

# ANNUAL PERFORMANCE REPORT

Office of Inspector General

*Fiscal Year 2016*





# 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) 2016 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 2016 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 2016 PERFORMANCE RESULTS

<b>Goal 1 – Effectiveness. Help the Department address its “major challenges” by being a relevant and problem-solving advisor to HUD, stakeholders and Congress.</b>		
<b>Performance Measure</b>	<b>Result</b>	<b>Status</b>
<b>AUDIT</b>		
Complete between 15 and 17 audits of the Single Family program.	<b>34</b>	<b>Exceeded</b>
Complete between 26 and 30 audits of the Public and Indian Housing program.	<b>44</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>34</b>	<b>Exceeded</b>
Complete between 8 and 10 audits of Disaster related program activities and grantees.	<b>12</b>	<b>Exceeded</b>
Complete between 22 and 25 civil fraud referrals	<b>53</b>	<b>Exceeded</b>
Complete between 6 and 8 audits of financial, Information System, and other audits	<b>16</b>	<b>Exceeded</b>
<b>EVALUATIONS</b>		
Complete between 6 and 7 evaluations of HUD program areas.	<b>12</b>	<b>Exceeded</b>
Complete between 2 and 4 evaluations of Hurricane Sandy disaster activities and/or grantees.	<b>2</b>	<b>Met</b>
Complete 50 data and statistical analysis request that support OIG Audits and Evaluations	<b>400</b>	<b>Exceeded</b>
Evaluations staff will complete at least 2 summary reports.	<b>4</b>	<b>Exceeded</b>
<b>INVESTIGATION</b>		
Ensure 80 percent of all cases opened specifically address fraud relating to the HUD’s major management challenges.	<b>100%</b>	<b>Exceeded</b>
Ensure 65-70 percent of all investigations are presented to the appropriate prosecuting authority within 12 months of the case being opened.	<b>92%</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	<b>100%</b>	<b>Exceeded</b>



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civil actions to HUD's Office of General Counsel within 45 days of the determination of propriety 85 percent of the time.		
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 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.	100%	Exceeded
<b>MANAGEMENT AND TECHNOLOGY</b>		
Design, implement, and evaluate the staffing and recruitment process, procedures, and reports to improve time to hire statistics by June 30 <sup>th</sup> .	✓	Met
Update 70% of HCMD policies by August 31 <sup>st</sup> to ensure policy guidance is accurate to allow maximum HR flexibility to HUDOIG.	✓	Met
Complete 5 in-house training courses for auditors and investigators.	10	Exceeded
Implement New Supervisory training program to ensure new supervisors complete a new supervisory course; and ensure supervisors receive refresher course every 3 years.	✓	Met
Establish a monthly management communication strategy by June 1 <sup>st</sup> to improve the working relationships between components, and ensure information is shared for transparency to collaborate on new initiatives and projects.	✓	Met
<b>Goal 2 – Timeliness. Deliver relevant products that allow the Department to act on time sensitive issues.</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.	92%	Exceeded
<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.	100%	Exceeded



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Review and draft proposed legislation, assist with Congressional inquiries, and media requests within negotiated timeframes 80 to 85 percent of the time.	100%	Exceeded
Review and comment upon human resource issues/matters within 40 hours of receipt of inquiries.	100%	Exceeded
<b>MANAGEMENT AND TECHNOLOGY</b>		
Deliver Press Releases, two per quarter.	4	Exceeded
Establish a quarterly tracking report of media request and press coverage by June 30 <sup>th</sup> .	✓	Met
<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 all investigations are closed and completed with a Disposition Report Form (DRF) within 30 days of the final claimed action.	75%	Exceeded
<b>MANAGEMENT AND TECHNOLOGY</b>		
Establish an Acquisition Steering committee by June 30 <sup>th</sup> to provide a senior level forum.	✓	Met
Complete renovations of HQ room 8170 by June 15 <sup>th</sup> .	✓	Met
Complete renovations of LA office by June 30 <sup>th</sup>	✓	Met
Complete renovations of Denver office by June 15 <sup>th</sup>	✓	Met
Improve the performance of GOV's by increasing the use of vehicle technologies, optimizing fleet size, and improving the agency fleet management by conducting a quarterly analysis and preparing a report for senior management monthly 85% of the time.	✓	Exceeded



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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 effective identification and audit targeting of high-risk HUD program participants.	<b>8.2 Billion or \$164 to \$1 ratio for every dollar expended by the Office of Audit</b>	<b>Exceeded</b>
Complete between 22 and 25 civil fraud referrals.	<b>53</b>	<b>Exceeded</b>
<b>EVALUATIONS</b>		
Data analytic statistical sampling and evaluations will exceed 10-12 times the Office of Evaluation budget.	<b>11.90</b>	<b>Exceeded</b>
Complete 1 to 3 civil fraud referrals.	<b>3</b>	<b>Met</b>
<b>INVESTIGATION</b>		
Ensure that 65 to 70 percent of closed cases are referred for a criminal, civil, administrative, financial result or an approved systemic implication report referred to HUD to effect positive regulatory or policy changes.	<b>83%</b>	<b>Exceeded</b>
<b>LEGAL COUNSEL</b>		
Complete requests for legal opinions within 50 days 80 to 85 percent of the time.	<b>100%</b>	<b>Exceeded</b>
Complete requests for subpoenas within 72 hours 80 to 85 percent of the time.	<b>99%</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>100%</b>	<b>Exceeded</b>
OGC will revise the CLETP and deliver at least 3 sessions in consultation with AIGs and other managers and recipients will indicate an increased knowledge after the course.	<b>2</b>	<b>Did not meet</b>
Review for PFCRA or FCA potential and, if selected for in-depth consideration, process and decline or refer to the HUD Office of General Counsel (OGC) for litigation within 45 days of their selection between 80%-85% of the time.	<b>100%</b>	<b>Exceeded</b>



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<b>MANAGEMENT AND TECHNOLOGY</b>		
Establish an additional contracting authority by June 30 <sup>th</sup> .	✓	<b>Met</b>
Establish a Financial Control Committee (FCC) by June 30 <sup>th</sup> for the purpose of presenting a budgetary and financial information to the OIG administrative and budget community.	✓	<b>Met</b>
<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 product or model as a result of coordinated effort.	<b>2</b>	<b>Exceeded</b>
Lead at least 1 project that is crosscutting among Federal civilian agencies to address significant changes to the federal government.	<b>1</b>	<b>Met</b>
<b>INVESTIGATION</b>		
Ensure 65 to 70 percent of all investigative subjects listed as HUD program participants that have entered the judicial system are accurately referred to the Departmental Enforcement Center (DEC) for suspension and/or debarment in accordance with HUD-OIG policy guidelines.	<b>76%</b>	<b>Exceeded</b>