

U.S. DEPARTMENT OF EDUCATION



Inspector General's Semiannual Report to Congress, No. 54

October 1, 2006 - March 31, 2007



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Reporting Requirements of the Inspector General Act, As Amended

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Table 1: Recommendations Described in Previous SARs on Which Corrective Action Has Not Been Completed

Section 5(a)(3) of the IG Act as amended requires a listing of each report resolved before the commencement of the reporting period for which management has not completed corrective action. The reports listed below are OIG internal and nationwide audit reports.

| Report Number | Report Title (Prior SAR Number and Page) | Date Issued | Date Resolved | Total Monetary Findings | Number of Recommendations | | Latest Target Date <small>(Per Corrective Action Plan)</small> |
|--|--|-------------|---------------|-------------------------|---------------------------|--------|---|
| | | | | | Open | Closed | |
| NEW AUDITS SINCE LAST REPORTING PERIOD | | | | | | | |
| FSA | | | | | | | |
| A04E0006 | Death and Total and Permanent Disability Discharges of FFEL and Direct Loan Program Loans (SAR 52, pg 27) | 11/14/2005 | 2/24/2006 | | 2 | 2 | 9/30/2007 |
| A11F0004 | Security Review of the Virtual Data Center – Fiscal Year 2005 (SAR 51, pg 26) | 9/29/2005 | 11/21/2005 | | 1 | 10 | 8/15/2007 |
| Office of the Chief Financial Officer (OCFO) | | | | | | | |
| A17F0004 | Financial Statement Audits Fiscal Years 2005 and 2004 U.S. Department of Education (SAR 52, pg 28) | 11/15/2005 | 1/12/2006 | | 1 | 4 | 3/30/2007 |
| Office of the Chief Information Officer (OCIO) | | | | | | | |
| A19F0009 | Telecommunications Billing Accuracy (SAR 52, pg 28) | 2/1/2006 | 3/22/2006 | | 7 | 0 | 9/30/2008 |
| Office of Planning, Evaluation & Policy Development (OPEPD) | | | | | | | |
| A11E0003 | Audit of the Department's Performance Based Data Management Initiative (SAR 51, pg 28) | 9/29/2005 | 3/28/2006 | | 0 | 14 | * |
| AUDITS REPORTED IN PREVIOUS SARs | | | | | | | |
| Office of the Deputy Secretary (ODS) | | | | | | | |
| A09E0014 | Departmental Actions to Ensure Charter Schools' Access to Title I and <i>IDEA</i> Part B Funds (SAR 50, pg 22) (<i>Office of Elementary and Secondary Education (OESE) and the Office of Special Education and Rehabilitative Services (OSERS) also designated as action official</i>) | 10/26/2004 | 1/10/2005 | | 3 | 3 | 3/30/2007 |

| Report Number | Report Title (Prior SAR Number and Page) | Date Issued | Date Resolved | Total Monetary Findings | Number of Recommendations | | Latest Target Date (Per Corrective Action Plan) |
|--|---|-------------|---------------|-------------------------|---------------------------|--------|--|
| | | | | | Open | Closed | |
| OCFO | | | | | | | |
| A19D0007 | Audit of the Department of Education's Followup Process for External Audits (SAR 50, pg 22) | 3/31/2005 | 8/8/2005 | | 6 | 4 | 11/30/2007 |
| Office of Management (OM) | | | | | | | |
| A19D0008 | Audit of the Department's Management of the Federal Employees' Compensation Act Program (SAR 50, pg 23) | 3/30/2005 | 5/13/2005 | \$14,366 | 0 | 16 | * |
| * Closure of audits was not completed in AARTS by the end of reporting period (3/31/2007). | | | | | | | |

| Table 2: OIG Audit Reports on Department Programs and Activities (October 1, 2006, through March 31, 2007) | | | | | | |
|---|--|-------------|--------------------|-------------------|------------------------|--|
| <i>Section 5(a)(6) of the IG Act as amended requires a listing of each report completed by OIG during the reporting period.</i> | | | | | | |
| Report Number | Report Title | Date Issued | Questioned Costs * | Unsupported Costs | No. of Recommendations | |
| AUDIT REPORTS | | | | | | |
| FSA | | | | | | |
| A06F0018 | Philander Smith College's Administration of Title IV Student Financial Assistance Programs Needs Improvement | 11/2/06 | \$476,167 | | 20 | |
| A09G0023 | Cerritos Community College's Verification of Applicant Information Submitted on the Free Application for Federal Student Aid | 3/26/07 | | | 1 | |
| A09G0026 | Morton College's Verification of Applicant Information Submitted on the Free Application for Federal Student Aid | 3/26/07 | | | 2 | |
| A09G0027 | School of the Art Institute of Chicago's Verification of Applicant Information Submitted on the Free Application for Federal Student Aid | 3/26/07 | | | 2 | |
| A09G0028 | Boston College's Verification of Applicant Information Submitted on the Free Application for Federal Student Aid | 1/17/07 | | | None | |
| A09G0029 | ATI Technical Training Center's Verification of Applicant Information Submitted on the Free Application for Federal Student Aid | 3/26/07 | | | 3 | |

