Message from the Inspector General

As the first Inspector General for the U.S. AbilityOne Commission, it is both a challenge and a wonderful undertaking to start a new oversight operation.

We have successfully stood the office, and the support of the staff and agency has been critical to achieving this milestone. Mission accomplished in achieving a fully operational start-up.

Our work reflects the legislative mandate of the Inspector General Act, which is to identify and prevent fraud, waste, and abuse through audits and investigations relating to AbilityOne programs and operations. Those simple goals are not easy when an office is doing each and every activity for the first time.

To accomplish our mission, we have implemented a series of auditing and investigative plans to help ensure efficiency and effectiveness for a program that is over $3 billion in size. Additionally, we are pleased to report on a number of exciting accomplishments in this Semiannual Report. We issued our first draft report that details the Top Management and Performance Challenges facing the agency, and we are now on the web with the creation of the OIG website to provide information and support to the AbilityOne Program and the public.

Pursuant to the Reports Consolidation Act of 2000 (P.L. 106-531), the Office of the Inspector General (OIG) prepared the report on the top management and performance challenges. The OIG identified the erosion of statutory program authority, lack of adequate resources, needed enhancements to program compliance, and a lack of Enterprise-wide Risk Management framework as the most pressing challenges.

In a collaborative effort with the OIG, the agency head drafted, for all its agency staff, a cooperation memorandum that sets forth the agency’s support of the new OIG. In it, a foundation of mutual respect was laid and our respective roles were outlined. This effort speaks volumes of the agency.

Additionally, the OIG completed a comprehensive two-year audit plan identifying the first set of engagements to be completed, carefully designed 8 potential audits to be accomplished, and created a live hotline center to receive complaints regarding fraud, waste, and abuse.

We are performing program visits and engaging with stakeholders to better understand the right mix of audit activity given the scarcity of resources available to the OIG. During this period, OIG visited Louisiana LightHouse, Work Inc., Outlook Nebraska, and BISM of Baltimore.

I want to thank the Agency leadership for their support and investment in the success of the OIG.

Thomas Lehrich
Thomas K. Lehrich
Inspector General
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Introduction

The Committee for Purchase From People Who Are Blind or Severely Disabled (CPPBSD), operating as the U.S. AbilityOne Commission (Commission), is an independent executive branch federal entity responsible for administering the AbilityOne Program pursuant to the Javits-Wagner-O’Day (JWOD) Act (41 U.S.C. §§ 8501–8506). Through the AbilityOne Program, over 46,000 Americans who are blind or have other significant disabilities are employed in the manufacturing and delivery of over $3.2 billion in federal contracts for products and services to the Federal Government. The AbilityOne Program is the single largest source of employment in the United States for people who are blind or significantly disabled.

The Commission is composed of 15 members appointed by the president. The Commission has designated National Industries for the Blind (NIB) and SourceAmerica as central nonprofit agencies (CNAs) to represent and assist the over 550 community-based qualified nonprofit agencies (NPAs) located in all 50 states, Puerto Rico and Guam, that provide employment to blind and significantly disabled Americans.

On December 18, 2015, the Consolidated Appropriations Act of 2016 (P.L. 114-113) amended the Inspector General Act of 1978 (IG Act) and created the CPPBSD Office of Inspector General (OIG) as a designated federal entity IG. The IG Act states that the OIG is responsible for conducting audits and investigations; recommending policies and procedures that promote economy, efficiency, and effectiveness of agency resources and programs; and preventing fraud, waste, abuse, and mismanagement. The IG Act also requires the IG to keep the Commission and Congress fully and currently informed about problems and deficiencies in the Commission’s operations and the need for corrective action.

Figure 1- AbilityOne Program Organization Chart
Operating as the U.S. AbilityOne Commission.

The U.S. AbilityOne Commission carries out its powers and responsibilities for the AbilityOne Program.

Figure 3- OIG Staffing Structure

Office of Inspector General (OIG)

Committee for Purchase From People Who Are Blind or Severely Disabled
Completed Work

Top Management and Performance Challenges Report

Pursuant to the Reports Consolidation Act of 2000 (P.L. 106-531), the OIG reported on what it believes are the top management and performance challenges facing the Agency in the upcoming year.

