

**U.S. ABILITYONE COMMISSION**  
**FISCAL YEAR 2025**  
**PERFORMANCE AND ACCOUNTABILITY REPORT**



*The U.S. AbilityOne Commission is the operating name for the Committee for Purchase From People Who Are Blind or Severely Disabled*



## **Message from the Chairperson March 16, 2026**

The U.S. AbilityOne Commission's Performance and Accountability Report for FY 2025 reflects the agency's unwavering commitment to driving value, efficiency, and accountability as it oversees the nationwide AbilityOne Program, which creates private sector jobs for people who are blind or have significant disabilities.

Working with and through our private sector partners, jobs reached a 5-year high in AbilityOne during FY 2025, growing 4% to approximately 41,000 private-sector jobs, including approximately 2,800 jobs held by veterans, following a 7% increase in FY 2024.

Direct labor hours worked increased by 8% in FY 2025 to approximately 48 million – a significant measure of employment growth because not only are more workers working, they are also working more hours.

AbilityOne delivered more than \$4.7 billion in products and services to the Federal government in FY 2025, a 5% increase. Employment on AbilityOne Federal contracts draws discouraged workers into the U.S. labor force and supports their ongoing workforce participation, increasing economic independence and self-sufficiency.

The AbilityOne mission is to tap the underutilized workforce of people with significant disabilities to deliver high quality, mission-essential products and services to Federal agencies. The Commission directly supports efforts to rebuild the American industrial base through the Program's role as a trusted source of supply and services for Federal customers.

The Commission's December 2025 Report to the President highlighted the progress of the Commission and AbilityOne Program in the following key areas:

### **Drawing "discouraged workers" into the labor force**

On Day 1 of his Administration, President Trump directed Federal agencies to "create employment opportunities for American workers, including drawing discouraged workers into the labor force," as part of his memorandum titled "Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis."

The President’s guidance underscores the value of the AbilityOne Program, which creates private sector jobs for Americans with significant disabilities – a historically discouraged and underutilized workforce with the lowest employment rate of any segment of U.S. society. AbilityOne increases private sector labor force participation by working with private sector nonprofit agencies to create employment opportunities for these citizens as well as serving as a springboard to a wide range of jobs in the broader economy.

National security, military readiness, and the defense industrial base are all strengthened through AbilityOne’s domestic manufacturing and delivery of mission-critical Made in America products and services. At the same time, citizens with disabilities earn income through AbilityOne Program jobs in the private sector to pursue their share of the American dream.

### **Intensifying focus on Made in America products**

Prioritizing Made in America products is fundamental to the Commission’s work. The agency is committed to executing its statutory mission in a manner that fully supports the Made in America Office within the Office of Management and Budget, and aligning and advancing our mutual goals throughout the AbilityOne Program.

In FY 2025, the Commission Chairperson issued the directive “Strengthening and Ensuring Consistency of AbilityOne Program Compliance with Domestic Sourcing Laws,” applicable to AbilityOne Central Nonprofit Agencies (CNAs) and AbilityOne Federal contractors.

The directive reaffirmed the Commission’s commitment to supporting President Trump’s America First Trade Policy by clarifying the Commission’s position regarding AbilityOne Program compliance with domestic sourcing laws. It clearly communicated that AbilityOne contractors must commit to providing products that are compliant with the Buy American Act of 1933 and the Make PPE in America Act, unless valid exceptions apply.

### **Strengthening the U.S. industrial base, national security, military readiness**

Part of the backbone of the U.S. industrial base, AbilityOne bolsters national security and military readiness with a nationwide infrastructure of wide-ranging capability and capacity.

Domestic manufacturing of AbilityOne products fortifies the defense industrial base, including clothing and textiles production. AbilityOne is the sole manufacturer of chemical protective suits for the U.S. military, as well as other complex garments and equipment. AbilityOne manufacturers of military clothing and equipment meet Berry Amendment standards (100% domestic production, including raw materials). Examples include uniforms, extreme cold weather clothing systems, fire-retardant personal protective gear, medical kits and supplies, and food items.

AbilityOne supports the Department of Homeland Security at dozens of Customs and Border Protection stations on both U.S. borders, providing cleaning and groundskeeping services at many locations, as well as providing all disposable gloves for the Transportation Security Agency. AbilityOne services also include reliable onshore contact centers that support citizen

needs, including U.S. passport applicants nationwide and callers to the National Lead Information Center hotline.

### **Increasing accountability of AbilityOne Federal contractors**

Holding AbilityOne Federal contractors accountable is central to the Commission’s work and its initiatives on contracting integrity, performance, and quality. The Commission took key steps in 2025 to increase accountability of AbilityOne Federal contractors, including training, testing and initial implementation of a modernized compliance inspection process, and converting to digital collection of key Program data.

### **Implementing second-generation Cooperative Agreements with CNAs**

As part of increasing AbilityOne Federal contractor accountability, the Commission signed second-generation Cooperative Agreements in FY 2025 with National Industries for the Blind and SourceAmerica, the two CNAs designated by the Commission to help administer the AbilityOne Program. The agreements reflect the governing relationship, roles, responsibilities, key expectations, and guidance for the Commission and CNAs in implementing and managing the AbilityOne Program.

These agreements strengthen governance by incorporating lessons learned and best practices, as well as promoting more efficient performance and aligning resources to Program priorities.

### **Implementing competition in the AbilityOne Program**

The Commission is making good on its promise to implement competition in the AbilityOne Program, delivering on a top priority of the Section 898 “Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity” created by the 2017 NDAA.

Commission publication of its final rule “Supporting Competition in the AbilityOne Program” in 2024 responded to longstanding Federal customer interest in using competition as a tool to improve contract performance and customer satisfaction.

In April 2025, the Commission issued Policy 51.301-04, “Competitive Distribution of Orders to Nonprofit Agencies for New and Existing Services on the Procurement List,” an interim framework for competition within the AbilityOne Program to provide best value for American taxpayers and the Federal government. The Commission also convened an ad hoc AbilityOne Competition Subcommittee to consider competition requests and approved the first competition under the new policy.

Competition will spur private sector innovation; enhance training, placement, and employment opportunities for AbilityOne-participating employees at a competitive price; and further drive value, efficiency, and accountability.

## **Increasing operational efficiency**

The Commission is prioritizing increasing operational efficiency throughout the agency and its programs. Key measures include:

- Supporting approximately 41,000 jobs with an agency budget under \$10 million in FY 2025 (not including the Office of Inspector General (OIG) budget).
- Restructuring staff by the end of 2025 to achieve 23% fewer FTEs, and associated personnel savings through voluntary attrition and implementing the Agency's Merit Hiring Plan.
- Moving to a smaller office space in FY 2026 to achieve a 16% reduction in square footage and 20% rent savings annually.
- Reducing travel expenses by leveraging front-line compliance partners and maximizing use of videoconferencing, aiming for at least 30% savings.
- Building on its initial phase of IT systems modernization, completed in 2025, to continue automating routine business processes.
- Implementing updated data collection forms.

The Commission and CNAs continue to examine shared business processes and are implementing recommendations to make the AbilityOne Program more efficient and easier for Federal customers and contractors to use.

The Commission continues to work closely with the OIG to improve economies and efficiencies, enhance confidence in the Program, and promote Program growth through reports, audits, alerts, and other actions. In addition, the OIG guards against fraud, waste, and abuse by providing vital oversight to deter and detect bad actors.

## **Maintaining the pace of progress**

The AbilityOne mission answers the President's call to bring discouraged American workers into the labor force. People who are blind or have significant disabilities historically experience the lowest employment rate of any segment of U.S. society, according to the Bureau of Labor Statistics. AbilityOne is an engine of economic opportunity and empowerment with the potential to launch AbilityOne workers into private sector jobs both within the Program and throughout the American economy.

I believe the performance and financial data presented in this report are complete and reliable in accordance with OMB guidance. The adequacy and effectiveness of our management controls and the compliance of our financial management systems with government-wide requirements are delineated in Section 1.7, Analysis of Systems, Controls and Legal Compliance, in the Management's Discussion & Analysis part of this Performance and Accountability Report. Section 1.7 also provides the status of actions we are taking, and progress we are making, to correct internal control deficiencies and material weaknesses identified by the Independent Auditor. We continue to strengthen internal controls and implement solutions that enhance our operational effectiveness and efficiency.

The Commission again received, from independent auditors, an unmodified or “clean” opinion on our financial statements for FY 2025. There was no reportable noncompliance for FY 2025 with all applicable laws and regulations.

On behalf of the U.S. AbilityOne Commission, thank you for your interest and support for the individuals employed nationwide through the AbilityOne Program.

Sincerely,

*Christina Brandt*

Christina Brandt

Chairperson and Presidential Appointee

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# 1. Management's Discussion and Analysis

## 1.1. Overview

The U.S. AbilityOne Commission is the independent Federal agency that oversees the AbilityOne Program, which creates private sector jobs for approximately 41,000 people who are blind or have significant disabilities, while producing products and providing services for Federal customers at a fair market price.

The U.S. AbilityOne Commission is the operating name for the agency, whose statutory name is the Committee for Purchase From People Who Are Blind or Severely Disabled. The Commission administers the AbilityOne Program in accordance with the Javits-Wagner-O'Day (JWOD) Act (41 U.S.C. §§ 8501-8506).

A driver of economic empowerment, AbilityOne creates jobs in the private sector for people who are blind or have significant disabilities, a group that has historically experienced the lowest employment rate of any segment of U.S. society.<sup>1</sup> The Program's significance can be measured not only in the financial benefits and social value to these individuals, but in the broader positive economic impact at the national, state, and local levels.

The Commission's FY 2022-2026 Strategic Plan is a roadmap for modernizing the AbilityOne Program in critical areas including identifying, publicizing, and supporting good and optimal jobs; ensuring effective governance and results across the Program; and building partnerships with other Federal agencies to increase employment of people who are blind or have significant disabilities.

The AbilityOne Program provided approximately \$4.7 billion in products and services to the Federal Government in FY 2025.<sup>2</sup> AbilityOne employees worked nationwide at approximately 400 AbilityOne Federal contractors (also known as AbilityOne-participating nonprofit agencies, or NPAs), from Guam to Maine, in FY2025.

Growing jobs for people with disabilities, and particularly veterans with disabilities, is both an Administration and a nonpartisan priority. The Commission and AbilityOne Program have the experience and capacity to contribute effectively to this national priority.

Approximately 2,800 wounded, ill or injured veterans work in direct labor jobs in the AbilityOne Program. The range of their military service stretches from Vietnam to Afghanistan and Iraq.

The AbilityOne Program:

- Operates at more than 1,000 locations representing 40 government agencies
- Operates more than 150 Base Supply Centers at military installations and Federal buildings  
ASK RICK
- Provides SKILCRAFT® and other office supplies, cleaning products, military clothing, and equipment

- Returns dollars to taxpayers through its contract close-out initiative which, since 2010, has identified more than \$24 billion in unused contract funds that can be returned to the U.S. Treasury

## **1.2. Mission and Vision**

### **Mission**

To tap America's underutilized workforce of individuals who are blind or have significant disabilities to deliver high quality, mission-essential products and services to Federal agencies in quality employment opportunities.

### **Vision**

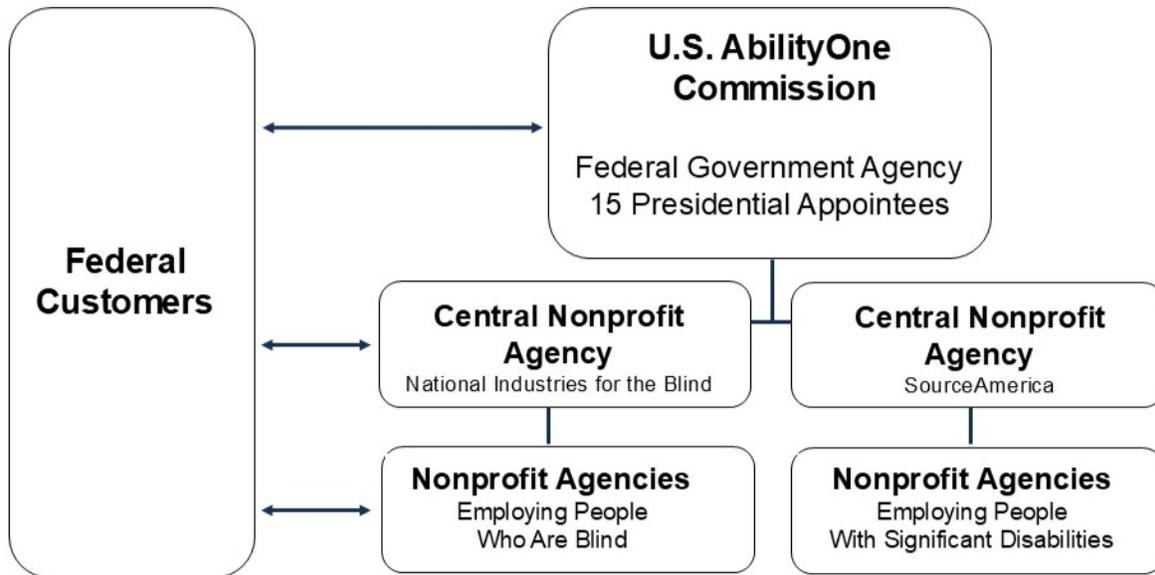
Remain a trusted source of supply and services for Federal agencies while creating quality employment opportunities across all economic sectors for people who are blind or have significant disabilities.

## **1.3. History**

The 1938 Wagner-O'Day Act established a unique link between job creation and Federal purchasing power. The Act's focus was on providing employment for people who are blind to make products for the Federal Government. In 1971, the Act was amended to become the Javits-Wagner-O'Day (JWOD) Act, expanding the original legislation to include employment of people who have significant disabilities. It also allowed participating NPAs to expand into providing services to the Federal Government. In 2006, the Committee launched the AbilityOne brand to better reflect the Program's mission. The Committee began operating as the U.S. AbilityOne Commission in 2011.

## 1.4. Program Structure and Responsibilities

### Organizational Overview



#### *Presidential Appointees*

The Commission is authorized 15 Presidential appointees: 11 Federal agency members and 4 private citizen members who represent the employment concerns of people who are blind or have significant disabilities.