| Report Number | Report Title | Date Issued | Questioned Costs* | Unsupported Costs | No. of Recommendations |
|---------------|--|-------------|-------------------|-------------------|------------------------|
| A09G0030 | Technical Career Institutes' Verification of Applicant Information Submitted on the Free Application for Federal Student Aid | 1/17/07 | | | None |
| A09G0031 | The College of New Rochelle's Verification of Applicant Information Submitted on the Free Application for Federal Student Aid | 1/17/07 | | | None |
| A09G0032 | American University of Puerto Rico's Verification of Applicant Information Submitted on the Free Application for Federal Student Aid | 3/26/07 | | | 1 |
| A09G0033 | East Carolina University's Verification of Applicant Information Submitted on the Free Application for Federal Student Aid | 3/26/07 | \$1,464 | | 6 |
| A17G0004 | Financial Statement Audits Fiscal Years 2006 and 2005 Federal Student Aid <i>(OCFO also designated as an action official)</i> | 11/15/06 | | | 5 |
| OCFO | | | | | |
| A07G0013 | Parental Information and Resource Center Grant at The Learning Exchange <i>(Office of Innovation and Improvement (OII) also designated as an action official)</i> | 11/16/06 | \$436,664 | | 7 |
| A09G0010 | KIPP Foundation's Administration of the Fund for the Improvement of Education Grants <i>(OII also designated as an action official)</i> | 12/6/06 | \$4,391 | | 6 |
| A17G0003 | Financial Statement Audits Fiscal Years 2006 and 2005 U.S. Department of Education <i>(FSA also designated as an action official)</i> | 11/15/06 | | | 5 |
| A17G0005 | Financial Statement Audits for Fiscal Years 2006 and 2005 U.S. Department of Education Special Purpose Financial Statements | 11/17/06 | | | None |
| A19F0025 | Controls Over Excessive Cash Drawdowns By Grantees | 12/18/06 | | | 9 |
| A19G0004 | Controls Over Contract Monitoring for Institute of Education Sciences Contracts <i>(IES also designated as an action official)</i> | 12/14/06 | | | 6 |

| Report Number | Report Title | Date Issued | Questioned Costs* | Unsupported Costs | No. of Recommendations |
|--------------------|--|-------------|-------------------|-------------------|------------------------|
| <u>OESE</u> | | | | | |
| A02F0023 | Virgin Islands Department of Education Administration of the Learning Point Associates Contract | 1/30/07 | | | 2 |
| A02G0002 | Audit of New York State Education Department's Reading First Program | 11/3/06 | \$118,340,582 | \$97,491,672 | 8 |
| A02G0009 | Mid-Hudson Migrant Education Outreach Program | 1/31/07 | | | None |
| A03F0022 | RMC Research Corporation's Administration of the Reading First Program Contracts <i>(OCFO also designated as an action official)</i> | 3/7/07 | | | 3 |
| A03G0006 | The Department's Administration of Selected Aspects of the Reading First Program <i>(OCFO also designated as an action official)</i> | 2/22/07 | | | 3 |
| A04G0003 | Review of the Georgia Reading First Program | 1/18/07 | | | 1 |
| A05G0011 | Wisconsin Department of Public Instruction's Reading First Program | 10/20/06 | | \$5,844,522 | 2 |
| A05G0015 | Ohio Department of Education's Title I, Part A, Comparability of Services Requirement | 11/13/06 | | \$315,012 | 6 |
| A05G0018 | Michigan Schools' Implementation of Schoolwide Plans Under the NCLB | 11/6/06 | | | 3 |
| A05G0034 | Indiana Schools' Implementation of Schoolwide Plans Under the NCLB | 3/15/07 | | | 5 |
| A06G0008 | Data Quality Review of the Oklahoma Consolidated State Performance Report | 10/23/06 | | | 5 |
| A09F0024 | California Department of Education's Migrant Education Program | 12/1/06 | ** | | 6 |
| A09G0009 | Data Quality Review of Washington Consolidated State Performance Reports | 11/14/06 | | | 7 |
| A09G0020 | Arizona Department of Education's Oversight of the ESEA, Title I, Part A Comparability of Services Requirement | 3/26/07 | | \$10,185,915 | 11 |

