

UPDATE

Top Challenges in Pandemic Relief and Response

FEBRUARY 3, 2021



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Background

Since the beginning of the COVID-19 pandemic, the federal government has spent over \$3 trillion¹ to address the public health and economic crises. Given the amount of funding at issue, the need to distribute aid quickly, and the use of grants and loans to disburse funds, effective management of the pandemic response programs presents a significant challenge to many executive branch agencies. Moreover, these same factors increase the risk of fraud and misuse of the funds.

To help provide oversight of those funds, Congress created the Pandemic Response Accountability Committee (PRAC) within the Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE).² The PRAC is composed of Inspectors General identified by Congress, Inspectors General designated by the Chairperson of the Committee, an Executive Director, a Deputy Executive Director, and staff. The PRAC leads the efforts of CIGIE and its Inspectors General to promote transparency and support and conduct oversight of the pandemic response funds.

In June 2020, the PRAC released its first Management Challenges report, titled [Top Challenges Facing Federal Agencies: COVID-19 Emergency Relief and Response Efforts](#). This report provides insight into the

top management challenges submitted to the PRAC by 37 Offices of Inspector General (OIGs) for agencies that received emergency funds or were involved in the pandemic response. The PRAC summarized the challenges by broad issue categories to identify common themes and key areas of concern. While many challenges varied from agency to agency, the analysis identified common concerns across agencies despite their different sizes and missions. The challenges included:

- Financial Management of Relief Funding
- Grants and Guaranteed Loan Management
- IT Security and Management
- Protecting Health and Safety

Given the changing nature of the pandemic and the federal government's response, we re-visited our original top management challenges to ensure that the PRAC is providing timely information to Congress and the Administration about the response efforts.

To prepare our update, the PRAC reached back out to OIGs from more than 40 agencies that received emergency funds or were involved in the pandemic response and reviewed Management Challenges reports issued by OIGs since March 2020. As a result, the PRAC is adding four new management challenges and modifying an existing management

¹The more than \$3 trillion in pandemic response funds includes those funds authorized under the new Coronavirus Response and Relief Supplemental Appropriations Act as well as the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020; the Families First Coronavirus

Response Act; the Coronavirus Aid, Relief, and Economic Security Act; and the Paycheck Protection Program and Health Care Enhancement Act.

²The PRAC was established in March 2020 by the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136).

challenge—protecting health and safety. The following challenges have been added:

- Preventing and Detecting Fraud against Government Programs
- Informing and Protecting the Public from Pandemic-Related Fraud

- Data Transparency and Completeness
- Federal Workforce Safety

The following provides greater detail on the new Management Challenges and updates the existing Management Challenges.³



New Challenge: Preventing and Detecting Fraud against Government Programs

With the unprecedented amount of disaster response funds appropriated (over \$3 trillion as of January 2021) to support the country's pandemic response, the opportunities for defrauding government programs have significantly increased. Bad actors have fraudulently obtained federal funds through the Pandemic Unemployment Assistance program, the Paycheck Protection Program (PPP) loan program, and the Economic Injury Disaster Loan (EIDL) program, to name a few. In addition, the urgency with which funds are being disbursed increases the fraud risk.

For example, the Small Business Administration (SBA) launched the Paycheck Protection Program—a new federal program—on April 3, 2020, and within 14 days lenders

approved more than 1.6 million PPP loans totaling nearly \$342.3 billion. At the same time, SBA received more COVID-19 relief EIDL loan applications and approved and disbursed more EIDL loans than for all other disasters combined since the agency was founded in 1953. As the SBA OIG reported, to get EIDL funds to eligible entities quickly, SBA “lowered the guardrails” by removing or weakening internal controls.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided a substantial increase in unemployment insurance program funds—approximately \$400 billion. The Department of Labor (DOL) OIG has reported that DOL did not intend to measure CARES Act unemployment insurance program improper

³ CIGIE plans to issue its Top Management and Performance Challenges Across Multiple Agencies report in February 2021. Three of the challenges identified in the CIGIE management

and performance challenges report are also discussed in this report and the direct impact to those challenges by the COVID-19 pandemic.

payments because department management considered the funding an episodic, temporary program.

Federal managers have primary responsibility for reducing fraud risks and ensuring program integrity. However, the Government Accountability Office has reported that federal managers, in a post-disaster environment like a global pandemic, have a higher risk tolerance for making payments to potentially fraudulent applicants if the managers assess that the individual has been more negatively impacted than other individuals. The Office of Management and Budget (OMB) reminded agencies in its implementation guidance for COVID-19 funding, [M-20-21](#), of management's responsibility for "balancing the need for expediency with steps to mitigate risk of fraud, waste, abuse and improper payments"

When fraud risks can be identified and mitigated, agencies may be able to improve fraud prevention, detection, and response. As such, to help programs detect and prevent fraud, the Fraud Reduction and Data Analytics Act requires federal agencies to complete fraud risk assessments.

OIG oversight work to date has identified two primary fraud risks associated with the administration of pandemic response funds: self-certification of eligibility and lack of due diligence by the agencies into applicants.