Presidential appointees on the Commission bring extensive expertise and tested judgement that promote the effective implementation of the JWOD Act, the operational efficiency of the Commission and AbilityOne Program, and the interests of people who are blind or have significant disabilities.

Each appointee representing a Federal government agency is a senior procurement official with decades of experience in acquisition and procurement, a senior official knowledgeable on personnel issues, or a disability employment policy expert responsible for related programs in their own agency. Each private citizen appointee is an individual with broad knowledge of the employment problems facing people who are blind or have significant disabilities.

As of the end of 2025, retirements and the change of Administration left the Commission with 8 vacancies (Agriculture, Air Force, Army, Education, Navy, Veterans Affairs, and 2 private citizens).

Current members are from the Departments of Commerce, Defense (Defense Logistics Agency), Justice, Labor, the General Services Administration, and two private citizens.

The Commission provides support to the White House Office of Presidential Personnel as requested to advance nomination packages for new members.

For a list of Presidential appointees who served on the Commission in FY 2025, see Appendix 2.

### ***Commission Staff***

At the end of FY 2025, the Commission staff had 30 full-time equivalent (FTE) employees. The staff maintains agency operations and prepares materials required by law, regulation, and policy to inform the decisions made by the Presidential appointees.

The Commission also has an Office of Inspector General (OIG), which had 9 FTEs at the end of FY 2025. The OIG mission is to promote the economy, efficiency, and effectiveness of AbilityOne programs and operations, and protect these programs and operations against fraud, waste, abuse, and mismanagement.

Statutory functions of the Commission include:

- Establishing rules, regulations, and policies to ensure effective implementation and oversight of 41 U.S.C. 8501-8506 and the AbilityOne Program it authorizes.
- Increasing employment opportunities for people who are blind or have significant disabilities.
- Determining which products and services are suitable for provision by nonprofit agencies employing people who are blind or have severe disabilities. These products and services are added to the Procurement List (PL).<sup>3</sup>
- Determining fair market prices for these products and services and revising prices in accordance with changing market conditions.
- Monitoring NPAs' compliance with 41 U.S.C. 8501-8506, Commission regulations, policies, and procedures.
- Assisting Federal agencies to expand procurement from NPAs participating in the AbilityOne Program and monitoring the compliance of both Federal agencies and nonprofit agencies with Commission regulations, policies, and procedures.
- Designating CNAs and providing guidance to them that facilitates NPAs' participation in the AbilityOne Program.
- Conducting continuing study and evaluation of mission execution to ensure effective and efficient administration of 41 U.S.C. 8501-8506.

### ***Central Nonprofit Agencies***

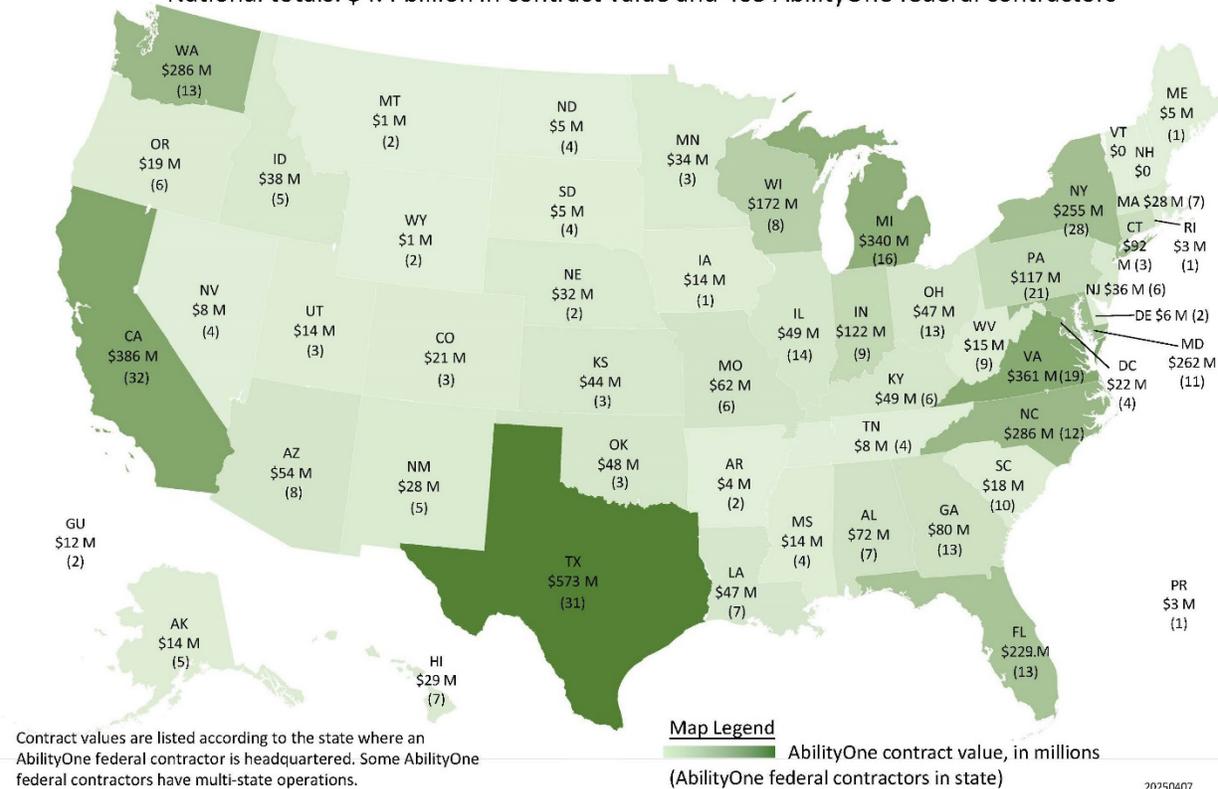
The Commission has designated two Central Nonprofit Agencies (CNAs) – National Industries for the Blind (NIB) and SourceAmerica – to facilitate the distribution of orders and assist Federal contractors participating in the AbilityOne Program.

## 1.5. Performance Highlights

### AbilityOne at a Glance – FY 2025

Private sector AbilityOne employees who are blind or have significant disabilities	40,663
AbilityOne wages paid to private sector employees	\$893.7 million
Average hourly wage paid to private sector employees	\$18.71
Cost per AbilityOne job based on AbilityOne Commission budget (Federal agency & OIG \$13.124 million budget ÷ 40,663 jobs)	\$323
Sales of products and services to Federal customers	\$4.7 billion
Wounded, ill, or injured veterans in AbilityOne direct labor jobs	2,768
Placements (Employees moving from AbilityOne contracts into the broader economy)	1,524
Promotions within AbilityOne contracts	2,322

AbilityOne Contract Value and Number of AbilityOne Federal Contractors by State – FY 2024  
National totals: \$4.4 billion in contract value and 405 AbilityOne federal contractors



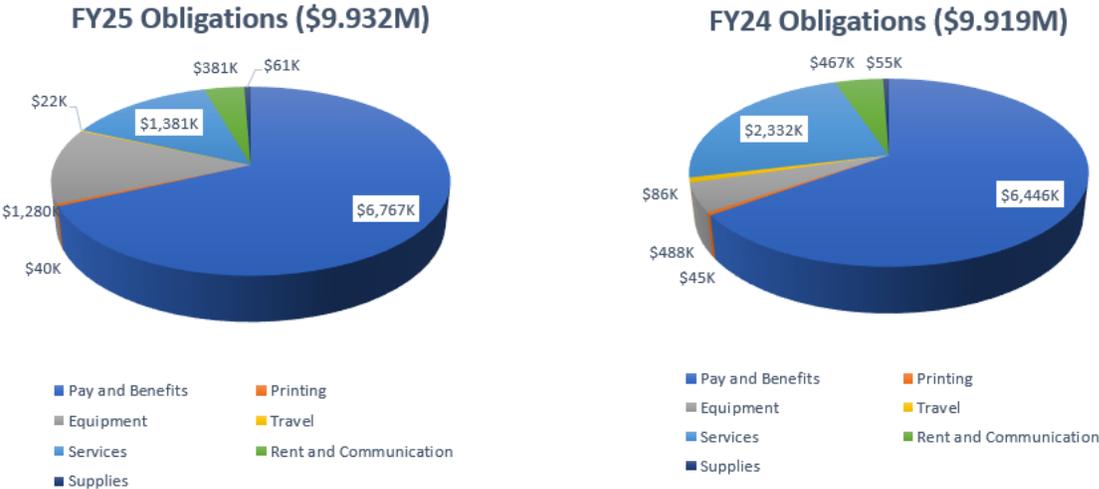
*FY 2025 data is highlighted in this report where available. Certain data is from FY 2024 due to the timing of AbilityOne Program reporting cycles.*

# 1.6. Analysis of Financial Statements and Stewardship Information

## Limitations of the Financial Statements

The principal financial statements are prepared to report the financial position, financial condition, and results of operations, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements are prepared from records of Federal entities in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

The Agency obligations shown below indicate no significant difference between FY 2025 (\$9,932,000) and FY 2024 (\$9,919,000).



## 1.7. Analysis of Systems, Controls and Legal Compliance



### FY 2025 Management Assurance Statement

The U.S. AbilityOne Commission (Commission) management states and assures that to the best of our knowledge:

1. In accordance with OMB Circular No. A-123, Section VI (B), we are issuing an unqualified statement of assurance considering the Independent Auditor, Harper, Rains, & Knight Company issued an unmodified audit opinion in its FY 2025 audit report. The system of internal controls of this agency is functioning and provides reasonable assurance as to the efficiency and effectiveness of programs and operations; reliability of financial reporting; and compliance with laws and regulations. These controls satisfy the requirements of the Federal Managers' Financial Integrity Act (FMFIA) and Federal Financial Management Improvement Act (FFMIA).

2. The financial management systems of the Commission are maintained by the Financial Management Shared Service Provider (FMSSP). Historically, the Agency has relied on its FMSSP to conduct its assessment of risk and internal control in accordance with Office of Management and Budget Circular A-123. The Commission continues to improve internal controls for funds management, obligations, and payment processes reported in the FMSSP financial management system. The Commission has coordinated with its FMSSP on increased internal control procedures for the disbursement of funds, such as requiring two (2) approving signatures for transactions involving prior year funds. The Commission utilizes a Funds Control Officer to certify the availability of funds prior to Agency obligations and expenditures. This system of control as part of its Administrative Control of Funds policy ensures compliance with the Anti-Deficiency Act.

3. The Commission received an unmodified opinion in the FY 2025 financial statements audit report. The Commission will continue its focus on properly assessing and updating its management control structure to remediate any audit findings, in accordance with the guidance in OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. Agency management is committed to designing and implementing a robust set of controls, and to performing regular monitoring to ensure that the controls are operating effectively. Except as noted in our assessment and findings documented below in the Description of Independent Auditor's Findings section of this Management Assurance Statement, the Commission maintains accountability for assets and provides reasonable assurance that obligations and costs are in compliance with applicable law, and that performance data and proprietary and budgetary accounting transactions applicable to the Agency are properly recorded and accounted for to permit the timely preparation of accounts and reliable performance

information. The financial management systems at this Agency satisfy the requirements of the FMFIA §4.

4. The Independent Auditor's report identified a financial reporting finding in budgetary and accounting areas, as discussed below in Description of Independent Auditor's Findings.

#### **Description of Independent Auditor's Findings**

During the audit of the financial statements for the year ended September 30, 2025, the Independent Auditor communicated one internal control finding: amount for undelivered unpaid orders was overstated. We identified a corrective action for implementation in FY 2026 accordingly.

*Kimberly M. Zeich*

Kimberly M. Zeich  
Executive Director

## **1.8. Forward-Looking Information**

The Commission considers forward-looking information, including risks and challenges, as it works to ensure a strong future for the AbilityOne Program and increased employment opportunities for people who are blind or have significant disabilities.

### ***AbilityOne returns dollars to the U.S. economy and U.S. Treasury***

AbilityOne employees earned \$893.7 million in wages in FY 2025. Dollars are returned to the U.S. Treasury because economic empowerment of AbilityOne employees through job opportunities increases tax revenues and decreases reliance on public benefits.

For example, a 2023 report commissioned by the CNAs on AbilityOne’s economic impact estimated that every dollar that Congress and Federal agencies invest in the Program results in a return on investment to the Treasury of \$2.66 due to increased tax revenues from AbilityOne jobs, savings realized by reduced reliance on public programs, and multiplier effects on the surrounding economies.<sup>4</sup>

### ***Within available resources, the Commission continues to meet all Executive Branch and Congressional mandates, including:***

- Consolidated Appropriations Act, 2016, requirements for Commission to (1) establish Cooperative Agreements to govern its relationship with the CNAs, and (2) establish an OIG.
- Executive Orders and memoranda issued by Office of Management and Budget (OMB) and/or the Office of Personnel Management (OPM).
- OMB requirements for IT and cybersecurity.
- FY 2017 National Defense Authorization Act (NDAA) Section 898 “Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity” (898 Panel). *(For details, see “Implementing 898 Panel Recommendations” in Section 2.3.)*

### ***Office of Inspector General (OIG)***

The Office of Inspector General (OIG) is the guardian of the integrity of the U.S. AbilityOne Commission (Commission) and its Program. The OIG mission is to promote economy, efficiency, and effectiveness and to prevent fraud, waste, and abuse. In furtherance of its mission, the OIG conducts audits and investigations and regularly delivers reports to Congress and to the head of the Commission about its oversight work. On May 5, 2025, the Commission Chairperson appointed the OIG’s General Counsel, Carla Smith, as the Acting Inspector General.

In FY 2025, the OIG issued its mandated Semiannual Reports and the following:

- Top Management and Performance Challenges Report (November 15, 2024)
- Audit of the Commission’s FY 2024 Financial Statement (November 15, 2024)

- Evaluation of the Commission’s Strategic Plan (December 19, 2024)
- Audit of the Commission’s Enterprise Risk Management (ERM) Program (December 20, 2024)
- Audit Assessment of the Commission’s ERM Program Maturity Level (March 11, 2025)
- Audit of the Commission’s Open Recommendations (September 29, 2025)
- Evaluation of the Commission’s Access to AbilityOne Program Data (September 29, 2025).

In addition, in FY 2025 the OIG issued:

- One OIG Alert concerning OIG audit information (July 9, 2025)
- The OIG’s five-year Strategic Plan (September 29, 2025)
- Two investigative reports.