The OIG identified the erosion of statutory program authority, lack of adequate resources, needed enhancements to program compliance, and a lack of Enterprise-wide Risk Management framework as the most pressing challenges.

1. Erosion of Statutory Program Authority.

The JWOD Act has not been materially altered since 1971, despite a revolution in the way federal agencies purchase products and services and the proliferation of available options. Additionally, there are multiple special classes with which the AbilityOne Program now competes for federal contracts, including veterans and small businesses. In our report we identified a number of significant areas where the program’s statutory authority is subject to erosion.

2. Lack of Adequate Resources

The Commission has a staff of 31 people to administer a $3 billion Program spanning all 50 states, plus Puerto Rico and Guam. It is not necessary to belabor the obvious difficulty in administering a program of that size and scope with such sparse resources.

3. Enhancement to Program Compliance

Undoubtedly related to Challenge 2, the Commission has four staff assigned to Program compliance from an agency program responsibility. With NPAs numbering over 500, and involving more than 46,000 employees, Program compliance may suffer without the proper resources, and utilizing a risk based model compliance that is difficult to oversee and cover.

4. Lack of Enterprise-Wide Risk Management Framework

In July 2016, Office of Management and Budget (OMB) issued an update to OMB Circular A-123, requiring federal agencies to implement Enterprise Risk Management (ERM) procedures. This would allow agency executives to more effectively manage its risks and align its strategic goals and objectives according to the risk’s threat to accomplishing agency goals. Despite progress in addressing Program risks, the formal ERM is not yet in place, limiting the Commission’s ability to identify and respond quickly to critical issues that may arise.

The OIG Top Management and Performance Challenges Report was based on information derived from a combination of sources including, prior Government Accountability Office (GAO) and OIG work, Commission reports, Federal Government reports, and a general knowledge of the Commission’s programs. In the future, the OIG plans to evaluate the Commission’s progress in
addressing the challenges. As the agency strives to maintain Program efficiency in light of scarce resources, the OIG will provide Commission management with information and recommendations for enhancing its operational efficiency and effectiveness.

**Audit Planning**

During this semi-annual period, the OIG issued its first biannual audit plan. The OIG FY2018-2019 Audit Plan identified the products OIG intends to issue. The OIG audit plan is a critical tool for accomplishing the OIG’s mission to promote economy and value in the AbilityOne Program, and to detect and prevent fraud, waste, and abuse.

The Audit Plan is subject to change based on the results from the planned assessment of agency risk and assignment of priorities to help ensure optimum use of OIG resources. The OIG developed this plan after considering the following factors:

- GAO’s 2017 High Risk List that need continued attention;
- Prior audit coverage of the AbilityOne Program or its affiliates;
- Fiscal Years 2017 and 2018 Budget Justification;
- Fiscal Year 2016 Performance and Accountability Report (PAR);
- AbilityOne Program Strategic Plan for FY 2010-2014;
- Council of the Inspectors General on Integrity and Efficiency (CIGIE) cross-cutting projects and initiatives;
- U.S. AbilityOne Commission leadership input; and
- Discussions and feedback from program users and stakeholders.

The OIG Audit Plan is broken down into statutorily mandated work products and planned discretionary work products.

- **Statutorily Mandated Work Products for FY 2018-2019**
  - Top Management and Performance Challenges Report;
  - Financial Statement Audit;
  - FISMA IG Reporting Metrics;
  - Risk Assessment for Government Charge Card Programs; and
  - Progress Review on Transparency of Federal Data Requirements.

- **Discretionary Work Products for FY 2018-2019**
  - Assessment of Agency Risk;
  - CNA’s Processes for the Assignment of Projects and Allocation of Orders; and
  - Evaluation of Agency’s Implementation and Monitoring Activities.

The financial statement audit and the Federal Information Security Modernization Act (FISMA) of 2014 (P.L. 113-283) reporting responsibilities provides the opportunity to understand program and management performance. The objective of the financial statement audit is to determine
whether the Commission’s financial statements, taken as a whole, are fairly presented in all material respects. FISMA requires the OIG to conduct an annual independent evaluation to determine the effectiveness of the information security program and practices of the AbilityOne Commission. Both engagements were announced during this reporting period, and results in brief will be included in the next Semiannual Report.