Self-certification. Self-certification occurs when the individual completing the application certifies that the information provided is

⁴ DOL OIG has previously estimated an improper payment rate of 10 percent for unemployment insurance programs. Under the CARES Act, the Department of Labor received \$260 billion to expand unemployment insurance benefits. Assuming the

accurate. Work completed by the OIGs at the DOL and SBA found that self-certification served as the sole or a significant control for pandemic response programs that facilitated billions of taxpayer dollars to be disbursed improperly. Specifically, DOL OIG previously identified self-certification as a top fraud vulnerability for the pandemic unemployment assistance program, putting \$26 billion⁴ in taxpayer funds at a higher risk of fraud and improper payment. Relying solely on self-certification to demonstrate applicants' eligibility created a high fraud risk vulnerability, evidenced by numerous publicly announced investigations involving high-dollar loan fraud and multi-victim identity theft schemes.

Lack of Due Diligence into Applicants. In an effort to increase the speed of disbursing relief funding, federal agencies and banks did not conduct full due diligence checks to ensure that the information, such as social security numbers or business registration date, submitted by applicants were correct. An analysis of virtually every PPP loan fraud investigation shows the same pattern: the defendants submitted false business records, payroll documents, or tax records to lenders in an attempt to fraudulently obtain the loans. In certain instances, the false records contained business formation dates that made the businesses eligible when, in fact, the businesses were formed after the eligibility date. As of December 2020, the Department of Justice had initiated 66 criminal fraud investigations involving over \$250 million in PPP loans.

improper payment rate continues above 10 percent, at least \$26 billion in expanded unemployment benefits could be paid improperly.

While the PRAC recognizes the need to disperse funds quickly, it is imperative that federal agencies put in place better controls to safeguard taxpayer dollars and prevent improper payments. Failing to heed the lessons learned in the implementation of the CARES Act will result in increased fraud and more dollars diverted from those desperately awaiting economic relief. Congress strengthened some controls for the unemployment assistance program in the

December 2020 coronavirus supplemental appropriations.⁵ However, additional oversight work needs to be conducted to determine the effectiveness of these controls.

Related Oversight Products. Visit our website, PandemicOversight.gov, for a list of all [products](#) related to fraud prevention and detection as well as fraud [resources](#) related to pandemic response.



New Challenge: Informing and Protecting the Public from Pandemic-Related Fraud

Not only has the amount of fraud against the government increased during the pandemic, but Americans are being targeted in greater numbers by dishonest people taking advantage of the crisis to harm individuals and businesses through scams and harassment. Various federal agencies are tasked with appropriately informing and protecting the public about pandemic-related fraud and scam attempts, as well as helping them to understand how and when to file a complaint.

Protecting Identities. With numerous data- system breaches in the last few years, identity theft is on the rise and has been exploited by bad actors to obtain pandemic response funds, such as unemployment insurance benefits, PPP loans, and EIDLs. For example, on December 16, 2020, a woman pleaded [guilty](#) to a federal criminal charge for fraudulently obtaining more than \$500,000 in pandemic-related unemployment benefits through the use of stolen personal identifiable

⁵ The Continued Assistance for Unemployed Workers Act of 2020—which is part of the Consolidated Appropriations Act, 2021—strengthened internal controls for pandemic unemployment assistance program extension, requiring individuals to provide documents substantiating employment

or self-employment status and to recertify eligibility every week as well as requiring states to have procedures to verify the identity of applicants to the extent reasonable and applicable.

information, such as dates of birth and social security numbers. The woman had purchased personally identifiable information on the dark web and watched YouTube videos that provided instructions on how to commit unemployment insurance fraud in California.

Protecting Patients. During the pandemic, it is especially critical that Americans have access to medical care and understand the best and safest way to get care. However, fraud alerts issued by OIGs and law enforcement entities highlight numerous fraud schemes that target patients and health care beneficiaries. For example, some medical labs targeted retirement communities claiming to offer COVID-19 tests, only obtained blood samples, and then, falsely billed health care programs for their services.⁶ In another example, fraudsters hacked social media accounts to obtain individuals' personal information and personal health information in order to commit medical insurance fraud.⁷

Protecting Consumers. OIG oversight has found that programs intended to help protect the public and consumers have been stressed by the increase in complaints received and the additional responsibilities associated with administering pandemic response-related programs. In addition, OIG work has continued to identify instances when unscrupulous actors have used misleading information for financial gain, such as enticing individuals and businesses to purchase defective or ineffective personal protective equipment or to pay for advanced access to the COVID-19 vaccine. For example, the Consumer Financial

Protection Bureau, which collects consumer complaints to help inform the agency's supervision activities for financial institutions, has experienced an increase in consumer complaints due to the pandemic and faces operational risk with respect to the timeliness of its response to those complaints.

Protecting Homeowners and Renters. The CARES Act provided financial relief to homeowners and renters experiencing pandemic-related hardships, to include allowing forbearance of mortgage payments for up to 360 days and placing a 120-day moratorium on eviction filings. These protections were designed to alleviate the economic and public health consequences of homeowner and tenant displacement during the COVID-19 outbreak. The challenges in implementing these programs focus on ensuring that homeowners and renters are aware of their rights and relief options, and that servicers and landlords provide consistent and accurate information, including all available relief options.

In response to the increase in scams on the American public, Congress enacted the Combating Pandemic Scams Act of 2020 on December 17, 2020. The Act requires the Federal Trade Commission to develop and disseminate [information](#) to the public about mail, telemarketing, and internet scams related to COVID-19, as expeditiously as possible. The Act requires the scam alerts to include information about the most common scams and how to report or file a complaint.

⁶ Department of Health and Human Services OIG, [COVID-19 Fraud Alert](#), last updated on December 21, 2020.