Lastly, the OIG responded to Congressional requests (January 14 and February 28, 2025), and the Office of Audit passed its peer review.

All of the OIG’s FY 2025 activities are discussed in the OIG’s Semiannual Reports to Congress posted on the OIG website at <https://abilityone.oversight.gov/>.

### ***Challenges***

- Meeting Congressional and Executive Branch mandates within resource limitations. *(See above.)*
- Executing mission with staff that is 23% smaller than in 2024, following voluntary attrition and implementation of the Agency’s Merit Hiring Plan.
- Implementing the Commission’s second-generation Cooperative Agreements with the CNAs, signed in December 2024.
- Implementing the Strategic Plan for FY 2022-2026, including:
  - Increasing quality jobs for Americans who are blind or have significant disabilities.
  - Supporting competition in the AbilityOne Program.
  - Modernizing oversight of AbilityOne Federal contractor compliance.
- Creating the agency’s 2026-2030 Strategic Plan.
- Addressing the OIG’s annual Top Management and Performance Challenges Report.

- Continuing the Commission's paradigm shift for the AbilityOne Program to become a pathway to careers in upwardly mobile positions both within and outside AbilityOne.
- Updating IT infrastructure.
- Scaling and attaining the numerous and complex requirements of the Federal Information Security Management Act (FISMA) as a small Federal entity.

## 2. Performance Section

In FY 2025, the Commission continued to drive value, efficiency, and accountability across the AbilityOne Program in alignment with the FY 2022-2026 Strategic Plan.<sup>5</sup>

Four overarching Strategic Objectives anchor the plan:

- 1) Transform the AbilityOne Program to expand competitive integrated employment (CIE) for people who are blind or have significant disabilities.
- 2) Identify, publicize, and support the increase of good jobs and optimal jobs in the AbilityOne Program.
- 3) Ensure effective governance and results across the AbilityOne Program.
- 4) Engage in partnerships to increase employment for people who are blind or have significant disabilities within and beyond the AbilityOne Program.

Strategic Plan outcome goals, strategies, and performance measures clearly communicate the Commission's direction and resource prioritization.

The status of the Strategic Plan's 28 performance measures can be found in Appendix 1, "U.S. AbilityOne Commission FY 2022-2026 Strategic Plan Performance Measures Status."

The following agency performance information is organized under the plan's Strategic Objectives.

### **2.1. Strategic Objective 1: Transform the AbilityOne Program to expand competitive integrated employment (CIE) for people who are blind or have significant disabilities.**

The Commission is committed to working effectively with Congress to amend the JWOD Act to support CIE for people who are blind or have significant disabilities. However, to achieve that goal fully, Congress must amend the JWOD Act to enable all NPAs to offer CIE to employees. The Commission sent three legislative proposals to Congress on April 13, 2023, to amend the JWOD Act, including one related to increasing integrated workplaces.<sup>6</sup>

### **2.2. Strategic Objective 2: Identify, publicize, and support the increase of good jobs and optimal jobs in the AbilityOne Program.**

The Commission defines a “good job” in the AbilityOne Program as having four attributes:

1. Individuals with disabilities are paid competitive wages and benefits.
2. The job matches the individual’s interests and skills (“job individualization”).
3. Individuals with disabilities are provided with opportunities for employment advancement comparable to those provided to individuals without disabilities.
4. Individuals are covered under employment laws.

The Commission believes there are such jobs currently within the AbilityOne Program and that the number of such jobs should be increased.

The Commission defines an “optimal job” as one that includes the four attributes of a “good job,” but also allows AbilityOne employees to work side-by-side with employees without disabilities doing the same or similar work. That is obviously harder, and frequently not possible, to achieve given the direct labor hour ratio mandated by the JWOD Act. Nevertheless, the Commission is aware of several examples in which such workplaces have been achieved in the AbilityOne Program.

#### ***New emphasis on subcontracting to increase the quantity and variety of employment options***

As ways to increase integration leading to “optimal jobs,” the Commission has recently emphasized subcontracting, as well as other approaches to collaborating with industry.

Subcontracting and collaboration with industry partners help NPAs expand their expertise and capacity. The Commission supports the creative use of subcontracting in a variety of ways that expand or sustain employment and support customer satisfaction.

### **2.3. Strategic Objective 3: Ensure effective governance and results across the AbilityOne Program.**

#### ***Commission commitment to closing open audit recommendations***

Closing open audit recommendations is a high priority for the Commission. The OIG or an independent auditor has sole responsibility for closing open audit recommendations, not the agency. The Commission has corrective action plans in place for all open recommendations and continues to implement those plans. In FY 2026, the agency will be tracking 28 unique open audit recommendations.

- Of those 28 recommendations, one (1) is awaiting review by the independent financial auditor of record for a determination regarding closure. Seven (7) are awaiting review by the independent FISMA auditor.
- The remaining 20 recommendations with corrective action plans are related to Enterprise Risk Management, strategic planning, compliance, business operations, and Cooperative Agreements and/or Program Fees. The actions taken in response to these recommendations will be shaped by the Strategic Plan, which the Commission continues to implement.
- Responsiveness to audits: Closed 39 financial and program audit recommendations during FY 2025.

#### ***Chief Financial Officer advancing effective stewardship***

- Maintains financial processes and controls for funds management, obligations, and payments.
- Completed Management Internal Control Program in accordance with the Federal Managers' Financial Integrity Act (FMFIA); submitted FY 2025 Annual Statement of Assurance.
- Conducted an FY 2025 Management Control Review of 85 of more than 200 Agency controls and determined Agency internal controls were effective.
- Conducts quarterly enterprise risk management assessments of risk mitigation plans; closed four (4) open risk mitigation plans during the fiscal year; eight (8) plans remain open.

#### ***Issuing updated data collection forms***

The Commission received OMB clearance in March 2025 to begin using three new data collection forms that collectively represent groundbreaking improvements in efficiency, accountability, and transparency throughout the Program.<sup>7</sup> The forms are:

- Disability Qualification Determination (DQD) Form (previously titled Participating Employee Eligibility Form)
- Participating Employee Information (PEI) Form
- AbilityOne NPA Annual Representations and Certifications (ARC) Form

The new Disability Qualification Determination Form for the first time allows AbilityOne Federal contractors to use documentation of disability from other Federal agencies to qualify an individual to participate in the AbilityOne Program.

The new forms also enable the Commission to better assess compliance, demonstrate value, and ensure that individuals employed on AbilityOne contracts have qualifying disabilities and receive appropriate accommodations and job supports; that AbilityOne Federal contractors meet applicable laws; and that AbilityOne provides on-time delivery of quality, mission-critical products and services.

The Commission is currently working closely with the CNAs to establish the process that will enable AbilityOne Federal contractors to submit the forms electronically, projected for FY 2026.

### ***Updating AbilityOne Program Guidance***

Modernizing AbilityOne Federal contractor compliance to align with Program requirements is central to the FY 2022-2026 Strategic Plan. To provide transparency and obtain feedback that can inform its decisions, the Commission has consulted regularly with Program stakeholders during the development of guidance documents and published draft guidance documents on the Commission website for public feedback.<sup>8</sup>

*(For details, see the Commission’s webpage “Compliance Policy Modernization.”<sup>9</sup>)*

### ***Compliance***

**Table 1. AbilityOne Federal contractors in Compliance with 75% Overall Direct Labor Hour Ratio Requirement\***

	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
AbilityOne Federal contractors in compliance / Total AbilityOne Federal contractors <sup>10</sup>	402/469	353/450	313/443	344/424	348/405	349/394
Percentage of AbilityOne Federal contractors in compliance	86% <sup>11</sup>	78% <sup>12</sup>	71% <sup>13</sup>	81% <sup>14</sup>	86%	89%

\*The Commission modernized virtually all its AbilityOne Federal contractor compliance policies in FY 2024 and continues to make technical revisions to several policies. Among other changes, CNAs are now required to begin providing technical assistance to, and conducting compliance inspections of, their AbilityOne Federal contractors. This new compliance regimen follows a Commission pause in traditional compliance reviews begun on February 1, 2023, to consider public feedback, retrain staff, develop updated compliance materials for the AbilityOne Federal contractor community, and ensure that the Commission, AbilityOne Federal contractors, and CNAs are in full alignment regarding compliance.

A key AbilityOne Program compliance metric is that people who are blind or have significant disabilities must provide at least 75% of an AbilityOne Federal contractor's overall direct labor hours worked during the fiscal year (referred to as the 75% Overall Direct Labor Hour Ratio Requirement).

In FY 2021 and FY 2022, AbilityOne Federal contractor compliance with this key requirement was lower than in previous years due to pandemic impacts. Responding to the unique circumstances presented by the pandemic, and consistent with agency practice relating to emergency responses, the agency expanded exceptions to its Direct Labor Ratio Requirements for FY 2020, FY 2021, and FY 2022.<sup>15</sup>

### ***Improving customer satisfaction***

Increasing Federal customer satisfaction with AbilityOne products and services is a Commission priority, reflected in the Strategic Plan – i.e., “Support the mission of the Federal customer by providing best value through contract performance.”

In FY 2025, the Commission strengthened its emphasis on customer satisfaction, including through the following initiatives:

#### **“Supporting Competition in the AbilityOne Program”**

The Commission is making good on its promise to implement competition in the AbilityOne Program, delivering on one of the top priorities of the 898 Panel.

Commission publication of its final rule “Supporting Competition in the AbilityOne Program”<sup>16</sup> in 2024 responded to longstanding Federal customer interest in using competition as a tool to improve contract performance and customer satisfaction. In April 2025, the Commission issued Policy 51.301-04, “Competitive Distribution of Orders to Nonprofit Agencies for New and Existing Services on the Procurement List,”<sup>17</sup> an interim framework for competition within the AbilityOne Program to provide best value for the Federal government and American taxpayers. Further, in FY 2025 the Commission convened an ad hoc AbilityOne Competition Subcommittee to consider competition requests and approved the first competition under the new policy.

Competition will spur private sector innovation; enhance training, placement, and employment opportunities for AbilityOne-participating employees at a competitive price; and further drive value, efficiency, and accountability.

#### Strengthening contract performance

Good contract performance is essential to customer satisfaction – an area the Commission repeatedly emphasized to the CNAs and AbilityOne Federal contractors throughout FY 2025 at the agency’s quarterly public meetings, participation in conferences, and in the “Chairperson’s Intent” statement issued publicly in April 2025 by Chairperson Robert D. Hogue.<sup>18</sup>

#### Supporting AbilityOne Representatives (ABORs)

ABORs play a key role in ensuring Federal agency customer satisfaction with the AbilityOne Program by serving as an essential communication channel between their agencies and the Commission and CNAs.<sup>19</sup> Each ABOR advocates for utilization of AbilityOne products and services in accordance with mandatory source contracting procedures, engages with the workforce to build use of the Program, and offers feedback to the Commission to improve the value of the Program.

More than 120 ABORs have been appointed in more than 20 agencies, including nearly all the CFO Act agencies. Additionally, ABORs represent 10 DoD components, including the military services. The Commission hosts monthly ABORs meetings, creating a community of practice that builds awareness of AbilityOne capacity within Federal agencies, creates new business opportunities, and resolves concerns with contract implementation.

#### Implementing 898 Panel recommendations

Achieving customer satisfaction through improved contract performance was part of every 898 Panel Annual Report to Congress from 2017 through 2021.

The Panel issued 24 recommendations in its Fourth and Final Report to Congress.<sup>20</sup> Of these recommendations, the Commission has now successfully closed out all action items under its control (21 of 24 recommendations).

The remaining recommendations require legislative action.

#### ***Issuing an Open Data Plan***

The Commission published an Open Data Plan<sup>21</sup> on July 15, 2025, in accordance with OMB Memorandum M-25-05<sup>22</sup> and the Foundations for Evidence-Based Policymaking Act of 2018. The agency has named a Chief Data Officer.

#### ***Complying with OMB Guidance on Artificial Intelligence (AI)***

The Commission published a “Compliance Plan for OMB Memo M-25-21: Accelerating Federal Use of AI through Innovation, Governance, and Public Trust” on September 29, 2025.<sup>23</sup> The agency has named a Chief AI Officer.

***Increasing public trust and confidence in the Commission through greater transparency and expanding public engagement***

The Commission is committed to maintaining its public engagement across a range of activities including rulemaking, policy updates, public meetings, and conferences.

Expanded public engagement has significantly boosted participation by, and input from, key stakeholders including advocates from the disability community. The Commission’s virtual quarterly public meetings facilitate attendance and participation by hundreds of stakeholders, and routinely feature one or more topics for public feedback or discussion. Federal Register notices of Commission quarterly public meetings promote transparency and public engagement by posing questions for discussion, soliciting written statements to the Commission, and encouraging verbal presentations and exchanges between the public and Commission members.

The Commission receives valuable responses during these public meetings and uses the input to inform decision-making. These frank and productive exchanges create the shared awareness and understanding that are essential to the success of the Commission and Program. *(For details, see Appendix 3, “FY 2025 Quarterly Public Meeting Attendance and Engagement Topics.”)*

**2.4. Strategic Objective 4: Engage in partnerships to increase employment for people who are blind or have significant disabilities within and beyond the AbilityOne Program.**

***Employment Growth***

Jobs reached a 5-year high in AbilityOne during FY 2025, growing 4% to approximately 41,000 private sector jobs for people who are blind or have significant disabilities.

Direct labor hours worked increased by 8% in FY 2025 to approximately 48 million – a significant measure of employment growth because not only are more workers working, they are also working more hours.

**Table 2. AbilityOne Program Key Metrics**

	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change</b>
Employees	39,247	40,663	4%
Direct Labor Hours	44.2 million	47.8 million	8%
Promotions	2,398	2,322	-3%
Wages	\$821 million	\$894 million	9%
Average Hourly Wage	\$18.58	\$18.71	1%
Sales	\$4.47 billion	\$4.7 billion	5%

For additional data, see Section 1.5, Performance Highlights.

***Growth in jobs and sales through innovative policy implementation***

Increased accountability through Commission policy action doubled AbilityOne Federal contractor purchases of AbilityOne products to support AbilityOne service contracts – \$12.7 million in FY 2025 compared to \$6.3 million in FY 2024.

