
OVERSIGHT PLAN
AMERICAN RECOVERY AND REINVESTMENT
ACT OF 2009

OFFICE OF INSPECTOR GENERAL



National Aeronautics and
Space Administration

Background

NASA

NASA's mission is to pioneer the future in space exploration, scientific discovery, and aeronautics research. NASA has accomplished many great scientific and technological feats in air, in space, and on Earth. The technology developed by NASA, has also been adapted for many non-aerospace uses by the private sector. NASA is a leading force in scientific research and in stimulating public interest in aerospace exploration, science and technology in general. Work at NASA is conducted through four principle organizations called mission directorates:

- **Aeronautics** pioneers and tests new flight technologies that improve our ability to explore and that have practical applications on Earth.
- **Exploration Systems** creates new capabilities and spacecraft for affordable, sustainable exploration by humans and robots.
- **Science** explores the Earth, moon, Mars, and beyond; charts the best route of discovery; and reaps the benefits of Earth and space exploration for society.
- **Space Operations** provides critical enabling technologies for much of the rest of NASA through the space shuttle, the International Space Station, and flight support.

NASA Office of Inspector General

The Inspector General Act of 1978 created independent Federal audit and investigative units called Offices of Inspector General (OIGs) at 63 Federal agencies, including NASA. In accordance with the Inspector General Act, NASA OIG

- conducts objective oversight of NASA programs and operations through audits and investigations relating to Agency programs and operations;
- promotes economy and efficiency within the Agency;
- prevents and detects fraud, waste, and abuse in Agency programs and operations; and
- independently reports to the Administrator, Congress, and the public to further NASA's accomplishment of its mission.

NASA OIG is composed of four offices: Audits, Investigations, Counsel, and Management and Planning. Each office has responsibilities related to implementing and furthering the OIG mission, as described below:

- The **Office of Audits** conducts independent and objective audits, reviews, and other examinations of NASA projects, programs, operations, and contractor activities to improve their economy, efficiency, and effectiveness and to identify waste and mismanagement. In addition, the office oversees the work of the

independent public accountant that audits NASA's fiscal year financial statements.

- The **Office of Investigations** investigates allegations of crime, including cyber-crime; fraud; abuse, and misconduct having an impact on NASA programs, operations, and resources. Findings are referred to either the Department of Justice for prosecution or to NASA management for action. Through its investigations, the office identifies crime indicators and recommends effective measures designed to help NASA management reduce NASA's vulnerability to criminal activity.
- The **Office of Counsel** provides advice and assistance on legal matters to OIG senior management, auditors, and investigators, and serves as counsel in administrative litigation in which the OIG is a party or has a substantial interest. The legal staff reviews legislation, regulations, Freedom of Information Act requests, and congressional matters that require OIG attention and assists the Department of Justice in litigation in which the OIG participates as part of the prosecution or civil team or as a witness or defendant.
- The **Office of Management and Planning** provides financial, procurement, human resources, administrative, and information technology services to OIG staff. The office ensures state-of-the-art systems capabilities for the OIG, advises the Inspector General and OIG senior management on budget issues and human resources staffing matters, directs OIG internal management and support operations, and oversees development of and adherence to management policies and procedures.

The Recovery Act

The purpose of the American Recovery and Reinvestment Act of 2009 is to promote economic recovery, create or save jobs, spur technological advances in science and health, and invest in infrastructure that will provide long-term benefits to all Americans. NASA, as a recipient of Recovery Act funds, has an important role to play in ensuring that the Act achieves its goals and will do so through program and facilities investments. NASA was appropriated \$1 billion of Recovery Act funding and distributed it as follows:

- Science – \$400,000,000 to accelerate Earth science/climate research missions and to increase NASA's supercomputing capabilities.
- Aeronautics – \$150,000,000 for system-level research, development, and demonstration activities related to aviation safety, environmental impact mitigation, and the Next Generation Air Transportation System.
- Exploration – \$400,000,000 to develop human and robotic exploration.
- Cross-Agency Support - \$50,000,000 to restore NASA-owned facilities damaged by natural disasters in 2008.

The OIG was appropriated \$2 million, available through FY 2013, to use in conducting oversight of the \$1 billion in Recovery Act funding NASA received.