⁷ Federal Bureau of Investigation (FBI), [FBI Warns of Potential Fraud in Antibody Testing for COVID-19](#), June 26, 2020.

The issuance of timely fraud alerts and bulletins that are widely accessible to the public as well as proper processing of complaints about scams and harassment during the pandemic will be essential to informing and protecting the public from unscrupulous individuals or enterprises.

Related Oversight Products and Information.

OIG partners and the PRAC continue to release fraud alerts and fraud bulletins to help educate individuals and businesses, these alerts can be found on our [website](#), PandemicOversight.gov. In addition, a list of all oversight products related to informing and protecting the public from fraud can be found on our Reports Library [website](#).



New Challenge: Data Transparency and Completeness

Federal program management guidance highlights the need for and use of performance information data to help drive decision making and assess program effectiveness. OMB has released controller alerts⁸ to encourage better data quality and controls, but gaps in pandemic-related data remain. Reports issued by OIGs from March through December 2020 and a PRAC [report](#), issued in November 2020 on data completeness and transparency gaps, find that policy makers, senior leaders, and program managers do not have access to all the data needed to inform program and funding decisions for their pandemic response programs. Specifically, the data completeness

and transparency report commissioned by the PRAC—[Transparency in Pandemic-Related Federal Spending: Report of Alignment and Gaps](#)—confirmed that while existing data satisfies a substantial portion of the CARES Act transparency requirements for pandemic relief funds, 16 key gaps in existing data sources related to completeness, accuracy, and timeliness may impair the PRAC’s ability to provide full transparency for all pandemic-related spending. The report identified 13 actions to mitigate these gaps, ranging from relatively minor changes to more complex corrective actions that may require new policy, legislation, or information technology

⁸For example, OMB released [Controller Alert: Award Description Data Quality for Financial Assistance Awards](#) on August 18, 2020 noting that it is particularly important for agencies to review the data controls they have in place for

providing transparent spending information to the public. These alerts are intended to provide information and are not official guidance.

(IT) system modifications. In addition, OIGs identified the following examples as areas of concern related to pandemic response data.

Limited Demographic Data for Pandemic Response Programs. The CARES Act requires that small business concerns in underserved and rural markets receive priority for PPP loans; however, the SBA OIG found that the SBA did not collect the required demographic data to determine if the loans went to the intended prioritized markets. In addition, while data collected by the Centers for Disease Control and Prevention suggests a disproportionate burden of COVID-19 cases, hospitalizations, and deaths among racial and ethnic minority groups, the Government Accountability Office identified gaps in this data.

Incomplete or Missing Coronavirus Relief Fund Data. The Department of the Treasury OIG identified challenges surrounding the completeness and transparency of the Coronavirus Relief Fund data submitted by its prime recipients.

Incomplete COVID-19 Testing Data for Select Federal Health Programs. PRAC's data report on COVID-19 testing for six federal health programs highlighted the importance of agencies having complete, timely, and accurate data to help ensure efficient testing and to detect gaps or vulnerabilities in their testing efforts. For example, a lack of data on test turnaround time raised questions about how the timeliness of processing tests affects patient care, program integrity, and oversight activities.

Inaccurate Pandemic Response Procurement Data. The Department of the Interior OIG identified instances where purchase card and contract payments were erroneously recorded as using pandemic response funds, and \$10.5 million in procurements were not properly classified as pandemic response funds in the Federal Procurement Data System.

Delayed Data Matching and Controls. The Railroad Retirement Board OIG identified delayed data matching and a lack of internal controls at the Railroad Retirement Board related to CARES Act payments.

Without complete and accurate data, senior leaders and program managers are limited in their ability to make informed funding decisions, to determine if the pandemic response program is achieving its goals, and to make needed program adjustments. In addition, incomplete data limits the ability of federal programs to provide full transparency over pandemic response expenditures to the public.

Related Oversight Products.

PRAC, [COVID-19 Testing Insights from Select Federal Health Programs](#), January 14, 2021

SBA OIG, [Inspection of SBA's Implementation of the Paycheck Protection Program](#), 20-17, January 14, 2021

PRAC, [MITRE Report: Transparency in Pandemic-Related Federal Spending: Report of Alignment and Gaps](#), November 19, 2020

Government Accountability Office, [COVID-19: Federal Efforts Could Be Strengthened by Timely and Concerted Actions](#), GAO-20-701, September 21, 2020.

For a list of all Data Completeness and Transparency related products, visit our Reports Library [website](#).



New Challenge: Federal Workforce Safety

Federal offices have remained open with limited in-person operations throughout the pandemic and have been reopening at different rates based upon the type of emergency or essential work activities completed by the agency, such as intelligence oversight and food inspections, as well as local environments and infection rates. With the approval of the COVID-19 vaccines⁹ and the subsequent rollout to the public, it is anticipated that more federal offices will begin their reopening phases and expand the number of employees allowed in their buildings.

For those offices that maintained in-person operations during the pandemic, OIGs identified best practices for federal workforce safety that included:

- Work “neighborhoods” within a facility to reduce exposure between work units.

- Regular, clear communication from senior leaders about changes or updates to agency guidance and agency operational plans.
- Critical information available to staff in a centralized manner.
- Use of personal protective equipment.
- COVID-19 screening prior to entry.