The increase results from a 2022 Commission policy requiring NPAs to buy products from each other, which creates and sustains jobs.<sup>24</sup> In addition, this policy means that both Federal agencies and AbilityOne Federal contractors are now required to purchase and use AbilityOne products – a change that also provides more feedback to AbilityOne manufacturers about product performance and price.

***New emphasis on subcontracting to increase the quantity and variety of employment options***

*For details on the Commission's support of expanding or sustaining employment through the creative use of subcontracting, see Section 2.2.*

### **3. Financial Section**



## U.S. AbilityOne Commission Office of Inspector General

355 E Street SW (OIG Suite 335)  
Washington, DC 20024-3243

December 18, 2025

### MEMORANDUM

TO: Robert D. Hogue  
Chairperson  
U.S. AbilityOne Commission

Kimberly M. Zeich  
Executive Director  
U.S. AbilityOne Commission

FROM: *Carla Smith*  
Carla Smith  
Acting Inspector General  
U.S. AbilityOne Commission OIG

SUBJECT: Audit of the U.S. AbilityOne Commission's Financial Statements for Fiscal Year 2025, OIG Report OA-2025-02

I am pleased to provide the audit report on the U.S. AbilityOne Commission's (Commission) financial statements. The Office of Inspector General (OIG) contracted with the independent certified public accounting firm Harper, Rains, Knight, & Company, P.A. (HRK) to audit the Commission's financial statements and related footnotes as of September 30, 2025. The contract requires that the audit be performed in accordance with U.S. generally accepted government auditing standards Office of Management and Budget audit guidance, GAO/CIGIE<sup>1</sup> Financial Audit Manual, and Audit Requirements for Federal Financial Statements.

### Results of the Independent Audit

HRK found:

- The financial statements present fairly, in all material respects, the Commission's financial position as of September 30, 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

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<sup>1</sup> Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency

- One material weakness related to the Commission not having appropriate controls in place to review the validity of material financial adjustment transactions recorded by their service provider on their behalf.

While the report includes one material weakness related to a gap in controls over financial reporting by a shared service provider, HRK's objective was not to provide an opinion on the effectiveness of the Commission's internal control or compliance.

### **Evaluation and Monitoring of Audit Performance**

The Inspector General Act of 1978, as amended, requires that the Inspector General take appropriate steps to ensure that any work performed by non-Federal auditors complies with the auditing standards established by the Comptroller General. We evaluated the independence, objectivity, and qualifications of the auditors and specialists; reviewed the plan and approach of the audit; monitored the performance of the audit; sought and obtained clarification of the auditor's methodology and findings; and reviewed HRK's reports and related audit documentation.

HRK is responsible for the attached independent auditor's report and the conclusions expressed therein. The OIG does not express opinions on the Commission's financial statements or internal control over financial reporting, or conclusions on compliance or other matters. The audit report provides an opinion on the Commission's financial statements and communicates reporting requirements on internal control over financial reporting and compliance with laws and regulations.

The OIG would like to thank the Commission staff for their assistance and cooperation. If you have any questions or need additional information, please contact me or Laretta A. L. Joseph, Assistant Inspector General for Audit and Evaluation at (571) 329-3419 or [Ljoseph@oig.abilityone.gov](mailto:Ljoseph@oig.abilityone.gov).

Enclosure: *Independent Auditor's Report, September 30, 2025*

cc: Christina Brandt  
Vice-Chairperson  
U.S. AbilityOne Commission

Kelvin R. Wood  
Chief of Staff  
U.S. AbilityOne Commission



Harper, Rains, Knight & Company

## **Independent Auditors' Report**

Chairperson, Committee Members, and Executive Director  
Committee for Purchase from People Who Are Blind or Severely Disabled – U.S. AbilityOne Commission

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

In accordance with the Accountability of Tax Dollars Act, we have audited the financial statements of the Committee for Purchase from People Who Are Blind or Severely Disabled – U.S. AbilityOne Commission (the Commission). The Commission's financial statements comprise the balance sheet as of September 30, 2025; and the related statements of net cost, changes in net position, and budgetary resources for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the Commission's financial statements present fairly, in all material respects, the Commission's financial position as of September 30, 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

The Commission's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with accounting principles generally accepted in the United States of America; preparing and presenting other information included in documents containing the audited financial statements and auditors' report, and ensuring the consistency of that information with the audited financial statements and the RSI; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Certified Public Accountants · Consultants · [hrkcpa.com](http://hrkcpa.com)**

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***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAS, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the Management's Discussion and Analysis (MD&A) be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB who considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

***Required Supplementary Information (continued)***

We have applied certain limited procedures to the RSI in accordance with GAAS, which consisted of (1) inquiries of management about the methods of preparing the RSI and (2) comparing the information for consistency with management's responses to the auditors' inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit, and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the Commission's financial statements. The information in the Message from the Chairperson, Performance, and Other Information sections contain a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the Other Information. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the Commission's financial statements as of and for the year ended September 30, 2025, in accordance with GAS, we considered the Commission's internal control relevant to the financial statements audit as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Exhibit I to be a material weakness.

***Report on Internal Control over Financial Reporting (continued)***

Our consideration of internal control over financial reporting was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of the Commission's internal control over financial reporting. However, as described in the accompanying Exhibit I, we identified a certain deficiency in internal control that we consider to be a material weakness.

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

***Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements***

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements that have a direct effect on the determination of material amounts and disclosures in the Commission's financial statements, and to perform certain other limited procedures, but not for the purposes of expressing an opinion on the Commission's compliance with applicable laws, regulations, contracts, and grant agreements. Accordingly, we do not express such an opinion. We did not test compliance with all laws, regulations, contracts, and grant agreements applicable to the Commission. The Commission management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the entity.

Our tests of compliance with these selected provisions of applicable laws, regulations, and contracts, and grant agreements disclosed no instances of noncompliance for the year ended September 30, 2025, that would be reportable under GAS or OMB Bulletin No. 24-02. We caution that noncompliance may occur and not be detected by these tests.

***Management's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on Management's response to the finding identified in our audit and described in the accompanying Exhibit I. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Chairperson, Committee Members and Executive Director  
Committee for Purchase from People Who Are Blind and Severely Disabled – U.S. AbilityOne  
Commission (continued)

***Purpose of the Other Reporting Required by Government Auditing Standards***

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* is solely to describe the scope of our testing of internal control and compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or compliance. These reports are an integral part of an audit performed in accordance with GAS and OMB Bulletin No. 24-02 in considering the entity's internal control and compliance. Accordingly, these reports are not suitable for any other purpose.

*Harper, Raina, Knight & Company, P.A.*

December 18, 2025  
Washington, D.C.

## **I: Control Gap over Financial Reporting by Shared Service Provider**

### **Condition:**

A \$599,191 overstatement of the undelivered order balance, a material misstatement, was recorded as an automatic beginning balance adjustment by the shared service provider and is not associated with the undelivered balance of a current contract.

A \$298,812 overstatement of the undelivered order balance, a material misstatement, was recorded in August 2025 as an SV adjustment, and is not supported with a current, valid, undelivered order balance/obligation.

In total, the September 30, 2025, undelivered order balance is overstated by \$898,003.

### **Criteria:**

The Office of Management and Budget Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, Section III.B.B1 states:

"Agencies are ultimately responsible for the services and processes provided by third-party service organizations as they relate to the Agency's ability to maintain internal control over operations, reporting, and compliance with laws and regulations."

"If the processes provided by the third-party service organization is significant to an Agency's internal control objectives, then the Agency is responsible for establishing user Agency controls that complement the service organization's controls. Management still retains overall responsibility and accountability for all controls related to the processes provided by the third-party and must monitor the processes as a whole to make sure it is effective. Examples of user Agency controls include:

- **Input/Output Controls:** In most third-party provider situations, the Agency must have access to the information processed by a service organization. In some cases, this information enables the Agency to compare the service organization's results with the results of an independent source. For example, an Agency using a payroll service organization compares the data submitted to the service organization with reports or information received from the service organization after the data has been processed."

The Government Accountability Office (GAO's) *Standards for Internal Control in the Federal Government*, (GAO-14-704G, September 2014), Principle 10 - Design Control Activities, section 10.01 states: "Management should design control activities to achieve objectives and respond to risks. The following attributes contribute to the design, implementation, and operating effectiveness of this principle:

- Response to Objectives and Risks
- Design of Appropriate Types of Control Activities
- Design of Control Activities at Various Levels
- Segregation of Duties"

Exhibit I  
Material Weakness (continued)

Section 10.02 states, “Management designs control activities in response to the entity’s objectives and risks to achieve an effective internal control system. Control activities are the policies, procedures, techniques, and mechanisms that enforce management’s directives to achieve the entity’s objectives and address related risks. As part of the risk assessment component, management identifies the risks related to the entity and its objectives, including its service organizations.

Section 10.03, Accurate and timely recording of transactions, states “Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.”

The Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014), Section 4 – Additional Considerations, Service Organizations, OV4.03 states, “Management may consider the following when determining the extent of oversight for the operational processes assigned to the service organization: The nature of services outsourced.....[and] the extent to which the entity’s internal controls are sufficient so that the entity achieves its objectives and addresses risks related to the assigned operational process.”

**Cause:**

The U.S. AbilityOne Commission (Commission) does not have appropriate controls in place to review the validity of material financial adjustment transactions recorded by their service provider on their behalf. The Commission relies solely on its accounting service provider, GSA Pegasys Financial Services, to correctly input and classify all adjusting transactions in preparation of the financial statements. Adjusting transactions recorded without identifying contract and vendor fields are not reviewed by the Commission and Office of Inspector General (OIG) personnel.

**Effect:**

Failure to appropriately review the work of service providers could result in material misstatements in the Financial Statements. The Commission needs complete and accurate financial statements to meet the needs of its users. For example, if the Commission had implemented appropriate review controls, they may have been able to detect the FY 2025 undelivered order misstatements.

**Recommendation:**

The Commission should determine the risks associated with non-standard adjustments in its financial reporting process and develop and document appropriate controls to review and validate those non-standard transaction outputs on the aging reports created by their service provider. At a minimum, the Commission should:

- Establish a dollar value threshold to review all balances without identifying contract and vendor fields, recorded on the monthly aging reports provided to the Office of the Chief Financial Officer and the OIG and
- Review and verify all material non-standard adjustment transactions (JVs, SVs, RVs, and BB transactions) recorded without identifying contract and vendor fields on a periodic basis and prior

Exhibit I  
Material Weakness (continued)

to yearend close. In addition, the Commission should document these controls in order to maintain continuity of procedures each year.

The Commission should instruct its shared service provider to record on-top adjustments to reduce the \$599,191 and \$298,812 balances from SGL 4801.11. The Commission and its shared service provider should fully research the cause of the \$599,191 and \$298,812 SVs to determine if correcting entries are required in FY 2026.

**Managements' Response:**

Management concurs with the finding and recommendation. In accordance with the above recommendation, management will implement appropriate controls to identify and coordinate with GSA on subject unidentified balances to facilitate corrective action as needed. The controls will be updated in the Commission's Budget and Financial Management Standard Operating Procedure, effective January 2026.

**Auditors' Response**

The corrective actions included in Managements' Response, have not been subject to audit procedures during the current year, we will design procedures to test the corrective actions taken by the Commission in planning and performing the FY 2026 financial statements audit.

Exhibit II  
 Status of Prior Year Financial Statements Audit Findings

The following table provides the fiscal year (FY) 2025 status of all recommendations included in the Independent Auditors' Report on the Commission's FY 2024 Financial Statements (November 15, 2024):

Prior Year Finding	Prior Year Recommendations	FY 2025 Status
Commission has not Completed Requirements for Reporting Prior Year ADA Violations to the President and Congress 2024-02	<ul style="list-style-type: none"> <li>• We recommend that Commission management fulfill the requirements of 31 USC §1517(b) by reporting the FY 2019 and FY 2020 violations to the President, Congress, and the Comptroller General of the United States.</li> </ul>	Closed
	<ul style="list-style-type: none"> <li>• We recommend that Commission management continue to submit periodic inquiries to their OMB contact on the status of their submission.</li> </ul>	Closed



**GENERAL FUND  
FINANCIAL STATEMENTS**

**As Of And For The Fiscal Year Ended September 30, 2025**

**Committee for Purchase from People Who Are Blind or Severely Disabled**  
**BALANCE SHEET**  
**As Of September 30, 2025**  
**(in thousands)**

**Assets:**

**Intragovernmental Assets:**

Fund Balance With Treasury	(Note 2)	\$ 7,126
Advances and Prepayments		47
<b>Total Intragovernmental Assets</b>		<u>7,173</u>

**Other than Intragovernmental Assets:**

Accounts Receivable, net	(Note 3)	4
Property, Plant and Equipment, net	(Note 4)	2,641
<b>Total Other than Intragovernmental Assets</b>		<u>2,645</u>

**Total Assets** \$ 9,818

**Liabilities:**

(Note 5)

**Intragovernmental Liabilities:**

Accounts Payable		\$ 25
Other Liabilities	(Note 6)	49
<b>Total Intragovernmental Liabilities</b>		<u>74</u>

**Other than Intragovernmental Liabilities:**

Accounts Payable		961
Federal Employee Salary, Leave, and Benefits Payable	(Note 7)	1,140
<b>Total Other than Intragovernmental Liabilities</b>		<u>2,101</u>

**Total Liabilities** \$ 2,175

**Commitments and Contingencies** (Note 8 and Note 10)

**Net Position:**

Unexpended Appropriations - All Other Funds (Consolidated Totals) \$ 5,778

Cumulative Results of Operations - All Other Funds (Consolidated Totals) 1,865

**Total Net Position - All Other Funds (Consolidated Totals)** 7,643

**Total Net Position** \$ 7,643

**Total Liabilities and Net Position** \$ 9,818

The accompanying notes are an integral part of these statements.

**Committee for Purchase from People Who Are Blind or  
Severely Disabled**

**STATEMENT OF NET COST**

**For The Fiscal Year Ended September 30, 2025**

**(in thousands)**

**Program Costs:**

<b>Gross Costs</b>	<b>\$ 13,103</b>
<b>Net Program Costs</b>	<b>13,103</b>
<b>Net Cost of Operations</b>	<b><u>\$ 13,103</u></b>

The accompanying notes are an integral part of these statements.

