



# Semiannual Report to Congress, No. 87

April 1–September 30, 2023

U.S. Department of Education  
Office of Inspector General



Office of Inspector General  
Sandra D. Bruce  
Inspector General

November 2023

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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, 2023, through September 30, 2023. 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.

During this reporting period, my office completed work covering a number of critical Department activities and programs, including those involving pandemic relief aid, student financial aid, K-12 and special education programs and operations, and our statutory reviews of the Department's and Federal Student Aid office's (FSA) information security programs and practices and their financial statement audits. We also continued our work to identify and stop fraud, waste, abuse, and other criminal activity involving the Department funds, programs, and operations. This included continued outreach efforts to help everyone—from school officials and employees to students and families—identify and report education-related fraud to the OIG. Finally, we continued to connect and collaborate as a team across our components to implement innovative processes that leverage technology, foster strategic thinking, and advance our organizational effectiveness. I believe the work we highlight in this report shows the positive impact of those efforts.

We issued 17 audit-related reports that identified more than \$2.7 million in questioned and unsupported costs and offered recommendations aimed at improving Department programs and operations. Examples of this work are highlighted below.

- Our statutory fiscal year (FY) 2023 Federal Information Security Modernization Act of 2014 (FISMA) review determined that the Department's security program and practices were operating at an effective level of security. The auditors did identify areas needing some improvement and made six recommendations to assist the Department with increasing the effectiveness of its information security programs.
- For FY 2022, our statutory review found that the Department did not comply with the Payment Integrity Information Act of 2019 (PIIA) because it did not meet one of the six compliance requirements. Specifically, the Department reported improper payment and unknown payment estimates for the Title I, Special Education, and Education Stabilization Fund programs that exceeded 10 percent. We also determined that the Department's improper payment and unknown payment estimates for five programs (Title I, Special Education, Education Stabilization Fund, Federal Pell grant, and Direct Loan) were not reliable. We made five recommendations to address the issues identified, including that the Department submit a plan to the appropriate authorizing and appropriations committees of Congress describing actions it will take to bring these programs into compliance with the PIIA.
- Our audit of the Department's Charter Schools Program Grants to Charter Management Organizations for the Replication and Expansion of High-Quality Charter Schools (Replication and Expansion) program found that although the Department had designed processes that should have provided reasonable assurance that recipients of Replication and Expansion grants reported complete and accurate information in their annual performance reports (APR), it did not always ensure that program officers accurately and completely filled out APR review templates and notified grantees of issues or concerns identified during their reviews of APRs. As a result, the Department might not have had reliable information needed to make informed decisions about continuation funding.
- Our review found that the Office for Civil Rights' (OCR) resolution of web accessibility complaints previously dismissed and subsequently reopened as directed investigations differed from how these reviews were resolved in the past, specifically about whether a compliance determination was made, and that determinations made were inappropriate based on the level of testing performed. As a result of OCR's changes to its procedures and the unclear way that these changes were implemented, it could be difficult for those unfamiliar with OCR's process

to understand OCR's procedures for processing these complaints.

- Our inspection on FSA's outreach to underserved communities found that although it performed outreach through various methods, its outreach was constrained by its limited ability to identify underserved individuals. Specifically, FSA's direct outreach was provided to its current customers and the Free Application for Federal Student Aid collected only limited demographic information that could be used to identify applicants as individuals from underserved communities. Consequently, FSA could improve its outreach to underserved communities by evaluating its outreach practices, coordinating outreach efforts amongst its different offices, and utilizing demographic data to identify and conduct outreach to individuals in underserved communities.

In addition to issuing audit-related reports, we completed 33 quality control and desk reviews of required audits submitted by recipients of Department funding and issued an update to the Title IV audit guide to address recent regulatory changes to the 90/10 Rule. You will find more on this work beginning on page 40 of this report.

In our investigative work, we closed 69 investigations involving fraud or corruption and secured more than \$49.1 million in restitution, settlements, fines, savings, 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 former financial aid advisor and Defense Department employee was sentenced to prison for running a 15-year scam to fraudulently obtain Federal student aid. The man used the personally identifiable information of more than 60 people—some with their consent and others without—to fraudulently apply for admissions to and receive Federal student aid from 8 colleges. Between 2005 and 2021, the straw students were awarded at least \$6.7 million in Federal student aid.
- Two agents with a debt relief company that called itself "Student Resolution Center LLC" and "Student Resource Center" were indicted for their roles in an alleged \$1 million fraud scheme. Beginning in 2015, these two and others allegedly contacted student loan borrowers, falsely promising to reduce

or eliminate their student loan debt for a fee. The two are alleged to have obtained a total of approximately \$1 million from hundreds of victims.

- A former vendor of Michigan's Madison District Public Schools was sentenced to prison for his role in a \$560,000 bribery and kickback scheme. The vendor conspired with the former School Board president, who awarded some \$3.1 million in school maintenance and construction contracts to the vendor in exchange for a financial kickback.
- A former vendor for New York's Hempstead Union Free School District was sentenced for her role in a \$280,000 kickback scheme. The vendor conspired with the school district's former food service director to award lucrative contracts to the vendor in exchange for kickbacks. To conceal the illegal nature of the arrangement, kickback payments were deposited into a bank account that was created in the name of one of the former director's family members.
- A fraud ringleader who orchestrated a scheme to fraudulently obtain \$264,000 in student aid from Capella University and American Public University was sentenced and ordered to pay more than \$264,000 in restitution. Between 2013 and 2018, the ringleader recruited people to participate in the scheme by providing her with their personal identifying information that she then used to apply for admission to and to receive Federal student aid from the schools. Most of the people either did not participate in any classes or withdrew from the courses as soon as the student aid award balance was received.

Our Semiannual Report also contains information on other efforts that 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.

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 were 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). Since 2020, the OIG has been conducting audits and reviews of programs, grants, requirements, and flexibilities established under these laws. This work has been highlighted in our [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 four reports specific to pandemic relief aid. A summary of the reports follows.

## State Educational Agencies’ Oversight of Local Educational Agencies Oversight of Elementary and Secondary School Emergency Relief Fund Plans and Spending

During this reporting period, we issued the first in what will be a series of audits on State educational agencies’ (SEA) oversight of local educational agencies’ (LEA) American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER) fund plans and spending. The audits seek to determine whether selected SEAs have adequate oversight processes in place to ensure that (1) LEAs’ ARP ESSER plans meet applicable requirements and (2) LEAs use ARP ESSER funds in accordance with applicable requirements and their approved plans. ARP ESSER funds were geared to help SEAs and LEAs safely reopen and sustain the safe operation of schools and to address the impact of the coronavirus pandemic on students. Each SEA was required to submit a plan to the Department’s Office of Elementary and Secondary Education (OESE) for approval that explained how it would use ARP ESSER funds. SEAs were required to allocate not less than 90 percent of the SEA’s total ARP ESSER allocation to LEAs. LEAs receiving ARP ESSER funds were to develop and submit to the SEA a plan for their use of ARP ESSER funds, and meet requirements related thereto.

The first audit completed in this series involved the State of Washington, specifically the Washington Office of Superintendent of Public Instruction, which is charged with overseeing public K–12 education in the State. Washington’s total ARP ESSER allocation is \$1.85 billion, and as of October 31, 2022 (the end of our audit period), Washington had drawn down \$592 million (32 percent) of its total ARP ESSER allocation. As a part of this audit, we selected two Washington LEAs for review: the Granger School District and Seattle Public Schools. You will find the results of our audit below. We will share the results of the other audits in this series in future Semiannual Reports to Congress.

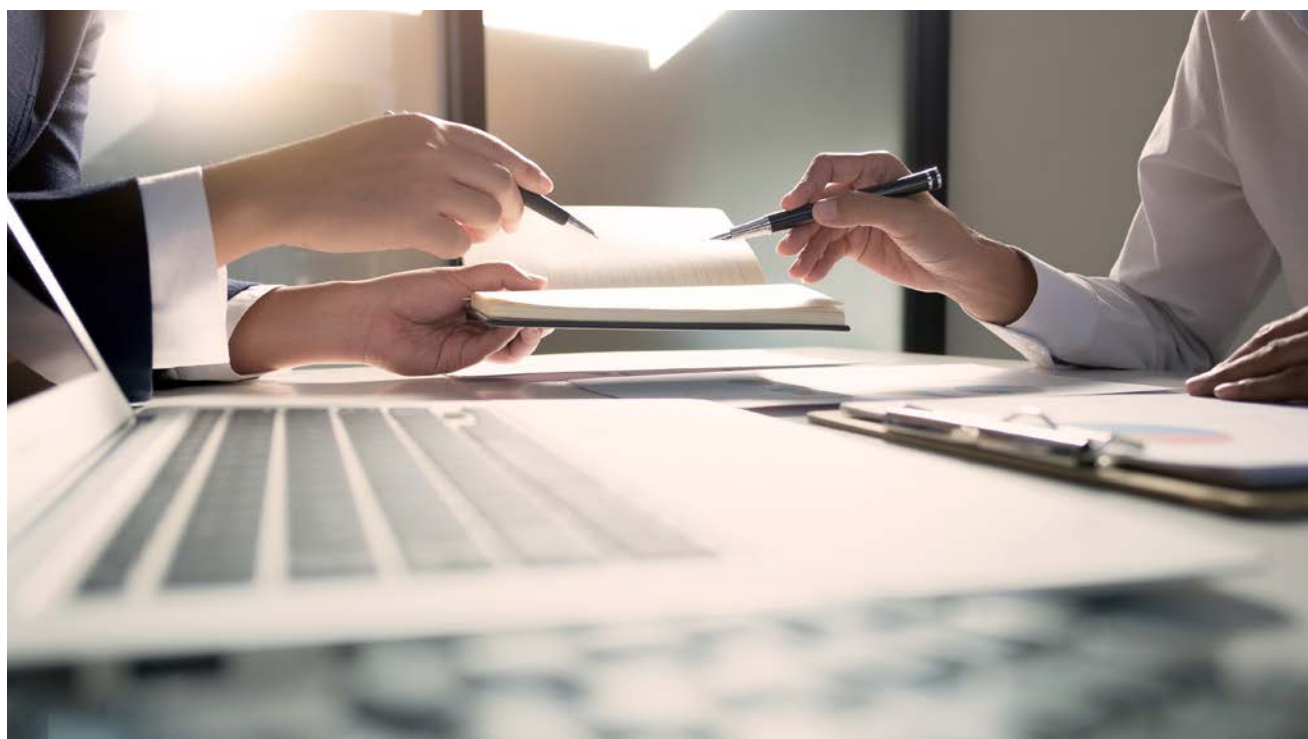


*Washington's Oversight of Local Educational Agency ARP ESSER Plans and Spending*

Our audit found that the Washington Office of Superintendent of Public Instruction (Washington) did not have an adequate review and approval process to ensure that LEA ARP ESSER plans met all applicable requirements. As a result, the public did not have sufficient insight into how the LEAs planned to spend ARP ESSER funds. Washington was required to ensure that LEAs submitted ARP ESSER plans that were complete and timely; however, we found that Washington did not ensure LEAs' compliance with all Federal requirements and guidance for creating transparent and understandable plans. During the audit, Washington was responsive to the issues we identified and initiated corrective action to ensure that Federal requirements and guidance were met.