CLEAR COMMUNICATION

From Senior Leaders about Changes or Key Updates Identified as a Best Practice

However, many federal agencies have faced challenges implementing reopening procedures. For example, the General Services Administration’s Public Building Services did not consistently receive timely notice of COVID-19 incidents from

⁹The first COVID-19 vaccination was administered in the United States on December 14, 2020.

building occupants and did not consistently provide timely notification of confirmed COVID-19 cases. In addition, because Public Building Services does not have a standard inspection process for COVID-19 cleaning and disinfection services, it does not have assurance that contractors are cleaning and disinfecting employee workspace. In addition, work completed by OIGs found differing guidance and implementation of policies related to facial coverings; personal protective equipment; social distancing; cleaning and disinfecting; contact tracing programs; and employee health screenings at federal agencies. In addition, one OIG found that the agency's plans did not address anti-retaliation for raising health-related concerns with management, as recommended under the DOL's Occupational Safety and Health Administration [guidance](#).

As federal agencies make plans for returning to in-person work, they will continue to face challenges in ensuring a safe environment and healthy workforces during the pandemic. Clear communication with employees and incorporation of guidance from the [Centers for Disease Control and Prevention](#) and from the [Occupational Safety and Health Administration](#), coupled with concepts from the [Return to Workplace Strategy Book](#)—issued by the General Services Administration in September 2020, and best practices identified by other federal agencies, will help to mitigate risks to employee safety.

The Executive Order signed on January 20, 2021, and the corresponding OMB memo (M-21-15) required masks and distancing consistent with current Centers for Disease Control and Prevention guidance in all federal buildings, and created the Safer Federal Workforce Task Force to provide ongoing guidance to the heads of agencies on the safety of the federal workforce and continuity of operations during the COVID-19 pandemic. Federal agency compliance with the order and memo guidance will need to be assessed through future oversight work.

Related Oversight Products.

Department of Defense OIG, [Audit of the Disinfection of Department of Defense Facilities in Response to the Coronavirus Disease—2019](#), DODIG-2021-036, December 18, 2020

Environmental Protection Agency OIG, [EPA's Initial Plans for Returning to the Office Incorporate CDC Guidance but Differ by Location](#), 21-E-0030, November 30, 2020

U.S. Postal Service OIG, [Employee Safety—Postal Service COVID-19 Response](#), 20-259-R21, November 20, 2020

National Reconnaissance Office OIG, [Final Report: Evaluation of the National Reconnaissance Office's COVID-19 Pandemic Response](#), October 13, 2020

Department of the Interior OIG, [CARES Act Flash Report: The Bureau of Safety and Environmental Enforcement's Safety Inspection Program COVID-19 Response](#), 2020-CR-047, September 21, 2020

General Services Administration OIG, [Alert Memorandum: Concerns Regarding PBS's](#)

[Communication and Cleaning Procedures for Coronavirus Disease 2019 \(COVID-19\) Exposures](#), A201018-2, September 3, 2020

For a list of all products related to federal workforce safety, visit our [Reports Library website](#).

Updates to Previously Identified Challenges

The PRAC identified the following four management challenges in its first management challenges report, issued in June 2020. This update provides a brief description

of those challenges. For a more detailed explanation of each challenge, see [Top Challenges Facing Federal Agencies: COVID-19 Emergency Relief and Response Efforts](#).



Challenge: Financial Management of Relief Funding

Even in non-pandemic times, financial management controls and proper oversight of government contracts pose a challenge to federal agencies and programs. The substantial increase in funding for certain programs and an expedited timetable for the distribution of CARES Act and other pandemic-related funds heightens the risks. Since the pandemic began in March 2020, OIGs have found that payments have been made without the appropriate checks and controls in place to verify the expenditures. In addition, OIGs have identified contracts that have been noncompetitively awarded due to the exigent circumstances, contracts that pose potential conflicts of interest, and contractors that have not delivered products (such as cleaning supplies) by the specified due dates.

Further, federal agencies may face challenges maintaining their current capabilities while balancing their commitments to contractors who are unable to fulfill existing requirements due to COVID-19 restrictions. As the pandemic continues, federal agencies must continue to ensure they get what they pay for in their pandemic response-related contracts as well as guard against fraud and improper payments.

\$22.8 BILLION
Pandemic-Related
Contracts

Related Oversight Products. For a list of all Financial Management of Relief Funding related products, visit our Reports Library [website](#).¹⁰

¹⁰The top management challenges report to be issued by CIGIE—Top Management and Performance Challenges Facing

Multiple Federal Agencies—identified Financial Management as a top challenge for the federal government.



Challenge: Grants and Guaranteed Loan Management

The CARES Act and related legislation rely on grants and loans to distribute assistance to state and local governments, individuals, businesses, and other entities impacted by the pandemic. Like the challenges in financial management, the substantial increases in funding for grants under the CARES Act and related legislation heighten the existing challenges agencies face in processing and monitoring these payments, and in assessing their success. Adding to these challenges, OMB issued multiple guidance documents authorizing temporary spending flexibilities for pandemic funding that greatly expanded the allowable uses of grant funds. Key areas

\$117.9 BILLION
Pandemic-Related
Federal Assistance

of concern cited by OIGs included overseeing the use of grant funds, obtaining timely

and accurate financial and performance information from grantees, and assessing performance to ensure that grants achieve intended results.