# Committee for Purchase from People Who Are Blind or Severely Disabled

## STATEMENT OF CHANGES IN NET POSITION For The Fiscal Year Ended September 30, 2025 (in thousands)

### Unexpended Appropriations:

Beginning Balance	\$	5,821
Appropriations received		13,124
Other Adjustments (+/-)		(428)
Appropriations used		(12,739)
Net Change in Unexpended Appropriations		(43)
<b>Total Unexpended Appropriations</b>	<b>\$</b>	<b>5,778</b>

### Cumulative Results from Operations

Beginning Balances	\$	1,523
Appropriations used		12,739
Imputed Financing		706
Net Cost of Operations		(13,103)
Net Change in Cumulative Results of Operations		342
<b>Total Cumulative Results of Operations</b>		<b>1,865</b>
<b>Net Position</b>	<b>\$</b>	<b>7,643</b>

The accompanying notes are an integral part of these statements.

**Committee for Purchase from People Who Are Blind or Severely Disabled**  
**STATEMENT OF BUDGETARY RESOURCES**

**For The Fiscal Year Ended September 30, 2025**

**Budgetary resources:**

Unobligated balance from prior year budget authority, net (discretionary and mandatory)	(Note 12)	\$	4,200
Appropriations (discretionary and mandatory)			<u>13,124</u>
<b>Total budgetary resources</b>		<b>\$</b>	<b><u>17,324</u></b>

**Status of budgetary resources:**

New obligations and upward adjustments (total)	(Note 9)	\$	<u>12,815</u>
Unobligated balance, end of year:			
Apportioned, unexpired account			320
Unexpired unobligated balance, end of year			<u>320</u>
Expired unobligated balance, end of year			4,189
Unobligated balance, end of year (total)			<u>4,509</u>
<b>Total budgetary resources</b>		<b>\$</b>	<b><u>17,324</u></b>

**Outlay, net:**

Outlays, net (total) (discretionary and mandatory)	\$	<u>12,332</u>
Agency outlays, net (discretionary and mandatory)	\$	<u>12,332</u>

The accompanying notes are an integral part of these statements.

The Committee for Purchase from People who are Blind or Severely Disabled  
Notes to Financial Statements  
As of and For the Fiscal Year Ended September 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Committee for Purchase from People who are Blind or Severely Disabled is the independent Federal agency that administers the Javits-Wagner-O’Day (JWOD) Program. The committee’s mission is to create employment opportunities for people who are blind or have other severe disabilities by educating Federal customers about their requirement to purchase products and services made available by nonprofit agencies across the country employing such individuals.

The Office of Inspector General (OIG) was established in 2016 as a result of the amendment to the Consolidated Appropriations Act of 2016 (P.L. 114-113). The OIG is a designated federal entity responsible for conducting audits and investigations; recommending policies and procedures that promote economy, efficiency, and effectiveness of agency resources and program; and preventing fraud, waste, abuse, and mismanagement.

The Committee received \$13,124 thousand in appropriated funding for fiscal year (FY) 2025, with the stipulation that “No less than \$3,150 thousand shall be available for the Inspector General”.

**Basis of Presentation**

These financial statements have been prepared from the accounting records of the Committee in accordance with generally accepted accounting principles (GAAP), and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Circular No. A-136, as amended. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants.

OMB Circular No. A-136 requires agencies to prepare principal statements which include a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources. The balance sheet presents, as of September 30, 2025, amounts of future economic benefits owned or managed by the Committee (assets), amounts owed by the Committee (liabilities), and amounts which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Committee and other reporting entities. The Statement of Budgetary Resources reports on how budgetary resources were made available during the period and their status at the end of the period.

The Committee for Purchase from People who are Blind or Severely Disabled  
Notes to Financial Statements  
As of and For the Fiscal Year Ended September 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The aggregation of line items on the Balance Sheet has changed as required for all significant reporting entities by OMB Circular A-136. This change does not affect totals for assets, liabilities, or net position and is intended to allow readers of this Report to see how the amounts shown on the Balance Sheet are reflected on the Government-wide Balance Sheet, thereby supporting the preparation and audit of the *Financial Report of the United States Government*. The aggregation of line items on the FY 2024 Balance Sheet was modified to be consistent with the FY 2025 aggregation of line items.

All dollar amounts included in the financial statements and footnotes have been rounded to the nearest thousand dollar.

**Basis of Accounting**

Transactions are recorded on the accrual accounting basis in accordance with Generally Accepted Accounting Principles (GAAP). Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

**Fund balance with Treasury**

The Committee and OIG maintain its available funds with the Department of the Treasury (Treasury). The fund balance with Treasury is available to pay current liabilities and finance authorized purchases. Cash receipts and disbursements are processed by Treasury and are reconciled with those of Treasury on a regular basis. Note 2, Fund Balance with Treasury, provides additional information.

**Revenue and Other Financing Sources**

The Committee receives an annual appropriation. Other financing sources for the Committee recognize the costs in the general ledger, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, Accounting for Liabilities of the Federal Government.

The Committee receives the funding needed to support its programs through an annual Congressional appropriation. The United States Constitution prescribes that no money may be expended by a federal agency unless and until funds have been made available by Congressional appropriation. Appropriations are recognized as financing sources when related expenses are incurred or assets are purchased.

The Committee receives an annual appropriation that may be used within statutory limits. For example, funds for general operations are generally made available for one fiscal year. The Statement of Budgetary Resources presents information about the resources appropriated to the Committee.

The Committee for Purchase from People who are Blind or Severely Disabled  
Notes to Financial Statements  
As of and For the Fiscal Year Ended September 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with GAAP in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Accounts Receivable, Net and Advances and Prepayments**

Accounts Receivable, Net (Other than Intragovernmental) represents the Accounts Receivable from current employees. The direct write-off method is used for uncollectible receivables. The Committee has historically collected receivables due and thus has not established an allowance for uncollectible accounts. Advances and Prepayments are when an agency pays in advance for goods/services which have not yet been received.

**General Property and Equipment**

General property and equipment (PP&E) consist of equipment used for general operations and internal use software. The basis for recording purchased PP&E is full cost, which includes all costs incurred to bring the PP&E to a form and location suitable for its intended use. The cost of PP&E acquired through donation is the estimated fair market value when acquired. All PP&E with an initial acquisition cost of \$10 thousand or more and an estimated useful life of two years or more are capitalized.

The PP&E is depreciated using the straight-line method over the estimated useful life of the asset. Normal maintenance and repair costs are expensed as incurred.

The depreciation calculation method used was Straight Line with a useful life applicable to the type of asset (Equipment, Furniture, Motor Vehicles, and Internal Use Software at 5 years; and Leasehold Improvements at 7 years or the remainder of the lease). The Committee capitalizes PPE individually costing more than \$10 thousand (\$25 thousand for leasehold improvements and software in development). Bulk purchases of lesser value items are capitalized when the cost is \$100 thousand or greater.

The Committee for Purchase from People who are Blind or Severely Disabled  
Notes to Financial Statements  
As of and For the Fiscal Year Ended September 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Liabilities**

Liabilities are recognized for amounts of probable and measurable future outflows or other sacrifices of resources as a result of past transactions or events. Since the Committee is a component of the U.S. Government, a sovereign entity, its liabilities cannot be liquidated without legislation that provides resources to do so. Payments of all liabilities other than contracts can be abrogated by the sovereign entity. In accordance with public law and existing federal accounting standards, no liability is recognized for future payments to be made on behalf of current workers contributing to the Medicare Health Insurance Trust Fund, since liabilities are only those items that are present obligations of the government. The Committees' liabilities are classified as covered by budgetary resources or not covered by budgetary resources.

Liabilities Covered by Budgetary Resources are Liabilities incurred which are covered by realized budgetary resources as of the Balance Sheet date. Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Budgetary resources include: (1) new budget authority, (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year, (3) spending authority from offsetting collections (credited to an appropriation or fund account), and (4) recoveries of unexpired budget authority through downward adjustments of prior year obligations.

Liabilities Not Covered by Budgetary Resources are liabilities which are not considered to be covered by budgetary resources. Liabilities Not Covered by Budgetary Resources are combined with liabilities covered by budgetary resources on the face of the Balance Sheet.

**Accrued Payroll and Benefits**

Accrued payroll and benefits consist of salaries, wages, leave and benefits earned by employees, but not disbursed as of June 30. Liability for annual and other vested compensatory leave is accrued when earned and reduced when taken. At the end of each fiscal year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. Annual leave earned but not taken is considered an unfunded liability since this leave will be funded from future appropriations when it is actually taken by employees. Sick leave and other types of leave are not accrued and are expensed when taken.

**Accounts Payable**

Accounts payable primarily consists of amounts due for goods and services received progress in contract performance, interest due on accounts payable, and other miscellaneous payables.

The Committee for Purchase from People who are Blind or Severely Disabled  
Notes to Financial Statements  
As of and For the Fiscal Year Ended September 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Federal Employee Benefits**

Most Committee employees participate in either the Civil Service Retirement System (CSRS) – a defined benefit plan, or the Federal Employees Retirement System (FERS) – a defined benefit and contribution plan. For employees covered under CSRS the Committee contributes a fixed percentage of pay. Most employees hired after December 31, 1983, are automatically covered by FERS. For employees covered under FERS the Committee contributes the employer’s matching share for Social Security and Medicare Insurance. A primary feature of FERS is that it offers a Thrift Savings Plan (TSP) into which the Committee automatically contributes one percent of employee pay and matches employee contributions up to an additional four percent of pay.

The U.S. Office of Personnel Management is the administering agency for both of these benefit plans and, thus, reports CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities applicable to federal employees. Therefore, the Committee does not recognize any liability on its balance sheet for pensions, other retirement benefits, and other post-employment benefits.

**Net Position**

Net position is the residual difference between assets and liabilities and is comprised of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent the amount of unobligated and unexpended budget authority. Unobligated balances are the amount of appropriations or other authority remaining after deducting the cumulative obligations from the amount available for obligation.

**Intragovernmental Costs and Exchange Revenue**

Intragovernmental costs arise from purchases of goods or services from other components of the Federal Government. In contrast, public costs are those that arise from the purchase of goods or services from nonfederal entities. The Committee does not provide services to another federal entity.

**Classified Activities**

Accounting standards require certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

The Committee for Purchase from People who are Blind or Severely Disabled  
Notes to Financial Statements  
As of and For the Fiscal Year Ended September 30, 2025

**NOTE 2 – FUND BALANCE WITH TREASURY**

The fund balance with treasury is a consolidated balance of six annual funds (FY 2020, FY 2021, FY 2022, FY 2024 and FY 2025) and one no year fund (837X).

Status of Fund Balance with Treasury

(1) Unobligated Balance	
(a) Available	\$ 3,610
(2) Obligated Balance not yet Disbursed	<u>3,516</u>
Total	<u><u>\$ 7,126</u></u>

**NOTE 3 – ACCOUNTS RECEIVABLE, NET**

Accounts receivable consisted of the following at September 30:

Accounts Receivable - Other than Intragovernmental	<u><u>\$ 4</u></u>
--	--------------------

**NOTE 4 – GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET**

As of September 30, 2025, depreciation/amortization expense for the year was \$262 thousand.

	<u>Equipment</u>	<u>Leasehold Improvements</u>	<u>Internal-Use Software in Development</u>	<u>Internal-Use Software</u>	<u>Total</u>
Cost, beginning of year	\$ 58	\$ 861	\$ 2,458	\$ -	\$ 3,377
Transfers	<u>-</u>	<u>-</u>	<u>(2,458)</u>	<u>2,458</u>	<u>-</u>
Cost, end of year	58	861	-	2,458	3,377
Accumulated depreciation	<u>(54)</u>	<u>(603)</u>	<u>-</u>	<u>(79)</u>	<u>3,377</u>
Net Book Value, end of year	<u><u>\$ 4</u></u>	<u><u>\$ 258</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,379</u></u>	<u><u>\$ 2,641</u></u>

The Committee for Purchase from People who are Blind or Severely Disabled  
Notes to Financial Statements  
As of and For the Fiscal Year Ended September 30, 2025

**NOTE 5 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES**

Liabilities of the Committee are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2025, the Committee showed liabilities covered by budgetary resources of \$471 thousand and liabilities not covered by budgetary resources of \$911 thousand.

Liabilities as of September 30, 2025 are as follows:

Other than Intragovernmental	
Unfunded Leave	\$ 780
Total Liabilities Not Covered by Budgetary Resources	780
Total Liabilities Covered by Budgetary Resources	1,395
Total Liabilities	<u>\$ 2,175</u>

**NOTE 6 – OTHER LIABILITIES**

Other Intragovernmental liabilities for the quarter ended September 30, 2025, consist of Employer Contributions and Payroll Taxes Payable and Other Liabilities Without Related Budgetary Obligations as shown below.

	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable	\$ -	\$ 49	\$ 49
Total Intragovernmental	<u>-</u>	<u>49</u>	<u>49</u>
Total Other Liabilities	<u>\$ -</u>	<u>\$ 49</u>	<u>49</u>

**NOTE 7 – FEDERAL EMPLOYEE SALARY, LEAVE, AND BENEFITS PAYABLE**

While The Commission does not administer pensions or benefit programs, it records the portion of the liability for which it is responsible. Liabilities for Federal Employee Salary, Leave and Benefits Payable consists of the following:

Funded, accrued payroll benefits	\$ 352
Employer contributions and payroll taxes payable	8
Unfunded, accrued leave liabilities	780
Total Federal Employee Salary, Leave, Benefits Payable	<u>\$ 1,140</u>

The Committee for Purchase from People who are Blind or Severely Disabled  
Notes to Financial Statements  
As of and For the Fiscal Year Ended September 30, 2025

**NOTE 8 – LEASES**

Effective June 10, 2021, the Committee and OIG entered into a lease as collocated occupants at a new headquarters building located Washington DC. On April 1, 2022, the Committee and OIG staff accepted ownership of and moved into the new headquarters building that is 7,433 square feet. The Committee has a current lease term that will be renewed in March 2026. The Committee’s operating lease expenses was \$339 As of September 30, 2025.

