



# FY2017

## Annual Performance Plan





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### MISSION

As the Office of Inspector General for the U.S. Department of Housing and Urban Development (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.

## 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. This Annual Performance Plan identifies the Fiscal Year (FY) 2017 goals, objectives, and measures that will help us 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.

This Annual Performance Plan describes the specific projects and activities that we plan to undertake during FY 2017 to identify opportunities for cost savings and operational efficiencies; focus on prevention; and return hard dollars to the Department and the U.S. Treasury. This Annual Performance Plan contains the complete set of measures that the OIG will use to manage the organization towards accomplishing its goals and objectives. Those activities generate products – outputs, typically audit and evaluation findings, and criminal indictments. The outputs are provided to other organizations (e.g., department program officials or prosecutors) for disposition. We collaborate with these partners to achieve successful intermediate outcomes like civil actions, successful prosecutions, or administrative actions such as suspensions and debarments. 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.



## 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.

### 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.



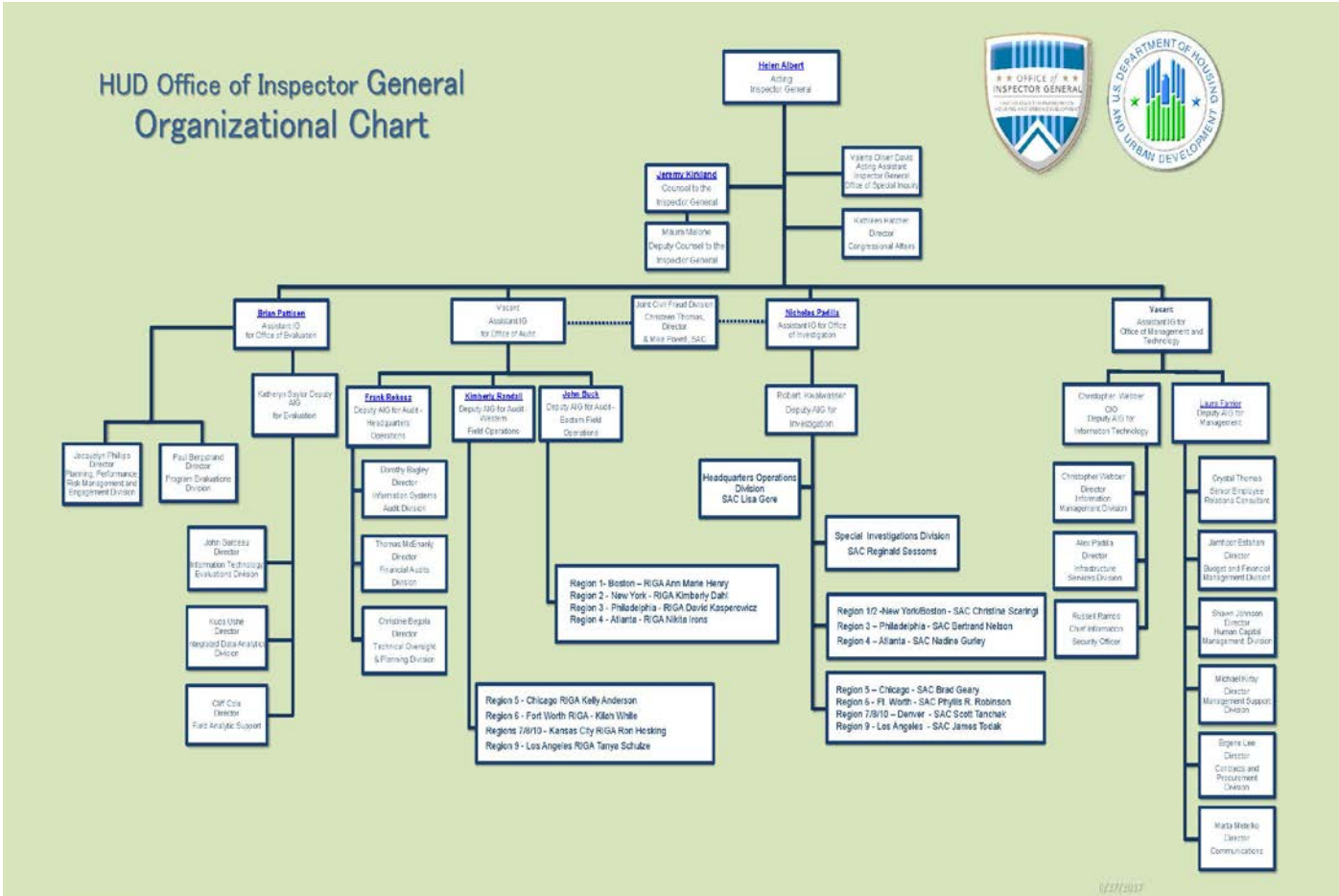
## VISION

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

## 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.

OUR STRUCTURE



## AREAS OF RESPONSIBILITY

**The Office of Audit** plans and conducts audits of departmental activities, which include (1) headquarters programs and operations and the activities of HUD's field offices located in 10 regions, (2) hundreds of HUD programs and initiatives, and (3) thousands of contractors and program participants doing business with the Department. The Office of Audit's significant workload is generally divided into four primary categories: performance audits, information system audits, financial audits, and advisory and assistance services.

**The Office of Evaluation** plans and conducts independent assessments of the design, implementation, and results of HUD's operations, programs, or policies. The office provides a flexible and effective mechanism for the oversight and review of Department and agency programs by using a multidisciplinary staff and multiple methods for gathering and analyzing data. It can be used to determine the efficiency, effectiveness, impact, and sustainability of operations, programs, or policies and provide information that is timely, credible, and useful for agency managers, policy makers, and others. The Office of Evaluation is also responsible for data and predictive analytics as well as information technology (IT) evaluations of HUD IT and IT security programs.

**The Office of Investigation** plans and conducts investigations that vary in purpose and scope and may involve alleged violations of criminal or civil laws, as well as administrative requirements. The focus of an investigation may include the integrity of programs, operations, and personnel in agencies at Federal, State, and local levels of government; program, procurement, and grant fraud schemes; mortgage fraud, financial fraud, and whistleblower retaliation; and other matters involving alleged violations of law, rules, regulations, and policies.