**Investigative Priorities Report**

During this reporting period, the OIG issued the Investigative Priorities Report for the AbilityOne Commission. In the Investigative Priorities Report the OIG identified fraud awareness, financial fraud investigations, collective and joint investigations, program integrity investigations, and protected disclosure investigations as the investigative areas of focus.

The goal of the FY 2018-2019 Investigative Priorities Report was to set forth the formative investigative activities to assist the AbilityOne Commission, and to address challenges confronting the AbilityOne Program in its effort to provide employment opportunities for people who are blind or have significant disabilities in the manufacture and delivery of products and services to the Federal Government.

**Figure 4 – Investigative Priorities**

Investigations are initiated regarding possible violations of law, policies, or regulation in administering the AbilityOne Program and activities or misconduct on the part of AbilityOne Program employees. These include investigations of criminal violations for prosecution by the
U.S. Department of Justice and investigations of program violations for civil or administrative actions.

**Hotline Center**

During this reporting period, the OIG established the AbilityOne Hotline. The hotline service is a resource for receiving and handling allegations regarding fraud, waste, abuse, mismanagement or misconduct affecting the AbilityOne Commission and its program-wide operations. The live hotline allows confidential reporting of alleged fraud, waste, abuse, mismanagement, and misconduct to the OIG. The hotline service is accessible 24/7/365 and provides web-based and telephonic reporting means. The OIG is marketing the hotline service and has prepared a marketing/information plan.

Details of the OIG Website and Hotline Contact information are below.

- **Hotline Toll-Free Number:** (844) 496-1536
- **Email a hotline complaint:** Hotline@oig.abilityone.gov
- **OIG website:** abilityone.gov/commission/oig.html
- **Hotline link on the website:** oig.abilityone.ethicspoint.com
Figure 5- Hotline Webpage

Make a Report  Follow-up on a Report  Resources  FAQs

Thank you for contacting us. The Office of Inspector General (OIG) for the Committee For Purchase From People Who Are Blind or Severely Disabled (AbilityOne) promotes the economy, efficiency, and effectiveness of AbilityOne programs and operations.

The OIG protects agency programs and operations against fraud, waste, abuse and mismanagement. Receiving information from employees, contractors, grantees and grantees, vendors, program participants and the public regarding fraud, waste and abuse in the AbilityOne programs is vital to achieving effective oversight.

The OIG Hotline is a resource for receiving allegations of fraud, waste, abuse and mismanagement or misconduct in AbilityOne programs and operations.

When contacting the OIG Hotline please provide as much information as possible regarding the matter. The information should include:

- The nature of the problem and the person, company or organization involved.
- The actions taken.
- The place the activity occurred.
- The times, dates and periods the problem occurred.
- Information on how and when you learned of the incident.
- The reasons the person committed the wrongdoing.
- Others that have knowledge of the potential wrongdoing.
- Information that will be helpful such as any further evidence of this incident (i.e. documents, photos, e-mails, etc.)
- Please tell us what you would like the OIG to do.

We maintain confidentiality and you may choose to be anonymous. Under the requirements of the Inspector General Act of 1978, as amended, we will not disclose the identity of an individual providing a complaint or information to the Hotline unless the individual consents to such disclosure. Or the Inspector General has determined that such disclosure is otherwise unavoidable in order to address the complainant or information, such circumstances may include a matter involving a specific danger to health, safety, or a national security issue.

You may contact us by internet, email or by telephone to our live hotline center. There are special provisions in place for callers with special needs such as access to TTY or relay services. Please let us know if you need any assistance in making a complaint.

Through our oversight we help protect agency programs and operations against fraud, waste, abuse and mismanagement.

OIG Webpage Link: http://www.abilityone.gov/commission/oig.html

To Make a Report

You may use one of the following methods to submit a report:

- For internet select the "Make a Report" link at the top of this webpage.
- You may also email us directly to hotline@oig.abilityone.gov.
- Contact the live hotline center by dialing toll-free, within the United States, Hawaii, Alaska, Guam, Puerto Rico and Canada. 844-496-1530 Your call will be directed to a specially-trained hotline operator who will record all important details of your complaint, as well as any request for anonymity.

After you complete your report you will be assigned a unique code called a "report key." Write down your report key and password and keep in a safe place. After 5-6 business days, use your report key and password to check for feedback or questions. If you provide contact information we will also respond.