We also determined that Washington's monitoring of LEAs could be strengthened to provide additional assurance that LEAs used ARP ESSER grant funds for allowable purposes and followed applicable regulations. Washington used its iGrants system to approve LEA ARP ESSER grant budgets and grant applications and to process LEA ARP ESSER claims for reimbursement. However, the claim reimbursement process did not include collecting or reviewing any expenditure-supporting documentation, and we identified one expenditure that did not follow procurement requirements. Further, although Washington used its Consolidated Program Review (CPR) process to review selected LEA expenditures for compliance with Federal education program requirements, its CPR process was not modified to consider the higher risk associated with ARP ESSER expenditures to ensure selection of APR ESSER expenditures. As a result, Washington may not have sufficient assurance that ARP ESSER expenditures were allowable.

Based on our findings, we made three recommendations: (1) that Washington take appropriate corrective actions for LEAs with approved ARP ESSER plans so that these plans meet all applicable requirements; (2) that Washington be required to fully





document its review and approval of ARP ESSER plans for LEAs that have not yet submitted their plans, once they have been submitted, to ensure that they comply with all program requirements; and (3) that Washington develop and implement, for both the reimbursement and monitoring processes, protocols to sample LEA expenditures charged to ARP ESSER, and to review supporting documentation, including procurement process documentation, to ensure that applicable Federal, State, and local requirements are met. Washington officials neither agreed nor disagreed with our findings but agreed with our recommendations. [Washington ESSER Report](#)

### *Local Educational Agencies Uses of Elementary and Secondary School Emergency Relief Funds for Technology*

The purpose of this report was to identify and describe LEAs' uses of ESSER funds for technology purposes. We surveyed a nationwide sample of LEAs about their experiences with using ESSER funds to purchase educational technology to continue student instruction during the coronavirus, specifically the (1) types of educational technology that LEAs purchased with their ESSER funds, (2) challenges that LEAs experienced when using ESSER funds for educational technology, and (3) impact the educational technology had on student learning. The survey provided the following:

- LEAs nationwide generally reported using ESSER funds to purchase educational technology to continue student instruction during the coronavirus. We estimated that 92 percent of LEAs used ESSER funds to purchase hardware, software, connectivity, and related products or services to continue instruction during the coronavirus. We noted that 93 percent of LEAs used ESSER funds to purchase hardware to continue instruction. ESSER funds were also used for connectivity (70 percent), software (66 percent), and other products and services (43 percent) such as training. Except for hardware, we identified notable differences between traditional and charter LEAs' responses for how ESSER funds were used to purchase educational technology. Traditional LEAs were more likely to use ESSER funds to purchase connectivity and charter LEAs were more likely to use ESSER funds to purchase software and other products and services. Further, we noted through our analyses that urban LEAs, high-poverty LEAs, and small LEAs were more likely to use ESSER funds to purchase educational technology when compared to their counterparts.
- LEAs reported that they initiated or expanded programs that provided all students in their schools or districts access to digital devices for schoolwork and purchased hotspots that resolved or mitigated the challenges of ensuring that all students and teachers had adequate internet access. Additionally, they purchased instructional software that offered teachers flexibility when creating remote learning environments and technology-related training that was both a challenge and an unexpected opportunity to improve teacher and student use of technology.
- LEAs nationwide reported on challenges that they addressed with educational technology purchased using ESSER funds, including resolving or mitigating challenges they faced while continuing student instruction during the coronavirus, and experienced when using ESSER funds to purchase educational technology. We then asked LEAs how they resolved or mitigated the challenges they experienced. LEAs most frequently reported experiencing

challenges due to (1) shifting the method of instruction to remote, hybrid, or in-person; (2) ensuring students and teachers had adequate internet access; (3) purchasing educational technology; and (4) maintaining or repairing educational technology. We asked LEAs about any ongoing or future challenges that they anticipated related to using ESSER funds for educational technology. LEAs most frequently reported the need to sustain ongoing costs when ESSER funds are no longer available as an anticipated future challenge.

Our survey revealed that ESSER-funded technology enabled LEAs nationwide to continue instruction remotely during shutdowns due to the coronavirus. We asked LEAs to provide their opinions about the degree (i.e., great, some, or none) to which ESSER-funded technology enabled their schools to provide remote instruction for different student populations. We estimate that 68 percent of LEAs were enabled, to a great degree, by ESSER-funded technology to provide remote instruction for the general student population. Further, LEAs most frequently reported being enabled by ESSER-funded software, to a great degree, then hardware and connectivity to provide remote instruction. LEAs nationwide generally reported experiencing lost instructional time and using ESSER-funded technology to address the academic impact that their student populations experienced during the coronavirus. We estimate that students in almost all LEAs (95 percent) experienced lost instructional time due to the coronavirus during the 2019–2020 school year, and that students in 68 percent of LEAs experienced lost instructional time during the 2020–2021 school year. We estimate that 46 percent of LEAs were able to address the academic impact of lost instructional time because ESSER-funded technology, to a great degree, facilitated activities during the 2019–2020 school year. This percentage increased to 50 percent of LEAs during the 2020–2021 school year. The report was informational and did not include any recommendations. [LEA Use of ESSER Funds for Technology Report](#)

#### *FSA's Use of Pandemic Assistance Student Aid Administration Funds*

The objective of our review was to determine FSA's progress on spending student aid administration funds authorized by coronavirus response and relief laws, including how those funds have been used to date and FSA's plans for using remaining funds. We found that as of November 30, 2022, FSA obligated nearly 100 percent of the \$161.1 million in appropriations it received for pandemic assistance student aid administration funds from the three major coronavirus response and relief laws. Nine FSA business units obligated approximately \$157.8 million (98 percent) of the total pandemic assistance student aid administration funds, with one business unit, the Next Gen FSA Program Office, accounting for 78 percent of the obligations.

As of November 30, 2022, FSA had approximately \$3.2 million remaining in unobligated ARP funds. As of April 4, 2023, specific plans for how those funds would be used were still under development. On June 3, 2023, because of the enactment of the Fiscal Responsibility Act of 2023, unobligated balances of ARP student aid administration funds were permanently rescinded. FSA stated that prior to enactment of that law, it had plans to use the remaining funds to support the end of the pandemic-related pause in student loan repayments. The report was informational and did not include any recommendations. [FSA Pandemic Funds Report](#)



*FSA's Processes for Waiving Return of Title IV Requirements, Cancelling Borrowers' Obligation to Repay Direct Loans, and Excluding Pell Grants from Federal Pell Lifetime Usage*

The CARES Act authorized the use of certain flexibilities for students who withdrew from postsecondary institutions because of the coronavirus pandemic (impacted students). These flexibilities include waiving the amounts of Title IV of the Higher Education Act of 1965 (Title IV) funds that schools and impacted students are required to return under section 484B of the Higher Education Act of 1965, cancelling borrowers' obligation to repay the entire amount of Direct Loans that impacted students received during the payment period of their withdrawal, and excluding from impacted students' Federal Pell grant (Pell) lifetime usage limit any semester (or the equivalent) that the students did not complete because of the coronavirus pandemic. The CARES Act required postsecondary institutions using return of Title IV (R2T4) waivers for impacted students to report the number of recipients, the amount of grant or loan assistance associated with each recipient, and the total amount of grant or loan assistance they have not returned to the Department. FSA was responsible for administering or overseeing the administration of these CARES Act flexibilities and related R2T4 reporting. We conducted an audit to determine whether FSA had adequate processes for (1) waiving the requirement that Title IV funds be returned, cancelling borrowers' obligation to repay Direct Loans, and excluding Federal Pell grant disbursements from Pell lifetime usage calculations for impacted students; and (2) postsecondary institutions to report the number and amounts of R2T4 waivers applied. We found that FSA had adequate processes for waiving R2T4 requirements, cancelling borrowers' obligation to repay Direct Loans, and excluding Pell disbursements from Pell lifetime usage for impacted students. FSA cancelled borrowers' obligation to repay the entire portion of Direct Loans associated with the payment period for impacted students by discharging the Direct Loan disbursements made during the payment period. For impacted students, Direct Loan disbursements were appropriately discharged. In addition, Pell disbursements were appropriately excluded from impacted students' Pell lifetime usage, exclusive of a small number of exceptions. We also determined that FSA designed adequate



processes for schools to report the number and amounts of R2T4 waivers applied. The report did not include any recommendations. [R2T4 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.

### 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 provide information on free resources to help identify and report fraud to the OIG. The OIG's Special Investigations Unit and regional investigative staff also conducted 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 inspectors general to the PRAC, each representing their specific agency, 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 and best practices, and to share information with State and local auditors; State treasurers; certified public accounting firms and Tribal oversight entities; the American Institute of Certified Public Accountants; GAO; other IGs; and the National Association of State Auditors, Comptrollers, and Treasurers. These listening posts provide an open and safe discussion forum to facilitate collaboration and coordination of Federal, State, local, territorial, Tribal, and Single Audit oversight work. Perhaps best of all, they helped find solutions in real-time.



### PRAC Select Case Studies Report—Phase I

In July, the PRAC, in coordination with multiple agency OIGs including ED OIG, issued the results of the first of a two-phased project looking at six different locations' use of Federal pandemic response funds. The goal of phase I was to identify the purpose of those funds and determine whether spending generally aligned with the intended goals and objectives. The six selected communities included two small- to medium-sized cities, two rural counties, and two Native American Reservations. The phase I results were highlighted in a report titled "Tracking Pandemic Relief Funds that Went to Local Communities Reveals Persistent Data Gaps and Data Reliability Issues." The report provides information on approximately \$2.65 billion in pandemic relief aid that went to the six communities, and how data gaps made it difficult for taxpayers to know how much money their community received and for what purposes. The report shares how identifying the funding required multiple Federal, State, and local reporting data systems and contacting State and local entities directly; how data collection and data system limitations at the Federal, State, and local levels hindered the PRAC's ability to obtain consistent data or remove duplicative entries; limitations of data used in USAspending.gov; and opportunities to increase public transparency and use of USAspending.gov. The PRAC report includes specific information on the pandemic funding received by each community. A report with the results of the second phase of this project is anticipated in FY 2024. [PRAC Case Studies Report—Phase I](#)

# OTHER ACTIVITIES

## Participation on Committees, Work Groups, and Task Forces

- **Pandemic Response Accountability Committee.** Inspector General Sandra D. Bruce is a member of this Committee, established under the CARES Act. Inspector General Bruce also leads the PRAC's subcommittee focused on GAO and State and local oversight efforts and is a member of the Financial Sector Oversight Work Group. Members of OIG Investigation Services also participate 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 several 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.



