Description of document: National Endowment for the Arts (NEA) records provided to Senator Charles E. Grassley and Senator Tom Coburn concerning the independence of Inspectors General necessary to promote efficiency and prevent fraud, waste and abuse in agency programs, in response to the Senators' inquiry, 2011-2012

Requested: 15-April-2012

Released date: 11-May-2012

Posted date: 04-July-2012

Source of document: FOIA Requests
Office of General Counsel
National Endowment for the Arts
1100 Pennsylvania Avenue, NW, Room 608
Washington, DC 20506
Fax: 202/682-5572
Email: foia@arts.gov

Note: This is one of several files on the same subject for various agencies available on governmentattic.org. See:
http://www.governmentattic.org/6docs/GrassleyCoburn.htm

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This e-mail responds to your request for records under the Freedom of Information Act (FOIA), 5 U.S.C. 552. In your e-mail, you requested “a copy of each biannual response to Senators Grassley and Coburn regarding their April 8, 2010 request to the NEA Office of the Inspector General to provide a summary of your non-public management advisories and closed investigations.”;

Attached are copies of the requested records. No information has been withheld.

The National Endowment for the Arts is governed by the provisions of the National Foundation on the Arts and the Humanities Act, 20 U.S.C. 951et seq., and the Freedom of Information Act with respect to the release of agency records. In accordance with the NEA's FOIA regulations, 45 C.F.R. 1100.5(b)(1), you may appeal the Agency’s determination. Such an appeal must be made to the Chairman within ten working days following the receipt of this e-mail. Additional information on the appeal process may be found at the following link: http://www.nea.gov/about/FOIA/index.html#appeal.

Please contact me if you have any questions about this response.

Sincerely,
Monica Ashar

MONICA ASHAR
FOIA Officer
National Endowment for the Arts
1100 Pennsylvania Avenue, NW, Suite 608
Washington, DC 20506
Ph: (202) 682-5007 | Fax: (202) 682-5572
April 29, 2010

The Honorable Charles E. Grassley
U.S. Senate
Committee on Finance
Washington, D.C. 20510-6200

Dear Senator Grassley:

This letter responds to your April 8, 2010, letter requesting information about the Office of Inspectors General ability to independently perform oversight activities and other matters as described below:

1. Have the Office of Inspectors General (OIG) ability to independently carry out audits, evaluations, investigations or other oversight activities, been interfered with, limited or delayed by their respective agencies?

   The National Endowment for the Arts, Office of Inspector General (NEA-OIG) has not experienced any type of interference by the agency which would impair our independence or impede oversight activities.

2. Submit a report to your office, on all closed investigations, evaluations and audits conducted by our office that have not been disclosed to the public.

   All NEA-OIG closed investigations, evaluations and audits have been disclosed to the public.

3. Have the Office of Inspectors General received threats from a federal official in an attempt to impede its ability to communicate with Congress regarding the budget or other matters?

   The NEA-OIG has not received any threats or attempts to impede our office’s ability to communicate with Congress or any other federal entity.
4. Submit a copy of the Office of Inspectors General report on the status of open and unimplemented recommendations sent to the Ranking Member of the Committee on Oversight and Government Reform to your office.

A copy of our report to Representative Darrell Issa on the status of open and unimplemented recommendations is enclosed.

Should you have any questions, I can be reached at (202) 682-5774 or by email at jonest@arts.gov.

Sincerely,

Torie Jones
Acting Inspector General

Enclosure

cc: The Honorable Tom Coburn
U.S. Senate
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
Washington DC
April 16, 2010

The Honorable Darrell Issa
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515-6143

Dear Congressman Issa:

This letter responds to the request for an update from each Inspector General office on the number of open and unimplemented recommendations, potential monetary benefits and other information as outlined in your March 24, 2010 letter.

The status of open and unimplemented recommendations from FY 2001 through April 12, 2010, including potential monetary benefits, is attached. Currently, the National Endowment for the Arts Office of Inspector General (NEA-OIG) has two open recommendations with potential monetary benefits.

At this time, the NEA-OIG has no additional legislative suggestions to further improve the Inspector General Act of 1978, as amended.

Should you have any questions, I can be reached at (202) 682-5774 or by email at jonest@arts.gov.

Sincerely,

Tonie Jones
Acting Inspector General

Enclosure

cc: The Honorable Edolphus Towns
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515-6143
The information below is a brief description of the two open recommendations with potential monetary benefit as of April 12, 2010.

1. Recommendation requested that grantee provide information to support questioned costs of $58,000 claimed under two grants (Report Date: 6/15/09). If the documentation is not deemed satisfactory, a refund of up to $29,000 plus interest may be required. Grantee has responded to the recommendation and has submitted additional documentation which is currently under review. It is unknown until the review is completed whether there will be a refund. We estimate that a management decision should be made by June 30, 2010.

2. Recommendation requested that grantee provide information to support the questioned costs of $20,100 claimed under the grant (Report Date: 8/12/09). If the documentation submitted is not deemed satisfactory, a refund of up to $3,400 plus interest may be required. Grantee has responded to the recommendation and has submitted additional documentation which is currently under review. It is unknown until the review is completed whether there will be a refund. We estimate that a management decision will be made by June 30, 2010.