**The Office of Legal Counsel** provides independent legal and policy advice to all components of the OIG on a variety of substantive and procedural matters relating to OIG's audit, program evaluation, and investigation activities. The Office of Legal Counsel also represents the OIG in administrative litigation; manages the OIG ethics program, providing training, advice, and financial disclosure reviews; and coordinates OIG responses to Freedom of Information Act and other document requests. The OIG hotline, located within the Office of Legal Counsel, receives, analyzes, and reviews complaints and allegations against HUD programs.

**The Office of Management and Technology** is responsible for developing, implementing, managing, and supporting a strategic plan for OIG that aligns planning, resources, policies, processes, reporting, and performance measures for internal efficiency. It is also responsible for budget and administrative services, human resources, training, program integrity, infrastructure services, and information management. As the public affairs liaison point, this office communicates with the public and the media; and maintains the OIG Web page.

## AREAS OF FOCUS

### CIVIL FRAUD

The OIG's Joint Civil Fraud Division is a blend of audit and investigative staff specializing in civil enforcement to address improper activities aimed at the Department's vital programs. The OIG remains committed to investigating and prosecuting financial and mortgage fraud that harm the programs that our citizenry relies on, the taxpayer who must deal with the effects of the financial problems caused by such inappropriate behavior, and the financial markets that can be impacted negatively as an aftereffect. The OIG plays a crucial role in the Federal financial recovery effort through criminal investigations and civil reviews. The Division is also tasked with uncovering fraud nationwide, investigating qui tam cases, and pursuing civil actions and administrative sanctions against entities and individuals that commit fraud against HUD.

### DISASTER OVERSIGHT

The Department's role has greatly increased over the last decade as HUD has had to deal with disasters and economic crises that have increased its visibility and reaffirmed its vital role in providing services that impact the lives of all of our citizens. Along with the expansion in the Department's role is the increase in the oversight responsibilities of OIG. Disasters and the large amounts of funds needed to help those impacted are an area of focus and challenge for HUD and the OIG. To address the enormous task of oversight, OIG's audit, investigative, and evaluations staff provides a continuing and comprehensive review of the administration and expenditure of funds.

## FY 2017 WORK PLAN

### Goal 1 - Help the Department address its “major challenges” by being a relevant and problem-solving advisor to HUD, stakeholders and Congress.

Audits, investigations and evaluations will be selected and prioritized in the areas relating to Single Family, Community Planning and Development (CPD), Public and Indian Housing, Disaster, and other programs to support stakeholder and Congressional interest.