## Investigative Outreach 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 to 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 recorded in English and Spanish. The free posters and Eye on ED podcasts 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.





# Reports

The Department disburses about \$112 billion in Federal student aid annually and manages or oversees an outstanding loan portfolio valued at more than \$1.6 trillion. This makes the Department one of the largest financial institutions in the country. As such, effective oversight and monitoring of its programs, operations, and program participants are critical. Within the Department, the Office of Postsecondary Education (OPE) and Federal Student Aid (FSA) are responsible for administering and overseeing student aid programs. OPE develops Federal postsecondary education policies, oversees the accrediting agency recognition process, and provides guidance to schools. FSA disburses student aid, authorizes schools to participate in student aid programs, works with other participants to deliver services that help students and families finance postsecondary education, and enforces compliance with FSA program requirements. During this reporting period, the OIG identified actions that FSA and OPE should take to address issues mentioned in the OIG reports highlighted below.

## Schools' Use of Professional Judgment

In recent [Semiannual Reports to Congress](#), we shared the results of the first audits in our series examining whether selected schools applied, documented, and reported their use of professional judgment in accordance with the Higher Education Act of 1965, as amended (HEA). Under section 479A of the HEA, professional judgment refers to the authority of a school's financial aid administrator, with adequate documentation and on a case-by-case basis, to adjust a student's cost of attendance or the values of the data items required to calculate the expected student or parent contribution or both to allow for treatment of an individual student with special circumstances. Under section 480 of the HEA, a financial aid administrator may also make a determination of independence for an otherwise dependent student with other unusual circumstances (dependency override). Special and unusual circumstances are conditions that differentiate an individual student from a class of students rather than conditions that exist across a class of students. During this reporting period, we issued the third report in our series involving the University of Southern California. All of our reports in this series can be found [here](#) on our website.

### *University of Southern California's Use of Professional Judgment*

Our audit found that the University of Southern California (USC) did not apply or adequately document its use of professional judgment in accordance with sections 479A and 480(d) of the HEA for 75 of the 108 students included in our samples of students for whom the school applied professional judgment, including dependency override, for award year 2019–2020 or award year 2020–2021. Specifically, USC improperly adjusted data items affecting adjusted gross income based on allowances or expenses unrelated to special circumstances for 35 of the 78 students included in our sample of students for whom the school applied professional judgment other than dependency override. It also adjusted data items affecting adjusted gross income without adequate documentation substantiating special circumstances for 47 of the 78 students.

Additionally, USC did not adequately document a financial aid administrator's use of dependency override for 8 of the 30 students included in our sample of students for whom the school applied dependency override for award year 2019–2020 or award

year 2020–2021. USC’s records did not substantiate the school’s determination of each student’s status as either an unaccompanied child or youth who was homeless or at risk of homelessness and self-supporting or a determination of independence by reason of other unusual circumstances.

Because USC did not apply or adequately document its use of professional judgment, including dependency override, in accordance with sections 479A and 480(d) of the HEA, it awarded and disbursed as much as \$68,343 more in Title IV funds than 30 students would have otherwise received.

USC generally reported its use of professional judgment, including dependency override, to the Department’s Central Processing System in accordance with the Federal Student Aid Application and Verification Guide. However, the school also reported to the Department’s Central Processing System that it applied professional judgment when its financial assistance records did not corroborate that professional judgment had been applied for Title IV purposes. Although USC’s student information system and the Department’s Central Processing System showed that professional judgment had been applied, USC’s financial assistance records did not corroborate the application of professional judgment for Title IV purposes for 22 of the 130 students included in our samples.

We made six recommendations to address the issues identified, including that FSA require USC to calculate and return to the Department improper Title IV payments made to the students included in our sample for whom it did not apply professional judgment in accordance with section 479A of the HEA. We also recommended that USC be required to provide additional records that adequately document its determinations of independence for the students included in our sample or



return any improperly awarded Title IV payments to the Department. Additionally, we recommended that FSA require USC to review its records for the students for whom the school applied professional judgment, including dependency override, but were not included in our samples; identify the students for whom it improperly applied or inadequately documented its use of professional judgment; provide its records for those students to FSA; and return any improperly disbursed Title IV funds to the Department. Finally, we recommended that USC be required to implement procedures for confirming that its student information system data are corroborated by its financial assistance records before reporting the use of professional judgment to the Department's Central Processing System. USC officials disagreed with all but one all of our findings and all but one of our recommendations. [USC Report](#)

## Department's Oversight and Reporting of Proprietary Institution's 90/10 Revenue Information

The HEA authorizes the student financial assistance programs, which provide grants, loans, and Federal work study funds to help students pay for the cost of postsecondary education. Institutions must meet a variety of requirements to participate in the programs—one of which, the 90/10 revenue requirement—applies only to proprietary institutions. Under the 90/10 revenue requirement, proprietary institutions must derive at least 10 percent of their revenue from non-Title IV sources (or, conversely, no more than 90 percent of their revenue from Title IV funds) to retain eligibility in Title IV programs during a fiscal year. The HEA states that each year, the Department must submit to Congress a report that contains each proprietary institution's percentage of revenues received from Title IV and other sources. In addition, the HEA requires the Department to publicly disclose on the College Navigator website the identity of any proprietary institution that did not meet the 90/10 revenue requirement and the extent to which the institution did not meet such requirement. The American Rescue Plan revised the HEA's 90/10 revenue requirement. For fiscal years beginning on or after January 1, 2023, proprietary institutions must derive no more than 90 percent of their revenues from all Federal education assistance funds, not just Title IV funds.

We conducted an audit to determine the Department's processes for (1) overseeing proprietary institutions' compliance with 90/10 revenue requirements and (2) reporting of 90/10 revenue information to Congress and the public. Our audit covered the Department's oversight and monitoring processes for 90/10 revenue requirements as of December 31, 2022, and the Department's reporting of 90/10 revenue information to Congress and the public for award years 2019–2020 and 2020–2021. We expanded our scope period for reporting 90/10 revenue information to Congress to cover award years 2016–2017 through 2020–2021, to conduct a trend analysis.

We found that FSA had several processes for overseeing proprietary institutions' compliance with 90/10 revenue requirements. Specifically, FSA's eZ-Audit system calculated the 90/10 revenue percentages for proprietary institutions based on the audited financial statements submitted by the institutions, acceptability reviews of financial statements, quality control reviews of financial statements, possible sanctions against proprietary institutions that do not meet 90/10 revenue requirements, and guidance issued on 90/10 revenue requirements. We also found that the Department was late to report proprietary institutions' 90/10 revenue information to Congress for all five of the years that we reviewed. In addition, the Department's 90/10 revenue report to Congress for one year was incomplete. Finally,





the Department did not publicly disclose the proprietary institutions that did not meet 90/10 revenue requirements on the College Navigator website as required by the HEA, section 487(d)(3). Instead, the Department identified the proprietary institutions that did not meet 90/10 revenue requirements on the Department's College Affordability and Transparency Center website.

To address the issues identified, we made three recommendations: (1) that FSA and OPE update and implement processes for extracting 90/10 revenue information from the eZ-Audit system and for reviewing and reporting 90/10 proprietary institution revenue percentage reports to ensure that 90/10 revenue information is reported to Congress by July 1 each year; (2) that FSA and OPE evaluate whether the recently updated timeframe for the acceptability review process of institutional proprietary financial statements is sufficient to ensure all proprietary institutions' 90/10 information is included in the report to Congress; and (3) that OPE work with the Institute of Education Sciences and the National Center for Educational Statistics to ensure proprietary institutions that did not meet 90/10 revenue requirement are disclosed on the College Navigator website as required by the HEA. The Department agreed with our findings and recommendations. [90-10 Report](#)

## FSA's Outreach to Individuals in Underserved Communities

To deal with longstanding disparities that underserved students and communities face in achieving equal educational opportunities and in accordance with [Executive Order 13985](#), the Department announced a series of plans to incorporate equity within its operations and mission through various components and offices. This included an inaugural equity plan, issued in April 2022, that included actions to address barriers to college access and completion; and in December 2022, FSA

issued a 5-year Strategic Plan for fiscal years 2023–2027 that presented goals and objectives to ensure they make it possible for all eligible students and families to access Federal financial aid. The plan calls for FSA to continue effective outreach, conduct evaluations, and foster innovations through collaboration with its stakeholders. During this reporting period, we issued the results of our inspection that sought to describe the extent to which FSA identifies individuals who belong to underserved communities and performs outreach to those identified individuals.

We found that FSA provided general outreach to individuals, some of whom were part of underserved communities, and reached such individuals through several FSA offices and through its partnerships with different organizations. Although FSA performed outreach through various methods, its outreach was constrained by its limited ability to identify underserved individuals. Specifically, FSA's direct outreach was provided to its current customers and the Free Application for Federal Student Aid collected only limited demographic information that could be used to identify applicants as individuals from underserved communities. Consequently, FSA could improve its outreach to underserved communities by evaluating its outreach practices, coordinating outreach efforts amongst its different offices, and utilizing demographic data to identify and conduct outreach to individuals in underserved communities.

To address the issues identified, we made four recommendations for FSA to: (1) require FSA's Office of Student Experience and Aid Delivery (SEAD) to periodically evaluate its outreach efforts and make appropriate changes to its outreach practices, (2) establish a coordinated effort between the different FSA offices to ensure outreach is provided to all underserved communities appropriately, (3) use the additional demographic data from the 2024–2025 Free Application for Federal Student Aid to make decisions when identifying and conducting outreach to individuals in underserved communities, and (4) require SEAD to coordinate with partners to understand which underserved communities its partners serve. FSA agreed with our finding and recommendations. [FSA Outreach Report](#)

## Investigations and Outreach

Identifying and investigating fraud in the 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.

#### *More Actions Taken in Texas College Fraud (Texas)*

In our last [Semiannual Report to Congress](#), we highlighted our case involving a former financial aid director of Texas College and her son and two other students who were indicted for their alleged roles in a student aid fraud scam. During this reporting period, one of the fraud participants pled guilty to his role in the scam, through which he received some \$50,000 in student aid to which he was not



entitled. From 2019 through 2020, the former director allegedly used her position and access to the school’s financial aid systems to trigger student aid payments to her son and others who were not otherwise eligible to receive.

