional Judgment A20IL0001	The report noted that National Aviation Academy of Tampa Bay did not adequately document special circumstances for 34 of the 37 students for whom it applied professional judgment, including dependency override, for award year 2017–2018 or award year 2018–2019, and therefore was not in accordance with sections 479A and 480 of the HEA. **Current Status:** FSA informed us that the audit is under the appeal process	0	3	$115,776	N/A

Office	Report Title Number, and Link	Summary of Report and Status of Audit/Recommendations	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings	Projected Action Date
OCIO	The U.S. Department of Education's Federal Information Security Modernization Act of 2014 Report For Fiscal Year 2019 A11T0002	The audit found that the Department and FSA programs were not effective in any of the five security functions—Identify, Protect, Detect, Respond, and Recover. We also identified findings in all eight metric domains. **Current Status:** OCIO informed us that the audit is resolved, but all corrective actions have not been completed.	1	0	$0	3/31/2023
OCIO	The U.S. Department of Education's Federal Information Security Modernization Act of 2014 Report For Fiscal Year 2020 A11U0001	The audit found that although the Department had several notable improvements in implementing its cybersecurity initiatives, its overall IT security programs and practices were not effective in all of the five security functions. **Current Status:** OCIO informed us that the audit is resolved, but all corrective actions have not been completed.	3	0	$0	9/31/2024
OCIO	The U.S. Department of Education's Federal Information Security Modernization Act of 2014 for Fiscal Year 2021 A21IT0023	The report noted for FY 2021, although the Department made several improvements in implementing its cybersecurity posture, its overall information technology security programs and practices were not effective in all the five security functions **Current Status:** OCIO informed us that the audit is resolved, but all corrective actions have not been completed.	5	0	$0	12/30/2022
OCTAE	Puerto Rico Department of Education's Reliability of Program Performance Data and Use of Adult Education Program Funds A04O0004	The audit found that Puerto Rico can improve its oversight of the Adult Education program to ensure that it (1) submits complete, supported, and accurate performance data to the Department, (2) uses funds in compliance with applicable laws and regulations, and (3) obtains and reviews single audit reports of subgrantees. **Current Status:** OCTAE informed us that the audit is in the closure process.	0	9	$97,481	N/A

Office	Report Title Number, and Link	Summary of Report and Status of Audit/Recommendations	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings	Projected Action Date
OESE	The U.S. Department of Education's Processes for Reviewing and Approving State Plans Submitted Pursuant to the Elementary and Secondary Education Act of 1965, as Amended A05S0001	The audit noted that the Department designed state plan review and approval processes that were sound, but did not implement all the processes as designed. **Current Status:** OESE informed us that the audit is resolved, but all corrective actions have not been completed.	0	3	$0	12/30/2022
OESE	Puerto Rico Department of Education's Unallowable Use of Temporary Emergency Impact Aid for Displaced Students Program Funds for Payroll Activities F19GA0027	The report noted that the Puerto Rico Department of Education may have charged up to $1.3 million in unallowable payroll costs to the Emergency Impact Aid program. **Current Status:** OESE informed us that the audit is resolved, but all corrective actions have not been completed.	2	0	$0	12/30/2022
OESE	The Department's Oversight of the Student Support and Academic Enrichment Program A19DC0004	The audit found that the Office of Safe and Supportive Schools provided inadequate oversight of grantee performance and funds awarded under the Student Support and Academic Enrichment program. **Current Status:** OESE informed us that the audit is resolved, but all corrective actions have not been completed.	0	7	$0	9/30/2023
OESE	Harvey Public School District 152: Status of Corrective Actions on Previously Reported Title I-Relevant Control Weaknesses A05Q0003	The audit found that Harvey Public School District 152 implemented the policies, procedures, and practices that it designed to remediate previously reported findings of payments to excluded parties. However, we found that District 152 did not always follow the policies that it designed to remediate previously reported findings of inadequate inventory management and did not design procedures to provide reasonable assurance that it submitted accurate periodic expenditure reports to the State. **Current Status:** OESE informed us that the audit is in the Department's audit closure process.	0	5	$0	N/A