#### AUDIT

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- Complete between 15 and 17 audits of the Single Family program.
- Complete between 26 and 30 audits of the Public and Indian Housing program.
- Complete between 11 and 13 audits of the Multifamily Housing program.
- Complete between 24 and 27 CPD related audits.
- Complete between 8 and 10 audits of Disaster related program activities and grantees.
- Complete between 18 to 21 civil fraud referrals.
- Complete between 7 and 9 audits of financial, Information System, and other audits.

#### EVALUATIONS

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- Complete between 6 and 7 evaluations of HUD program areas.
- Complete between 2 and 4 evaluations of Hurricane Sandy disaster activities and/or grantees.
- Complete 50 data and statistical analyses requests that support OIG audits and evaluations.
- Evaluations staff will complete at least 2 summary reports within the review cycle.

#### INVESTIGATIONS

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- Ensure that at least 80 percent of all investigative cases opened specifically address fraud relating to the HUD’s major management challenges.
- Ensure that 65% - 70% of all investigations are presented to the appropriate prosecuting authority within 12 months of the case being opened.

#### LEGAL COUNSEL

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- 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.
- 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.
- 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.



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**Goal 2 - Deliver relevant products that allow the Department to act on time sensitive issues.**

We will deliver timely results to customers and stakeholders.

**INVESTIGATIONS**

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- Ensure that 65 to 70 percent of investigations are presented to the appropriate prosecuting authority within 12 months of the case being opened.

**LEGAL COUNSEL**

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- 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.
- Review and draft proposed legislation, assist with Congressional inquiries, and media requests within negotiated timeframes 80 to 85 percent of the time.
- Review and comment upon human resource issues/matters within 40 hours of receipt of inquiries.

**MANAGEMENT AND TECHNOLOGY**

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- Develop and issue a quarterly tracking report of media request to include outlet, reporter, and topic of request. Issue report no later than the 15<sup>th</sup> of the month, i.e., January 15<sup>th</sup>, March 15<sup>th</sup>, and June 15<sup>th</sup>.
- Within 72 hours after a major media even, provide a Media Report to relevant staff.
- Develop and execute communication/marketing plan for ICP no later than December 30, 2016.
- Hold a post-production SAR meeting and ensure reporting for both SAR periods, no later than 01/31/17 and 7/31/17, respectively.
- Organize and implement a post-SAR meeting and provide briefing to Deputy AIG for Management for both SAR periods. Meetings to take place no later than 1/31/17 and 7/15/17, respectively.
- Issue at minimum 16 Policy Manual Chapters: ensure at least four chapters updated per quarter, i.e., issue four updated chapters by December 31, 2016; March 31, 2017, June 30, 2017; and September, 30, 2017, respectively.
- Publish 100 articles to "OIG in the Loop;" ensure at minimum 50 articles issued by March 31, 2017.
- Organize and implement a pre-planning SAR meeting and provide briefing for both SAR periods. Meetings to take place no later than 2/15/17 and 7/19/17, respectively.
- Establish a post-production SAR meeting and provide report no later than 1/15/17.
- Develop SAR schedule and memo and issue no later than February 1, 2017 and August 1, 2017, respectively.
- Issue "Sandy Weekly News Briefing" every Monday, at least 45 briefings to be issued.
- Ensure Insight updates are completed within 24 hours of request.

**Goal 3 - Provide services and products that can be relied upon to address vulnerabilities, provide opportunities, and recognize positive outcomes.**

We will provide quality services and useful products to customers and stakeholders.

**INVESTIGATIONS**

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- Ensure 65 to 70 percent of investigations are closed and completed with a Disposition Report Form (DRF) within 30 days of the final claimed action.

**MANAGEMENT AND TECHNOLOGY**

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- OI Renovation to be completed NLT March 31, 2017.
- SIU Renovation to be completed NLT March 31, 2017.
- OLC Renovations to be completed NLT July 31, 2017.
- Close PCP NLT August 30, 2017 to save the agency over \$530K in annual rent.
- Integrate BFMD and CAPD staff into Suite 8254 NLT March 31, 2017.
- Submission of the Space Inventory; GOV Inventory Usage; Space Budget Reports on a quarterly basis.
- Oversee the three AO Teleconferences – January, May, and August 2017.
- Implement OM portion of the Property Management system begin OIG inventory September 2017.
- Obtain MOU with HUD CPO official for the OIG Purchase Card program independence. Manage the OIG Purchase Card program independently of the Department.
- Build robust CAPD dashboard through SharePoint – Due August 2017.

