



Office of Inspector General FY 2022 Work Plan

Provided to the
Legal Services Corporation
Board of Directors
February 11, 2022



Mission

- The OIG serves as an independent resource to prevent and detect fraud, waste, and abuse and improve the economy and efficiency of LSC's and its grant recipients' programs and operations

Established under: Inspector General Act of 1978, as amended, 5 U.S.C. app. 3.

- We adhere to the standards of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Government Accountability Office (GAO), and professional organizations
- OIG work increases Congressional and public confidence in the proper expenditure of scarce LSC funds.



Reporting

By statute the OIG has special reporting relationships to the Board and Congress:

- Direct reporting
- Keeps the Board and Congress fully and currently informed about problems and deficiencies
- Provides required Semiannual reports
- When appropriate, reports on particularly serious or flagrant problems, abuses, deficiencies (7-Day letters)
- Reports on recommendations for corrective action made to LSC.



Planning Basis

- Guided by IG Act
- Plan by Goals & Objectives
- Annual Work Plan sets out specific activities
 - Built on unit plans and priorities
- Set work priorities based on:
 - Ongoing work
 - High risk areas
 - Available resources.



Planning Considerations

- Ensure flexible and dynamic operations:
 - To address current management issues and challenges, program initiatives, GAO reviews
 - Conduct assessments to identify current and emerging risks
 - Adjust oversight coverage to respond to increases in LSC funding and new initiatives - as more funds are at risk
 - Consider stakeholder requests for reviews (Congress, Board, Management, Grantees)
 - Receive and respond to hotline complaints
 - Pandemic impacts on LSC, OIG and grantees work.



Goals & Objectives

Goal 1: Promote LSC effectiveness by delivering high value OIG products as a trusted advisor that identifies areas for improvement and communicates those to stakeholders.

Objectives:

- 1.1 – Prevent and minimize fraud, waste, and abuse throughout the federally funded civil legal aid program
- 1.2 – Promote economy and efficiency within LSC and its grant recipients
- 1.3 – Deliver credible, relevant, and high-quality products
- 1.4 – Foster open and effective communication and working relations

Goal 2: Advance excellence in OIG performance by effectively managing and leveraging our human resources and information systems.

Objectives:

- 2.1 – Enhance OIG performance and management practices
- 2.2 – Promote professionalism and talent
- 2.3 – Strengthen information management and technology solutions.



Planned FY 2022 Activities

Objective 1.1 – Prevent and minimize fraud, waste, and abuse throughout the federally funded civil legal aid program

Preventative Activities:

Perform proactive outreach and education programs to promote fraud awareness and prevention measures on significant fiscal or operational issues

- As fraud trends develop issue fraud prevention reports, alerts, fraud corner and hotline advisories to LSC and grantees that provide significant information on: cyberthreats, fraud schemes, and ways to strengthen operations
- Provide 3 advisory/summary reports identifying and summarizing risks and prevention measures on topics such as: CARES Act, audit quality reviews, grantee IT network vulnerabilities
- Continue fraud awareness training for current and newly hired grantee and subgrantee officers and directors
- Develop new anti-fraud initiatives to expand preventive measures in the LSC grant community.



Planned FY 2022 Activities

Objective 1.1 – Prevent and minimize fraud, waste, and abuse throughout the federally funded civil legal aid program

Preventative Activities: (continued)

- Provide proactive guidance and vulnerability assessments to evaluate and enhance the integrity of operations and controls at LSC and its grantees
 - Stay abreast of LSC management’s risk assessment and operational environment to identify and address emerging vulnerabilities and risks
 - Shift priorities as necessary to concentrate on high-risk areas
 - Produce 8 fraud/regulatory vulnerability assessments and proactive reviews of grantee and subgrantees via field or remote visits
 - Perform 4 grantee IT networks vulnerability assessments
 - Continue website updates on cybersecurity and pandemic scams and other financial issues.



Planned FY 2022 Activities

Objective 1.1 – Prevent and minimize fraud, waste, and abuse throughout the federally funded civil legal aid program

Detection Activities:

- Operate effective detection programs including investigations, annual audits, and national fraud hotline:
 - Conduct criminal, civil, and administrative investigations
 - Pursue criminal, civil, administrative, and professional disciplinary remedies
 - Continue investigative oversight outreach & restart field visits ASAP consistent with safety protocols
 - Operate national fraud, waste, and abuse hotline
 - Increase awareness of the hotline to improve quantity and quality of hotline complaints; release new hotline poster
- Ensure protections for whistleblowers.



Planned FY 2022 Activities

Objective 1.2 – Promote economy and efficiency within LSC and its grant recipients

Activities:

- Review and comment on the effectiveness of LSC-related legislation and regulations
- Conduct audit, investigations, assessments & reviews of LSC's operations focusing on high-risk operations, programs, and events
- Issue a minimum of 7 reports covering operational/ fiscal accountability/ regulatory compliance/ internal controls of LSC and its grantees
- Make referrals and monitor corrective actions.



Planned FY 2022 Activities

Objective 1.2 – Promote economy and efficiency within LSC and its grant recipients

Activities: (continued)

- Conduct the LSC audit program including the LSC and grant recipients' annual financial statement audits and coordination with LSC oversight offices and auditors of grantees
 - Oversee LSC Annual financial statements audit
 - Review 132 grant recipients' annual audits performed by IPAs; refer significant findings to LSC Management for resolution
 - Revise and publish for comment Audit Guide for Recipients and Auditors
 - Augment OIG audit resources to broaden the scope of oversight coverage
 - Supervise 35 grantee IPA Audit Quality Control Reviews & follow-up.