| Report Number | Report Title | Date Issued | Questioned Costs* | Unsupported Costs | No. of Recommendations |
|-----------------------------|--|-------------|-------------------|-------------------|------------------------|
| OM | | | | | |
| A19G0007 | Audit of the Department of Education FY2005 IT Equipment Inventory <i>(OCFO also designated as an action official)</i> | 11/29/06 | | | 8 |
| OSERS | | | | | |
| A06F0019 | Results of five audits of the IDEA, Part B requirements at schools under the supervision of the U.S. Department of Interior's Bureau of Indian Affairs <i>(Report was addressed to the Bureau of Indian Education, Department of the Interior)</i> | 3/28/07 | \$328,000,000 | | 6 |
| A06G0002 | Results of our audit of the IDEA, Part B requirements at schools under the supervision of the Department of Interior's Bureau of Indian Affairs <i>(Report was addressed to the Deputy Secretary of Education, also designated as an action official)</i> | 3/30/07 | | | 4 |
| ALTERNATIVE PRODUCTS | | | | | |
| OCFO | | | | | |
| B17G0006 | Federal Intragovernmental Activity and Balances Agreed-Upon Procedures Report <i>(Attestation Report)</i> | 12/19/06 | | | *** |
| X17H0002 | Final Management Letter Fiscal Years 2006 and 2005 Financial Statement Audits U.S. Department of Education and Federal Student Aid <i>(Management Information Report - OCIO and FSA also designated as action officials)</i> | 12/15/06 | | | *** |
| OCIO | | | | | |
| A19-H0003 | Closure of Audit to Determine the Accuracy of Amounts Billed to the U.S. Department of Education Under the Education Network Contract (GS-35F-4381G) by Computer Sciences Corporation <i>(Audit Closeout Letter)</i> | 3/22/07 | | | None |
| OESE | | | | | |
| X19G0003 | Controls over Hurricane Education Recovery Funding <i>(Management Information Report - State and Local No. 07-03)</i> | 1/31/07 | | | *** |

| Report Number | Report Title | Date Issued | Questioned Costs* | Unsupported Costs | No. of Recommendations |
|--|---|-------------|-------------------|-------------------|------------------------|
| OII | | | | | |
| X19F0025 | Controls Over Excessive Cash Draws by Grantees (Management Information Report - State and Local No. 07-01) | 10/16/06 | | | *** |
| Office of Postsecondary Education (OPE) | | | | | |
| X19G0010 | Controls Over Excessive Cash Drawdowns by Grantees (Management Information Report - State and Local No. 07-02) | 11/15/06 | | | *** |
| OPEPD | | | | | |
| B17H0001 | Office of Inspector General's Independent Report on the U.S. Department of Education's Detailed Accounting of Fiscal Year 2006 Drug Control Funds, dated January 24, 2007 (Attestation Report) | 1/29/07 | | | None |

* For purposes of this schedule, questioned costs may include other recommended recoveries. Please see footnote 3 under Table 4 for additional information regarding questioned and unsupported costs.

** We identified significant numbers of ineligible children in this report, but did not project estimated questioned costs. We recommended that more thorough reviews be conducted to determine the total numbers of ineligible children and the return of funds expended for the ineligible children found.

*** *Attestation Report B17G0006* made 2 suggestions that are not tracked for audit resolution purposes.
Management Information Report X17H0002 made 53 recommendations - 4 to the Department, 47 to FSA, and 2 to both. (Management information reports usually make "suggestions" instead of recommendations that are not tracked for audit resolution purposes.)
Management Information Report X19F0025 made 2 suggestions that are not tracked for audit resolution purposes.
Management Information Report X19G0010 made 3 suggestions that are not tracked for audit resolution purposes.
Management Information Report X19G0003 made 4 suggestions that are not tracked for audit resolution purposes.

DESCRIPTION OF ALTERNATIVE PRODUCTS

Attestation reports convey the results of attestation engagements performed within the context of their stated scope and objective(s). Attestation engagements can cover a broad range of financial and non-financial subjects and can be part of a financial audit or performance audit. They include the examination, review, or performance of agreed-upon procedures on a subject matter, or an assertion about a subject matter and reporting on the results.

Audit closeout memoranda/letters are issued to provide written notification to auditees of audit closure when the decision is made to close an assignment without issuing an audit report.

Interim audit memoranda are used to notify Department management or the audited entity of a serious and urgent condition or issue identified during an on-going audit assignment when there is a strong likelihood that waiting until the audit report's issuance would result in the loss of an opportunity to prevent or curtail significant harm to the Department's interest. *One interim audit memorandum* was issued during the SAR 54 period. It is OIG policy to include interim audit memoranda in our product count but not individually identify them in SAR Table 2, nor post them on the OIG Internet/Intranet website due to their pre-decisional and interim nature.

