

# ANNUAL PERFORMANCE REPORT

Office of Inspector General

*Fiscal Year 2015*





# Annual Performance Report

## INTRODUCTION

The work of the Office of Inspector General (OIG) is important to the Department's success in fulfilling its Strategic Plan to address the Secretary's mission priorities, management challenges, and mission-related goals. We must ensure that our resources and activities encompass the issues and concerns most critical to the Department.

In our Fiscal Year (FY) 2015 Annual Performance Plan, we identified goals, objectives, and measures that would help us to better execute the U.S. Department of Housing and Urban Development's (HUD's) priorities and continue to assist the Department in identifying and taking corrective action to improve areas most vulnerable to waste, fraud, and mismanagement. We described the specific projects and activities that we planned to undertake during FY 2015 to continue identifying opportunities for cost savings and operational efficiencies; focus on prevention; and to continue to return hard dollars to the Department and the U.S. Treasury. It outlined the measures and metrics we used to determine progress toward the accomplishment of our strategic goals.

This Annual Performance Report will report on the achievement of those measures and metrics. Ultimately, all these efforts result in strategic outcomes like providing recommendations that foster stronger programs, substantial financial returns or recoveries, and broad deterrence of fraud, waste, abuse, and mismanagement.

## OUR GUIDING PRINCIPLES

### MISSION

As the OIG for HUD, we remain an independent and objective organization, conducting and supervising audits, evaluations, and investigations relating to the Department's programs and operations. We promote economy, efficiency, and effectiveness in these programs and operations as we also prevent and detect fraud, abuse, and mismanagement. We are committed to keeping the HUD Secretary, Congress, and our stakeholders fully and currently informed about problems and deficiencies and the necessity for and progress of corrective action.

### VALUES

**Collaboration:** The commitment to work jointly with HUD, Congress, and our stakeholders for the benefit of all citizens.

**Accountability:** The obligation and willingness to accept responsibility and account for our actions as we hold others accountable.

**Integrity:** The firm adherence to high moral and professional standards, honesty, and fairness in all that we do. Acting with integrity is a core job responsibility for every employee.

**Stewardship:** The careful and responsible management of that which has been entrusted to our care.

**Diversity:** The promotion of high standards of equal employment opportunity for employees and job applicants at all levels so that our workforce is reflective of our Country's citizens.



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## VISION

- To promote fiscal responsibility and financial accountability in HUD programs and operations,
- To improve the execution of and accountability for grant funds,
- To strengthen the soundness of public and Indian housing programs,
- To protect the integrity of housing insurance and guarantee programs,
- To assist HUD in determining whether it is successful in achieving its goals,
- To look ahead for emerging trends or weaknesses that create risk and program inefficiencies,
- To produce innovative work products that are timely and of high quality,
- To benchmark best practices as a means to guide HUD, and
- To have a significant impact on improving the way HUD does business.

## DIVERSITY AND EQUAL OPPORTUNITY

The promotion of high standards of equal employment opportunity for employees and job applicants at all levels. OIG reaffirms its commitment to nondiscrimination in the workplace and the recruitment of qualified employees without prejudice regarding their gender, race, religion, color, national origin, sexual orientation, disability, or other classification protected by law. OIG is committed and proactive in the prevention of discrimination and ensuring freedom from retaliation for participating in the equal employment opportunity process in accordance with departmental policies and procedures.

## OUR GOALS

- Goal 1 Effectiveness:** Help the Department address its “major challenges” by being a relevant and problem-solving advisor to HUD, stakeholders and Congress.
- Goal 2 Timeliness:** Deliver relevant products that allow the Department to act on time sensitive issues.
- Goal 3 Quality:** Provide services and products that can be relied upon to address vulnerabilities, provide opportunities, and recognize positive outcomes.
- Goal 4 Impact:** Deliver services and products that can be used by recipients to make informed decisions, take appropriate actions, and improve programs.
- Goal 5 Innovation:** Develop new and better ways of conducting business to enhance our organizational performance and to support a diverse and skilled workforce.