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1 FY 2010 reported recommendations as of April 12, 2010. Recommendations are based on fiscal year and include recommendations to grantees and the agency.
Since January 5, 2009, there have been nine (9) recommendations to the agency, all of which were accepted. Seven of the recommendations have been implemented and corrective actions for the remaining two are in process. There was no cost savings associated with any of the recommendations to the agency.
December 10, 2010

Dear Senator Grassley:

This letter responds to your April 8, 2010, letter requesting biannual information about the Office of Inspectors General ability to independently perform oversight activities and other matters as described below:

1. Have the Office of Inspectors General (OIG) ability to independently carry out audits, evaluations, investigations or other oversight activities, been interfered with, limited or delayed by their respective agencies?

The National Endowment for the Arts, Office of Inspector General (NEA-OIG) has not experienced any type of interference by the agency which would impair our independence or impede oversight activities.

2. Submit a report to your office, on all closed investigations, evaluations and audits conducted by our office that have not been disclosed to the public.

All NEA-OIG closed investigations, evaluations and audits have been disclosed to the public.

3. Have the Office of Inspectors General received threats from a federal official in an attempt to impede its ability to communicate with Congress regarding the budget or other matters?

The NEA-OIG has not received any threats or attempts to impede our office's ability to communicate with Congress or any other federal entity.
The above information is for the period of May 1, 2010 through September 30, 2010. Should you have any questions, I can be reached at (202) 682-5774 or by email at jonest@arts.gov.

Sincerely,

[Signature]

Tomie Jones
Acting Inspector General

Enclosure

cc: The Honorable Tom Coburn
    U.S. Senate
    Ranking Member
    Permanent Subcommittee on Investigations
    Homeland Security and Governmental Affairs Committee
    Washington DC
January 4, 2012

The Honorable Charles E. Grassley
Ranking Member
Judiciary Committee
United States Senate
Washington, D.C. 20510

Dear Senator Grassley:

This letter represents a follow-up to your letter of April 8, 2010, seeking information concerning the National Endowment for the Arts (NEA) Office of Inspector General’s (OIG) independence in carrying out audits, investigations, and evaluations within NEA. It is my understanding that OIGs should consider your request as “recurring.”

Based on previous telephonic discussions between representatives of the Council of Counsels to Inspectors General and members of your staff, I am responding to those portions of your letter requesting that I provide (1) biannual reports on all closed investigations, evaluations, and audits conducted by my office that were not disclosed to the public; and (2) information regarding whether there are any OIG recommendations with potential monetary benefits that the NEA has not yet fully implemented. Because this is a follow-up to my most recent response to your request dated December 10, 2010, I am providing herein information for the period December 10, 2010 through September 30, 2011.

With regard to your request concerning reports on closed matters that the OIG did not make publicly available, all NEA OIG reports issued between December 10, 2010 and September 30, 2011, have been made publicly available on the NEA OIG website.

Please see the chart below for information on outstanding recommendations with potential monetary benefits that have not been fully implemented by the NEA:
NEA Office of Inspector General
Response to House Oversight Committee’s Request for the Status of Open and Unimplemented Recommendations through September 30, 2011

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Recommendations to NEA Grantees</th>
<th>Number of Recommendations to the Agency</th>
<th>Number of Recommendations Still Open</th>
<th>Potential Monetary Benefit From Open Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>6</td>
<td>11</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>2002</td>
<td>1</td>
<td>8</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>2003</td>
<td>11</td>
<td>7</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>2004</td>
<td>19</td>
<td>7</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>2005</td>
<td>55</td>
<td>2</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>2006</td>
<td>52</td>
<td>13</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>2007</td>
<td>67</td>
<td>2</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>2008</td>
<td>79</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>2009</td>
<td>40</td>
<td>7</td>
<td>7</td>
<td>29,000</td>
</tr>
<tr>
<td>2010</td>
<td>31</td>
<td>15</td>
<td>29</td>
<td>438,115</td>
</tr>
<tr>
<td>2011¹</td>
<td>42</td>
<td>19</td>
<td>23</td>
<td>93,485</td>
</tr>
</tbody>
</table>

Since December 10, 2010, there have been 21 recommendations to the agency, 16 of which have been implemented and corrective actions for the remaining 5 were still in process as of September 30, 2011². There was no cost savings associated with any of the recommendations to the agency.

The information below is a brief description of the two open recommendations for grantees audited/evaluated by the OIG with potential monetary benefit as a result of questioned costs from December 10, 2010 through September 30, 2011.

1. Recommendation requested that grantee provide information to support questioned costs of $592,414 claimed under the grant (Report Date: 8/17/10). If the documentation submitted is not deemed satisfactory, a refund of up to $337,666 plus interest may be required. Grantee has responded to the recommendation and has submitted additional documentation. As a result, the questioned costs have been reduced to $82,033 with a potential refund of $48,036. We requested additional documentation to support the remaining questioned costs. It is unknown until the review is completed whether there

¹ Recommendations are as of September 30, 2011.
will be a refund. We estimate that a management decision will be made by March 30, 2012.

2. Recommendation requested that grantee provide information to support questioned costs of $90,898 claimed under the grant (Report Date: 8/5/10). If the documentation submitted is not deemed satisfactory, a refund of up to $45,449 plus interest may be required. Grantee responded to the recommendation and submitted additional documentation. Subsequently, the recommendation was cleared October 7, 2011. Therefore, no refund is due to the NEA.

The above information is for the period of December 10, 2010 through September 30, 2011. Should you have any questions, I can be reached at (202) 682-5774 or by email at jonest@arts.gov.

Sincerely,

Torie Jones
Inspector General

cc: The Honorable Tom Coburn
    U.S. Senate
    Ranking Member
    Permanent Subcommittee on Investigations
    Homeland Security and Governmental Affairs Committee
    Washington DC