For example, one OIG had concerns about grantees' capacity to manage and spend pandemic funds in a timely manner, as intended, and found that some of the pandemic response funds had been awarded

to recipients previously designated as "slow spenders." Another OIG found that the increase in pandemic funds represents a considerable addition to normal grant administration and oversight responsibilities. The OIG found that effective monitoring and oversight will remain a challenge in the months and years to come.

\$548 BILLION
Pandemic-Related
Guaranteed Loans

In addition, unprecedented challenges have been interwoven with the administration of guaranteed loans authorized under the CARES Act, like the PPP and the EIDL program, with the SBA attempting to balance prompt economic relief with ensuring that the funds went to the intended beneficiaries. As a result, the SBA OIG identified potentially fraudulent loans made to applications with differences in bank account numbers, duplicate information, or ineligible business registration dates.

Related Oversight Products. For a list of all Grants and Guaranteed Loan Management related products, visit our [Reports Library website](#).¹¹

¹¹ Similarly, the top management challenges report to be issued by CIGIE—Top Management and Performance

Challenges Facing Multiple Federal Agencies—identified Grant Management as a top challenge for the federal government.



Challenge: IT Security and Management

When federal agencies began implementing OMB's March 2020 guidance on maximum telework flexibilities, IT staff and systems faced increased demands to ensure networks could support large numbers of employees working remotely and provide reliable, stable ways to communicate and access critical applications and data. These issues remain a significant challenge and are impacted by (1) widespread reliance on maximum telework to continue agency operations during the pandemic, which has strained agency networks and shifted IT resources, and (2) additional opportunities and targets for cyber attacks created by remote access to networks and increased online financial activity. For example, multiple alerts¹² were issued in 2020 about an increase in cybersecurity risks during the pandemic, including attacks to obtain personal health information and pandemic loan-related information.

98%
Total Workforce
Teleworking at One
Federal Agency

Public health systems maintained by the Department of Health and Human Services,

its partners and grantees are subject to an increasing number of cybersecurity threats, including a larger, distributed denial-of-service attack that persisted for weeks during 2020.

In addition, federal agencies and banks need to ensure that pandemic-loan related information is secure because financial institutions can be subject to cybersecurity threats at a rate of 300 times more than most other businesses.¹³

While some OIGs have found that federal agencies have experienced challenges related to IT security and management, other federal agencies have been able to successfully provide vital functions to the public, such as the Department of Veterans Affairs taking important steps to transition the Veterans Crisis Line to telework-based operations over the course of six weeks.¹⁴

Related Oversight Products. For a list of all IT Security and Management related products, visit our Reports Library [website](#).¹⁵

¹² Department of Homeland Security Alert, [COVID-19 Exploited by Malicious Cyber Actors](#), April 08, 2020; and FBI, [FBI Anticipates Rise in Business Email Compromise Schemes Related to the COVID-19 Pandemic](#), April 6, 2020.

¹³ Federal Reserve Bank of New York Staff Report, [Cyber Risk and the U.S. Financial System: A Pre-Mortem Analysis](#), January 2020.

¹⁴ Department of Veterans Affairs OIG, [Veterans Crisis Line Challenges, Contingency Plans, and Successes During the COVID-19 Pandemic](#), 20-02830-05, October 28, 2020.

¹⁵ The top management challenges report to be issued by CIGIE—Top Management and Performance Challenges Facing Multiple Federal Agencies—identified Information Technology Security and Management as a top challenge for the federal government.



Challenge: Protecting the Health and Safety of the Public

The COVID-19 pandemic has presented significant and sustained challenges to the delivery of healthcare worldwide. While federal agencies always prioritize health and safety, the COVID-19 pandemic has created a unique challenge—namely, preventing transmission of the virus in federal facilities that provide regular services to the public, and in private sector facilities regulated by the federal government. Activities to protect the health, safety, and well-being of the public are directly impacted by the unique circumstances of the various programs being supported by the federal government. These programs include

1 in 20
Americans
Contracted
COVID-19 Since
Pandemic Began

protecting inmates and detainees at facilities operated by the Departments of Justice, Homeland Security, and the Interior; tourists at National

Parks, with some parks experiencing an increase in visitors from September 2019 to September 2020; and all individuals—patients, consumers, and private sector workers—in facilities regulated by the federal government, including health facilities for veterans and the

military. The pandemic has also increased the use of telehealth, which presents new challenges for federal government health providers to provide sufficient care and promote the overall well-being of their beneficiary population.

More broadly, the federal government has a direct responsibility to facilitate the public health and safety response to the COVID-19 pandemic. This includes mitigating the loss of life and negative health consequences associated with COVID-19 by facilitating the safe delivery of testing and vaccination supplies, all while continuing to operate a range of programs and services.

Related Oversight Products. For a list of all protecting the health and safety of the public related products, visit our Reports Library [website](#).

Acronyms

CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COVID-19	Coronavirus Disease 2019
DOL	Department of Labor
EIDL	Economic Injury Disaster Loan
FBI	Federal Bureau of Investigation
IT	Information Technology
OIG	Office of Inspector General
OMB	Office of Management and Budget
PRAC	Pandemic Response Accountability Committee
PPP	Paycheck Protection Program
SIGPR	Special Inspector General for Pandemic Recovery
SBA	Small Business Administration

Appendix A: Special Inspector General for Pandemic Recovery

As part of the Pandemic Response Accountability Committee’s initial management challenges report—[Top Challenges Facing Federal Agencies: COVID-19 Emergency Relief and Response Efforts](#)—issued in June 2020, we highlighted specific management challenges identified by Offices of Inspector General. However, the Special Inspector General for Pandemic Recovery (SIGPR) was not operational until after the report’s issuance. As such, we have included the management challenge identified by SIGPR in this update.