EthicsPoint is NOT a 911 or Emergency Service:
Do not use this site to report events presenting an immediate threat to life or property. Reports submitted through this service may not receive an immediate response. If you require emergency assistance, please contact your local authorities.
**Hotline Complaints Received**

During this reporting period, the OIG hotline received 8 hotline complaints. Of the 8 complaints, 1 regarding a Conflict of Interest was opened, 2 complaints were referred to agency management, and 5 complaints were referred to other agencies or closed.

**Figure 6- Hotline Complaints**

![Hotline Complaints Graph]

**Briefings and Site Visits**

Program visits with NPAs and continued regular meetings with the CNAs during this reporting period were crucial to understanding the Program and beginning our oversight work. The NPA program visits helped the OIG understand the business operations and the technical and detailed aspects of products and services available to government agencies, including base supply centers. The CNA’s leadership meetings provided an opportunity to engage open lines of communication with respect to Government purchases of supplies and services that have been placed on the AbilityOne Program’s Procurement List. The OIG will continue with strategic visits in the coming year.
Ongoing Work

898 Panel Membership

Section 898 of the National Defense Authorization Act for Fiscal Year 2017 (P.L. 114-328) required the Secretary of Defense to establish a panel to be known as the “Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity.” Pursuant to Section 898(a)(2), a representative of the Inspector General of the Department of Defense and from the AbilityOne Commission are members of the Panel. The primary mission of the Panel is to improve the effectiveness of the AbilityOne Program related to Department of Defense (DoD) contracts.

In coordination with the Panel members, the establishment of subcommittees were deemed necessary to support and carry out the duties of the panel. The OIG provides support and advice in multiple subcommittees dealing with the effectiveness and internal controls of the AbilityOne Program related to Department of Defense contracts.

The Panel will report to Congress on ways to eliminate fraud, waste, and abuse and ensure integrity and accountability for any violations of law or regulation. The Panel is also charged with making recommended changes to business practices and IT systems to facilitate compliance with the JWOD Act and to establish AbilityOne Program training at the Defense Acquisition University.

We will continue to report on the progress of the efforts until the sunset of the Panel in 2019.
Website

In the second quarter of 2017, the OIG website was established, providing information and support to the AbilityOne Program and the public. The website also serves as a direct link for individuals to report fraud, waste, and abuse without having to provide personally identifiable information relating to them. We will continue to add related content and facilitate accessibility to the OIG website from the agency’s homepage.

abilityone.gov/commission/oig.html

Figure 8- OIG Website
On October 1, 2017, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) announced the official launch of Oversight.gov. This new website provides a “one stop shop” to follow the ongoing oversight work of all Inspectors General that publicly post reports.

The CPPBSD OIG participated in the beta-testing phase effort and will continue to post reports to its own website and Oversight.gov. With the launch of Oversight.gov, users can now sort, search, and filter the site’s database of public reports from CIGIE’s member OIGs to find reports of interest. The site features a user-friendly map to find reports based on geographic location, and contact information for each OIG’s whistleblower hotline. Users can receive notifications when new reports are added to the site by following CIGIE’s Twitter account, @OversightGov.

Financial Statement Audit


The objective of the audit is to determine whether the Commission’s financial statements fairly represent AbilityOne’s financial position, results of operations, and cash flows. The audit is performed by a certified independent public accounting (IPA) firm, and OIG selects the firm and provides technical oversight on the contractor’s performance. The OIG intended oversight ensures compliance with professional auditing standards, guidance defined in the OMB Circular A-136, Financial Reporting Requirements and OMB Bulletin No. 17-03, Audit Requirements for Federal Financial Statements.

FISMA Metrics Report

The Federal Information Security Modernization Act (FISMA) was originally enacted in Title III of the E-Government Act of 2002 (P.L. 107-347). The FISMA of 2014 (P.L. 113-283) amended the FISMA, further strengthening Federal cybersecurity measures. FISMA 2014 clarified the OMB oversight authority over Federal agency information security practices. It also
codified the responsibility of the Department of Homeland Security (DHS) to administer the implementation and reporting compliance requirements.

FISMA requires the OIG to conduct an annual independent evaluation to determine the effectiveness of the information security program and practices of the AbilityOne Commission. The evaluation is conducted by a third-party information security consultant. The OIG oversight ensures the contractor follows methodology established by CIGIE, OMB, and DHS for FY-2017 IG FISMA Reporting Metrics.