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

We will contribute to positive change while maximizing results. We will perform both significant and positive return audits and evaluations.

**AUDIT**

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- 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.

**EVALUATIONS**

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- Data analytic statistical sampling and evaluations will exceed 10-12 times the Office of Evaluation budget.
  - Complete between 1 and 3 fraud referrals during the review cycle.
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## FY 2017 ANNUAL PERFORMANCE PLAN

### INVESTIGATIONS

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- 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.

### LEGAL COUNSEL

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- Complete requests for legal opinions within 50 days 80 to 85 percent of the time.
- Complete requests for subpoenas within 72 hours 80 to 85 percent of the time.
- Respond to Freedom of Information Act and Privacy Act requests within 20 business days of the receipt 80 to 85 percent of the time.
- Revise and update the Continuing Legal Education Training Program (CLEPT) and deliver at least 3 training sessions.
- 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.

### MANAGEMENT AND TECHNOLOGY

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- Write and issue the Domestic Violence, Sexual Assault, and Stalking in the Workplace policy; and develop and implement an action plan to ensure mandatory training is completed and awareness of policy by June 30, 2017.
- Update 5 HCMD policies and/or IG Bulletins by August 1, 2017.
- Integrate on-line training and in-house training courses for auditors and investigators by June 30, 2017.
- Support the ICP by tracking mandatory training in the Learning Portal and issuing CPEs.
- Design supervisory refresher course to ensure compliance with OPM regulations by June 30, 2017.
- Conduct at least four Employee Relations, Performance Management and/or Recruitment Lifecycle training sessions.
- Create and implement an action plan, including training and communication for the HR Connect upgrade to go live July 1, 2017.
- Oversee the training of the InCompass performance management system by September 1 and deployment to go live by October 1, 2017.
- Leadership oversight in the formulation of the annual budget and executing in compliance with Generally Accepted Accounting Principles; Federal Accounting Standards Advisory Board Statements of Federal Financial Accounting Concepts and Standards; OMB Circular A-11, Preparation, Submission and Execution of the Budget; OMB Circular A-123, Management's Responsibility for Internal Control; OMB Circular A-136, Financial Reporting Requirements, and other policies and procedures. HUD-OIG budget request will be submitted to the Office of Management and Budget (OMB) and Congress (including entry of accurate and complete budget data to MAX) within 5 days of established deadlines. Budget formulation related information submitted to OIG leadership by the end of August 2017.

## FY 2017 ANNUAL PERFORMANCE PLAN

- Provide leadership oversight in the analysis, recommendations, reports, alternatives, and solutions; meet and confers with OIG leaders, supervisors, managers, staff, and other stakeholders and provides leadership to develop and maintain a sound budget and financial posture. Ensuring budget team provides monthly briefs to SR. Staff will be coordinated and presented by mid-month after the monthly closeout.
  - Ensure operating plans and management reports will be prepared to show anticipated (budgeted) and actual use of resources by individual programs, object classes, and other spending categories monthly, quarterly and mid-year covering the status of funds, budget allocations, commitments, obligations, and expenditures. The initial budget and final budget will be tracked and made available for comparison. These reports will be available by 15<sup>th</sup> of the month.
  - Ensure the development detailed reviews for presentation to OIG managers; conducts year-end budget reviews, and prepares formal review of resources for the use of the senior leadership in making major decisions on the allocation of resources.
  - Ensure the year-end closing process will be effectively managed to ensure that the HUD-OIG expenditures reflect HUD-OIG priorities and do not exceed available resources, and no more than 15 of appropriated 1-year funds remain unexpended.
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### **Goal 5 - Develop new and better ways of conducting business to enhance our organizational performance and to support a diverse and skilled workforce.**

We will continually seek best practices, new technologies, and enhanced systems to improve performance.

#### **AUDIT**

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- 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.

#### **EVALUATIONS**

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- Complete at least 1 joint work initiative in the form of joint published reports, fraud bulletins, Serious Incident Reports, and/or fraud training of applicable staff.
- Complete at least 1 project that is crosscutting among Federal civilian agencies to address significant changes to the federal government.

#### **INVESTIGATIONS**

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- 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 Departmental Enforcement Center for suspension and/or debarment in accordance with HUD-OIG policy guidelines.