### *Barber School Operator Sentenced for Fraud (Ohio)*

The owner of the Ohio Barber Academy, doing business as the Flawless Academy in Cleveland, was sentenced to serve 5 years of probation and was ordered to pay more than \$61,500 in restitution for student aid fraud. The owner devised and implemented a scheme to obtain eligibility to participate in the Title IV Federal student aid programs (Title IV) for Flawless Academy, a school that was previously ruled ineligible to participate in the programs as it did not meet the necessary financial responsibility standards or administrative capability requirements. Through nefarious means, the owner purchased Merryville Barber College, a Title IV-eligible school, and established the Flawless Academy as a Merryville Barber College location, thus making it Title IV eligible. The owner submitted fictitious and false enrollment and attendance records for Flawless Academy “students,” enabling the school to fraudulently receive more than \$300,000 in Federal student aid than it was entitled to.

## 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.

*Former Financial Aid Advisor and Defense Department Employee Sentenced to Prison for Running a \$5.6 Million Fraud Ring (Maryland)*

As shared in a recent [Semiannual Report to Congress](#), a Defense Contract Audit Agency employee was arrested and charged in connection to a 15-year scheme to fraudulently obtain Federal student aid. During this reporting period, the man was sentenced for orchestrating the scam. The employee, who was once a financial aid advisor at a university, used the personally identifiable information of about 60 people—some with their consent and others without—to fraudulently apply for admissions to and receive Federal student aid from 8 colleges. When the student aid award balances were received, the employee pocketed all of it, occasionally sharing a portion with a consenting participant. The employee also used a portion of the money to pay a company that he directed to complete the coursework for the straw students to maintain their eligibility for financial aid. Between 2006 and 2021, the straw students were awarded some \$6.7 million in Federal student aid. The man was sentenced to serve 4 years in prison, 3 years of supervised release, and was ordered to pay more than \$5.6 million in restitution. [Press Release](#)

*Leader of \$264,000 Fraud Ring Sentenced (Virginia)*

A fraud ringleader who orchestrated a scheme to fraudulently obtain \$264,000 in student aid from Capella University and American Public University was sentenced to 3 years of probation and was ordered to pay more than \$264,000 in restitution. Between 2013 and 2018, the ringleader recruited people to participate in the scheme by providing her with their personal identifying information that she used to apply for admission to and to receive Federal student aid from the schools. Most of the people either did not participate in any classes or withdrew from the courses as soon as the student aid award balance was received.

*Leader of \$74,000 Student Aid Fraud Ring Sentenced (Louisiana)*

A St. Bernard Parish man was sentenced for orchestrating a student aid fraud ring. The man conspired with others to submit fraudulent applications for student loans and grants to two local community colleges, using the names of seven different applicants. The applications contained false information for all applicants, and a few of the applicants did not even qualify for community college because they had not graduated high school or obtained the equivalent of a high school diploma. As a result of his actions, the Department disbursed more than \$74,000 in loan and grant funds. The man was sentenced to serve 5 years in prison, 3 years of supervised release, and was ordered to pay more than \$74,500 in restitution and assessments. [Press Release](#)

## Student Aid Debt Collector Fraud

The following are summaries and links to press releases involving fraud by student aid debt collectors.

*Agents with Company Called “Student Resolution Center LLC” Indicted for Roles in \$1 Million Fraud (Colorado)*

Two agents with a company that called itself “Student Resolution Center LLC” and “Student Resource Center” were indicted for their roles in an alleged \$1 million fraud scheme. Beginning in 2015, the two and others allegedly contacted student loan borrowers, falsely promising to reduce or eliminate their student loan debt for a fee. As our readers know, these are services that the borrower can do for themselves, for



free. According to the indictment, they obtained authorization from the unwitting borrowers to withdraw payments from their bank accounts and withdrew payments in excess of the amounts they agreed to pay the company. The two are alleged to have obtained a total of approximately \$1 million from hundreds of victims, most of which the two used for personal gain, including purchasing a residence and a luxury vehicle. [Press Release](#)

### *Owner and Founder of Lead-Generation Marketing Agency Sentenced (California)*

The owner and founder of Financial Preparation Services, a student loan debt relief company, was sentenced for filing a false tax return. The owner and founder failed to report more than \$190,200 in income from his company. The OIG was involved in this matter as it involved accusations that the company was generating leads to third party servicers, leads he allegedly obtained by creating misleading and deceptive social media ads targeting student loan borrowers and debt holders—promising fast loan forgiveness and implying affiliation with the U.S. Department of Education. The owner and founder was sentenced to serve 3 years of probation, perform 200 hours of community service, and was ordered to pay more than \$90,000 in restitution and fines.

## Other Student Aid Fraud Investigations

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

### *Former University of Memphis Student Sentenced in \$94,200 Student Loan Fraud (Tennessee)*

During this reporting period, a former University of Memphis student was sentenced for student loan fraud. From 2017 through 2021, while a student at the University of Memphis, the woman submitted fraudulent documents, including forged doctors' signatures, fraudulent medical invoices, and fictitious expenses to the University in order to receive some \$94,200 in Federal student aid to which she was not otherwise entitled to receive. The woman was sentenced to serve 1 year and 1 day in prison, 3 years of supervised release, and was ordered to pay more than \$94,200 in restitution.

### *Woman Pled Guilty to Theft of Government Funds (Arkansas)*

In September, a woman pled guilty to theft involving more than \$165,000 in government benefits. Specific to ED, the former student falsified documents in order to obtain Federal student aid and grants to which she was not otherwise eligible to receive. This included false information on FAFSAs where she claimed to have graduated from at least five different schools, with diplomas that appeared to be from a diploma mill that she included in applications for admission and student aid applications for three schools in Arkansas: Pulaski Technical College, University of Arkansas at Little Rock, and Arkansas School of Barbering and Hair Design. Beginning in 2005, the former student applied for and received benefits from the Social Security Administration (SSA) claiming a learning disorder. In 2016, an SSA employee learned that the former student was receiving disability funds for intellectual disability while also serving as the representative payee for SSA benefits for her mother, niece, and children. Aspects of her duties as a representative payee would not be possible for someone suffering from a severe intellectual disorder. In 2018, SSA determined



that the former student never should have been approved for benefits, citing her ability to be the representative payee for her 8 children, manage funds in excess of \$8,000 per month, negotiate 2 car loans and a home mortgage, and complete 24 college credits. As a result of the falsified information she presented on student aid applications and college admissions forms indicating the SSA disability, the former student received more than \$67,000 in student aid and grants.

*Life Line Champaign Officer Sentenced in \$59,000 Fraud Scam (Illinois)*

A former official of Life Line Champaign, a not-for-profit organization that provided summer enrichment activities for students, was sentenced for fraud. First, the man used more than \$25,000 of the organization's U.S. Housing and Urban Development grant for his personal benefit. Second, in 2017, he applied for admission to Liberty University's online Master of Arts in Christian Ministry program and submitted student aid applications to cover the cost of attendance. From 2017 to 2020, the man received more than \$31,000 in Federal student aid that he did not use for educational purposes, but instead used for non-educational purposes, including gambling. The man was sentenced to serve 10 months in prison, 3 years of supervised release, and was ordered to pay more than \$59,600 in restitution and fines.

*Woman Pled Guilty to Using Deceased Spouse's Identity in \$36,000 Student Aid Fraud (Oregon)*

A woman pled guilty to student aid fraud after using her deceased spouse's identity to obtain more than \$36,000 in Federal student aid. From 2017 to 2019, the woman used her spouse's personally identifiable information to submit admissions and Federal student aid applications to three different schools in the State. She attended online courses and passed the first term at each institution in order to collect the funds.

## Student Loan-Related Scam Public Service Announcement, Awareness and Prevention Materials

During this reporting period, the OIG continued to promote its public service announcement to alert the public to student loan-related scams. The announcement encourages student loan borrowers to stay alert and avoid falling victim to student loan forgiveness and debt relief scams and provides actions they can take to protect themselves. The public service announcement is available here on our website. The OIG also continued to share its infographics and other 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. The flyers also list actions to take should students think they have been caught in a scammer's trap. 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.; Boston, Massachusetts; and Dallas, Texas.

## Reviews of Legislation, Regulations, Directives, and Memoranda

- The OIG provided technical comments on an FSA system of records notice related to National Student Loan Database System.
- The OIG provided technical comments on a new FUTURE Act system of records notice.

# Elementary and Secondary Education Programs

The Department administers more than 100 programs that involve 60 State, territorial, and other educational agencies, more than 13,000 public school districts, about 128,000 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.





# Reports

During this reporting period, we issued two reports specific to elementary, secondary, and special education. The first report looked at whether the Department designed and implemented processes that provided reasonable assurance that Charter Schools Program Grants to Charter Management Organizations for the Replication and Expansion of High-Quality Charter Schools grantees reported complete and accurate information in their annual performance reports and spent grant funds only on allowable activities and in accordance with program requirements. The second report looked at the steps the Department has taken to implement its final regulations on significant disproportionality in special education. Below you will find summaries of these reports.

## Department's Processes for Overseeing Charter Schools Program Grants to Charter Management Organizations for the Replication and Expansion of High-Quality Charter Schools

The purpose of Federal Charter Schools Program Grants to Charter Management Organizations for the Replication and Expansion of High-Quality Charter Schools (Replication and Expansion) is to expand enrollment in existing high-quality charter schools or to create new charter schools that are based on an existing high-quality charter school model. The Department's Charter School Programs (CSP) office administers the program. From FY 2010 through FY 2020, the CSP office competitively awarded 106 new Replication and Expansion grants to nonprofit charter management organizations (CMO). If all 106 of the Replication and Expansion grant recipients were fully funded, total Replication and Expansion grant funding would amount to nearly \$1.2 billion. We conducted an audit to determine whether the Department designed and implemented processes that provided reasonable assurance that Replication and Expansion grantees reported complete and accurate information in their annual performance reports (APR) and spent grant funds only on allowable activities and in accordance with program requirements.

Our audit found that the Department and the CSP office designed processes that should have provided reasonable assurance that recipients of Replication and Expansion grants reported complete and accurate information in their APRs. We concluded that the CSP office generally implemented these processes as designed. However, it did not always ensure that CSP program officers accurately and completely filled out APR review templates and notified grantees of issues or concerns identified during their reviews of APRs. As a result, the CSP office might not have had reliable information to make informed decisions about continuation funding. Additionally, the CSP office might not have provided timely assistance to grantees that needed assistance to meet their approved goals. Our audit also found that the Department and the CSP office designed processes that should have provided reasonable assurance that Replication and Expansion grantees spent grant funds only on allowable activities and in accordance with program requirements. We concluded that the CSP office generally implemented these processes as designed. However, it did not always ensure that grantees implemented corrective actions to address significant compliance issues relevant to their uses of Replication and Expansion grant funds, fiscal control, and fund accounting. Lastly,

the CSP office did not always retain records in official grant files. As a result, the CSP office could not find about 52 percent of the APR review forms that we concluded CSP program officers should have completed from October 1, 2015, through June 30, 2021. Additionally, the CSP office could not find written correspondence with the grantees associated with about 10 percent of the APR review forms that we requested for review.