Oversight Objectives

NASA OIG has established a Recovery Act Oversight Team to provide real-time monitoring of NASA's implementation of the Act and the requirements of the Office of Management and Budget's (OMB) implementing guidance. Specifically, we will:

1. monitor NASA's compliance with the accountability and transparency provisions of the Recovery Act and OMB's implementing guidance;
2. review NASA's processes for controlling Recovery Act Funds and awarding grants and contracts;
3. assess and identify risks associated with NASA programs and projects receiving Recovery Act funding and communicate the results to Agency officials for their use in mitigating fraud, waste, abuse, and mismanagement; and
4. review all programs and projects funded under the Recovery Act to assess cost, schedule, performance, and compliance with requirements of the Recovery Act and OMB's implementing guidance.

NASA OIG's work related to the Recovery Act will be performed in two phases:

Phase I – Current and short-term actions: immediately address OMB's oversight requirements for reviewing the Agency's planning, implementation, and administration of the Recovery Act.

Phase II – Ongoing and planned long-term actions: conduct audits, reviews, investigations, and other oversight actions to assess the Agency's compliance with the goals and objectives set forth in the Recovery Act Program Plans.

Audit Program

Our efforts will be coordinated with the Federal Recovery Act Accountability and Transparency Board, the Government Accountability Office, and NASA's Senior Accountability Official. The Recovery Act implementation guidance identifies critical accountability requirements. Our audit work includes determining whether NASA is meeting the following accountability objectives:

1. Funds are awarded and distributed in a prompt, fair, and reasonable manner.
2. The recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner.
3. Funds are used for authorized purposes, and instances of fraud, waste, abuse, and mismanagement are mitigated.

4. Projects funded under this Act avoid unnecessary delays and cost overruns.
5. Program goals are achieved, including specific program milestones and outcomes.

Audit Phase I

1. Monitor NASA's compliance with the accountability and transparency provisions of the Recovery Act and with OMB's Planning and Reporting requirements by ensuring that NASA:
 - a. establishes a Recovery Act Web site and posts all major communications, funding notifications, and other relevant information in a timely manner with the required level of detail;
 - b. transmits financial reports to OMB and Recovery.gov by the specified due dates, with the required level of detail;
 - c. posts award transaction data reports on USASpending.gov for contracts, grants, cooperative agreements, and other funding vehicles in a timely manner with the required level of detail.
2. Evaluate whether NASA is separately identifying and accounting for Recovery Act funds within its internal financial systems. Specifically, we will:
 - a. review NASA cost reports for Recovery Act funds on a sample basis for accuracy, completeness, consistency and compliance with OMB guidance;
 - b. determine whether Recovery Act funds are being used to pay fixed and administrative support costs for projects and programs which have previously been funded by Congress; and
 - c. determine whether adequate internal controls are in place for segregating, accumulating, accounting for and reporting Recovery Act funds.
3. Identify and assess NASA's risk management process for programs receiving Recovery Act funds. This includes:
 - a. summarizing past audits and investigations that identified vulnerabilities in NASA's financial management system or oversight of grants and contracts, or any issues related to programs receiving Recovery Act funds;
 - b. validating that NASA is performing risk assessments on programs receiving Recovery Act funds while focusing on items that may negatively impact achievement of Recovery Act goals;
 - c. ensuring that NASA is identifying, prioritizing, and mitigating program-specific risks as well as Agency-specific risks; and
 - d. verifying that NASA has developed a plan for ongoing monitoring and assessing risk throughout the Recovery Act life cycle.
4. Determine whether NASA's grant or contract awards using Recovery Act funds comply with OMB guidance. This includes ensuring that:

- a. funding opportunity announcements are posted to Grants.gov;
- b. award notifications and funding opportunity announcements provide information on Recovery Act-specific reporting requirements;
- c. proper justification exists for the type of contract awarded, which aligns the contract objectives with Recovery Act goals;
- d. Recovery Act funds are separately monitored and tracked;
- e. contracts and grants are awarded in a timely manner;
- f. a monitoring program is developed that provides additional oversight for grants and firm-fixed-price contracts with appropriate oversight at critical decision points;
- g. contracts and grants are defined so that meaningful and measurable outcomes are consistent with NASA's Recovery Act goals; and
- h. internal controls are implemented to mitigate cost, schedule and performance risk.