Management information reports provide Department management with information derived from audits (when the issuance of an audit report is not appropriate) or special projects that may be useful in its program administration or conduct of program activities.

**Table 3: Other OIG Reports on Department Programs and Activities
(October 1, 2006, through March 31, 2007)**

Section 5(a)(6) of the IG Act, as amended requires a listing of each report completed by OIG during the reporting period.

| Report Number | Report Title | Date Issued |
|---|--|-------------|
| FSA | | |
| L02G0019 | Relocation of Irma Valentín-Utuado to Mayagüez (Alert Memorandum Student Financial Assistance No. 07-01) | 3/12/07 |
| OCIO | | |
| L19G0009 | Conflicting Responsibilities Included in the EDNet Contract Performance Work Statement (Alert Memorandum Operations Internal Audit No. 06-03 – OS and OCFO also designated as action officials) | 2/16/07 |
| OESE | | |
| S09G0007 | An OIG Perspective on the Supplemental Educational Services Provisions of the Elementary and Secondary Education Act (Special Project) | 11/28/06 |
| OM | | |
| I13-G0004 | Review of the Department’s Competitive Sourcing/A-76 Competition (Inspection Report – OCFO also designated as action official) | 2/28/07 |
| DESCRIPTION OF TABLE 3 PRODUCTS | | |
| <p><i>Alert memoranda</i> are prepared when a serious condition requiring immediate Department management action that is either outside the agreed-upon objectives of an on-going audit or inspection assignment, or is identified while engaged in work not related to an on-going assignment when an audit or inspection report will not be issued. Alert memoranda are not on the OIG website and are not publicly distributed.</p> <p><i>Inspections</i> are analyses, evaluations, reviews or studies of the Department’s programs. The purpose of an inspection is to provide Department decision makers with factual and analytical information, which may include an assessment of the efficiency and effectiveness of their operations, and vulnerabilities created by their existing policies or procedures. They are performed in accordance with the 2005 President’s Council on Integrity and Efficiency Quality Standards for Inspections appropriate to the scope of the inspection.</p> <p><i>Special projects</i> are work that result in the issuance of a product or report that is not conducted in full compliance with the audit, inspection, or investigation standards.</p> | | |

Table 4: OIG Issued Audit Reports with Questioned Costs¹

Section 5(a)(8) of the IG Act as amended requires for each reporting period a statistical table showing the total number of audit reports, the total dollar value of questioned and unsupported costs, and responding management decision.

| | | Number | Questioned ² Costs | Unsupported ³ Costs |
|----|--|--------|----------------------------------|-----------------------------------|
| A. | For which no management decision has been made before the commencement of the reporting period (as adjusted) | 56 | \$454,870,025 ⁴ | 134,184,860 ⁴ |
| B. | Which were issued during the reporting period | 9 | \$561,096,389 | \$113,837,121 |
| | Subtotals (A + B) | 65 | \$1,015,966,414 | \$248,021,981 |
| C. | For which a management decision was made during the period | 23 | \$36,967,841 | \$27,055,127 |

| | | Number | Questioned Costs* | Unsupported Costs |
|----|--|--------|-------------------|-------------------|
| | (i) Dollar value of disallowed costs | | \$36,967,841 | \$27,055,127 |
| | (ii) Dollar value of costs not disallowed | | \$0 | \$0 |
| D. | For which no management decision was made by the end of the reporting period | 42 | \$978,998,573 | \$220,966,854 |
| E. | For which no management decision was made within six months of issuance | 33 | \$417,902,184 | \$107,129,733 |

¹ None of the audits reported in this table were performed by the Defense Contract Audit Agency

² Questioned costs are costs that are questioned because of either an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds or a finding that, at the time of the audit, such cost is not supported by adequate documentation or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. Other recommended recoveries are funds recommended for reasons other than questioned costs. Since the IG Act does not provide for this type of monetary finding, other recommended recoveries are combined with the “questioned costs” category for reporting in the SAR. The category is usually used for findings involving recovery of outstanding funds and/or revenue earned on Federal funds. The amount also includes any interest due the Department resulting from auditees’ use of funds. In addition, amounts reported for this category are combined with unsupported costs for reporting in the SAR.

³ Unsupported costs are costs that are questioned because, at the time of the audit, such costs were not supported by adequate documentation.

⁴SAR 48 had recognized questioned costs of \$37,452 for audit report A05-D0029 issued 10/31/03. When the Department resolved the audit during the SAR 54 period, it reallocated the \$37,452 as \$13,331 questioned costs and \$24,121 unsupported costs. Therefore, we have adjusted these figures accordingly.