To address the issues identified, we recommended that the Department (1) regularly review the work of CSP program officers to ensure that they are implementing the processes for completing APR review templates and communicating with grantees about issues with or concerns about their APRs as designed; (2) implement procedures to ensure that it completes the portions of corrective action plans identifying recommended corrective actions and describing how or whether the grantee corrected the significant compliance issues relevant to grant expenditures; and (3) retain records demonstrating that grantees implement corrective actions to address significant compliance issues relevant to grant expenditures. The Department did not agree with all of our findings or recommendations. [Charter School Report](#)

## Implementation of the Significant Disproportionality in the Individuals with Disabilities Education Act Final Regulations

To address inequities, the Individuals with Disabilities Education Act (IDEA) requires SEAs to identify LEAs with “significant disproportionality” in special education—that is, when LEAs identify, place outside the regular classroom, or discipline children from any racial or ethnic group at markedly higher rates than their peers. SEAs are required to collect data to determine if significant disproportionality based on race and ethnicity is occurring in the identification and placement of students with disabilities, and in incidence, duration, and types of disciplinary actions, including suspensions and expulsions. SEAs are also required to provide for the reviews and, if appropriate, revisions of the policies, practices, and procedures used in identifying



or placing students with disabilities if the SEA determines that there is significant disproportionality.

In December 2016, the Department published final regulations that required SEAs to use a standard methodology when making determinations on significant disproportionality and to comply by July 1, 2018. In 2018, the Department postponed the date for States to comply with these regulations by 2 years, citing concerns with the approach. This decision was subject to a civil challenge, and in March 2019, the court vacated the postponement. Consequently, it was not until 2019 that the final regulation was officially implemented, and the Department's Office of Special Education Programs (OSEP) required SEAs to submit a Significant Disproportionality Reporting Form that detailed information specific to the significant disproportionality calculation. OSEP used the Significant Disproportionality Reporting Form to ensure compliance with the December 2016 final regulations. During this reporting period, we issued the findings of our inspection that examined the steps the Department has taken to implement the final regulations.

Our inspection found that OSEP provided general guidance and technical assistance for SEAs in implementing significant disproportionality regulatory requirements. To accomplish this, OSEP established a frequently asked questions document titled "Significant Disproportionality (Equity in IDEA) Essential Questions and Answers" and a Model State Timeline, conducted webinars for SEAs, and used OSEP-funded technical assistance centers. Technical assistance centers provided information to SEAs on updates that were made to the regulations, how to conduct data-driven root cause analysis meetings with stakeholders, how to build stakeholder teams, and best practices from SEAs that had found success in working with their LEAs.

We also found that OSEP performed ongoing monitoring of SEAs' compliance with IDEA requirements and program results. The monitoring activities included (1) implementing a differentiated monitoring and support system, (2) reviewing SEAs' significant disproportionality methodologies, and (3) revising the differentiated monitoring and support system protocol to include a discussion of the reasonableness of the criteria and thresholds used by SEAs for the calculation of significant disproportionality. However, we determined that OSEP had not performed a risk assessment to determine if the change in the regulation affects the control activities that it has established for monitoring significant disproportionality, particularly regarding data reliability. As such, we recommended that OSEP perform a risk assessment to identify, analyze, and respond to any new risks prompted by the changes in the regulation. In addition, OSEP should review existing risks to determine if additional changes need to be made. After assessing the risks, OSEP should make necessary changes to its control activities to ensure the data being reported are accurate and complete. The Department agreed with most of our findings and our recommendations. [IDEA Final Regulations 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.

### *Madison District Public Schools Contractor Sentenced in \$560,000 Kickback Scheme (Michigan)*

In a recent [Semiannual Report](#) to Congress, we highlighted our case involving the former president of the Madison District Public Schools Board of Education and a business owner who pled guilty to their roles in a kickback scheme. During this reporting period, the contractor was sentenced to prison for his role in the scheme. The former president used his position to award some \$3.1 million in school maintenance and construction contracts to the business owner (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 he 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. The contractor was sentenced to serve 24 months in prison.

### *Superseding Indictment Filed Against Former Executives of Charter School Management Company for \$463,000 Conspiracy and Fraud Scheme (Pennsylvania)*

In previous [Semiannual Reports](#), we shared information on a series of actions taken against the former executives of a Philadelphia-based education and development company, former president of the Milwaukee, Wisconsin, Public Schools Board, and a former Philadelphia Councilman and his wife for their involvement in bribery, kickback, and fraud schemes. The schemes aimed to benefit the two executives through two of their companies: Universal Community Homes—a property development company; and Universal Education Companies—a company that provided operational services for seven charter schools in Philadelphia. The former school board president pled guilty to his role in the scheme in 2019, and in 2022, a judge found the former Councilman, his wife, and the two executives not guilty on bribery charges; however, the two executives still needed to stand trial for allegedly embezzling more than \$463,000 from the companies. During this reporting period, a superseding indictment was filed against the two former executives on charges of conspiracy and fraud. The two allegedly charged excessive, inflated, or outright fraudulent reimbursements for travel or other purported business expenses related to the operation of the company, including its charter schools. However, the two allegedly used the funds for personal expenses that should not have been reimbursed, including vacations, gym memberships, and political contributions.

### *Former Food Services Vendor for Hempstead Union Free School District Sentenced in \$280,000 Kickback Scheme (New York)*

In our last [Semiannual Report](#), we highlighted our investigation involving the former Director of Food Services for the Hempstead Union Free School District and the owner of Smart Starts, a food services vendor, who had pled guilty to conspiracy charges for participating in a kickback scheme. As a part of their plea agreements, the former director agreed to forfeit about \$120,000 and the Smart Starts owner





agreed to forfeit approximately \$160,000. During this reporting period, the vendor was sentenced to 2 years of probation for her role in the scheme. The former official used her position to secure lucrative contracts with Smart Starts to provide prepackaged breakfast meals for Hempstead public school students in exchange for kickbacks. To conceal the illegal nature of the arrangement, kickback payments were deposited into a bank account that was created in the name of one of the former director's family members, and were spent by the family on international vacations, a leased vehicle, and home furnishings. About \$13,000 in kicked-back funds were also withdrawn by the director in cash from ATMs located near her home and workplace.

*Two Leaders of Now-Defunct Nonprofit Sentenced for Stealing More than \$150,000 (Washington, D.C.)*

The former Executive Director and the former Director of Operations and Finance of the now-defunct non-profit organization DC Children and Youth Investment Trust Corporation (DC Trust) were sentenced for using the non-profit's funds for their personal use, funds that were intended for youth scholarship programs. From 2015 through 2016, the two perpetrated a scheme in which they obtained and used for personal benefit, DC Trust credit cards and a check card—whose bills were paid for by DC Trust funds. DC Trust was a non-profit organization created in 1999 to serve as an intermediary to connect philanthropists, government leaders, youth advocates, and representatives from the business community in order to support programs to benefit the children of Washington D.C. The organization was dissolved in late 2016. The former directors diverted funds that were intended to provide scholarship programs for D.C. youth and used them to make hundreds of personal purchases on expenses such as meals, automobile repairs, and personal travel for themselves and their friends and family. The former Executive Director was sentenced to serve 60 days in prison, 3 years of supervised release, and was ordered to pay more than \$111,300 in restitution; the former Operations Director was sentenced to serve 30 days in prison, 3 years of supervised release, and was ordered to pay more than \$44,000 in restitution. [Press Release](#)

*Former Bookkeeper for the Barnstead and Hampton School Districts Sentenced for Stealing More Than \$131,000 (New Hampshire)*

A former bookkeeper for both the Barnstead School District and the Hampton School District was sentenced to prison for embezzling more than \$131,000 from the districts. The former bookkeeper, who was responsible for processing payroll and handling payment of invoices for the Barnstead School District, used her position to alter her payroll information, make student loan payments and payments to personal creditors, and to pay for an Amazon account charged to Barnstead that she controlled. These amounts totaled more than \$110,200. Following her termination from the Barnstead School District, she was hired as a bookkeeper at Hampton School District, where she used her position to use district funds to pay student loans and credit cards belonging to her or her family members, totaling more than \$20,900. The former bookkeeper was sentenced to serve 12 months and 1 day in prison, 2 years of supervised release, and was ordered to pay more than \$131,000 in restitution. [Press Release](#)

*Former High School Bookkeeper Indicted in \$142,000 Fraud (Florida)*

A former bookkeeper at a public high school in Florida was indicted on 17 counts of fraud. The indictment alleges that between 2021 and 2023, the bookkeeper stole checks totaling more than \$142,900 from school accounts. The bookkeeper allegedly endorsed the checks and deposited the funds into her personal bank accounts.

## 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 the Puerto Rico Department of Education, and the recommendations we made to improve those weaknesses.
- **Grant Fraud Working Group.** The OIG is a member of this work group, composed of OIGs and other governmental agencies, that meets quarterly to discuss challenges, opportunities, and best practices involving grant fraud investigations.
- **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 the Department's financial statements. Summaries of this work follow.

## Financial Management

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, strengthen the use of continuous monitoring in systems, increase 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 or 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.

### *FY 2023 FISMA Results*

The auditors determined that the Department's overall information technology security program and practices are effective as eight out of the nine FISMA domains met the requirements needed to operate at a Level 4 maturity rating, indicating the systems security is Managed and Measurable. In addition, the auditors identified potential areas of improvement involving (1) managing information security risks; (2) two-factor authentication enforcement; (3) implementing access provisioning controls for privileged users; and (4) implementing event logging requirements at the enterprise level.

The auditors made six recommendations to assist the Department with increasing the effectiveness of its information security programs. In addition, the auditors looked at previously issued FISMA reports to determine the status of recommendations. The auditors found that (1) 1 recommendation from FY 2019 remains open, (2) 8 out of 9 FY 2020 prior year recommendations were closed, (3) all 10 FY 2021 prior year recommendations were closed, and (4) 8 out of 10 FY 2022 prior year recommendations were closed. [FY 2023 FISMA Report](#)

## Improper Payments

Improper payments—payments that should not have been made or were made in the incorrect amount—have consistently been a governmentwide 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 governmentwide 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 and identify all those 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. Publish payment integrity information with the annual financial statement and post the annual financial statement and accompanying materials on the agency website.
2. Conduct 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 conclude whether the program is likely to make improper payments above or below the statutory threshold.
3. Publish improper payment estimates for programs susceptible to significant improper payments in the accompanying materials to the annual financial statement.
4. Publish 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. Publish 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, improvements to payment integrity or reached a tolerable improper payment rate were demonstrated, and a plan to meet the improper payment reduction target was developed.