Audit Phase II

1. Design audits, reviews, inspections, and evaluations specifically to determine whether NASA's programs and projects receiving Recovery Act funds are executed in compliance with the Recovery Act and OMB's guidance. This includes:
 - a. assessing NASA's readiness, priorities, and plans for investing in "shovel-ready" projects;
 - b. reviewing Recovery Act Program Plans to ensure that the objectives and goals of the programs align with NASA's as well as with the overarching goals of the Recovery Act; and
 - c. ensuring that NASA is using Recovery Act funds for authorized purposes and that instances of fraud, waste, abuse, and mismanagement are mitigated.
2. Determine through the audits, reviews, inspections, and evaluations whether the programs and projects using Recovery Act funds are meeting cost, schedule and performance criteria. Specifically, we will assess whether:
 - a. the projects' outputs, outcomes, and milestones are clear, measurable, and achieved;
 - b. roadblocks and external risk factors are properly considered and steps are taken early in the project's life cycle to mitigate their influence on project goals and outcomes;
 - c. interim internal and external reviews are sufficient and corrective actions are implemented promptly to address any deficiencies;
 - d. project goals are completed within schedule and cost estimates; and

- e. performance measures and project results are properly evaluated.

Investigative Program

We will promptly investigate any allegations of gross mismanagement, fraud, waste, abuse, or any other concerns raised about specific investments using Recovery Act funding. Our objective is to ensure the integrity of NASA's programs funded by the Recovery Act. Specifically investigative work will be performed to prevent fraud, waste, and abuse in NASA programs receiving Recovery Act funding by:

1. promptly investigating identified instances of potential fraud and eliminating program weaknesses discovered during the course of investigations;
2. implementing an effective and efficient investigation program to respond to whistleblower allegations;
3. promptly investigating allegations of retaliation against whistleblowers, as required by the Recovery Act;
4. working with the U.S. Attorney's Offices and State Attorney General's Offices to prosecute violators and seek asset forfeiture where warranted; and
5. seeking Agency administrative remedies, including suspension and debarment, where appropriate.

We will undertake multiple activities in two phases to both identify fraud as it occurs and expedite, to the extent possible, investigation and prosecution of that fraud.

Investigations Phase I

1. Work with NASA's Acquisition Integrity Program to provide fraud awareness training to all NASA staff. Training will include a focus on the Recovery Act's mandates and protections as well as more generalized training on fraud indicators, reporting requirements, and whistleblower protections.
2. Verify whether specific individual or business activities identified as potentially fraudulent during audit work are actually fraudulent and warrant additional investigation.
3. Participate on various task forces, such as the National Procurement Fraud Task Force, Grant Fraud Task Force, and regional procurement fraud task forces to identify fraud and work collaboratively with other Federal and state investigators and prosecutors to eliminate it.
4. Continue our close liaison with all of NASA's Field Centers, Mission Directorates, and with the Acquisition Integrity Program to identify potentially fraudulent activities. We will coordinate with the Agency on any remedial actions taken as a result of, or during the course of, any investigations conducted by this office.
5. Monitor the OIG Hotline (phones, mail, and Internet) as a source of information identifying fraud related to Recovery Act funds. We will modify our tracking

system to allow us to separately identify, track, and report on complaints related to Recovery Act funding as well as possible whistleblower complaints from non-Federal employees alleging reprisal under the Recovery Act's expanded authority.

- a. The investigative information system is being modified to enable us to separately track Recovery Act cases as well as whistleblower complaints related to Recovery Act funds.
- b. We will monitor the NASA Recovery Act Web page to ensure that NASA includes a link from that page to the OIG Hotline so complainants can easily file complaints related to Recovery Act funding.
- c. Update/enhance our investigative information system to allow us to
 - ii. swiftly and efficiently document Recovery Act complaints received,
 - iii. disseminate the complaints for active investigation,
 - iv. include an automated tickler system to ensure the time requirements for whistleblower reprisal complaints are met,
 - v. prepare electronic investigative reports to facilitate distribution as required by the Recovery Act, and
 - vi. provide a means to routinely report our Hotline activities as required by the Recovery Act.

Investigations Phase II

1. Assess Hotline and other complaints received, the results of our proactive initiatives, and any potential fraud identified in our audit reports and, as appropriate, open criminal investigations of NASA programs allegedly misusing Recovery Act funding. Investigative experience suggests that our initial work will concentrate on allegations involving kickbacks, conflicts of interest, and violations of the Procurement Integrity Act.
2. Ensure action is taken in response to our completed investigations to include, as appropriate, criminal and/or civil prosecution, asset forfeiture, and Agency administrative sanctions to include suspension and debarments.