Office	Report Title Number, and Link	Summary of Report and Status of Audit/Recommendations	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings	Projected Action Date
OESE	Detroit Public Schools Community District: Status of Corrective Actions on Previously Reported Title I-Relevant Control Weaknesses A05R0001	The report found that Detroit Public Schools had made progress towards implementing policies and procedures that were redesigned to provide reasonable assurance that previously reported audit findings would not reoccur. However, the Detroit Public Schools Community District had not effectively implemented all of them, including procedures for approving and documenting personnel, employee travel, and consultant services costs. **Current Status:** OESE informed us that the audit is in the Department's audit closure process.	0	10	$0	N/A
OESE	Calculating and Reporting Graduation Rates in Utah A06R0004	The audit found that Utah's system of internal control did not provide reasonable assurance that reported graduation rates were accurate and complete for the school year 2014–2015. Further, the audit found that Utah did not calculate its adjusted cohort graduation rates in accordance with Federal requirements. **Current Status:** OESE informed us that the audit is in the Department's audit closure process.	0	7	$0	N/A
OFO	Final Independent Auditors' Report Fiscal Years 2017 and 2016 Financial Statements U.S. Department of Education A17R0001	The report identified 2 significant deficiencies in internal control over modeling activities and information technology controls. The report also identified one reportable noncompliance with Federal law related to delinquent student loan debt. **Current Status:** OFO did not provide status information for this audit during this reporting period.	1	0	$0	Projected date is unknown at this time

Office	Report Title Number, and Link	Summary of Report and Status of Audit/Recommendations	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings	Projected Action Date
OFO	Final Independent Auditors' Report Fiscal Years 2020 and 2019 Financial Statements U.S. Department of Education A17U0001	The report noted one material weakness in internal control over financial reporting, three significant deficiencies in internal control over financial reporting, and one instance of reportable noncompliance with Federal law related to delinquent student loan debts. **Current Status:** OFO did not provide status information for this audit during this reporting period.	2	0	$0	Projected date is unknown at this time
OFO	U.S. Department of Education's Compliance with Improper Payment Reporting Requirements for Fiscal Year 2020 A21GA0014	The audit noted that the Department did not comply with the Payment Integrity Information Act of 2019 because it did not meet two of the six compliance requirements. **Current Status:** OFO did not provide status information for this audit during this reporting period.	1	0	$0	Audit Completed 9/26/2022
OFO	Final Independent Auditors' Report of the U.S. Department of Education's Financial Statements for Fiscal Years 2021 and 2020 A21FS0021	The report noted one material weakness and three significant deficiencies in internal controls over financial reporting. **Current Status:** OFO did not provide status information for this audit during this reporting period.	3	0	$0	Projected date is unknown at this time
OFO	University of Illinois at Chicago's Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Project A05D0017	The audit found that the school failed to show that it provided services to participants from its cohort. Also, the school and its partnership failed to provide their required non-Federal matching contributions for the first 3 years of the grant. **Current Status:** OFO/RMSD informed us that the audit is resolved, but they are working to complete the audit.	0	4	$1,018,212	N/A

Office	Report Title Number, and Link	Summary of Report and Status of Audit/Recommendations	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings	Projected Action Date
OPEPD	Office of the Chief Privacy Officer's Processing of Family Educational Rights and Privacy Act Complaints A09R0008	The audit found that the Office of the Chief Privacy Officer did not have controls to ensure that it timely and effectively processed the Family Educational Rights and Privacy Act complaints. **Current Status:** OPEPD/SPPO informed us that the audit is resolved, but all corrective actions have not been completed.	0	2	$0	3/31/2025
OSERS	Ohio Department of Education's and Selected Virtual Charter Schools' Internal Controls Over Individualized Education Programs A03S0006	The audit found that Ohio could strengthen its monitoring process to ensure that LEAs also have written procedures on how they implemented the model policies for IEP development and how they provided and documented service delivery for students with disabilities, and by requiring sponsors to timely report significant compliance issues found during their LEA monitoring reviews. **Current Status:** OSERS/OSEP informed us that the audit is in the Department's audit closure process.	0	5	$0	N/A
Total	**27**	**-**	**26**	**62**	**$23,610,374**	**-**

Table 6. Audit and Other Reports with Questioned or Unsupported Costs

None of the products reported in this table were performed by the Defense Contract Audit Agency.