6. Report 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 2022 review.

### *Department's Compliance with Improper Payments Requirements for FY 2022*

We found that for FY 2022, the Department did not comply with the PIIA because it did not meet one of the six compliance requirements. Specifically, the Department reported improper payment and unknown payment estimates for the Title I, Special Education, and Education Stabilization Fund programs that exceeded 10 percent. We also determined that the Department's improper payment and unknown payment estimates for five programs (Title I, Special Education, Education Stabilization Fund, Pell, and Direct Loan) were not reliable. Specifically, for the Title I and Special Education programs, the improper payment and unknown payment estimates were based on inaccurate sampling populations. For the Title I, Special Education, and Education Stabilization Fund programs, the Department's testing results were inaccurate; and the improper payment sampling and estimation plan for the Pell and Direct Loan programs included nonrandom student-level sampling from some of the compliance audits FSA used to calculate the estimates, which affected the appropriateness of the confidence intervals used in the calculation of the improper payment and unknown payment estimates.

We made five recommendations to address the issues identified, including that the Department submit a plan to the appropriate committees of Congress describing actions the Department will take to bring the Title I, Special Education, and Education Stabilization Fund programs into compliance with the PIIA and additional program integrity proposals to OMB that describe how the proposals will help the Title I program become compliant with the PIIA. We also made recommendations to improve the reliability and accuracy of the Department's improper payment estimates. The Department partially agreed with our findings and recommendations.

[Improper Payments Report](#)

## The Office for Civil Rights' Processing of Web Accessibility Complaints

We issued a report to share with the Department the observations made by the OIG regarding the Office for Civil Rights' (OCR) processing of web accessibility complaints. We conducted this review in response to allegations received by the OIG Hotline. The allegations stated that OCR improperly closed web accessibility complaints that were previously dismissed and reopened as directed investigations, imposing unreasonable requirements on the filing of new web accessibility complaints, and silencing the complainant's efforts regarding access of federally funded websites.

The objectives of the assignment were to review OCR's process for resolving web accessibility complaints that were previously dismissed and subsequently reopened as directed investigations and OCR's approach to evaluating web accessibility complaints submitted after the November 2018 revision of its Case Processing Manual (CPM).

Our review determined that OCR's resolution of web accessibility complaints previously dismissed and subsequently reopened as directed investigations differed from how these reviews were resolved in the past, specifically regarding whether a compliance determination was made, and that the determinations staff made were inappropriate based on the level of testing performed. As a result of OCR's changes to its procedures and the unclear way these changes were implemented, it could be difficult for people unfamiliar with OCR's process to understand the procedures for processing these complaints. Further, a determination of insufficient evidence of noncompliance would be an inappropriate determination if OCR never completed all of the steps to actually make a compliance determination, and when OCR's letters of findings do suggest there were compliance concerns but it allowed the recipients time to take corrective actions before finalizing the review.

After the conclusion of our fieldwork, OCR stated that it had changed its practices and directed staff to resolve directed investigations with resolution agreements following its CPM and that it had approved a new sample agreement for modification as appropriate to clearly reflect the work it performed and provide greater clarity. We concluded that OCR's actions, if implemented as described, appear to address the issues we had identified above and as a result we made no recommendations.

We also found that OCR changed its approach to evaluating new web accessibility complaints beginning in December 2018, more frequently applying a section of its CPM to dismiss allegations and complaints for insufficient evidence even though the evidence provided by complainants before and after December 2018 was similar. We found the percentage of web accessibility complaints dismissed for this reason increased from less than 1 percent for approximately 6 years preceding December 2018 to 73 percent for approximately 2.5 years since December 2018. OCR changed its approach because officials believed it was doing more than necessary when evaluating web accessibility complaints, to include performing its own preliminary reviews of the websites in question. OCR had not disseminated information to assist complainants to successfully submit web accessibility complaints given its changed approach and had not updated its CPM to reflect its process changes. By not being transparent regarding what OCR considers necessary evidence when submitting a web accessibility complaint, OCR may be making it very difficult for complainants to successfully submit a web accessibility complaint that will be opened for investigation. This is especially important since OCR seemingly changed the level of evidence needed from complainants and contradicted statements about web accessibility tool reports that OCR made during the conduct of previous web accessibility investigations. OCR may create confusion and distrust among complainants and the public without clearly disclosing evidence requirements and explaining why evidence requirements have changed. Additionally, making the process too cumbersome may discourage complainants from filing complaints and allow noncompliance to go unchecked.

Based on our finding, we recommended that OCR update its website as necessary to clearly communicate evidence requirements that will assist a complainant in

understanding what information is needed to support the filing of a successful web accessibility complaint and determine whether the web accessibility complaints dismissed under the applicable section of its CPM since December 2018 should be reopened and reviewed without the complainant needing to re-file those complaints. OCR did not specifically agree or disagree with our finding and did not agree with our recommendations. [OCR Report](#)

## 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 Office of Management and Budget 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 1 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 requires correction for the audit under review.

During this reporting period, we completed 28 desk reviews and concluded that 4 (14.3 percent) were Pass, 20 (71.4 percent) were Pass with Deficiencies, and 4 (14.3 percent) were Fail. We also completed five quality control reviews of engagements conducted by four independent public accountants. We concluded that all five were Fail.

When a quality control review receives a rating of Fail, the independent public accountant must resolve the deficiencies identified. If the independent public accountant 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 two recommendations to the Department to reject audit reports and the Department rejected both audit reports. Furthermore, we referred the independent public accountant that performed those audits 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 and questions about the auditor's independence.

During this reporting period, we received information from the American Institute of Certified Public Accountants regarding disciplinary actions taken against an independent public accountant because of a previous referral. In lieu of remedial actions, the independent public accountant elected to provide attestations for the next 3 years that they are no longer performing audits and to refrain from certain activities associated with the AICPA and state CPA societies during that period.

### Technical Assistance

The OIG's Non-Federal Audit Team is 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 CPA-23-02—Revised 90/10 Revenue Calculation Testing and Example Footnote, to independent public accountants communicating an amendment to the Title IV Audit Guide to address recent regulatory changes to the 90/10 Rule. A copy of the letter is available here on the OIG Non-Federal Audit Team's website.





Additionally, we presented at four conferences and two webinars on topics including proprietary and foreign school Title IV audits, the Non-Federal Audit Team's roles and responsibilities, and the use of OMB's Compliance Supplement in single audits. Our audiences consisted of leaders in the postsecondary career education field and their auditors, OIG Audit Services, Department officials and contractors responsible for reviewing audit submissions, and officials from agencies with responsibilities for updating the Compliance Supplement.

## Other OIG Work and Initiatives

During this reporting period, the OIG issued and participated in other projects. Summaries of these efforts follow.

### Congressional Testimony

Inspector General Sandra D. Bruce presented written testimony for the Senate Committee on Aging's September 21 hearing titled "Unlocking the Virtual Front Door: Ensuring Accessible Government Technology for People with Disabilities, Older Adults, and Veterans." Inspector General Bruce shared her own issues specific to accessibility, both as the Inspector General of the U.S. Department of Education and as the Chair of the CIGIE Diversity, Equity, Inclusion, and Accessibility (DEIA) Committee. This included information on actions taken and underway by the CIGIE DEIA Committee, such as its "Advancing Diversity, Equity, Inclusion, and Accessibility: A Roadmap for Offices of Inspectors General." The Inspector General shared with the Committee that this first-ever resource was created as a tool for all OIGs, regardless of size or where they are in advancing DEIA initiatives in their own offices. The Inspector General also noted that the CIGIE DEIA Committee was in the process of finalizing its first update to the Roadmap, providing additional information, resources, tools, and action steps to help OIGs take a more proactive approach to incorporating DEIA into their operations and work products. She shared that the updated Roadmap would include new "routes" and information related to equity, accessibility, and safe and harassment-free workplaces. The Inspector General also highlighted work specific to the OIG, noting that the OIG included goals specific to accessibility in its FY 2023–2028 Organizational Strategic Plan as well as in its FY 2023–2028 DEIA Strategic Plan, and that we share our progress in meeting those goals in our annual performance results reports and our DEIA annual progress reports. She also shared an example of our work involving an accessibility-related issue -- our report on OCR's processing of web accessibility complaints (summarized previously in this report). The Inspector General's full written testimony is available [here](#) on our website.

### Eye on ED Podcast—Student Loan Scams

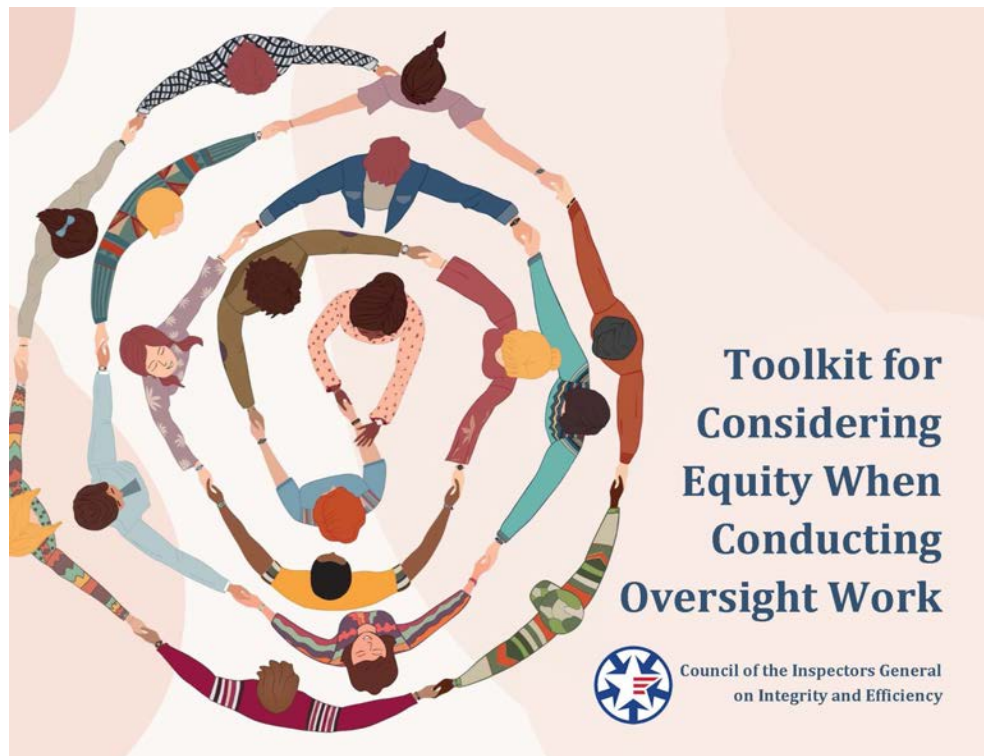
During this reporting period, the OIG released two new episodes in its Eye on ED podcast series, one in English and one in Spanish, on student loan schemes and scams. The podcasts share information on how to spot student loan scams, how to avoid them, and what to do if you think you've been a victim of one. The English language podcast features the OIG's Assistant Inspector General for Investigation Services, and the Spanish-language podcast features an OIG Special Agent. The podcasts also highlighted infographics and other materials the OIG has created



informing the public on how to protect themselves from student loan scams. The OIG's Eye on ED podcasts are written, recorded, and produced by OIG staff. You can find the podcasts [here](#) on our website.