**Outreach with Investigative Agencies**

Currently, the OIG is working on high impact initiatives, joint task forces, and building relationships with federal partners to establish investigative activity regarding the AbilityOne Programs. We are also currently working with the Office of Special Counsel (OSC) to establish our certification program and ensure adequate training.

**Cooperation with the Office of Inspector General Memorandum**

The U.S. AbilityOne Commission Chairperson issued a Memorandum after the reporting period, but started during this SAR period, that communicates Commission’s policy that all employees cooperate with the OIG and provide expeditious and unrestricted access to all agency records as outlined in the Inspector General Act of 1978, as amended. We applaud this effort that builds the foundations, spanning from oversight and unfiltered access to agency records and information, needed to exercise our oversight responsibilities.
# APPENDICES

## Appendix I- Reporting Requirements Under the Inspector General Act of 1978

<table>
<thead>
<tr>
<th>IG Act Reference</th>
<th>OIG Reporting Requirements</th>
<th>Page Number Index</th>
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<tbody>
<tr>
<td>Each Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30.</td>
<td>Review of legislation and regulations.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 4(a)(2)</strong></td>
<td>Recommendations with respect to significant problems, abuses, and deficiencies.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(1)</strong></td>
<td>Significant problems, abuses, and deficiencies.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(2)</strong></td>
<td>Significant recommendations described in previous semiannual report on which corrective action has not yet completed.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(3)</strong></td>
<td>Summary of matters referred to prosecute authorities.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(4)</strong></td>
<td>Summary of instances where information or assistance requested was refused or not provided.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(6)</strong></td>
<td>Listing subdivided according to subject matter of audit, inspection, and evaluation reports issued by OIG during the reporting period and, as applicable, total dollar value of questioned costs (including separate category for dollar value of unsupported costs) and dollar value of recommendations that funds be put to better use.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(7)</strong></td>
<td>Summary of each significant report.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(8) A-D</strong></td>
<td>Statistical table showing the number of audit, inspection, and evaluation reports and dollar value of recommended costs that funds be put to better use for – Which no management comment decision has been made by commencement of the reporting period; Issued during reporting period; Which management decision was made during the reporting period; and Which no management decision has been made by the end of the reporting period.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(9) A-D</strong></td>
<td>Statistical table showing the number of audit, inspection, and evaluation reports and dollar value of recommendations that funds be put to better use for – Which no management decision had been made by the commencement of the reporting period; Which were issued during the reporting period; Which management decision was made during the reporting period; and</td>
<td>N/A</td>
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<td>IG Act Reference</td>
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<td>Which no management decision has been made by the end of the reporting period.</td>
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<tr>
<td><strong>Section 5(a)(10) A-C</strong></td>
<td>Summary of audit, inspection, and evaluation reports issued before the commencement of the reporting period for – Which no management decision has been made; Which no establishment comment returned within 60 days; and; Which there are any outstanding unimplemented recommendations.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(11)</strong></td>
<td>Description and explanation of reasons for any significant revised decisions by management during the reporting period.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(12)</strong></td>
<td>Information concerning significant decisions by management with which the Inspector General is in disagreement.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(13)</strong></td>
<td>Information described under Section 804(b) of the Federal Financial Management Improvement Act of 1996.</td>
<td>N/A</td>
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<tr>
<td><strong>Section 5(a)(14)</strong></td>
<td>Information regarding peer reviews involving the Office of Inspector General.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(15)</strong></td>
<td>List of any outstanding recommendations from any peer review conducted by another Office of IG.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(16)</strong></td>
<td>List of any peer reviews conducted by the IG of another Office of Inspector General during reporting period.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(17) A-D</strong></td>
<td>Statistical tables during the reporting period showing – Total number of investigative reports; Total number of persons referred to the Dept. of Justice for criminal prosecution; Total number of person referred to State and local prosecuting authorities for criminal prosecution; Total of number of indictments and criminal information that resulted from any prior referral to prosecuting authorities.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(18)</strong></td>
<td>Description of the metrics used for developing the data for the statistical tables under paragraph (17).</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)(19) A-B</strong></td>
<td>A report on each investigation conducted by the Office involving a senior Government employee where allegations were substantiated, including a description of – Facts and circumstances of the investigation; Status and disposition of the matter.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Section 5(a)20</strong></td>
<td>Detailed description of any instance of whistleblower retaliation, including official found to have engaged in retaliation and what, if any, consequences imposed.</td>
<td>N/A</td>
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<td>IG Act Reference</td>
<td>OIG Reporting Requirements</td>
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<td>Section 5(a)21A-B</td>
<td>Detailed description of any attempt to interfere with the independence of the OIG, including – Budget constraints to limit the capabilities of the OIG; Incidents or restricted or significantly delayed access to information, to include justification for such action.</td>
<td>N/A</td>
</tr>
<tr>
<td>Section 5(a)22A-B</td>
<td>Detailed descriptions of the particular circumstances of – Inspection, evaluation, and audit conducted by the OIG that is closed and was not disclosed to the public; and Investigation conducted by OIG involving a senior Government employee that is closed and was not disclosed to the public.</td>
<td>N/A</td>
</tr>
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</table>

