

The background of the slide is a close-up, slightly blurred image of the American flag, showing the stars and stripes in red, white, and blue. The text is overlaid on this background.

The Lay of the Land:

Reports from the CIGIE

Suspension & Debarment

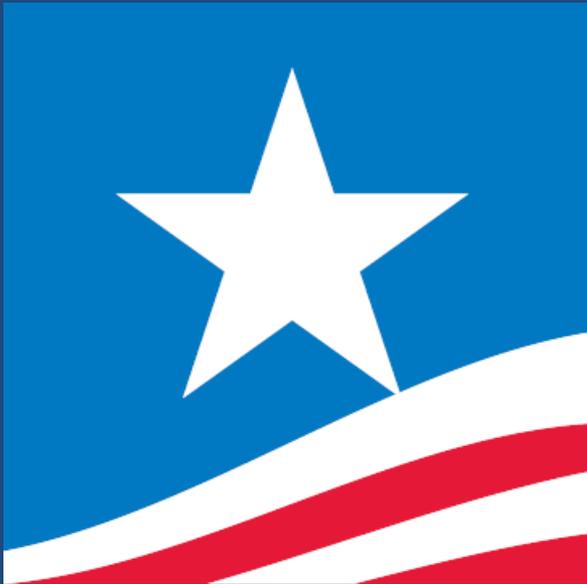
Working Group

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Alternate “Catchy” Title:

*THE GREATEST
STORY EVER
TOLD!*

CIGIE S/D Working Group



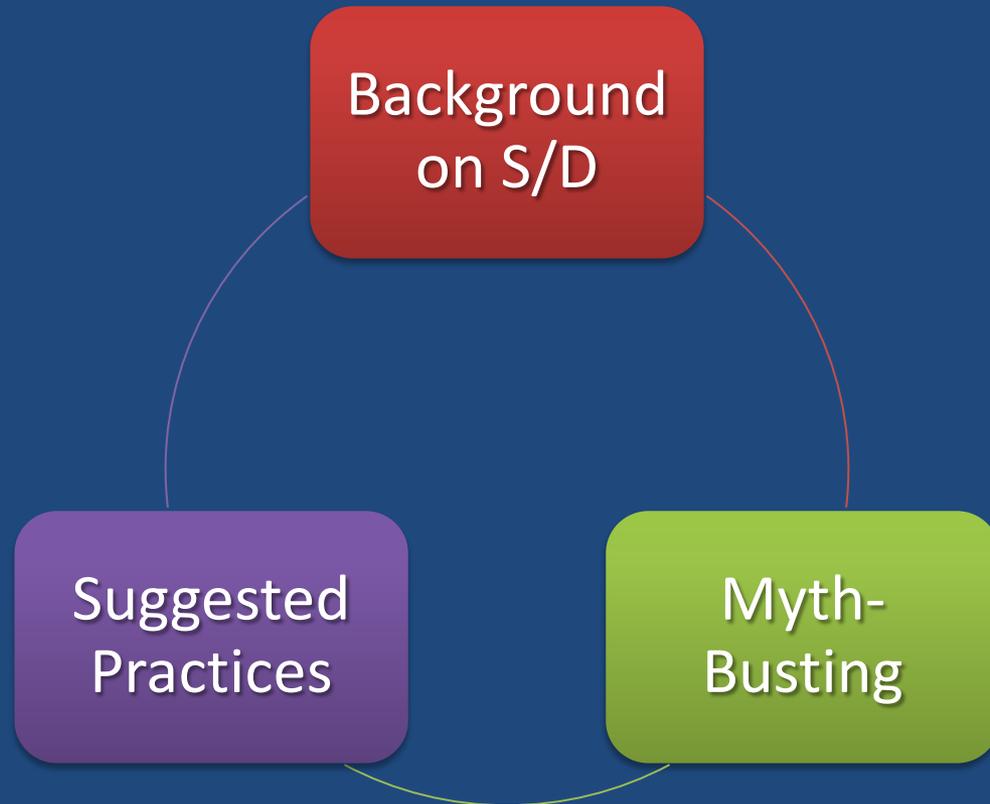
- Formed under CIGIE's Investigations Committee; also part of DOJ Financial Fraud Enforcement Task Force
- Second S/D conference to date
- Two S/D surveys:
 1. Report #1: OIGs' use of S/D
 2. Report #2 (survey summary): S/D by ARRA agencies

Report #1:

Don't Let the Toolbox Rust:

Observations on Suspension and Debarment,
Debunking Myths, and Suggested Practices
for Offices of Inspectors General

Three Sections



Background on S/D

BOTH:

- Originate from Executive Order 12549 (1986)
- Have non-punitive purpose: to protect the public interest by ensuring the federal government only does business with responsible persons or entities.
- Bar irresponsible parties from entering into new business with the entire federal government, but current business is not affected.
- Are temporary findings of ineligibility – suspensions generally limited to 12 months or completion of debarment, debarments 1-3 years.

Selected Grounds

- Commission of fraud or other offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction
- Embezzlement, theft, forgery, bribery, falsification or destruction of records, false statements, false claims, tax evasion, receiving stolen property, or obstruction of justice
- Any other offense indicating lack of business integrity or honesty that seriously affects present responsibility
- Violation of agreement's terms so serious as to affect program integrity:
 - (1) willful failure to perform in accordance with agreement's terms;
 - (2) history of failure to perform or unsatisfactory performance;
 - (3) willful violation of applicable statute or regulation
- Knowingly doing business with an ineligible person
- Failure to pay substantial non-tax debts owed to the federal government

Myth-Busting

Contemporaneous Activities & Proceedings

- **MYTH: S/D always interferes.**
- Reality: Not necessarily.

Fact-Based Actions

- **MYTH: S/D requires judicial findings.**
- Reality: Not true.

Referrals from Non-Investigative Activities

- **MYTH: No S/D without investigations.**
- Reality: Audits & inspections can also work.

Suggested Practices



WITHIN OIGs:

- Assign personnel to S/D
- Scour every OIG report
- Enhance S/D referral practices
- Develop strong S/D policies
- Leverage the Semiannual Report

Suggested Practices (cont.)

OUTSIDE OF OIGs:

- Audit/review agency S/D programs
- More outreach to relevant communities
- Increase and improve S/D training opportunities



Report #2:

Suspension & Debarment ARRA Funding Agencies

The Survey

- Designed to gather basic data about suspension and debarment use/practices among the 28 ARRA-funding agencies.
- 18 of the 28 ARRA-funding agencies responded.



Survey Results

1 agency has pursued S/D against an ARRA funding recipient related to the recipient's handling of an ARRA award.

1/3 have taken remedial action (e.g., award terminations), though no remedies were government-wide.

Half of respondents have provided S/D training to ARRA staff.

38% have mentioned S/D to ARRA funding recipients.

3 (13%) received ARRA-related S/D referrals from their OIG.

Take-Aways

- There is room for greater consideration of S/D, where appropriate.
- Need for government-wide remedies in ARRA context is not likely to go away soon.
- Effective use of S/D is important in age of heightened accountability.
- We don't have money to waste.

Report Fraud, Waste & Abuse

NSF-OIG

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Arlington, VA 22230
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FHFA-OIG

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FAX: 202-408-2972

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Office of Inspector General
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