## 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 Committee. During this reporting period, to support the CIGIE's efforts to enhance recruitment and hiring of a diverse workforce, in March 2023, the CIGIE held its first-ever career fair in Washington, D.C. Hosted by the CIGIE DEIA Committee and the U.S. Department of Transportation OIG, more than 300 college students, recent college grads, and job seekers registered for the event, with 32 OIGs on-site to share information on career and internship opportunities. The team conducted in-person outreach to more than 20 colleges and universities in the D.C. area, including Howard University and Gallaudet University, and created recruitment materials that were shared with veterans, professional and alumni networks, and schools across the country. Due to the success of the event, the CIGIE will host a second career fair in November 2023. In addition, the CIGIE DEIA Committee also issued the IG community's first [Toolkit for Considering Equity When Conducting Oversight Work](#). The Toolkit provides general considerations, resources, tools, and examples of including equity in audits, investigations, evaluations, reviews, and other projects to help ensure agencies are promoting equitable access to and administration of Federal programs. A list of all CIGIE committees, subcommittees, and work groups where OIG staff serve can be found in the section below.



# 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 Committee 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 Accessibility 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 (WPC) and OIG attorneys participate in a governmentwide group of WPCs 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 governmentwide financial management and financial statement audit issues through coordination with the GAO, the Department of the Treasury, and the 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
FFEL	Federal Family Education Loan
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
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OCTAE	Office of Career, Technical, and Adult Education
ODS	Office of the Deputy Secretary
OESE	Office of Elementary and Secondary Education
OFO	Office of Finance and Operations
OIG	Office of Inspector General
OM	Office of Management
OPE	Office of Postsecondary Education
OPEPD	Office of Planning, Evaluation and Policy Development
OS	Office of the Secretary
OSDFS	Office of Safe and Drug Free Schools
OSEP	Office of Special Education Programs
OSERS	Office of Special Education and Rehabilitative Services
Recs	Recommendations
SAR	Semiannual Report to Congress
Title I	Grants to local educational agencies through State educational agencies funded under Title I of the Elementary and Secondary Education Act of 1965, as amended by Every Student Succeeds Act
Title IV	Federal student aid programs funded under Title IV of the HEA

## 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.

**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 present summary tables and tables containing statistical and other data as required by the IG Act, as amended, and other statutes.

Section of the IG Act	Requirement	Table Number	Page Number
-	Statistical Summary of Audit-Related Accomplishments	1	38
-	Statistical Summary of Investigation-Related Accomplishments	2	39
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies Related to the Administration of Programs and Operations	Nothing to Report	-
Section 5(a)(2)	Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed, Including Potential Cost Savings Associated with the Recommendations	5	44
Section 5(a)(3)	Summary of Significant Investigations Closed During the Reporting Period (October 1, 2022, through March 31, 2023)	6	46
Section 5(a)(4)	Total Number of Convictions During the Reporting Period Resulting from Investigations (October 1, 2023, through March 31, 2023)	2	39
Section 5(a)(5)	Audit and Other Reports Issued During the Reporting Period Including Questioned Costs, Better Use of Funds, and Whether a Management Decision Had Been Made by the End of the Reporting Period (October 1, 2022, through March 31, 2023)	3	41
Section 5(a)(6)	Management Decisions on Audit or Other Reports and Products Issued Prior to the Reporting Period (Prior to October 1, 2022)	4	43
Section 5(a)(7)	Unmet Intermediate Target Dates Established by the Department Under the Federal Financial Management Improvement Act of 1996	Nothing to Report	-
Section 5(a)(8)	Peer Review Results - Reviews of OIG Operations Completed During the Reporting Period	Nothing to Report	-
Section 5(a)(9)	Peer Review Results - Recommendations from Previously Issued Peer Reviews that the OIG Has Not Yet Implemented	Nothing to Report	-
Section 5(a)(10)	Peer Review Results - Reviews of other Offices of Inspector General Completed by the OIG During the Reporting Period	7	47
Section 5(a)(11)	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	39
Section 5(a)(12)	Description of the Metrics Used for Developing the Investigative Data for the Statistical Tables	2	39
Section 5(a)(13)	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	-
Section 5(a)(14)	Description of Instances of Whistleblower Retaliation	Nothing to Report	-
Section 5(a)(15)	Description of Attempt by Agency to Interfere with OIG Independence	Nothing to Report	-
Section 5(a)(16)	Description of Audits, Inspections, Other Reports and Investigations Closed but Not Disclosed to the Public	Nothing to Report	-
Section 122(e) Trafficking Victims Protection Act	Report on the number of suspected violations of the law reported, number of investigations, outcomes of those investigations, and recommended actions to improve programs and operations related thereto.	Nothing to Report	-

**Table I. Statistical Summary of Audit and Other Report Accomplishments (October 1, 2022, through September 30, 2023)**

Accomplishment	SAR 86 October 1, 2022– March 31, 2023	SAR 87 April 1, 2023– September 30, 2023	FY 2023 Total
Audit Reports Issued	4	7	11
Inspection Reports Issued	2	2	4
Other Products Issued	0	3	3
Questioned Costs (including Unsupported Costs)	\$2,749,445	\$29,900	\$2,779,345
Value of Recommendations for Better Use of Funds	\$0	\$0	\$0



**Table 2. Statistical Summary of Investigative Accomplishments  
(October 1, 2022, through September 30, 2023)**

Accomplishment	Description of the Metric	SAR 86 October 1, 2022– March 31, 2023	SAR 87 April 1, 2023– September 30, 2023	FY 2023 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.	28	18	46
Investigative Cases Closed	Number of investigations that were closed during the reporting period.	32	34	66
Cases Active at the End of the Reporting Period	Number of investigations not closed prior to the end of the reporting period.	186	169	169
Investigative Reports Issued	Number of Reports of Investigation issued during the reporting period.	38	36	74
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.	1 Criminal	1 Criminal	2 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.	35 Criminal*	10 Criminal	45 Criminal
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.	16*	5	21
Convictions/Pleas	Number of criminal convictions, pleas of guilty or nolo contendere, or acceptance of pretrial diversions that occurred during the reporting period.	17*	8	25
Fines Ordered	Sum of all fines ordered during the reporting period.	\$3,600*	\$106,400	\$110,000
Restitution Payments Ordered	Sum of all restitution ordered during the reporting period.	\$31,551,511*	\$6,648,348	\$38,199,859
Civil Settlements/Judgments (number)	Number of civil settlements completed or judgments ordered during the reporting period.	\$0	\$0	\$0
Civil Settlements/Judgments (amount)	Sum of all completed settlements or judgments ordered during the reporting period.	\$0	\$0	\$0
Recoveries	Sum of all administrative recoveries ordered by the Department or voluntary repayments made during the reporting period.	\$1,915,229	-	\$1,915,229
Forfeitures/Seizures	Sum of all forfeitures/seizures ordered during the reporting period.	\$6,860,119*	\$161,156	\$7,021,275

Accomplishment	Description of the Metric	SAR 86 October 1, 2022– March 31, 2023	SAR 87 April 1, 2023– September 30, 2023	FY 2023 Total
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.	\$1,846,960	\$0	\$1,846,960
Suspension and/or Debarment Referrals	Number of referrals to the Department during the reporting period for suspension or debarment.	1	1	2

\* Adjustments to SAR 86 reflect data on investigative cases that became available following the close of the reporting period.

### Table 3. Audit and Other Reports Issued on Department Programs and Activities Including Questioned Costs, Better Use of Funds, and Whether a Management Decision Had Been Made by the End of the Reporting Period (April 1, 2023, through September 30, 2023)

Table includes Department office with responsibility for the report, questioned costs, unsupported costs, better use of funds, and resolution status 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, Date Issued, and Status	Questioned Costs	Unsupported Costs	Better Use of Funds	Number of Recs
FSA	<a href="#">Audit</a> <a href="#">A21CA0077</a>	Federal Student Aid's Processes for Waiving Return of Title IV Requirements, Cancelling Borrowers' Obligation to Repay Direct Loans, and Excluding Pell Grants from Federal Pell Lifetime Usage  Issued: May 5, 2023 Status: Closed	\$0	\$0	\$0	0
FSA	<a href="#">Flash</a> <a href="#">F21DC0081</a>	Federal Student Aid's Use of Pandemic Assistance Student Aid Administration Funds  Issued: August 1, 2023 Status: Closed	\$0	\$0	\$0	0
FSA	<a href="#">Inspection</a> <a href="#">I22NY0092</a>	FSA's Outreach to Individuals in Underserved Communities  Issued: August 10, 2023 Status: Unresolved	\$0	\$0	\$0	4
FSA	<a href="#">Audit</a> <a href="#">A20IL0007</a>	University of Southern California's Use of Professional Judgment  Issued: August 24, 2023 Status: Open	\$29,900	\$29,900	\$0	6
FSA	<a href="#">Audit</a> <a href="#">A22NY0090</a>	U.S. Department of Education's Oversight and Reporting of Proprietary Institutions' 90/10 Revenue Information  Issued: August 31, 2023 Status: Unresolved	\$0	\$0	\$0	3
OCIO	<a href="#">Audit</a> <a href="#">A23IT0118</a>	The U. S. Department of Education's Federal Information Security Modernization Act of 2014 Report for Fiscal Year 2023  Issued: September 8, 2023 Status: Unresolved	\$0	\$0	\$0	6
OCR	<a href="#">Flash</a> <a href="#">F21DC0043</a>	The Office for Civil Rights' Processing of Web Accessibility Complaints  Issued: June 13, 2023 Status: Resolved	\$0	\$0	\$0	2