Table 5: OIG Issued Audit Reports with Recommendations for Better Use of Funds*

Section 5(a)(9) of the IG Act as amended requires for each reporting period a statistical table showing the total number of audit reports and the total dollar value of recommendations that funds be put to better use by management.

| | | Number | Dollar Value |
|----|--|--------|-----------------|
| A. | For which no management decision has been made before the commencement of the reporting period (as adjusted) | 5 | \$1,123,048,776 |
| B. | Which were issued during the reporting period | 0 | \$0 |
| | Subtotals (A + B) | 5 | \$1,123,048,776 |
| C. | For which a management decision was made during the reporting period | | |
| | (i) Dollar value of recommendations that were agreed to by management | 2 | \$230,721,199 |
| | (ii) Dollar value of recommendations that were not agreed to by management | 0 | \$0 |
| D. | For which no management decision has been made by the end of the reporting period | 3 | \$892,327,577 |
| E. | For which no management decision was made within six months of issuance | 3 | \$892,327,577 |

* None of the audits reported in this table were performed by the Defense Contract Audit Agency.

Table 6: Unresolved Reports Issued Prior to October 1, 2006

Section 5(a)(10) of the IG Act as amended requires a listing of each report issued before the commencement of the reporting period for which no management decisions had been made by the end of the reporting period. (Status below represents comments provided by the Department, comments agreed to, or documents obtained from the Department's tracking system, AARTS.)

| Report Number | Report Title (Prior SAR Number and Page) | Date Issued | Total Monetary Findings | No. of Recommendations |
|--|---|-------------|-------------------------|------------------------|
| New Since Last Reporting Period | | | | |
| <u>FSA</u> | | | | |
| A04E0009 | Review of Financial Partners' Monitoring and Oversight of Guaranty Agencies, Lenders, and Servicers (<i>OPE also designated as action official</i>) (SAR 53, pg 24) | 9/29/06 | | 17 |
| | <i>Status: FSA informed us that it does not concur with the recommendation, as explained in writing to the IG from the COO.</i> | | | |
| A07F0017 | Special Allowance Payments to Nelnet for Loans Funded by Tax-Exempt Obligations (see note 1) (SAR 53, pg 24) | 9/29/06 | \$278,000,000 | 2 |
| | <i>Status: FSA informed us that based on the settlement agreement between the Department and Nelnet, this audit should be considered closed. Audit will be removed from the overdue listing after all actions are completed in AARTS.</i> | | | |
| <u>OCIO</u> | | | | |
| A11G0002 | System Security Review of the Education Data Center FY2006 (SAR 53, pg 25) | 9/28/06 | | 14 |
| | <i>Status: OCIO informed us that resolution is pending, OIG concurrence with Finding 1, Rec 3.</i> | | | |
| <u>OESE</u> | | | | |
| A02F0005 | New Haven School District's Administration of Title I, Part A Summer and After School Programs (SAR 53, pg 25) | 4/11/06 | \$3,780,000 | 4 |
| | <i>Status: OESE informed us that the audit is pending resolution. Program reviewing voluminous workpapers and rebuttals submitted by Connecticut.</i> | | | |
| A02F0017 | Puerto Rico Department of Education, Salinas School District's Administration of Title I Funds (SAR 53, pg 25) | 7/25/06 | \$20,071 | 5 |
| | <i>Status: OESE informed us that the Risk Management Team (RMT) is resolving the audit.</i> | | | |