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## FY 2015 PERFORMANCE RESULTS

Goal 1 – Effectiveness. Help the Department address its “major challenges” by being a relevant and problem-solving advisor to HUD, stakeholders and Congress.		
Performance Measure	Result	Status
<b>AUDIT</b>		
Complete between 15 and 17 audits of the Single Family program.	<b>24</b>	<b>Exceeded</b>
Complete between 26 and 30 audits of the Public and Indian Housing program.	<b>42</b>	<b>Exceeded</b>
Complete between 11 and 13 audits of the Multifamily Housing program.	<b>17</b>	<b>Exceeded</b>
Complete between 26 and 30 CPD related audits.	<b>39</b>	<b>Exceeded</b>
Complete between 8 and 11 audits of Disaster related program activities and grantees.	<b>12</b>	<b>Exceeded</b>
<b>EVALUATIONS</b>		
Complete between 10 and 15 evaluations of HUD program areas.		
Complete between 3 and 6 evaluations of Hurricane Sandy disaster activities and/or grantees.		
Evaluations staff will complete at least 2 summary reports.		
<b>INVESTIGATION</b>		
At least 80 percent of all investigative cases opened will specifically address fraud relating to the HUD’s major management challenges.	<b>100%</b>	<b>Exceeded</b>
<b>LEGAL COUNSEL</b>		
Review cases for Program Fraud Civil Remedies Act and False Claims Act potential and, if selected, process and decline or refer to the HUD Office of General Counsel for litigation within 45 days of their selection 80 to 85 percent of the time.	<b>100%</b>	<b>Exceeded</b>
If deemed appropriate for prosecution, Legal Counsel will prepare a referral on Audit/Investigations administrative or civil actions to HUD’s Office of General Counsel within 45 days of the determination of propriety 85 percent of the time.	<b>100%</b>	<b>Exceeded</b>
Coordinate with the Department of Justice (DOJ) Civil Division in its efforts to combat mortgage fraud through regularly scheduled conference calls with DOJ and HUD’s Office of Program Enforcement by acting as a liaison between OIG	<b>100%</b>	<b>Exceeded</b>



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Audit/Investigations Regions and those entities to promptly identify cases in which civil actions might be appropriate. Legal Counsel will advise Audit/Investigations of potential civil action cases within 45 days of receipt 85 percent of the time.		
<b>MANAGEMENT AND TECHNOLOGY</b>		
Implement Production Data Center server refresh to increase capacity and reduce maintenance costs by March 30, 2015.	✓	<b>Met</b>
Develop a marketing and communications plan which will deliver brochures/posters or electronic communications to all employees by June 30, 2015.	✓	<b>Met</b>
Implement an OIG internal purchase card oversight program by September 30, 2015.	✓	<b>Met</b>
Implement Release 1 of the new Core financial system and develop associated policies and procedures by June 30, 2015.	✓	<b>Met</b>
<b>Goal 2 – Timeliness. Deliver relevant products that allow the Department to act on time sensitive issues.</b>		
<b>AUDIT</b>		
A total of 90 to 105 audits will be completed within organizational time standards 70 to 75 percent of time.	<b>146</b>	<b>Exceeded</b>
<b>INVESTIGATION</b>		
Ensure that 65 to 70 percent of investigations are presented to the appropriate prosecuting authority within 12 months of the case being opened.	<b>86%</b>	<b>Exceeded</b>
<b>LEGAL COUNSEL</b>		
Review and comment upon or, if requested, prepare responsive correspondence for Office of Management and Technology within negotiated time frames 80 to 85 percent of the time.	<b>100%</b>	<b>Exceeded</b>
Review and draft proposed legislation, assist with Congressional inquiries, and media requests within negotiated timeframes 80 to 85 percent of the time.	<b>100%</b>	<b>Exceeded</b>
Review and comment upon human resource issues/matters within 40 hours of receipt of inquiries.	<b>100%</b>	<b>Exceeded</b>
<b>MANAGEMENT AND TECHNOLOGY</b>		
Ensure that the OIG is compliant with the Federal Information Security Management Act including timely quarterly and annual reporting.	✓	<b>Met</b>
Implement a Dashboard by September 30, 2015 to enhance the OIG's ability to monitor, analyze, and project resource	✓	<b>Met</b>