Requirement	Number	Questioned Costs (Includes Unsupported Costs)	Unsupported Costs
A. For which no management decision has been made before the commencement of the reporting period	8	$27,793,134	$23,304,370
B. Which were issued during the reporting period	4	$14,441,969	$11,989,249
Subtotals (A + B)	12	$42,235,103	$35,293,619
C. For which a management decision was made during the reporting period	1	$709,993	$0
(i) Dollar value of disallowed costs	1	$709,993	$0
(ii) Dollar value of costs not disallowed	0	$0	$0
D. For which no management decision was made by the end of the reporting period	11	$41,525,110	$35,293,619

Table 7. Audit and Other Reports with Recommendations for Better Use of Funds

None of the products reported in this table were performed by the Defense Contract Audit Agency.

Requirement	Number	Dollar Value
A. For which no management decision has been made before the commencement of the reporting period.	0	$0
B. Which were issued during the reporting period.	0	$0
Subtotals (A+B)	0	$0
C. For which a management decision was made during the reporting period.	0	$0
(i) Dollar Value of Disallowed Cost	0	$0
(ii) Dollar value of costs not disallowed	0	$0
D. For which no management decision was made by the end of the reporting period.	0	$0

Table 8. Other Reporting Requirements

Requirement	Results
Significant Problems, Abuses, or Deficiencies Related to the Administration of Programs and Operations	Nothing to Report
Significant Management Decisions with which the OIG Disagreed	Nothing to Report
Summary of Instances where Information or Assistance was Refused or Not Provided	Nothing to Report
Summary of Audit Reports for which No Agency Comment was Returned to the OIG within 60 Day of Issuance	Nothing to Report
Significant Revised Management Decisions	Nothing to Report
Unmet Intermediate Target Dates Established by the Department under the Federal Financial Management Improvement Act of 1996	Nothing to Report
Peer Review Results	Nothing to Report
Description of Instances of Whistleblower Retaliation	Nothing to Report
Description of Attempt by the Agency to Interfere with OIG Independence	Nothing to Report
Audits or Inspections Closed but Not Disclosed to the Public	Nothing to Report
Report on Each Investigation Conducted by the OIG Involving a Senior Government Employee (GS-15 or Above) where the Allegations of Misconduct were Substantiated	Nothing to Report
Description of Investigations Involving Senior Government Employees (GS-15 or Above) that Were Closed by Not Disclosed to the Public	Nothing to Report
Contract-Related Audit Products with Significant Findings	Nothing to Report

Acronyms and Abbreviations

APR	annual performance report
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COVID-19	coronavirus disease 2019
CSP	Charter School Program
DEIA	Diversity, Equity, Inclusion, and Accessibility
Department	U.S. Department of Education
Emergency Impact Aid	Temporary Emergency Impact Aid for Displaced Students
ESEA	Elementary and Secondary Education Act of 1965, as amended
ESSER	Elementary and Secondary School Emergency Relief
FAFSA	Free Application for Federal Student Aid
FERPA	Family Educational Rights and Privacy Act of 1974
FISMA	Federal Information Security Modernization Act of 2014
FPR	final performance report
FY	fiscal year
GAO	Government Accountability Office
GEER	Governors Emergency Education Relief
HEERF	Higher Education Emergency Relief Fund
IHE	institution of higher education
LEA	local educational agency
OESE	Office of Elementary and Secondary Education
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPE	Office of Postsecondary Education
PIIA	Payment Integrity Information Act of 2019
PRAC	Pandemic Response Accountability Committee
Restart	Immediate Aid to Restart School Operations Program
SEA	State educational agency
SPPO	Student Privacy Policy Office
Title I	Title I of the Elementary and Secondary Education Act of 1965, as amended

FY 2023 Management Challenges

The Reports Consolidation Act of 2000 requires the OIG to identify and summarize the most significant management challenges facing the Department each year. Below are the management challenges that the OIG identified for FY 2023.

- Implementing Pandemic Relief Laws
- Oversight and Monitoring
- Data Quality and Reporting
- Improper Payments
- Information Technology Security

For a copy of our Management Challenges reports, visit our web site at http://www2.ed.gov/about/offices/list/oig/managementchallenges.html.

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

http://oighotline.ed.gov

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(1-800-647-8733)

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

You may make a report anonymously.

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