The Special Inspector General for Pandemic Recovery was established by Section 4018 of the CARES Act. Under the CARES Act, the SIGPR conducts, supervises, and coordinates audits and investigations of: (1) loans, loan guarantees, and other investments by the Secretary of the Treasury under any program established by the Secretary under Division A of the CARES Act and (2) the management by the Secretary of programs established under Division A of the CARES Act.¹⁶

Double/Multiple Dipping of CARES Act Funds

Creating multiple programs resulting in multiple forms of financial support to a single individual or entity may be sound policy, but this framework also increases the risk of fraud and abuse. Questions have been raised about the potential for widespread double and triple dipping under the CARES Act. It is not immediately obvious, for example, that an entity should receive both a Paycheck Protection Program loan and a Payroll Support Program payment—two programs that offer relief funds for the same payroll justification. Yet several entities have. Some of whom, moreover, may arguably have had a third funding source available to them—the Department of the Treasury’s direct loans under the CARES Act, Section 4003, or the Federal Reserve’s Main Street Lending Program.

Monitoring and policing the multiple dipping of CARES Act funds creates unique challenges for both the administering agencies and the relevant oversight entities. These challenges stem from the need to identify, share, normalize, and analyze the relevant datasets.

For more information on the Special Inspector General for Pandemic Recovery, visit <https://www.sigpr.gov/>.

¹⁶ All authority granted to SIGPR comes from the CARES Act and the Inspector General Act of 1978.

Appendix B: Management Challenges—Select Offices of Inspectors General

The following section provides a summary of pandemic-related challenges identified by Offices of Inspectors General (OIGs) in their management challenges reports issued since March 2020. See the full reports for more information about each challenge or office.

U.S. Agency for International Development OIG, [Top Management Challenges Facing the U.S. Agency for International Development in Fiscal Year 2021, November 13, 2020](#); and [Challenges the U.S. Agency for International Development Faces in Responding to the COVID-19 Pandemic, July 17, 2020](#)

The U.S. Agency for International Development OIG work highlights the unique challenges the U.S. Agency for International Development faces delivering humanitarian assistance to those in need—challenges that have been exacerbated by the coronavirus disease 2019 (COVID-19) pandemic. These challenges include managing risks to humanitarian assistance amid a public health emergency; maintaining responsibilities for planning, monitoring, and sustaining development; maximizing stakeholder coordination for a global COVID-19 response; and addressing vulnerabilities and implementing needed controls in core agency management functions.

Amtrak OIG, [Amtrak: Top Management and Performance Challenge for Fiscal Year 2021, OIG-SP-2021-002, October 23, 2020](#)

Amtrak OIG's management challenges report stated that this year the challenge of responding to the COVID-19 pandemic supersedes and permeates the company's ability to address all other challenges, especially the challenge of reducing pandemic-related risks to employees and passengers. Until a vaccine or cure mitigates the threat of COVID-19, ensuring safety from the virus will continue to complicate all the company's other safety initiatives and operations.

Department of Agriculture OIG, [U.S. Department of Agriculture Management Challenges, September 28, 2020](#); and [U.S. Department of Agriculture Management Challenges for Pandemic-Related Responsibilities, June 15, 2020](#)

Both management challenges reports issued by the U.S. Department of Agriculture OIG in 2020 identify challenges faced by the U.S. Department of Agriculture in its administration of more than \$34 billion in pandemic response funding. These challenges include collecting sufficient and reliable data to assess the safety of its inspectors and the food supply chain, as well as to assess overall program effectiveness. In addition, the U.S. Department of Agriculture should focus its efforts on strengthening internal controls to decrease the number of improper payments and to

ensure that assistance funds are delivered and used as intended. Given that the U.S. Department of Agriculture relies on states to implement and deliver its food assistance programs, the U.S. Department of Agriculture needs to provide effective oversight to the states to ensure that funding is used as intended.

Department of Commerce OIG, [Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2021](#), OIG-21-003, October 15, 2020

In its management challenges report, the Department of Commerce OIG stated that in the midst of the COVID-19 pandemic, the Department of Commerce faces an additional set of oversight challenges to ensuring that CARES Act funds are timely and appropriately spent. These include ongoing disaster relief efforts as well as award monitoring and file management challenges. In addition, the Department of Commerce OIG highlighted the additional challenges and impacts on completing the 2020 census and other Department of Commerce programs.

Council of the Inspectors General on Integrity and Efficiency, [Top Management and Performance Challenges Across Multiple Federal Agencies](#), [To be Issued: February 2021]

The Council of the Inspectors General on Integrity and Efficiency issued an update to its management and performance challenges report which identifies seven total challenges—one of which is specific to Homeland Security, Disaster Preparedness, and COVID-19. The report also notes that several Inspectors General identified the COVID-19 pandemic as a challenge their agencies faced in the past year and looking forward. Specifically, the report notes that COVID-19 complicated some agencies' efforts to manage finances, complete procurements, or distribute grants.