SEC. 898. ESTABLISHMENT OF PANEL ON DEPARTMENT OF DEFENSE AND ABILITYONE CONTRACTING OVERSIGHT, ACCOUNTABILITY, AND INTEGRITY; DEFENSE ACQUISITION UNIVERSITY TRAINING.

(a) ESTABLISHMENT OF PANEL ON DEPARTMENT OF DEFENSE AND ABILITYONE CONTRACTING OVERSIGHT, ACCOUNTABILITY, AND INTEGRITY. —

(1) IN GENERAL. —The Secretary of Defense shall establish a panel to be known as the “Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity” (hereafter in this section referred to as the “Panel”). The Panel shall be supported by the Defense Acquisition University, established under section 1746 of title 10, United States Code, and the National Defense University, including administrative support.

(2) COMPOSITION. —The Panel shall be composed of the following:

(A) A representative of the Under Secretary of Defense for Acquisition, Technology, and Logistics, who shall be the chairman of the Panel.

(B) A representative from the AbilityOne Commission.

(C) A representative of the service acquisition executive of each military department and Defense Agency (as such terms are defined, respectively, in section 101 of title 10, United States Code).

(D) A representative of the Under Secretary of Defense (Comptroller).


(G) The President of the Defense Acquisition University, or a designated representative.

(H) One or more subject matter experts on veteran’s employment from a veteran’s service organization.

(I) A representative of the Commission Directorate of Veteran Employment of the AbilityOne Commission whose duties include maximizing opportunities to employ significantly disabled veterans in accordance with the regulations of the AbilityOne Commission.

(J) One or more representatives from the Department of Justice who are subject matter experts on compliance with disability rights laws applicable to contracts of the Department of Defense and the AbilityOne Commission.

(K) One or more representatives from the Department of Justice who are subject matter experts on Department of Defense contracts, Federal Prison Industries, and the requirements of the Javits-Wagner-O’Day Act.

(L) Such other representatives as may be determined appropriate by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(b) MEETINGS. —The Panel shall meet as determined necessary by the chairman of the Panel, but not less often than once every three months.