**NOTE 9 – APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS REIMBURSABLE OBLIGATIONS**

Obligations for the Commission in FY 2025 were split between Category A on the SF 132, *Apportionment and Reapportionment Schedule*. Category A amounts are distributed by FY quarter and include new obligations and upward adjustments incurred against amounts apportioned are as follows:

Direct - Category A		12,815
Total	\$	12,815

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

The Commission has no contingent losses as of 30 September 2025.

**NOTE 11 – INTER-ENTITY COSTS**

AB1 recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs relate to employee benefits. AB1 recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the period ending September 30, 2025, inter-entity costs were as follows:

Office of Personnel Management		\$ 706,524.55
Total Imputed Financing Sources	\$	706,524.55

The Committee for Purchase from People who are Blind or Severely Disabled  
Notes to Financial Statements  
As of and For the Fiscal Year Ended September 30, 2025

**NOTE 12 – NET ADJUSTMENTS TO UNOBLIGATED BALANCE BROUGHT FORWARD, OCTOBER 1**

During the quarters ended September 30, 2025, certain adjustments were made to the balance of unobligated budgetary resources available as of October 1, 2024. These adjustments include, among other things, downward adjustments to undelivered and delivered orders that were obligated in a prior year fiscal year. The adjustments during the quarters ended September 30, 2025 are as follows:

Unobligated Balance Brought Forward, October 1	\$	3,802
Adjustments made during the current fiscal year		
Recoveries of prior year paid obligations		821
Recoveries of prior year unpaid obligations		5
Balance withdrawn to Treasury (canceling fund)		(428)
Unobligated Balance From Prior Year Budget Authority, Net	\$	4,200

**NOTE 13 - UNDELIVERED ORDERS AT THE END OF THE PERIOD**

Undelivered orders represent the value of goods and services ordered and obligated that have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred. \$1,270 thousand was the amount of the Committee’s budgetary resources obligated for undelivered orders as of September 30, 2025.

	Unpaid Undelivered Orders	Paid Undelivered Orders	Total Undelivered Orders
Intragovernmental	\$ 117	\$ 47	\$ 164
Other than Intragovernmental	1,106	-	1,106
	<u>\$ 1,223</u>	<u>\$ 47</u>	<u>\$ 1,270</u>

**NOTE 14 – EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE US GOVERNMENT**

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the *Budget of the United States Government* (Budget).

The Budget that will include FY 2025 actual budgetary execution information is scheduled for publication in March 2026, which will be available through OMB’s website at <http://www.whitehouse.gov/omb>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements.

The Committee for Purchase from People who are Blind or Severely Disabled  
Notes to Financial Statements  
As of and For the Fiscal Year Ended September 30, 2025

**NOTE 14 – EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE US GOVERNMENT (CONTINUED)**

Balances reported in the FY 2024 SBR and the related President’s Budget reflected the following:

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	13,124	12,277	-	14,879
Difference 2 - Rounding (+/-)	(124)	(277)	-	121
Budget of the U.S. Government	<u>13,000</u>	<u>12,000</u>	<u>-</u>	<u>15,000</u>

**NOTE 15 – RECONCILIATION OF NET COST TO OUTLAYS**

The Committee has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations.

	Intragovernmental	Other than Intragovernmental	Total
Net Operating Cost (SNC)	\$ 3,619,793.55	\$ 9,483,016.69	\$ 13,102,810.24
<b>Components of Net Operating Cost Not Part of the Budgetary Outlays</b>			
Property, plant, and equipment depreciation	-	(262,288.97)	(262,288.97)
<b>Increase/(Decrease) in Assets not affecting Budgetary Outlays:</b>			
Accounts receivable	-	38.62	38.62
Other Assets	17,550.27	-	17,550.27
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts payable	15,200.68	(517,690.05)	(502,489.37)
Federal employee salary, leave, and benefits payable	-	(117,317.05)	(117,317.05)
Other liabilities	143,019.97	-	143,019.97
<b>Other Financing Sources</b>			
Imputed costs	(706,524.55)	-	(706,524.55)
<b>Total Components of Net Operating Cost Not Part of the Budget Outlays</b>	<u>(530,753.63)</u>	<u>(897,257.45)</u>	<u>(1,428,011.08)</u>
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
Acquisition of capital assets	-	657,280.71	657,280.71
<b>Components of the budget outlays that are not part of net operating cost</b>	<u>-</u>	<u>657,280.71</u>	<u>657,280.71</u>
<b>Misc Items</b>			
Non Entity Activity	309.40	-	309.40
<b>Total Other Reconciling Items</b>	<u>309.40</u>	<u>-</u>	<u>309.40</u>
<b>Total Net Outlays (Calculated Total)</b>	<u>\$ 3,089,349.32</u>	<u>\$ 9,243,039.95</u>	<u>\$ 12,332,389.27</u>
<b>Related Amounts on the Statement of Budgetary Resources</b>			
Outlays, net			12,332,389.27
<b>Agency Outlays, Net</b>			<u>\$ 12,332,389.27</u>

**NOTE 16 – SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 15, 2025, which is the date the financial statements were issued.

## 4. Other Information

### 4.1 Summary of Financial Statement Audit and Management Assurances

*Table 3. Summary of Financial Statement Audit*

Audit Opinion	Unmodified					
<b>Restatement</b>	No					
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>*Reassessed</b>	<b>Ending Balance</b>
<b>Financial Reporting</b>	0	1	0			1
<b>Total Material Weaknesses</b>	0	1	0			1

*Table 4. Summary of Management Assurances*

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
<b>Statement of Assurance</b>	Unqualified					
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>*Reassessed</b>	<b>Ending Balance</b>
<b>Financial Reporting</b>	0	0	0			0
<b>Total Material Weaknesses</b>	0	0	0			0
Conformance with Federal Financial Management System Requirements (FMFIA § 4)						
<b>Statement of Assurance</b>	Systems Conform					

### 4.2 Payment Integrity Information Act (PIIA) Reporting

The Commission incurs payment activity for vendor and employee payments. Controls are in place to review and reconcile payments on a quarterly basis, preventing significant improper payments from occurring. The Commission reports no improper payments for FY 2025. The Commission's value of payments is below PIIA mandatory reporting threshold.

## Fraud Reduction Report

Pursuant to the Fraud Reduction and Data Analytics Act of 2015 (Public Law 114-186, 32 U.S. Code 3321), the U.S. AbilityOne Commission is reporting on its fraud reduction efforts for FY 2025 in three key areas:

1. Implementation of financial and administrative controls
  - The Commission has built-in separation of duties, with the General Services Administration serving as a contracted financial, travel, human resources, payroll processing, and procurement services provider through an interagency agreement. Internally, financial transactions are prepared by the Chief Financial Officer or Deputy Chief Financial Officer, then the availability of funds is certified, and then approval is made at a higher level.
2. The fraud risk principle in the Standards for Internal Control in the Government (GAO Green Book)
  - The Commission has a low risk of fraud in these areas:
    - Fraudulent financial reporting risk: Financial reporting is provided by an authorized, shared financial services provider within the Federal Government. All financial reporting, including financial statements and necessary journal entries, is reviewed by the Chief Financial Officer prior to submission to the Office of Management and Budget. The Commission's financial statements are audited annually.
    - Misappropriation of assets: All assets are recorded in the general ledger, inventoried, and tracked in software managed by the Commission. Proper sign-out procedures are incorporated for all equipment and property being removed from the property.
    - Waste of government resources and abuse of authority or position: First, the Commission staff is provided with ethics training, and its leadership sets a tone of strong individual integrity. Second, the staff members receive whistleblower training with respect to reporting wrongdoing. This information is posted in the headquarters office suite. Third, the Commission has an active and engaged Office of Inspector General. Finally, the Commission was involved with the 2017 National Defense Authorization Act Section 898 Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity, including the Subcommittee on Fraud, Waste and Abuse.
3. OMB Circular A-123 with respect to leading practices for managing fraud risk
  - The Commission has designed and implemented internal controls over major processes to mitigate fraud risk. The Agency utilizes automated time and attendance, procurement, contract payments, and travel and purchase card systems located within other agencies. The Commission reviews the Merchant Category Codes and places appropriate restrictions to prevent and deter unauthorized purchases on both the purchase and the travel cards. Agency points of contact for purchase and travel cards, as well as the financial services provider, are trained to review supporting documentation and identify any anomalies. For example, the assigned Commission staff reviews all travel receipts for

reimbursement before approving travel vouchers. The OIG maintains a hotline for individuals to report suspected irregularities and fraud for further evaluation and action.

### **4.3 Top Management and Performance Challenges Report**

See next page.



# TOP MANAGEMENT AND PERFORMANCE CHALLENGES FOR FISCAL YEAR 2026



U.S. ABILITYONE COMMISSION  
OFFICE OF INSPECTOR GENERAL



**U.S. AbilityOne Commission  
Office of Inspector General**

355 E Street SW (OIG Suite 335)  
Washington, DC 20024-3243

December 18, 2025

**MEMORANDUM**

TO: Robert D. Hogue  
Chairperson  
U.S. AbilityOne Commission

Kimberly M. Zeich  
Executive Director  
U.S. AbilityOne Commission

FROM: Carla Smith *Carla Smith*  
Acting Inspector General  
U.S. AbilityOne Commission Office of Inspector General

SUBJECT: Final Report of the Fiscal Year 2026 Top Management and Performance Challenges

We are pleased to transmit the following final report on the U.S. AbilityOne Commission's Top Management and Performance Challenges. The U.S. AbilityOne Commission Office of Inspector General (OIG), issued this report.

If you have any questions, please contact me or Laretta A. L. Joseph, Assistant IG for Audit and Evaluation at 571-329-3419 or at [ljoseph@oig.abilityone.gov](mailto:ljoseph@oig.abilityone.gov).

cc: Christina Brandt  
Vice Chairperson  
U.S. AbilityOne Commission

Kelvin Wood  
Chief of Staff  
U.S. AbilityOne Commission

**U.S. AbilityOne Commission Office of Inspector General**

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# Introduction

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is reporting what it has determined are the most pressing management and performance challenges facing the U.S. AbilityOne Commission (Commission) for fiscal year (FY) 2026. This report provides our views on these challenges for inclusion in the Commission’s Performance and Accountability Report (PAR) for FY 2026.

Management and performance challenges are based on the OIG’s observations from the work performed as well as information obtained while conducting oversight activities. The OIG identified these challenges based on the results and findings of its oversight, including audits, evaluations, and investigative activities, as well as information uncovered while conducting oversight.

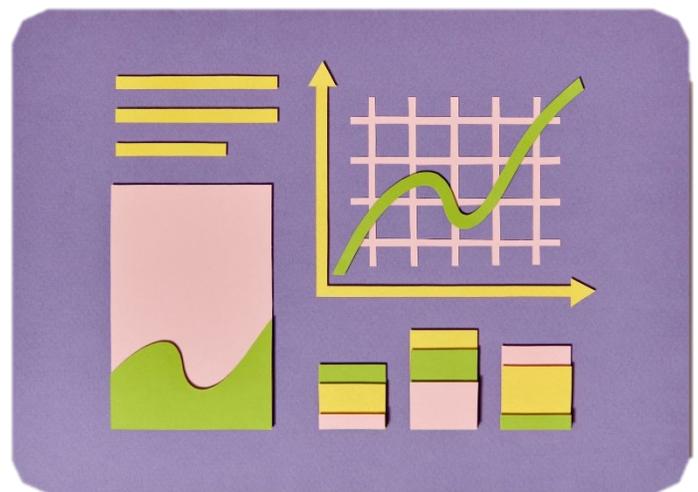
- Enhancing Information Technology
- Modernizing the Program
- Strengthening Human Capital

Addressing these challenges will enhance the Commission’s efficiency and effectiveness in meeting the mission and goals of the AbilityOne Program.

## Enhancing Information Technology:

### Data Collection and Analysis

Data is a fundamental component of information technology. More specifically, data analysis is critical for the AbilityOne Program (Program). It provides valuable information to the Commission on progress and challenges, allowing it to make informed decisions and necessary adjustments for the Program. The Commission recently overhauled many of its data collection tools by including electronic data collection forms and improving data systems. The Commission has and continues to focus on data collection; however, the challenge is their ability to collect the right data and then use it to monitor and track the Program.



The Commission uses Annual Representation and Certification (ARC) forms to collect data points from the Central Nonprofit Agencies (CNAs) and the Nonprofit Agencies (NPAs). In 2024, the Commission entered into new cooperative agreements with the CNAs, which updated CNA’s tasks and responsibilities as they relate to data collection. The CNAs were specifically tasked to develop web-based data collection tools and comprehensive data dashboards. The data collection requirements include AbilityOne Program-level data, such as NPA contract performance and Program compliance data, CNA-specific reporting data, and NPA employee qualification and career development information.

As a part of the OIG’s 2025 review of the Commission’s Access to Data, the Commission detailed its plan to collect AbilityOne Program data from the CNAs that would be used to create accessible dashboards for the Commission. The creation of these data-driven dashboards is the first step in moving toward data informed decision-making. However, the challenge remains for the Commission to determine what additional data needs to be collected, how to analyze the data that is collected, and what further decisions need to be made to help the Program reach its mission and goals.

## Information System Upgrades

A key component to data collection is to ensure that the data systems that are in place are current and operating in a proficient manner. The Commission has identified upgrading the Procurement List Information Management System (PLIMS) as a long-term priority since its optimal function is core to the Program and it includes sensitive industry data that is important for data analysis.

In its 2022–2026 Strategic Plan, the Commission stated that PLIMS needed to be updated, and in 2022, The Commission received a \$1.8 million Technology Modernization Fund investment to support the updates. PLIMS is the digital backbone of the Commission that connects the Commission with the CNAs and holds valuable data for the Program. As of FY25, the Commission has deployed the PLIMS 2.0 software with updates to assist in supporting their data collection and program modernization efforts. PLIMS 2.0 currently includes the key core functionality of the legacy system but does not yet have all the capabilities required by the Commission staff to maximize efficiency. In their FY2026 budget justification<sup>1</sup>, the Commission stated that “deploying core functionality of PLIMS 2.0 will be ongoing during FY2026”.