Department of Defense OIG, [Fiscal Year 2021, Top Department of Defense Management Challenges](#), October 15, 2020

The Department of Defense OIG's management challenges report discusses the impact of the pandemic on overall operations and the readiness of Department of Defense personnel. The pandemic has also stressed supply chains and challenged the Department of Defense's ability to maintain the readiness of its stockpiles, impacting the health, safety, and security of Department of Defense personnel and their families. In addition, the Department of Defense has provided unprecedented levels of remote access and telecommunication capabilities to support maximum teleworking and facilitate remote network connections. Further, the COVID-19 pandemic has directly impacted resourcing decisions.

Department of Education OIG, [FY 2021 Management Challenges Facing the U.S. Department of Education](#), November 30, 2020

The Department of Education OIG found that the funding and authority provided under the CARES Act (including the use of waivers of statutory and regulatory requirements) posed new challenges for the Department of Education to effectively oversee and monitor new grant programs and additional Federal education funds, implement additional student financial assistance program requirements and ensure that quality data is reported. While the CARES Act provided additional funds for student aid and program administration, the Department of Education must timely and effectively design and implement these processes to help ensure the overall success of its CARES Act activities.

Department of Health and Human Services OIG, [2020 Top Management and Performance Challenges Facing the Department of Health and Human Services](#), November 2020

The Department of Health and Human Services OIG highlighted the unprecedented challenges the Department of Health and Human Services faces because of the emergence of COVID-19. As the lead Federal agency for medical support and coordination during public health emergencies, the Department of Health and Human Services has numerous significant responsibilities to assist communities throughout the United States to prepare for, respond to, and recover from the fast-moving COVID-19 pandemic. The Department of Health and Human Services' responsibilities include working with federal, state, tribal, local, and international governments to effectively respond; supporting the development of vaccines, treatments, and other research on COVID-19; assisting the health care system by providing flexibility, resources, and funding; ensuring the safety of the health care workforce; and protecting the health and well-being of the public.

Department of Homeland Security OIG, [Major Management and Performance Challenges Facing the Department of Homeland Security](#), OIG-21-07, November 10, 2020

The Department of Homeland Security OIG identified "Performing Fully and Effectively during COVID-19" as one of the most serious management performance challenges facing the Department of Homeland Security and relates to every aspect of the Department of Homeland Security's mission. Within this challenge, the Department of Homeland Security OIG has previously raised concerns about the Department of Homeland Security's ability to purchase pandemic preparedness supplies and to manage its stockpile of personal protective equipment and antiviral countermeasures. In addition, the management challenges report raises concerns about the heightened risk of exposure to COVID-19 certain Department of Homeland Security components staff face given the nature of their work, and detained individuals face due to the congregate nature of the facilities.

Department of Housing and Urban Development OIG, [Management and Performance Challenges for Fiscal Year 2021](#), November 25, 2020

The Department of Housing and Urban Development OIG added two challenges this year, one of which focused on the Department of Housing and Urban Development's response to the COVID-19 pandemic. The management challenge report notes that the Department of Housing and Urban Development, like all Federal agencies, was challenged initially with implementing the substantial program changes required by the CARES Act and communicating to the public and program administrators about those changes during a rapidly evolving pandemic that required nearly all staff to work remotely. Additionally, the pandemic presented new challenges for the Department of Housing and Urban Development and its program participants in implementing necessary changes to their programs' operations. The Department of Housing and Urban Development OIG expressed concerns that the pandemic will exacerbate the existing management challenges.

Department of Justice OIG, [Top Management and Performance Challenges Facing the Department of Justice—2020](#), October 16, 2020; and [Pandemic Response Report: COVID-19 Challenges for the U.S. Department of Justice](#), 20-072, June 17, 2020

Department of Justice OIG determined that the most immediate challenges to Department of Justice operations involved preventing the spread of the virus among its approximately 170,000 federal inmates and 61,000 detainees in Bureau of Prisons and U.S. Marshals Service custody, respectively; operating its immigration courts in a manner that minimizes the risk to participants; and ensuring robust oversight of \$850 million in pandemic-related CARES Act grant funding being disbursed by Department of Justice to fund state, local, and tribal efforts to combat COVID-19—all while also protecting the health and safety of the tens of thousands of employees who oversee these particular operations.

Department of the Interior OIG, [Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior](#), FY 2020, 2020-ER-043, November 12, 2020

The Department of the Interior OIG found that the Department of the Interior has faced challenges in continuing to fulfill its mission during the COVID-19 pandemic, including providing expedient assistance to vulnerable populations while ensuring the money reaches intended recipients for intended purposes; balancing public and employee safety with access to public lands; and guarding against increasing cybersecurity threats

Department of Labor OIG, [Top Management and Performance Challenges Facing the U.S. Department of Labor](#), November 2020

The Department of Labor OIG determined that the Department of Labor continues to face challenges in ensuring unemployment insurance improper payments are timely and accurately detected, prevented, and reported. The Department of Labor also needs to continue its work with states to identify and implement strategies designed to reduce the unemployment insurance program's improper payment rate, including sharing best practices identified by states. In addition, the Department of Labor OIG identified that the Department of Labor faces challenges in determining how to best use its resources to help protect the safety and health of workers, particularly in high-risk industries, such as health care, meat packing, agriculture, construction, fishing, forestry, manufacturing, and mining. This challenge has been exacerbated by the current COVID-19 pandemic and the limitations imposed on traditional inspection or investigation activities.

Department of Transportation OIG, [Department of Transportation's Top Management Challenges](#), FY 2021, October 21, 2020

The Department of Transportation OIG's management challenges report identified key challenges related to awarding pandemic relief and other Department of Transportation contracts and grants efficiently, effectively, and for intended purposes, and enhancing contract and grant management and oversight to achieve desired results and compliance with requirements.