(c) DUTIES. —The Panel shall—

(1) review the status of and progress relating to the implementation of the recommendations of report number DODIG–2016–097 of the Inspector General of the Department of Defense titled “DoD Generally Provided Effective Oversight of AbilityOne Contracts”, published on June 17, 2016;
(2) recommend actions the Department of Defense and the AbilityOne Commission may take to eliminate waste, fraud, and abuse with respect to contracts of the Department of Defense and the AbilityOne Commission;
(3) recommend actions the Department of Defense and the AbilityOne Commission may take to ensure opportunities for the employment of significantly disabled veterans and the blind and other severely disabled individuals;
(4) recommend changes to law, regulations, and policy that the Panel determines necessary to eliminate vulnerability to waste, fraud, and abuse with respect to the performance of contracts of the Department of Defense;
(5) recommend criteria for veterans with disabilities to be eligible for employment opportunities through the programs of the AbilityOne Commission that considers the definitions of disability used by the Secretary of Veterans Affairs and the AbilityOne Commission;
(6) recommend ways the Department of Defense and the AbilityOne Commission may explore opportunities for competition among qualified nonprofit agencies or central nonprofit agencies and ensure an equitable selection and allocation of work to qualified nonprofit agencies;
(7) recommend changes to business practices, information systems, and training necessary to ensure that—
   (A) the AbilityOne Commission complies with regulatory requirements related to the establishment and maintenance of the procurement list established pursuant to section 8503 of title 41, United States Code; and
   (B) the Department of Defense complies with the statutory and regulatory requirements for use of such procurement list; and
(8) any other duties determined necessary by the Secretary of Defense.
(d) CONSULTATION. —To carry out the duties described in subsection (c), the Panel may consult or contract with other executive agencies and with experts from qualified nonprofit agencies or central nonprofit agencies on—
(1) compliance with disability rights laws applicable to contracts of the Department of Defense and the AbilityOne Commission;
(2) employment of significantly disabled veterans; and
(3) vocational rehabilitation.
(e) AUTHORITY. —To carry out the duties described in subsection (c), the Panel may request documentation or other information needed from the AbilityOne Commission, central nonprofit agencies, and qualified nonprofit agencies.
(f) PANEL RECOMMENDATIONS AND MILESTONE DATES. —
(1) MILESTONE DATES FOR IMPLEMENTING RECOMMENDATIONS. —After consulting with central nonprofit agencies and qualified nonprofit agencies, the Panel shall suggest milestone dates for the implementation of the recommendations made under subsection (c) and shall notify the congressional defense committees, the Committee on Oversight and Government Reform of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, qualified nonprofit agencies, and central nonprofit agencies of such dates.
(2) NOTIFICATION OF IMPLEMENTATION OF RECOMMENDATIONS. —After the establishment of milestone dates under paragraph (1), the Panel may review the activities, including contracts, of the AbilityOne Commission, the central nonprofit agencies, and the relevant qualified nonprofit agencies to determine if the recommendations made under subsection (c) are being substantially implemented in good faith by the AbilityOne Commission or such agencies. If the Panel determines that the AbilityOne Commission or any such agency is
not implementing the recommendations, the Panel shall notify the Secretary of Defense, the congressional defense committees, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate.

(g) REMEDIES. —
(1) IN GENERAL. — Upon receiving notification under subsection (f)(2) and subject to the limitation in paragraph (2), the Secretary of Defense may take one of the following actions:
(A) With respect to a notification relating to the AbilityOne Commission, the Secretary may suspend compliance with the requirement to procure a product or service in section 8504 of title 41, United States Code, until the date on which the Secretary notifies Congress, in writing, that the AbilityOne Commission is substantially implementing the recommendations made under subsection (c).
(B) With respect to a notification relating to a qualified nonprofit agency, the Secretary may terminate a contract with such agency that is in existence on the date of receipt of such notification, or elect to not enter into a contract with such agency after such date, until the date on which the AbilityOne Commission certifies to the Secretary that such agency is substantially implementing the recommendations made under subsection (c).
(C) With respect to a notification relating to a central nonprofit agency, the Secretary may include a term in a contract entered into after the date of receipt of such notification with a qualified nonprofit agency that is under such central nonprofit agency that states that such qualified nonprofit agency shall not pay a fee to such central nonprofit agency until the date on which the AbilityOne Commission certifies to the Secretary that such central nonprofit agency is substantially implementing the recommendations made under subsection (c).
(2) LIMITATION. — If the Secretary of Defense takes any of the actions described in paragraph (1), the Secretary shall coordinate with the AbilityOne Commission or the relevant central nonprofit agency, as appropriate, to fully implement the recommendations made under subsection (c). On the date on which such recommendations are fully implemented, the Secretary shall notify Congress, in writing, and the Secretary’s authority under paragraph (1) shall terminate.

(h) PROGRESS REPORTS. —
(1) CONSULTATION ON RECOMMENDATIONS. — Before submitting the progress report required under paragraph (2), the Panel shall consult with the AbilityOne Commission on draft recommendations made pursuant to subsection (c). The Panel shall include any recommendations of the AbilityOne Commission in the progress report submitted under paragraph (2).
(2) PROGRESS REPORT. — Not later than 180 days after the date of the enactment of this Act, the Panel shall submit to the Secretary of Defense, the Chairman of the AbilityOne Commission, the congressional defense committees, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate a progress report on the activities of the Panel.