| Report Number | Report Title (Prior SAR Number and Page) | Date Issued | Total Monetary Findings | No. of Recommendations |
|----------------------------------|--|-------------|-------------------------|------------------------|
| A05F0018 | The School District of the City of Detroit's Administration of Parental Involvement Funds Under the NCLB (SAR 53, pg 25) | 6/22/06 | \$930,448 | 8 |
| | <i>Status: OESE informed us that the program determination letter was signed and dated on March 31, 2007. Audit will be removed from the overdue listing after all actions are completed in AARTS.</i> | | | |
| A06F0016 | Arkansas Department of Education's Migrant Education Program (SAR 53, pg 25) | 8/22/06 | \$877,000 | 2 |
| | <i>Status: OESE informed us that the audit is on administrative stay 5/22/07. AARTS data: does not show that the audit is on administrative stay. Anticipated resolution date is 5/22/2007.</i> | | | |
| A06F0021 | Data Quality Review of the South Dakota Consolidated State Performance Report (SAR 53, pg 25) | 6/7/06 | | 2 |
| | <i>Status: OESE informed us that the audit is a pending discussion with OIG.</i> | | | |
| Reported in Previous SARs | | | | |
| FSA | | | | |
| A02E0003 | The University of the Virgin Islands' Administration of Title IV Student Financial Assistance Programs Needs Improvement (SAR 51, pg 25) | 4/8/05 | \$102,077 | 25 |
| | <i>Status: PDL was issued on 9/25/2006. Audit will be removed from the overdue listing after all actions are completed in AARTS.</i> | | | |
| A03F0001 | School Eligibility Channel's Initial Review and Quality Control Review Process for Electronic Submissions of Institutions' Financial Statements Through the Department's eZ-Audit System (SAR 51, pg 25) | 9/20/05 | | |
| | <i>Status: No status change. FSA informed us that OIG and FSA are negotiating over one corrective action on which OIG has non-concurred.</i> | | | |
| A04B0015 | Review of Cash Management and Student Financial Assistance Refund Procedures at Bennett College (OPE designated as collateral action office for this report) (SAR 45, pg 16) | 9/26/02 | \$997,313 | 7 |
| | <i>Status: FSA informed us it is currently working on this audit.</i> | | | |
| A04B0019 | Advanced Career Training Institute's Administration of the Title IV HEA Programs (SAR 47, pg 13) | 9/25/03 | \$7,472,583 | 14 |
| | <i>Status: FSA informed us that the audit should be closed by 9/30/2007 in AARTS.</i> | | | |

| Report Number | Report Title (Prior SAR Number and Page) | Date Issued | Total Monetary Findings | No. of Recommendations |
|---------------|--|-------------|-------------------------|------------------------|
| A04E0001 | Review of Student Enrollment and Professional Judgment Actions at Tennessee Technology Center at Morristown, TN (SAR 49, pg 14) | 9/23/04 | \$2,458,347 | 7 |
| | <i>Status: FSA informed us that on 3/1/2007 OCFO-PAG signed the administrative stay memo extending the administrative stay until 6/10/2007. Required administrative stay requests and/or extensions have not been generated through AARTS.</i> | | | |
| A05E0013 | Audit of the Administration of the Student Financial Assistance Programs at the Ivy Tech State College Campus in Gary, Indiana, During the Period July 1, 2002, through June 30, 2003 (SAR 50, pg 21) | 2/25/05 | \$1,645,160 | 3 |
| | <i>Status: FSA informed us that the audit is currently being reviewed by FSA Chicago Case Team.</i> | | | |
| A0670005 | Professional Judgment at Yale University (SAR 36, pg 18) | 3/13/98 | \$5,469 | 3 |
| | <i>Status: FSA informed us that it is waiting on policy decision to address and resolve this finding in the final audit determination letter.</i> | | | |
| A0670009 | Professional Judgment at University of Colorado (SAR 37, pg 17) | 7/17/98 | \$15,082 | 4 |
| | <i>Status: FSA informed us that it is waiting on policy decision to address and resolve this finding in the final audit determination letter.</i> | | | |
| A06D0018 | Audit of Saint Louis University's Use of Professional Judgment for the Two-Year Period from July 2000 through June 2002 (SAR 50, pg 21) | 2/10/05 | \$1,458,584 | 6 |
| | <i>Status: FSA informed us that on 3/1/2007 OCFO-PAG signed the administrative stay memo extending the administrative stay until 6/23/2007. Required administrative stay extension request has not been generated through AARTS.</i> | | | |
| A0723545 | State of Missouri, Single Audit Two Years Ended June 30, 1991 | 4/1/93 | \$1,048,768 | 18 |
| | <i>Status: FSA informed us that there is no change in status.</i> | | | |
| A0733123 | State of Missouri, Single Audit Year Ended June 30, 1992 | 3/7/94 | \$187,530 | 18 |
| | <i>Status: FSA informed us that there is no change in status.</i> | | | |
| A09D0024 | American River College's Compliance with Student Eligibility Requirements for Title IV Student Aid Programs (SAR 50, pg 21) | 12/1/04 | \$3,024,665 | 3 |
| | <i>Status: FSA informed us that the audit is currently being reviewed by its San Francisco Case Team.</i> | | | |