Planned FY 2022 Activities

Objective 1.3 – Deliver credible, relevant, and high-quality products

Activities:

- Maintain independence and operational flexibility
- Stay informed about LSC initiatives and solicit input from stakeholders
- Identify major LSC challenges, perform risk assessments of the environment, and prioritize work in high-risk areas
- Meet or exceed professional OIG quality standards and best practices in all areas.



Planned FY 2022 Activities

Objective 1.4 – Foster open & effective communication & working relations (3-C's)

Activities:

- Maintain effective working relationships with the Congress, Board, LSC, grantees, and outside parties
- Regularly and proactively communicate with LSC executives and managers to ensure effective coordination all levels
- Continue to build relationships with CIGIE, Pandemic Response Accountability Committee (PRAC), & IG community members regarding best practices, joint projects, and to coordinate information and leverage resources; e.g., via participation in the CIGIE Audit Committee, Grant Fraud Working Group and Assistant Inspector General groups
- Develop working relationships with state funder audit and investigative units
- Perform peer review of NASA OIG
- Develop next generation OIG website, continuing 508 compliance of postings and email distribution of important OIG messages.



Planned FY 2022 Activities

Objective 2.1 – Enhance OIG performance and management practices

Activities:

- Leverage hybrid work environment for improved work-life balance, providing a flexible modern work environment to attract and retain top staff
- Ensure OIG work planning focus on top management challenges
- Operate a procurement system to deliver mission success
 - Competitively procure reviews and support as needed
- Run multidiscipline project teams and cross-train staff
- Identify and emulate best practices and policies of similar oversight organizations: CIGIE, PRAC, and GAO.



Planned FY 2022 Activities

Objective 2.1 – Enhance OIG performance and management practices

Activities: (continued)

- Leverage data analytics in OIG planning and operations to identify systemic fraud trends and improve risk assessments to best support units
 - Conduct review of available data universe - LSC and grantees
 - Optimize use of internal and external information resources
- Improve sharing of LSC and grantee data and foster open communication at all staff levels
 - Continue to work with LSC management to ensure access to documents and records is timely and complete
- Augment operational efficiencies
 - Continue to improve and update OIG policies
 - Facilitate internal OIG improvement recommendations.



Planned FY 2022 Activities

Objective 2.2 – Promote professionalism and talent

Activities:

- Provide appropriate supervision to staff to ensure OIG duties and functions are properly accomplished
- Support a diverse, inclusive, engaged, results-oriented work culture and uphold core values
- Recruit and retain a highly skilled workforce
 - Conduct update of profession career ladders and compensation to ensure OIG market competitiveness
- Promote professional growth through training and ongoing profession development
 - Meet continuing professional education requirements and acquire professional certifications
 - Promote professional development through training including CIGIE training opportunities
 - Make available management development courses for future leadership.



Planned FY 2022 Activities

Objective 2.3 – Strengthen information management and technology solutions

Activities:

- Continue development and maintenance of the grantee financial statement review and finding referral system
- Enhance and maintain OIG systems, network and cybersecurity
 - Update Information Technology (IT) policies, practices and business continuity plan
 - Ensure information and IT security through an information assurance program
 - Perform hardware and software updates
- Ensure OIG technology and skills keep pace with operating environment through training.



FY 2021 OIG Highlights

Audit Activities:

- Reviewed **163** grantee and sub-recipient financial statement audits - reviewing all LSC and non-LSC funds - referred **55** significant findings to LSC Management for corrective action
- LSC management sustained **\$59,000** in audit questioned or unsupported costs as a result of OIG prior referrals
- Issued **4** internal control audits covering **\$10,383,000** in LSC grant funds and containing **90** audit recommendations to LSC grant recipients - grantees agreed with 100% of OIG recommendations; referred **\$438,000** in questioned costs to LSC as a result of audits; closed **92** audit recommendations from this or previous periods
- Completed **31** in-depth reviews of the quality of grantee financial statement audits
- Issued a white paper on challenges facing LSC in monitoring COVID response grants.



FY 2021 OIG Highlights

Investigative Activities:

- Opened **37** and closed **36** investigations involving allegations of theft, outside practice of law, time and attendance fraud, cyber fraud, prohibited political activity, outside employment, prohibited lobbying, and other potential violations of LSC statutes and regulations
- OIG investigations resulted in over **\$1,203,000** in monetary results including: **\$11,000** in grant funds refunded to LSC; **\$402,000** in past due referral fees from private attorneys recovered by a grantee; and **\$790,000** redirected from a national TIG project to other technology projects
- Investigated a business email compromise scheme perpetrated against LSC and a grantee that resulted in a \$1.1 million loss. Provides a referral to LSC management with **20** suggested corrective actions. LSC has implemented all OIG suggested corrective actions
- OIG investigation from the prior year on nepotism at a grantee led to LSC imposing **7** special grant conditions.



FY 2021 OIG Highlights

Fraud Prevention Activities:

- Performed **7** Fraud Vulnerability Assessments (including one focused on Disaster Relief Emergency grants and one on CARES Act funding); **4** Regulatory Vulnerability Assessments; one recorded Fraud Awareness Briefing on Cybercrimes
- Issued **8** Fraud Prevention Advisories, including one on prompt reporting of fraud indicators to the OIG and one on ransomware attacks
- Sent **5** Hotline Advisory emails to grantees including information on recent phishing and ransomware attacks
- Produced **2** Fraud Corner articles to help prevent and minimize fraud, waste, and abuse discussing Retainer Fee Fraud Scheme and Email Scams Targeting LSC and LSC Grantees
- Created a new OIG webpage providing Cyber Security Resources for grantees and maintained a COVID-19 fraud prevention webpage identifying scams that could target LSC grantee recipients, staff and clients, including where and how to report scams.



Conclusion

- Board or Management requests
- Comments or Questions?