(i) ANNUAL REPORT. —
(1) CONSULTATION ON REPORT. — Before submitting the annual report required under paragraph (2), the Panel shall consult with the AbilityOne Commission on the contents of the report. The Panel shall include any recommendations of the AbilityOne Commission in the report submitted under paragraph (2).
(2) REPORT. — Not later than September 30, 2017, and annually thereafter for the next three years, the Panel shall submit to the Secretary of Defense, the Chairman of the AbilityOne
Commission, the congressional defense committees, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate a report that includes—

(A) a summary of findings and recommendations for the year covered by the report;
(B) a summary of the progress of the relevant qualified nonprofit agencies or central nonprofit agencies in implementing recommendations of the previous year’s report, if applicable;
(C) an examination of the current structure of the AbilityOne Commission to eliminate waste, fraud, and abuse and to ensure contracting integrity and accountability for any violations of law or regulations;
(D) recommendations for any changes to the acquisition and contracting practices of the Department of Defense and the AbilityOne Commission to improve the delivery of goods and services to the Department of Defense;
and (E) recommendations for administrative safeguards to ensure the Department of Defense and the AbilityOne Commission follow the requirements of the Javits-Wagner-O’Day Act, Federal civil rights law, and regulations and policy related to the performance of contracts of the Department of Defense with qualified nonprofit agencies and the contracts of the AbilityOne Commission with central nonprofit agencies.

(j) SUNSET. —The Panel shall terminate on the date of submission of the last annual report required under subsection (i).

(k) INAPPLICABILITY OF FACA. —The requirements of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Panel established pursuant to subsection (a).

(l) DEFENSE ACQUISITION UNIVERSITY TRAINING. —

(1) IN GENERAL. —The Secretary of Defense shall establish a training program at the Defense Acquisition University established under section 1746 of title 10, United States Code. Such training shall include—

(A) information about—

(i) the mission of the AbilityOne Commission;
(ii) the employment of significantly disabled veterans through contracts from the procurement list maintained by the AbilityOne Commission;
(iii) reasonable accommodations and accessibility requirements for the blind and other severely disabled individuals; and
(iv) Executive orders and other subjects related to the blind and other severely disabled individuals, as determined by the Secretary of Defense; and

(B) procurement, acquisition, program management, and other training specific to procuring goods and services for the Department of Defense pursuant to the Javits-Wagner-O’Day Act.

(2) ACQUISITION WORKFORCE ASSIGNMENT. —Members of the acquisition workforce (as defined in section 101 of title 10, United States Code) who have participated in the training described in paragraph (1) are eligible for a detail to the AbilityOne Commission.

(3) ABILITYONE COMMISSION ASSIGNMENT. —Career employees of the AbilityOne Commission may participate in the training program described in paragraph (1) on a non-reimbursable basis for up to three years and on a non-reimbursable or reimbursable basis thereafter.

(4) FUNDING. —Amounts from the Department of Defense Acquisition Workforce Development Fund established under section 1705 of title 10, United States Code, are authorized for use for the detail of members of the acquisition workforce to the AbilityOne Commission.

(m) DEFINITIONS. —In this section:
(1) The term “AbilityOne Commission” means the Committee for Purchase from People Who Are Blind or Severely Disabled established under section 8502 of title 41, United States Code.

(2) The terms “blind”, “qualified nonprofit agency for the blind”, “qualified nonprofit agency for other severely disabled”, and “severely disabled individual” have the meanings given such terms under section 8501 of such title.

(3) The term “central nonprofit agency” means a central nonprofit agency designated under section 8503(c) of such title.

(4) The term “executive agency” has the meaning given such term in section 133 of such title.

(5) The term “Javits-Wagner-O’Day Act” means chapter 85 of such title.

(6) The term “qualified nonprofit agency” means—

(A) a qualified nonprofit agency for the blind; or

(B) a qualified nonprofit agency for other severely disabled.

(7) The term “significantly disabled veteran” means a veteran (as defined in section 101 of title 38, United States Code) who is a severely disabled individual.
To Report Waste Fraud and Abuse in the AbilityOne Program contact the OIG

Hotline Toll-Free Number: (844) 496-1536
Email a hotline complaint: Hotline@oig.abilityone.gov
OIG website: abilityone.gov/commission/oig.html
Hotline link on the website: oig.abilityone.ethicspoint.com