## 52 Office of Inspector General Semiannual Report

Office	Report Type and Number	Report Title, Date Issued, and Status	Questioned Costs	Unsupported Costs	Better Use of Funds	Number of Recs
OESE	<a href="#">Flash F20US0030</a>	Local Educational Agencies' Uses of Elementary and Secondary School Emergency Relief Funds for Technology  Issued: June 7, 2023 Status: Closed	\$0	\$0	\$0	0
OESE	<a href="#">Audit A18IL0009</a>	The U.S. Department of Education's Processes for Overseeing Charter Management Organizations for the Replication and Expansion of High-Quality Charter Schools  Issued: August 3, 2023 Status: Unresolved	\$0	\$0	\$0	3
OESE	<a href="#">Audit A22US0094</a>	Washington's Oversight of Local Educational Agency ARP ESSER Plans and Spending  Issued: September 20, 2023 Status: Open	\$0	\$0	\$0	3
OFO/FSA	<a href="#">Audit A23NY0119</a>	U.S. Department of Education's Compliance with Payment Integrity Information Reporting Requirements for Fiscal Year 2022  Issued: July 20, 2023 Status: Resolved	\$0	\$0	\$0	5
OSERS	<a href="#">Inspection I22NY0084</a>	Implementation of the Significant Disproportionality in the Individuals With Disabilities Education Act Final Regulations  Issued: May 8, 2023 Status: Resolved	\$0	\$0	\$0	2
<b>Total</b>	<b>12</b>	<b>-</b>	<b>\$29,900</b>	<b>\$29,900</b>	<b>\$0</b>	<b>34</b>



## Table 4. Audit and Other Reports Described in Previous Semiannual Reports and Resolved During the Reporting Period

Table includes the Department office responsible for the report, number of recommendations, and the value of the potential cost savings.

Office	Report Type and Number	Report Title	Number of Recs	Value of Potential Cost Savings
FSA	<a href="#">Audit A20GA0035</a>	Federal Student Aid's Transition to the Next Generation Loan Servicing Environment	2	\$0
OFO	<a href="#">Audit A20NY0040</a>	Gulf Coast State College's Use of 2019 Emergency Assistance to Institutions of Higher Education Program Funds	2	\$1,800,000
<b>Total</b>	<b>2</b>	-	<b>4</b>	<b>\$1,800,000</b>

## Table 5. Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed, Including Potential Cost savings Associated with the Recommendations

Table includes the Department office responsible for the report, link to the report, number of open recommendations, and the value of the potential cost savings. The Department commented on all reports within 60 days of issuance.

Office	Report Type and Number	Report Title	Number of Open Recs	Value of Potential Cost Savings
FSA	<a href="#">Audit A19R0003</a>	Federal Student Aid's Contractor Personnel Security Clearance Process	1	\$0
FSA	<a href="#">Inspection I06S0001</a>	Federal Student Aid Controls Over the School Verification Process	3	\$0
FSA	<a href="#">Audit A21FS0022</a>	Final Independent Auditors' Report of Federal Student Aid's Financial Statements for Fiscal Years 2021 and 2020	0	\$0
FSA	<a href="#">Inspection I22DC0054</a>	The Department's Compliance with Experimental Sites Initiative Reporting Requirements	2	\$0
FSA	<a href="#">Audit A03I0006</a>	Special Allowance Payments to Sallie Mae's Subsidiary, Nellie Mae, for Loans Funded by Tax-Exempt Obligations	3	\$22,378,905
FSA	<a href="#">Audit A20IL0001</a>	National Aviation Academy of Tampa Bay's Use of Professional Judgment	3	\$115,776
FSA	<a href="#">Audit A20IL0005</a>	Bais HaMedrash and Mesivta of Baltimore's Use of Professional Judgment	3	\$236,235
OCIO	<a href="#">Audit A11T0002</a>	The U.S. Department of Education's Federal Information Security Modernization Act of 2014 Report For Fiscal Year 2019	1	\$0
OCIO	<a href="#">Audit A11U0001</a>	The U.S. Department of Education's Federal Information Security Modernization Act of 2014 Report For Fiscal Year 2020	1	\$0
OCIO	<a href="#">Inspection I22IT0066</a>	The U.S. Department of Education's Federal Information Security Modernization Act of 2014, For Fiscal Year 2022	1	\$0
OCTAE	<a href="#">Audit A04O0004</a>	Puerto Rico Department of Education's Reliability of Program Performance Data and Use of Adult Education Program Funds	9	\$97,481
OESE	<a href="#">Audit A05S0001</a>	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	3	\$0
OESE	<a href="#">Flash F19GA0027</a>	Puerto Rico Department of Education's Unallowable Use of Temporary Emergency Impact Aid for Displaced Students Program Funds for Payroll Activities	2	\$0
OESE	<a href="#">Audit A19DC0004</a>	The Department's Oversight of the Student Support and Academic Enrichment Program	7	\$0
OESE	<a href="#">Audit A21IL0034</a>	Effectiveness of Charter School Programs in Increasing the Number of Charter Schools	3	\$0
OESE	<a href="#">Audit A05Q0003</a>	Harvey Public School District 152: Status of Corrective Actions on Previously Reported Title I-Relevant Control Weaknesses	5	\$0
OESE	<a href="#">Audit A06R0004</a>	Calculating and Reporting Graduation Rates in Utah	7	\$0

Office	Report Type and Number	Report Title	Number of Open Recs	Value of Potential Cost Savings
OESE	<a href="#">Audit A02T0006</a>	Florida Department of Education's Administration of the Temporary Emergency Impact Aid for Displaced Student Program	7	\$7,621,191
OESE	<a href="#">Audit A20GA0018</a>	Missouri's Administration of the Governor's Emergency Education Relief Fund Grant	3	\$0
OFO	<a href="#">Audit A21FS0021</a>	Final Independent Auditors' Report of the U.S. Department of Education's Financial Statements for Fiscal Years 2021 and 2020	0	\$0
OFO/FSA	<a href="#">Audit A22GA0050</a>	U.S. Department of Education's Compliance with Improper Payment Reporting Requirements for FY 2021	1	\$0
OFO	<a href="#">Audit A05D0017</a>	University of Illinois at Chicago's Gaining Early Awareness and Readiness for Undergraduate Programs Project	4	\$1,018,212
OPEPD	<a href="#">Audit A09R0008</a>	Office of the Chief Privacy Officer's Processing of Family Educational Rights and Privacy Act Complaints	2	\$0
<b>TOTAL</b>	-	-	<b>71</b>	<b>\$31,467,800</b>

## Table 6. Summaries of Significant Investigations Closed April 1, 2023–September 30, 2023

The following are significant OIG investigations that were closed during the reporting period. The OIG defines significant as an investigation that involves one or more of the following: (1) at least \$1 million in Federal funds; (2) resulted in a prison sentence of at least 10 years; (3) involves a Department employee, contractor, or subcontractor or (4) involves public corruption involving a school official or employee, grantee, subgrantee, public official, or other person in a position of public trust.

Case	Subject	Summary
\$3 Million Fraud Ringleader (California)	Student Aid Fraud	<a href="#">SAR 85</a> , page 26
Former Apex School of Theology Officials (Georgia)	Student Aid Fraud	<a href="#">SAR 86</a> , page 17
Orchestrator of Multiple Fraud Schemes, Totaling \$3 Million (Hawaii)	Student Aid Fraud (among Federal programs defrauded)	<a href="#">SAR 86</a> , page 22
Former Life Line Champaign Officer (Illinois)	Student Aid Fraud	<a href="#">SAR 86</a> , page 23; This SAR page 22
Former Financial Aid Advisor Leader of \$5 Million Fraud Scheme (Maryland)	Student Aid Fraud	This SAR, page 20
Former Diocese of Columbus Schools Official, and Executive Director of Internet Service Provider (Ohio)	K–12, E-Rate Fraud	<a href="#">SAR 80</a> , page 26
Former Temple Fox School of Business Dean (Pennsylvania)	Higher Ed Fraud	<a href="#">SAR 84</a> , page 19; <a href="#">SAR 85</a> , page 25
Former Reynolds Community College Financial Aid Director (Virginia)	Student Aid Fraud	<a href="#">SAR 84</a> , page 19; <a href="#">SAR 85</a> , page 24
FSA Information Systems Employee (Washington, D.C.)	Violation of Department Cybersecurity Policy	<a href="#">SAR 86</a> , page 55
Executives of DC Children and Youth Investment Trust Corporation (Washington, D.C.)	K–12 Fraud	<a href="#">SAR 86</a> , page 29; This SAR, page 29



## Table 7. Peer Review

### OIG Peer Review of DHS OIG Inspection and Evaluation Function

During this reporting period, we completed a peer review of the U.S. Department of Homeland Security Office of Inspector General's (DHS OIG) inspection and evaluation function for the period ended March 31, 2023. We determined that DHS OIG's policies and procedures generally were consistent with all seven Blue Book standards addressed in the external peer review. Additionally, all five reviewed reports generally complied with the Blue Book standards and DHS OIG's policies and procedures. There were no outstanding recommendations from prior peer reviews. We issued the report on August 31, 2023.

## Acronyms and Abbreviations

APR	annual performance report
ARP	American Rescue Plan
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CMO	charter management organization
COVID-19	coronavirus disease 2019
CPM	Case Processing Manual
CPR	Consolidated Program Review
CSP	Charter School Program
DEIA	Diversity, Equity, Inclusion, and Accessibility
Department	U.S. Department of Education
ESSER	Elementary and Secondary School Emergency Relief
FISMA	Federal Information Security Modernization Act of 2014
FSA	Federal Student Aid
GAO	Government Accountability Office
HEA	Higher Education Act of 1965, as amended
IDEA	Individuals with Disabilities Education Act
IG Act	Inspector General Act of 1978
LEA	local educational agency
OCR	Office for Civil Rights
OESE	Office of Elementary and Secondary Education
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPE	Office of Postsecondary Education
OSEP	Office of Special Education Programs
Pell	Federal Pell grant
PIIA	Payment Integrity Information Act of 2019
PRAC	Pandemic Response Accountability Committee
R2T4	return of Title IV
SEA	State educational agency
SEAD	Office of Student Experience and Aid Delivery
SSA	Social Security Administration
Title IV	Title IV of the Higher Education Act of 1965
WPC	Whistleblower Protection Coordinator

### FY 2024 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 2024.

- Implementing Pandemic Relief Laws for Elementary and Secondary Education
- Implementing Pandemic Relief Laws for Higher Education
- Oversight and Monitoring of Student Financial Assistance Programs
- Oversight and Monitoring of Grantees
- Data Quality and Reporting
- Improper Payments
- Information Technology Security

For a copy of our Management Challenges reports, visit our web site at [oig.ed.gov](https://oig.ed.gov).

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

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