| Report Number | Report Title (Prior SAR Number and Page) | Date Issued | Total Monetary Findings | No. of Recommendations |
|---------------|---|-------------|-------------------------|------------------------|
| A09F0008 | University of Phoenix's Processing of Return of Federal Student Aid for HEA, Title IV Programs (SAR 51, pg 26) | 12/22/05 | (see note 2) | 3 |
| | <i>Status: FSA informed us that the audit is currently being reviewed by its San Francisco Case Team.</i> | | | |
| N0690010 | Inspection of Parks College's Compliance with Student Financial Assistance Requirements (SAR 40, pg 18) | 2/9/00 | \$169,390 | 1 |
| | <i>Status: FSA previously informed us that FSA Dallas Case Team denied school's recertification on December 31, 1999. School closed February 5, 2000.</i> | | | |
| OCFO | | | | |
| A02E0008 | U.S. Department of Education Funds Disbursed for New York City Department of Education Telecommunication Services (SAR 51, pg 26) | 6/14/05 | \$6,756,824 | 8 |
| | <i>Status: No comments were provided to OIG.</i> | | | |
| A03F0010 | The Education Leaders Council's Drawdown and Expenditure of Federal Funds (SAR 52, pg 8) (OII also designated as action official) | 1/31/06 | \$760,570 | 12 |
| | <i>Status: No comments were provided to OIG.</i> | | | |
| A05D0041 | University of Illinois at Chicago's Upward Bound Project (OPE also designated as action official) (SAR 50, pg 22) | 12/20/04 | \$223,057 | 8 |
| | <i>Status: OCFO informed us that it is reviewing additional information provided by the auditee.</i> | | | |
| A05E0002 | Audit of the University of Illinois at Chicago's Student Support Services Program (OPE also designated as action official) (SAR 50, pg 22) | 12/15/04 | \$260,050 | 6 |
| | <i>Status: OCFO informed us that it is reviewing additional information provided by the auditee.</i> | | | |
| A05E0018 | University of Illinois at Chicago's Upward Bound Math and Science Project (OPE also designated as action official) (SAR 50, pg 22) | 12/17/04 | \$274,493 | 7 |
| | <i>Status: OCFO informed us that it is reviewing additional information provided by the auditee.</i> | | | |
| A07D0002 | Audit of the Talent Search Program at Case Western Reserve University (SAR 47, pg 14) | 7/11/03 | \$212,428 | 5 |
| | <i>Status: OCFO informed us that it is continuing to work with OPE to resolve the monetary findings in the audit report.</i> | | | |
| A09F0010 | Pittsburg Pre-School and Community Council, Inc.'s Use of Early Reading First and Migrant Education Even Start Grant Funds (SAR 52, pg 9) (OESE also designated as action official) | 3/17/06 | \$910,217 | 21 |
| | <i>Status: OCFO informed us that it has been working with OGC in drafting questions for the auditee to respond to.</i> | | | |

| Report Number | Report Title (Prior SAR Number and Page) | Date Issued | Total Monetary Findings | No. of Recommendations |
|---------------|--|-------------|-----------------------------|------------------------|
| A09F0020 | Sheldon Jackson College's Administration of Fund for the Improvement of Postsecondary Education Grants (SAR 52, pg 11) (<i>OPE also designated as action official</i>) | 2/24/06 | | 2 |
| | <i>Status: OCFO informed us that it has been working with OGC and OPE in preparing a draft program determination letter.</i> | | | |
| OESE | | | | |
| A02E0031 | Wyandanch Union Free School District's ESEA, Title I, Part A and Title II Non-Salary Expenditures for the Period July 1, 1999, through June 30, 2004 (SAR 51, pg 27) | 9/14/05 | \$6,802,887 (see note 3) | 8 |
| | <i>Status: Previously reported, the Program Determination Letter (PDL) was issued on 9/30/2006. Audit will be removed from the overdue listing after all actions are completed in AARTS.</i> | | | |
| A04F0011 | Audit of the Georgia Department of Education's Migrant Education Program (SAR 52, pg 4) | 1/12/06 | | 7 |
| | <i>Status: OESE informed us that the audit is pending a Departmental review.</i> | | | |
| A05C0012 | Audit of East Cleveland City Schools' Administration of the 21st Century Community Learning Centers Grant at Kirk Middle School for the Period June 1, 1998, through December 31, 2001 (SAR 45, pg 18) | 9/18/02 | \$349,637 | 9 |
| | <i>Status: OESE informed us that the audit is pending a Departmental review.</i> | | | |
| A06E0008 | Audit of the Title I Funds Administered by the Orleans Parish School Board for the Period July 1, 2001, through December 31, 2003 (SAR 50, pg 23) | 2/16/05 | \$73,936,273 | 7 |
| | <i>Status: OESE informed us that the audit is pending a Departmental review.</i> | | | |
| A06E0012 | Audit of the Title I Funds Administered by the Caddo Parish School District, for the Period July 1, 2001, through December 31, 2003 (SAR 50, pg 23) | 12/7/04 | \$488,314 | 1 |
| | <i>Status: OESE informed us that OIG has concurred with the PDL. Program Office is finalizing the PDL.</i> | | | |
| A06E0017 | Title I Funds Administered by the Beauregard Parish School District, for the Period July 1, 2001, through December 31, 2003 (SAR 50, pg 23) | 12/16/04 | \$540,443 | 5 |
| | <i>Status: OESE informed us that OIG has concurred with the PDL. Program is finalizing the PDL.</i> | | | |
| A06E0018 | Title I Funds Administered by the East Baton Rouge Parish School District for the Period July 1, 2001, through December 31, 2003 (SAR 51, pg 27) | 6/8/05 | \$148,246 (see note 4) | 4 |
| | <i>Status: OESE informed us that the audit is pending a Departmental review.</i> | | | |