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utilization.		
<b>Goal 3 – Quality. Provide services and products that can be relied upon to address vulnerabilities, provide opportunities, and recognize positive outcomes.</b>		
<b>INVESTIGATIONS</b>		
Ensure 65 to 70 percent of closed cases are referred for a criminal, civil, administrative, financial result, or an approved systemic implication report is referred to HUD to effect positive regulatory or policy change.	✓	<b>Met</b>
<b>MANAGEMENT AND TECHNOLOGY</b>		
Complete an upgrade of the AutoAudit system for the Office of Audit as well as implement enhancements to the case Management Information Sub System for the Office of Investigation by September 30, 2015.	✓	<b>Met</b>
Implement an internal management review and approval process for contract invoices reviewed by Contracting Officer Representatives prior to pavement by June 30, 2015.	✓	<b>Met</b>



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**Goal 4 – Impact. Deliver services and products that can be used by recipients to make informed decisions, take appropriate actions, and improve programs.**

<b>AUDIT</b>		
Identify monetary findings of \$720 to \$900 million (15 to 18 times the portion of OIG’s budget allocated to the Office of Audit) through the identification and audit targeting of high-risk HUD program participants.	<b>\$4.6 Billion</b>	<b>Exceeded</b>
Complete between 22 and 25 civil fraud referrals.	<b>40</b>	<b>Exceeded</b>
<b>EVALUATIONS</b>		
Identify monetary findings in excess of 15 to 18 times the portion of the OIG’s budget allocated to the Office of Evaluations through the identification and audit targeting of high-risk HUD program participants.		
Complete 1 to 3 civil fraud referrals.		
<b>INVESTIGATION</b>		
Ensure that 65 to 70 percent of all investigative subjects listed as HUD program participants that have entered the judicial system are referred to the Department Enforcement Center (DEC) for suspension and/or debarment.	<b>93%</b>	<b>Exceeded</b>
<b>LEGAL COUNSEL</b>		
Complete requests for legal opinions within 50 days 80 to 85 percent of the time.	<b>25</b>	<b>Exceeded</b>
Complete requests for subpoenas within 72 hours 80 to 85 percent of the time.	<b>763</b>	<b>Exceeded</b>
Respond to Freedom of Information Act and Privacy Act requests within 20 business days of the receipt 80 to 85 percent of the time.	<b>127</b>	<b>Exceeded</b>
Revise the Continuing Legal Education Training Program (CLETP) in consultation with the other OIG components.	<b>✓</b>	<b>Met</b>
Conduct at least 3 CLETPs with OIG personnel.	<b>9</b>	<b>Exceeded</b>
Ensure that CLETP recipients indicate an increased knowledge after the course.	<b>✓</b>	<b>Met</b>
<b>MANAGEMENT AND TECHNOLOGY</b>		
Implement an automated Human Resource information system by September 30 <sup>th</sup> , 2015. Initiate and complete a renovation of suite 8254 of the Weaver Building by March 2015. Move IT staff to	<b>✓</b>	<b>Met</b>



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the Weaver building and release unneeded space by September 30, 2015, resulting in a cost savings in excess of \$500,000. Per year.		
Award a new contract for enhanced and improved network operations and maintenance by June 30, 2015.	✓	Met
Initiate 5 space projects to ensure maximum use of space with innovative space concepts in order to reduce costs.	✓	Met
Create fully functional Ombudsman program for the OIG that is confidential, independent, neutral/impartial, and informal to include formalizing a charter and establishing uniform standards of practice by September 30, 2015.	✓	Met
<b>Goal 5 – Innovation. Develop new and better ways of conducting business to enhance our organizational performance and to support a diverse and skilled workforce.</b>		
<b>AUDIT</b>		
Complete at least 5 joint work initiatives with the Office of Investigation in the form of joint published reports, fraud bulletins, serious incident reports, and/or fraud training of applicable staff.	<b>8</b>	<b>Exceeded</b>
<b>EVALUATIONS</b>		
Complete at least 1 joint work initiatives with the Office of Investigation in the form of joint published reports, fraud bulletins, serious incident reports, and/or fraud training of applicable staff.		
<b>INVESTIGATION</b>		
Ensure 65 to 70 per percent of investigations are closed with a Disposition Memorandum within 30 days of the final clamed action.	<b>38%</b>	<b>Did not meet</b>
<b>MANAGEMENT AND TECHNOLOGY</b>		
Implement wireless capability at all OIG field offices by September 30, 2015.	<b>15</b>	<b>Exceeded</b>
Implement new helpdesk service system by September 30, 2015.	✓	<b>Met</b>
Develop workflow automation for at least 4 processes within Office of Management and Technology by September 30, 2015	<b>2</b>	<b>Did not meet</b>