However, more system upgrades are needed, therefore the Commission is planning for another update to PLIMS. PLIMS 2.1<sup>2</sup> “will provide additional efficiencies, particularly by automating tasks currently performed by employees and allowing the Commission staff to maintain its Procurement List with fewer staff.” The U.S. Chief Information Officers (CIO) Council has identified outdated IT infrastructure is an obstacle to progress which impacts operational and mission goals<sup>3</sup>. In 2023, they issued a handbook<sup>4</sup> for small agency CIOs and executives that help address IT modernization challenges because it is a “constant process that requires evolving management of hybrid cloud scenarios and active energy management of the physical infrastructure.” Modernizing the Program will continue to be exacerbated by the need to fund and produce an information system that can support the Commission and the Program’s needs.

### *Related OIG Reports*

[Evaluation of Access to AbilityOne Program Data](#)

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<sup>1</sup> [AbilityOne FY2026 Congressional Budget Justification](#)

<sup>2</sup> The Commission refers to the ongoing updates to the system in FY26 as PLIMS 2.1.

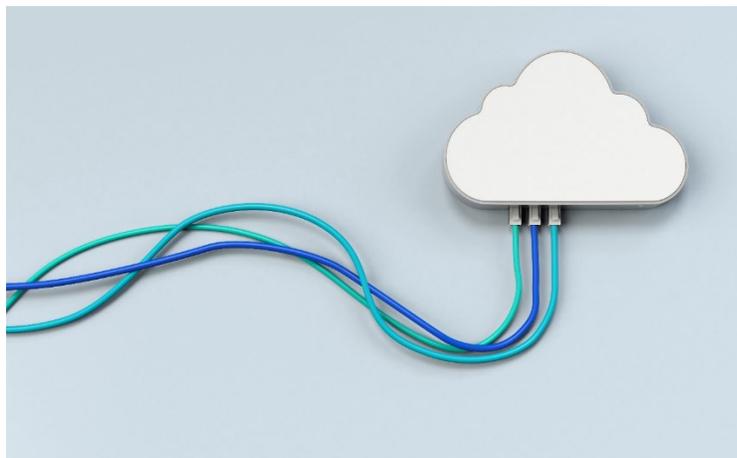
<sup>3</sup> [U.S. Chief Information Officers Council, IT Infrastructure Modernization Policy Paper](#)

<sup>4</sup> [Small Agency CIO and IT Executive Handbook](#)

# Modernizing the Program:

## Strategic Plan Implementation

The OIG has reported program modernization as a top management and performance challenge for several years. As a result, the Commission has focused on developing strategic plans that include goals and objectives that will change the direction of the Commission. While a shift in direction is a herculean task, the Commission is seemingly focused on implementation of the strategic plan for the long term.



The Commission introduced a draft of their FY 2026–2030 Strategic Plan components. This iteration of the Strategic Plan stated the Commission will focus on outward strategic objectives, outcome goals, and strategies to help increase employment opportunities and participation and the overall visibility of the AbilityOne Program. The draft strategic plan also includes performance measures associated with each strategic objective. If all the goals outlined in the draft strategic plan are implemented, the Commission will have a solid roadmap to its Program’s modernization.

## Need For Robust Compliance Program

The Commission’s Compliance Program identifies the obligations of the CNAs to perform oversight of the NPAs and strengthens the control that the Commission will exercise over the CNAs’ compliance activities. In addition, the Commission has open recommendations related to the implementation and oversight of compliance activities.

Due to changes over the years, the Oversight and Compliance Division has experienced a reduction in staff and has not had the opportunity to rehire core functions of the division such as a permanent Director of Compliance. An effective compliance program is necessary for ensuring that goals and objectives are met as the Program moves forward. Without a robust compliance program with knowledgeable leadership, the Commission is at risk of not providing consistent oversight over the CNAs and NPAs. The Program is also at risk of not identifying significant issues that could hinder modernization.

## Enhance ERM Framework

The Office of Management and Budget Circular (OMB) A-123<sup>5</sup>, Managements Responsibility for Enterprise Risk Management (ERM) and Internal Control require agencies to include enterprise risk management activities with their strategic planning. It can also be used as a tool to help

<sup>5</sup> [OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control](#)

anticipate and manage risks, like programmatic performance and information technology, that may impact the agency's objectives. In addition, OMB A-123 states that integrating and coordinating risk management into existing business activities is an integral part of managing an Agency.

The OIG reviewed the Commission's ERM program to determine if the process is effective and used to make risk-based decisions. The OIG found the Commission has designed and implemented a formal ERM program, but it is not fully effective because it is missing program elements and the internal controls need improvement. This means that it could impact the Commission's ability to make informed risk-based decisions. Also, while training is not a requirement for the program, it can help educate the Commission's ERM management on how to best identify objectives, assess related risks, and develop risk mitigation plans. Due to the changing landscape of organizational and information technology risks, and continuous enhancement, ERM training opportunities for the Program could reduce risk-based vulnerabilities.

#### *Related OIG Reports*

[Audit Report - Open Recommendations](#)

[Evaluation of the AbilityOne Commission's Strategic Plan Could Benefit from Enhancements](#)

[Audit of U.S. AbilityOne Commission Enterprise Risk Management](#)

## Human Capital:

### Prioritize Hiring for Key Vacancies

Not hiring crucial staff directly impacts agency operations, often leading to heavy workloads and burnout, further exacerbating attrition and the need to fill vacancies. High turnover compromises an agency's ability to retain qualified personnel.

Related to their information technology challenge, the Commission does not have a permanent Chief Information Officer (CIO) in place to help manage technology updates, requests, and troubleshooting for their compliance software. In this environment of increased cyberthreats, an experienced CIO is key to protecting the AbilityOne program and the Commission from and effectively responding to security breaches. Related to the challenge of Program Modernization, the Commission does not have a permanent Director of Compliance in place to build a robust compliance program and manage the various compliance requirements of the Program. As a result of both vacancies, the Commission is at a disadvantage to provide oversight of the Program and protect the Commission's information.

Like many federal agencies, the Commission faces multiple challenges as it strives to move the Program forward. Some of these challenges are existing and some new, but all continued to impact the Commission over the past fiscal year.



*Related Reports:*

[Top Management and Performance Challenges Facing Multiple Federal Agencies](#)

# Abbreviations

<b>The Program</b>	AbilityOne Program
<b>Commission</b>	U.S. AbilityOne Commission
<b>ARC</b>	Annual Representations and Certificates
<b>CNAs</b>	Central Nonprofit Agencies
<b>NPAs</b>	Nonprofit Agencies
<b>PLIMS</b>	Procurement List Information Management System
<b>ERM</b>	Enterprise Risk Management
<b>CIO</b>	Chief Information Officer

# Appendix: Management Response



**U.S. ABILITYONE COMMISSION**  
355 E Street, SW, Suite 325  
Washington, DC 20024

December 16, 2025

## MEMORANDUM

FOR: Carla Smith, Acting Inspector General

FROM: Kimberly M. Zeich, Executive Director

SUBJECT: Draft Top Management and Performance Challenges Report

**KIMBERLY  
ZEICH**

Digitally signed by KIMBERLY  
ZEICH  
Date: 2025.12.16 16:54:31  
-05'00'

Thank you for providing a draft copy of the Office of Inspector General (OIG) report on the Top Management and Performance Challenges (TMPC) facing the U.S. AbilityOne Commission (Commission) for FY 2026.

The Commission leverages this report each year as part of our continuous improvement and to mitigate risks to the AbilityOne Program. In FY 2025, the Commission successfully mitigated multiple challenges that were previously identified by the OIG, such as executing second-generation Cooperative Agreements with the Commission's designated central nonprofit agencies (CNAs) and implementing the Commission's FY 2022-2026 Strategic Plan. Additionally, the Commission successfully mitigated a previous challenge associated with financial reporting, closing 11 financial audit recommendations in FY 2025.

We have reviewed the challenges identified by the OIG for FY 2026 and find them consistent with the management challenges prioritized by the Commission, which are also well aligned with the Administration's priorities. These include enhancing information technology, continuing to modernize the AbilityOne Program, and strengthening our human capital. In particular, we recognize that the Commission had an increased level of voluntary attrition in FY 2025 and we look forward to implementing our Merit Hiring Plan in FY 2026.

Thank you again for the opportunity to provide comments on your draft report.



COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED  
An Independent Federal Agency



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Read all OIG reports on our website:  
[abilityone.oversight.gov/reports/all](https://abilityone.oversight.gov/reports/all)



Office of Inspector General  
U.S. AbilityOne Commission  
Committee for Purchase from People Who Are Blind or Severely Disabled (CPPBSD)  
355 E Street, S.W. (Suite 335)  
Washington, DC 20024  
[abilityone.oversight.gov](https://abilityone.oversight.gov)

## Appendix 1

### FY 2022-2026 Strategic Plan Performance Measures Status

STRATEGIC OBJECTIVE	PERFORMANCE MEASURE	FY2025 STATUS
<p><b>Strategic Objective I:</b> Transform the AbilityOne Program to Expand Competitive Integrated Employment (CIE) for People Who Are Blind or Have Significant Disabilities.</p>	<p><b>Performance Measure 1:</b> The Commission has provided constructive information to Congress on using the AbilityOne Program to expand competitive integrated employment and the relevant committees of jurisdiction determined the information was useful.</p>	<p>Implemented.</p> <p>The Commission convened an interagency work group to develop recommendations for Congress. The work group did not reach consensus on a modification of the statutory mandated ratio in order to increase CIE. The group did reach consensus on giving the Commission pilot project authority to reduce the mandated ratio in selected contracts – a position that was transmitted to Congress as a legislative proposal in April 2023.</p>
	<p><b>Performance Measure 2:</b> The Commission has reached consensus with its fellow government agencies on a legislative proposal to amend the JWOD Act.</p>	<p>Implemented.</p> <p>See narrative explanation in Performance Measure 1 above.</p>
<p><b>Strategic Objective II:</b> Identify, Publicize, and Support the Increase of Good Jobs and Optimal Jobs in the AbilityOne Program.</p>	<p><b>Performance Measure 1:</b> The Commission has finalized the rule prohibiting an NPA’s payment of subminimum or sub-prevailing wages to any employee on an AbilityOne contract to be qualified for participation in the Program.</p>	<p>Implemented.</p> <p>Final rule prohibiting payment of subminimum wages on AbilityOne contracts was published on July 21, 2022. No employee on an AbilityOne contract was being paid a subminimum wage as of September 30, 2023.</p>

	<p><b>Performance Measure 2:</b> The Commission has issued a Request for Information (RFI) in order to identify good jobs and optimal jobs in the AbilityOne Program.</p>	<p>Partially implemented.</p> <p>Modified in light of other Commission actions. The Commission is in the process of updating its mandatory data collection forms. The new data will provide much of the information the RFI was designed to collect.</p> <p>In Q4 of FY 24, the Commission issued an RFI requesting information on possible ways to address the ratio challenges related to direct and indirect labor hour calculations. The outcomes of this RFI and the implementation of the data forms could help determine if an RFI in future years is still needed for the review of good and optimal jobs.</p>
	<p><b>Performance Measure 3:</b> The Commission has widely disseminated to the AbilityOne community examples of good jobs and optimal jobs.</p>	<p>Partially implemented.</p> <p>The Commission is in the process of updating its data collection forms. That data will provide information on good and optimal jobs and will be widely disseminated to the AbilityOne community and beyond.</p>
	<p><b>Performance Measure 4:</b> The NPAs demonstrate an understanding of this strategic approach by requesting procurement list additions that meet the attributes of good jobs and, where possible, optimal jobs.</p>	<p>Partially implemented.</p> <p>The Commission is in the process of updating its 51.300 policy series. Those policies will guide CNAs and NPAs in highlighting an NPA's track record in creating good and optimal jobs.</p>

	<p><b>Performance Measure 5:</b> The Commission’s Cooperative Agreements require the CNAs to provide financial and technical resources to NPAs in creating workplaces that offer good jobs and, where possible, optimal jobs, consistent with the program fees collected by the CNAs.</p>	<p>Implemented.</p> <p>In FY 2025, the Commission completed its update of the 51.400 policy series. Those policies serve as the basis for the updated Cooperative Agreements that were signed with the CNAs in December 2024.</p>
	<p><b>Performance Measure 6:</b> The Commission has developed and executed a data system that will allow it to collect information on the number of good jobs and optimal jobs.</p>	<p>Implemented.</p> <p>The Commission has received approval from OMB for the new updated Annual Representation and Certification form. This form has been disseminated to the CNAs, and collection will start beginning of FY2026.</p>
	<p><b>Performance Measure 7:</b> The Commission has issued a revised Individual Employment Eligibility (IEE) form that is conducive to customizing jobs for individuals who are blind or have significant disabilities and to beginning an informed choice process for employment advancement.</p>	<p>Implemented.</p> <p>The Commission has received approval from OMB for the revised IEE Disability Qualification Determination form. The form has been disseminated to the CNAs who started collecting information at the beginning of FY2026.</p>

	<p><b>Performance Measure 8:</b> The Commission has developed and provided notice of a special consideration in the NPA recommendation process that takes into account how successful the NPA has been in offering good jobs and, where possible, optimal jobs.</p>	<p>Implemented.</p> <p>On May 1, 2025, the Commission updated two key policies: (1) Policy 51.301 “Procurement List and the NPA Selection Framework,” which includes an emphasis on offering participating employees career mobility and opportunities for diverse employment across a wide range of industries, and (2) Policy 51.301-04 “Competitive Distribution of Orders to Nonprofit Agencies for New and Existing Services on the Procurement List,” which emphasizes the Commission’s commitment to creating good and optimal jobs.</p>
<p><b>Strategic Objective III:</b> Ensure Effective Governance and Results Across the AbilityOne Program.</p>	<p><b>Performance Measure 1:</b> The Commission has used the ERM system to identify risks and has established and tracked corrective action milestones.</p>	<p>Implemented in FY 2022.</p>
	<p><b>Performance Measure 2:</b> The Commission has developed a state-of-the-art IT infrastructure that meets the needs of the AbilityOne Program.</p>	<p>Implemented.</p> <p>The Commission successfully launched PLIMS 2.0 on August 29, 2025.</p>