| Report Number | Report Title (Prior SAR Number and Page) | Date Issued | Total Monetary Findings | No. of Recommendations |
|---------------------|--|-------------|-------------------------|------------------------|
| A06F0013 | Oklahoma State Department of Education's Migrant Education Program (SAR 52, pg 4) | 3/21/06 | \$509,000 | 3 |
| | <i>Status: Pending resolution due to Oklahoma implementing a corrective action plan for MEP as it pertains to a defect rate on its child eligibility determination.</i> | | | |
| A07F0014 | The U.S. Department of Education's Activities Relating to Consolidating Funds in Schoolwide Programs Provisions (SAR 52, pg 10) | 12/29/05 | | 4 |
| | <i>Status: Internal Audit. OESE informed us its response was submitted to OIG 12/28/05. Ongoing Corrective Action (CAP) status. Final Audit Report was issued on 12/29/2005. OIG agreed with the proposed corrective action plan on 2/2/07, but the audit has not been submitted for resolution through AARTS.</i> | | | |
| <u>OPE</u> | | | | |
| A07B0011 | Audit of Valencia Community College's Gaining Early Awareness and Readiness for Undergraduate Programs Matching Requirement (SAR 47, pg 15) | 5/8/03 | \$1,822,864 | 5 |
| | <i>Status: OPE informed us it continues to work on this audit.</i> | | | |
| <u>OSERS</u> | | | | |
| A02B0014 | Audit of the Puerto Rico Vocational Rehabilitation Administration (SAR 45, pg 18) | 6/26/02 | \$15,800,000 | 5 |
| | <i>Status: OSERS agrees that the audit is open.</i> | | | |
| A02E0020 | The Virgin Islands Department of Health's Administration of the Infants and Toddlers Program (see note 5) (SAR 51, pg 28) | 9/28/05 | | 17 |
| | <i>Status: OSERS agrees that the audit is open.</i> | | | |
| Note 1 - | Audit Report A07F0017 contained a one-time better use of funds (BUF) of \$882,000,000 | | | |
| Note 2 - | Audit Report A09F0008 identified a one-time BUF of \$10,000,000 | | | |
| Note 3 - | Audit Report A02E0031 identified recommended adjustments of \$5,913,394 | | | |
| Note 4 - | Audit Report A06E0018 reported that \$1,000 related to a check writing error was recovered during the audit. This money was not included in questioned or unsupported costs | | | |
| Note 5 - | We identified \$327,577 in one-time BUF in audit A02E0020 | | | |

| Table 7: Statistical Profile: October 1, 2006, to March 31, 2007 | | Six-Month Period Ending 3/31/2007 |
|---|--|--------------------------------------|
| OIG Audit Reports Issued | | 34 |
| Questioned Costs | | \$447,259,268 |
| Unsupported Costs | | \$113,837,121 |
| Recommendations for Better Use of Funds | | \$0 |
| Other OIG Products Issued | | 12 |
| <i>(2 Alert Memoranda, 2 Attestation Reports, 1 Audit Closeout Letter, 1 Inspection, 1 Interim Audit Memorandum, 4 Management Information Reports, 1 Special Project)</i> | | |
| OIG Audit Reports Resolved By Program Managers | | 44 |
| Questioned Costs Sustained | | \$9,912,714 |
| Unsupported Costs Sustained | | \$27,055,127 |
| Additional Disallowances Identified by Program Managers | | \$14,314,236 |
| Management Commitment to the Better Use of Funds | | \$230,721,199 |
| Investigative Case Activity | | |
| Cases Opened | | 87 |
| Cases Closed | | 71 |
| Cases Active at the End of the Reporting Period | | 382 |
| Prosecutorial Decisions | | 191 |
| - Accepted | | 92 |
| - Denied | | 99 |
| Investigative Results | | |
| Indictments/Informations | | 57 |
| Convictions/Pleas | | 59 |
| Fines Ordered | | \$12,600 |
| Restitution Payments Ordered | | \$3,373,295.95 |
| Civil Settlements/Judgements (number) | | 6 |
| Civil Settlements/Judgements (amount) | | \$482,452 |
| Recoveries | | \$91,324.50 |
| Forfeitures/Seizures | | 0 |
| Savings | | \$246,620.69 |