Department of the Treasury OIG, [Management and Challenges Facing the Department of the Treasury](#), OIG-CA-21-006, October 29, 2020

The Department of the Treasury OIG's management challenges report recognized the need for the Department of the Treasury to continue to navigate through its COVID-19 response, administer the Coronavirus Relief Fund, and prepare for another fast-paced relief package, if legislated. Going forward, the Department of the Treasury may experience difficulties in balancing its new responsibilities and workloads while managing several other ongoing challenges identified by the Department of the Treasury OIG.

Environmental Protection Agency OIG, [FYs 2020-2021 U.S. Environmental Protection Agency Top Management Challenges](#), 20-N-0231, July 21, 2020

The Environmental Protection Agency OIG management challenges report focuses on the need to provide a safe workplace and execute a safe return to the workplace. The Environmental Protection Agency OIG also raises the procurement of personal protective equipment and provisions as a concern. Further, cybersecurity is identified as a continuing challenge that has become more critical during the COVID-19 pandemic with the need to support a primarily virtual workforce.

National Aeronautics and Space Administration OIG, [2020 Report on the National Aeronautics and Space Administration's Top Management and Performance Challenges](#), November 12, 2020

The National Aeronautics and Space Administration OIG's management challenges report emphasized the management and mitigation of heightened, cybersecurity risk because the National Aeronautics and Space Administration's information technology infrastructure has seen an uptick in cyber threats, with phishing attempts doubled and malware attacks exponentially increasing during the COVID-19 pandemic.

National Science Foundation OIG, [Management Challenges for the National Science Foundation in Fiscal Year 2021](#), October 15, 2020

The National Science Foundation OIG found that COVID-19 brought new and unique challenges across the Foundation, including (1) oversight of major multi-user research facilities; (2) managing the Intergovernmental Personnel Act programs; (3) oversight of the Antarctic Infrastructure Modernization for Science (AIMS) project; (4) increasing diversity in science and engineering education and employment; (5) mitigating threats posed by foreign government talent recruitment programs; and (6) oversight of grants during a pandemic. Grant oversight, for example, is more challenging because of temporary spending flexibilities that greatly expanded the allowable uses of grant funds. These temporary spending flexibilities combined with the fiscal challenges universities are facing increase the risk of losing accountability of grant funds.

Office of Personnel Management OIG, [Top Management Challenges: Fiscal Year 2021](#), October 16, 2020

The Office of Personnel Management continues to face challenges with the opioid and drug abuse epidemic that affects Federal Employee Health Benefits Program members, with progress potentially reversing because of the COVID-19 pandemic's societal and health environment ramifications. In addition, while the Healthcare and Insurance program office has been proactive in working with Federal Employee Health Benefits Program health carriers to address issues related to care in the pandemic, increased program integrity functions would further protect those reliant on this insurance program from schemes and bad actors.

Peace Corps OIG, [Fiscal Year 2020, Management and Performance Challenges](#), November 10, 2020

Peace Corps OIG's management challenges report discusses the impact of the pandemic on overall operations of the agency after suspending all Volunteer activities and evacuating nearly 6,900 Volunteers from approximately 60 countries of service. In resuming fully its overseas Volunteer program, the agency faces tremendous challenges of planning and effectively

implementing its plan to redeploy Volunteers worldwide while maintaining the health and safety of the Volunteers and the communities they serve. Further, the systemic issues OIG has identified in the areas of planning and implementation could impede the agency's ability to effectively respond to the unprecedented challenges presented by the pandemic.

Small Business Administration OIG, [Top Management and Performance Challenges Facing the Small Business Administration in Fiscal Year 2021](#), 21-01, October 16, 2020

The Small Business Administration (SBA) OIG found that managing the COVID-19 stimulus is the greatest overall challenge currently facing the SBA. This crucial new challenge is exacerbated by persistent management and performance challenges. The pandemic response has, in many instances, magnified the challenging systemic issues in the SBA's mission-related work. During large-scale disasters, the SBA brings on new loan officers to match the volume of loan applications, but it has been a challenge for the SBA to add significant numbers of staff and provide them with the proper level of training.

Social Security Administration OIG, [Fiscal Year 2020 Inspector General's Statement on the Social Security Administration's Major Management and Performance Challenges](#), A-02-19-50825, November 6, 2020

The Social Security Administration OIG identified Social Security Administration's response to the COVID-19 pandemic as a management challenge. The report states that in response to the pandemic, and to ensure the safety of its customers and employees, the Social Security Administration limited its field office operations to in-person service by appointment only for certain dire need situations and maximized telework. The report further states that the Social Security Administration needs to keep the public and its employees aware of: (1) how it plans to provide customer service safely throughout the pandemic; and (2) the status of its efforts to return all employees to work on-site and return to normal operations.

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<https://PandemicOversight.gov>

REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

To report allegations of fraud, waste, abuse, or misconduct regarding funds or programs covered within the following Acts, please go to the PRAC website at PandemicOversight.gov.

[CARES Act](#)

[Paycheck Protection Program and Health Care Enhancement Act](#)

[Families First Coronavirus Response Act](#)

[Coronavirus Preparedness and Response Supplemental Appropriations Act](#)

[Coronavirus Response and Relief Supplemental Appropriations Act, 2021](#)



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