	<p><b>Performance Measure 3:</b> The Commission has drafted and implemented a revised Annual Representations &amp; Certifications data collection form.</p>	<p>Implemented.</p> <p>(See narrative for Performance Measure 6 of Strategic Objective II for some data aspects of the form and the required process to deploy the form.) The revised form will include data requests necessary to assess achievement of the governance goals of Strategic Objective III.</p>
	<p><b>Performance Measure 4:</b> The Commission has implemented a system for CNAs and NPAs to share data more effectively with the Commission.</p>	<p>Implemented.</p> <p>The 2nd generation of cooperative agreements were issued in December 2024. These agreements outlined the CNA requirements for data sharing. The CNAs have submitted their prototypes on the information sharing process. This would include sharing the data collected on the 3 new forms. The data sharing process will take effect in FY 2026.</p>
	<p><b>Performance Measure 5:</b> The Commission’s compliance team is provided with full and timely access to all reports and data from the CNAs’ technical assistance reviews and site visits of associated NPAs.</p>	<p>Implemented.</p> <p>The second generation of cooperative agreements were issued in December 2024. These agreements outlined the CNA requirements for data sharing. The CNAs have submitted their prototypes on the information sharing process. This would include sharing the data collected on the 3 new forms. The data sharing process will take effect in FY 2026.</p>

	<p><b>Performance Measure 6:</b> The Commission’s compliance team has identified and presented to the Commission at least five recommendations to continue to implement rigorous documentation requirements while making compliance visits more beneficial for the Commission and the NPAs.</p>	<p>Implemented.</p> <p>On August 8, 2022, the Compliance team identified and presented to the Commission 5 recommendations regarding compliance visits.</p>
	<p><b>Performance Measure 7:</b> The Commission has updated the Cooperative Agreements with the CNAs to reflect the new strategic direction of the Program.</p>	<p>Implemented.</p> <p>See narratives for Performance Measure 5 of Strategic Objective II, and Performance Measure 4 of Strategic Objective III.</p>
	<p><b>Performance Measure 8</b></p>	<p>Removed per Administration guidance.</p>
	<p><b>Performance Measure 9</b></p>	<p>Removed per Administration guidance.</p>
	<p><b>Performance Measure 10:</b> The Commission has made the necessary regulatory changes to allow competition that takes into account pricing considerations.</p>	<p>Implemented.</p> <p>On March 22, 2024, the Commission published a final rule allowing limited competition within the AbilityOne Program considering price and non-price factors as selection criteria for awarding high dollar value services contracts.</p>

	<p><b>Performance Measure 11:</b> The Commission has created an AbilityOne Competition Subgroup (AOCS) to develop, in coordination with CNAs and Federal customers, standardized procedures and processes to promote increased competition throughout the Program.</p>	<p>Implemented.</p> <p>On May 1, 2025, the Commission issued Policy 51.301-04, “Competitive Distribution of Orders to Nonprofit Agencies for New and Existing Services on the Procurement List.” Within this policy is the process to establish an AbilityOne Competition Subgroup (AOCS).</p>
	<p><b>Performance Measure 12:</b> The Commission has determined the type of funding and personnel that NPAs need to support their workforce and provide competitively priced products and services.</p>	<p>Implemented.</p> <p>Commission implemented the recommendations from the APSE contract which helped create the 3 Forms – DQD, PEI, and AR&amp;C. Per the 2nd generation Cooperative Agreements, the CNAs are required to gather data from the NPAs by way of the 3 new forms.</p>
	<p><b>Performance Measure 13:</b> The Commission has improved coordination between the CNAs, the Commission, and the Federal customer to obtain up- to-date metrics for contract performance.</p>	<p>Partially implemented.</p> <p>PLIMS 2.0 will include a more robust capability to collect additional data. The Commission’s Cooperative Agreements with the CNAs address aspects of contract performance and tracking.</p>

<p><b>Strategic Objective IV:</b> Engage in Partnerships to Increase Employment for People Who Are Blind or Have Significant Disabilities Within and Beyond the AbilityOne Program.</p>	<p><b>Performance Measure 1:</b> The Commission has delivered training and support tools to enable ABORs to promote satisfactory customer experiences in terms of contract performance, price, and/or relationships.</p>	<p>Implemented.</p> <p>The Commission and Defense Acquisition University provide training and education sessions about the AbilityOne Program. The Commission hired an ABORs Program Manager in FY 2023 who is working to achieve this performance measure.</p>
	<p><b>Performance Measure 2:</b> The Commission has educated ABORs regarding the importance of creating good jobs and optimal jobs in the AbilityOne Program.</p>	<p>Implemented.</p> <p>See narrative for Performance Measure 1 of Strategic Objective IV.</p>
	<p><b>Performance Measure 3:</b> The Commission has demonstrated work with the Office of Personnel Management, the Equal Employment Opportunity Commission, and the Office of Federal Contract Compliance Programs to support achievement by Federal agencies and Federal contractors of their Section 501 and Section 503 goals respectively.</p>	<p>Partially implemented.</p> <p>Members of the Commission and Commission staff have ongoing conversations with representatives from OPM, EEOC, and OFCCP.</p>

	<p><b>Performance Measure 4:</b> The Commission has demonstrated work with the Office of Federal Procurement Policy (OFPP) in the Office of Management and Budget (OMB) to ensure that efforts to advance employment opportunities for individuals who are blind or have significant disabilities are integrated into the overall efforts of Federal acquisition.</p>	<p>Implemented.</p> <p>The Commission regularly engages with OFPP and OMB to discuss advancing such employment opportunities. Both DoD and GSA have included AbilityOne in their planning.</p>
	<p><b>Performance Measure 5:</b> The Commission has demonstrated work with the Small Business Administration (SBA) to increase support for small businesses owned by people who are blind or have significant disabilities.</p>	<p>Initiated</p> <p>Commission has initiated contact with SBA but no collaborative actions to date. Recommend engagement with Federal partners be carried over to the FY 2026-2030 Strategic Plan with new focus on supporting the Administration’s domestic manufacturing initiatives.</p>

## **Appendix 2**

### **Presidential Appointees**

The following Presidential appointees served as Commission members in FY 2025:

*\* Indicates members who left the Commission in FY 2025 or FY 2026.*

**Christina Brandt**

Chairperson (as of March 12, 2026)

Private Citizen

(Vice Chairperson, February – December 2025; Interim Chairperson, January – March 2026)

**Virna L. Winters (SES)**

Vice Chairperson (as of March 12, 2026)

Associate Director for Acquisition Policy

Office of Acquisition Management

Department of Commerce

**Bryan Bashin \***

Private Citizen

**Matthew R. Beebe (SES)**

Director of Acquisition

Defense Logistics Agency

Department of Defense

**Angela Billups (SES) \***

Executive Director

Office of Acquisition and Logistics

Department of Veterans Affairs

**Scott R. Calisti (SES) \***

Associate Deputy Assistant Secretary (Contracting)

Department of the Air Force

**Gabriel M. Cazares \***

Private Citizen

**Megan Dake (SES) \***

Deputy Assistant Secretary (Procurement)  
Department of the Army

**Carol L. Dobak (SES) \***

Deputy Commissioner, Rehabilitation Services Administration  
Office of Special Education and Rehabilitative Services  
Department of Education

**Chai Feldblum \***

Private Citizen  
(Vice Chairperson September 2021 – January 2025)

**Robert D. Hogue (SES) \***

Principal Deputy Assistant Secretary (Manpower & Reserve Affairs)  
Department of the Navy  
(Chairperson February – December 2025)

**Tara M. Jamison (SES)**

Deputy Senior Procurement Executive and Director  
Office of Acquisition Management  
Department of Justice

**Jeffrey A. Koses (SES)**

Senior Procurement Executive  
General Services Administration  
(Commission Chairperson February 2021 – February 2025;  
Interim Chairperson October 2020 – February 2021)

**Jeffrey Mittman**

Private Citizen  
(*appointed to Commission by President Trump in August 2025*)

**Jennifer Sheehy (SES)**

Deputy Assistant Secretary  
Office of Disability Employment Policy  
Department of Labor

**Malcom A. Shorter (SES) \***

Assistant Secretary for Administration  
Department of Agriculture

## **Appendix 3**

### **FY 2025 Quarterly Public Meeting Attendance and Engagement Topics**

**October 24, 2024** (~300 attendees): Data collection and forms.

**January 23, 2025** (~350 attendees): Employee career development.

**April 24, 2025** (~300 attendees): How the AbilityOne Program contributes to the domestic industrial base.

**July 24, 2025** (~260 attendees): The initial draft of the Commission’s FY 2026-2030 Strategic Plan components; and, to the extent it relates to the AbilityOne Program, the initiative to streamline and simplify the Federal Acquisition Regulation – i.e., the “Revolutionary FAR Overhaul.”

## Endnotes

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<sup>1</sup> For recent data see Department of Labor, Bureau of Labor Statistics, “Persons with a Disability: Labor Force Characteristics – 2025” <https://www.bls.gov/news.release/pdf/disabl.pdf> (retrieved March 13, 2026). See also Department of Labor, Office of Disability Employment Policy, Disability Employment Statistics <https://www.dol.gov/agencies/odep/research-evaluation/statistics> (retrieved March 13, 2026).

<sup>2</sup> Most data contained in this document is from FY 2024, due to the timing of AbilityOne Program reporting cycles. Where possible, FY 2025 data is highlighted.

<sup>3</sup> Once a product or service is on the [Procurement List](#), the Government must buy it from the organization designated by the Commission until the Government no longer has requirements for that item, or until a nonprofit agency employing people who are blind or have significant disabilities can no longer furnish that item.

<sup>4</sup> See “Socioeconomic Impact Analysis Evaluation Report,” Mathematica, June 15, 2023, at <https://www.sourceamerica.org/sites/default/files/2023-06/socioeconomic-impact-analysis-evaluation-report.pdf>

<sup>5</sup> See “U.S. AbilityOne Commission FY 2022-2026 Strategic Plan” at <https://www.abilityone.gov/commission/strategicplan.html>.

<sup>6</sup> The Commission is reviewing the proposals.

<sup>7</sup> See “Reference Documents, U.S. AbilityOne Commission Quarterly Public Meeting - April 24, 2025, Three Forms for Data Collection, Three Policies for Central Nonprofit Agencies” at <https://www.abilityone.gov/documents/AbilityOne%20Commission%20-%203%20Forms%20for%20Data%20Collection%203%20Policies%20for%20Central%20Nonprofit%20Agencies%2020250423a.pdf>

<sup>8</sup> See “Nonprofit Agency Compliance Policy (51.400 series)” at [https://www.abilityone.gov/laws\\_regulations\\_and\\_policy/commission\\_policy\\_51\\_400.html](https://www.abilityone.gov/laws_regulations_and_policy/commission_policy_51_400.html).

<sup>9</sup> See “Compliance Policy Modernization” at <https://www.abilityone.gov/commission/draftcompliancepolicies.html>.

<sup>10</sup> Data in Table 1 is based on the Annual Representations and Certifications form completed by AbilityOne Federal contractors.

<sup>11</sup> This FY 2020 percentage is lower than previous years due to the impact of the pandemic.

<sup>12</sup> This FY 2021 percentage is lower than previous years due to the full-year impact of the pandemic.

<sup>13</sup> This FY 2022 percentage is lower than in many previous years due to the full-year impact of the pandemic.

<sup>14</sup> This FY 2023 percentage is lower than in many previous years due to the impact of the pandemic.

<sup>15</sup> See “AbilityOne Flexibilities Related to the Coronavirus (COVID-19) Emergency and Recovery for the Duration of Fiscal Year 2022” at <https://www.abilityone.gov/commission/documents/FY22%20ODLH%20Exception%20Memo%20Signed%206Apr2022.pdf>. See also earlier memos on this subject on the pandemic page of the Commission website at <https://www.abilityone.gov/covid19.html>.

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<sup>16</sup> See “Supporting Competition in the AbilityOne Program,” Federal Register, 89 FR 20324, March 22, 2024, at <https://www.federalregister.gov/documents/2024/03/22/2024-05717/supporting-competition-in-the-abilityone-program>.

<sup>17</sup> See Commission Policy 51.301-04, “[Competitive Distribution of Orders to Nonprofit Agencies for New and Existing Services on the Procurement List](#),” effective May 1, 2025.

<sup>18</sup> See “Chairperson’s Intent,” April 23, 2025, at <https://www.abilityone.gov/documents/Chairperson's%20Intent%20-%20AbilityOne%20Commission%20-%2020250423%20signed-a.pdf>

<sup>19</sup> See Office of Management and Budget, Office of Federal Procurement Policy (OFPP), Memorandum on “Increasing the Participation of Americans with Disabilities in Federal Contracting,” October 30, 2020, at [https://www.abilityone.gov/media\\_room/documents/Increasing-the-Participation-of-Americans-with-Disabilities-in-Federal-Contracting.pdf](https://www.abilityone.gov/media_room/documents/Increasing-the-Participation-of-Americans-with-Disabilities-in-Federal-Contracting.pdf)

<sup>20</sup> See “FY 2017 NDAA Section 898 Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity, Fourth and Final Report to Congress” at [https://www.acq.osd.mil/asda/dpc/cp/policy/docs/a1/4%20-%20Fourth%20and%20Final%20Sec%20898%20Panel%20RTC%20\(Dec%202021\).pdf](https://www.acq.osd.mil/asda/dpc/cp/policy/docs/a1/4%20-%20Fourth%20and%20Final%20Sec%20898%20Panel%20RTC%20(Dec%202021).pdf).

<sup>21</sup> See “Data” webpage at <https://www.abilityone.gov/data.html>.

<sup>22</sup> See OMB Memorandum M-25-05, “Phase 2 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Open Government Data Access and Management Guidance” at <https://bidenwhitehouse.archives.gov/wp-content/uploads/2025/01/M-25-05-Phase-2-Implementation-of-the-Foundations-for-Evidence-Based-Policymaking-Act-of-2018-Open-Government-Data-Access-and-Management-Guidance.pdf>.

<sup>23</sup> See “Artificial Intelligence (AI)” webpage at <https://www.abilityone.gov/ai.html>.

<sup>24</sup> See Commission Policy 51.542, “Nonprofit Agency Use of AbilityOne Products in the Performance of AbilityOne Service Contracts,” October 1, 2022, at [https://www.abilityone.gov/laws\\_regulations\\_and\\_policy/documents/Policy%2051.542%20\(final%20version\).pdf](https://www.abilityone.gov/laws_regulations_and_policy/documents/Policy%2051.542%20(final%20version).pdf)