

Office of Inspector General

Audits and Investigations



898 Panel and Outreach

Enhancing Confidence in the Program



October 1, 2018-March 31, 2019



Semiannual Report to Congress

Message from the Inspector General

Hitting Our Stride

We welcome spring with our fourth Semiannual Report to Congress. In this report, we discuss a wave of activities and accomplishments. Our office remains steadfast in our commitment to preserve the integrity of the AbilityOne Program.

Several weeks ago, I addressed the quarterly U.S. AbilityOne Commission meeting and illustrated the key forces driving our oversight work. There are several transformative opportunities involving the AbilityOne Program that provide momentum to strive for excellence. In the Semiannual Report, we discuss our completed work in this environment including the Office of Inspector General (OIG) work with the Department of Defense (DOD) 898 Panel; the new Top Management Challenges Report; our audit activities; educational visits to non-profit agencies (NPA); and reports delivered. Our completed work relates to the future of the program and the convergence of innovation and sustainability for the largest employment program in the country of blind and severely disabled workers. In my briefing at the Commission meeting, I introduced a concept that I believe frames both the future and the core challenge the program faces:

"If the rate of change inside the U.S. AbilityOne Commission is not equal to or greater than the rate of change in the program, marketplace, and government customers, the program is not sustainable."

Being a leader does not mean you have to lead all the time, and the OIG is open to learning from our constituency and everyone in the environment around us. We report on two initiatives that further this goal. As new presidentially appointed members join the Commission, we are meeting with them to provide an OIG orientation; as well as listen to their plans, priorities, and concerns. We recently had an excellent meeting with the Army's new member Mr. Stuart Hazlett at the Pentagon.

Our initiative to visit NPAs meets this goal. OIG visits focus on meeting with contractors, talking to program participants, and hearing from government customers. We have visited 16 NPAs during my tenure as the Inspector General. During this reporting period, we visited The Corporate Source, Fedcap Rehabilitation Services, Inc (Fedcap), Visions, and Melwood. We met with The Corporate Source team at the U.S. Merchant Marine Academy where 19 program participants provide the facility maintenance for the base. We also met with the Academy's Commandant to learn about the customer experience. At Melwood, we visited with participants in the new technology program that is preparing a work force of 15 workers in advanced cyber technology.

During this reporting period, we issued the Top Management Challenges Report. In the report, the OIG identified the challenges as: Erosion of Statutory Program Authority, Transparency, Implementation of Cooperative Agreements, Impact on Effectiveness due to Lack of Resources, Establishing Enterprise-wide Risk Management, and Enhancement of Program Compliance. The OIG heads the IG Subcommittee and provided its recommendations in the 898 Panel Report to Congress. The recommendations made by the IG subcommittee have been implemented and

completed. In addition, one of the most exciting items during this period was the OIG's participation in working on the implementation of the 898 Panel Report's recommendations. I worked with the Agency in performing facilitated outreach to the CNAs and NPAs. The CNA and NPA leadership worked successfully on this effort. We dedicated hundreds of hours with the goal of receiving feedback on the output of the 898 Panel and moving towards its effective implementation. The stages of this effort included the Source America CEO/Senior Leadership Forum, the National Association for the Employment of People Who are Blind CEO conference, and the National Council of SourceAmerica Employers CEO/ Senior Leadership Forum.

The Financial Statement Audit for the agency's annual financial statement resulted ultimately in a clean audit opinion. The audit objective is to determine whether the Commission's financial statements are free from material misstatements and examine the internal controls over financial reporting and compliance, as well as the overall financial statement presentation by the Commission. The effort has the continued goal of strengthening the financial management of the agency.

In the coming periods, we will commence the first two audits we describe in our CNA plan. The first two audits will focus on the program fees and cooperative agreements. To get to this point, we meet with CNA and Agency leadership on our OIG design matrix. We believe these audits will generate results of positive value and high return on investment.

I thank the Chairperson, who is immensely supportive of the OIG's role and initiatives. Mr. Robinson became head of the Agency during the time of execution of our OIG work and, while in a challenging environment, he is a champion of governance along with the Vice Chair, and the Commission.



Thomas K. Lehrich
Inspector General

Frequently Used Abbreviations

American Foundation for the Blind (AFB)

Central Nonprofit Agency (CNA)

Council of the Inspectors General for Integrity and Efficiency (CIGIE)

Committee for Purchase from People Who Are Blind or Severely Disabled (CPPBSD)

Department of Justice (DOJ)

Department of Veterans Affairs (VA)

Federal Information Security Modernization Act (FISMA)

Fiscal Year (FY)

Government Accountability Office (GAO)

Independent Public Accounting (IPA)

Inspector General (IG)

Information Technology (IT)

Javits-Wagner-O'Day (JWOD)

National Industries for the Blind (NIB)

Nonprofit Agency (NPA)

Office of Inspector General (OIG)

Procurement List (PL)

Semiannual Report (SAR)

Inspector General Act of 1978, as amended (IG Act)

Cover Photo: Tidal Basin in Washington, DC. OIG Photo

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Introduction

The Committee for Purchase from People Who Are Blind or Severely Disabled, operating as the U.S. AbilityOne Commission (Commission or Agency), is responsible for administering the AbilityOne Program pursuant to the Javits-Wagner-O'Day (JWOD) Act (41 U.S.C. §§ 8501–8506). The AbilityOne Program is the largest source of employment in the United States for people who are blind or have significant disabilities. Through the AbilityOne Program, over 46,000 Americans who are blind and have significant disabilities are employed in the service, manufacturing and delivery of over \$3.3 billion in federal contracts for products and services to the Federal Government.

The Commission designates central nonprofit agencies (CNA) to facilitate the employment of people who are blind or have significant disabilities through NPAs. The dynamics of the CNAs in the program is changing and growing. The Commission administers the AbilityOne Program with the assistance of two CNAs, National Industries for the Blind (NIB) and SourceAmerica.¹ The Commission designated a third CNA, American Foundation for the Blind (AFB), on July 26, 2018. AFB joins NIB (established in 1928) and SourceAmerica (established in 1974), as a Commission-designated CNA, with an initial period of research and studies with no NPAs or federal contracts.

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 a designated federal entity IG for the Commission. The OIG is responsible for conducting audits and investigations, recommending policies and procedures that promote economy, efficiency, and effectiveness of agency programs and operations; and for preventing fraud, waste, abuse, and mismanagement. The IG Act requires the IG to keep the Commission Chairperson and Congress fully and currently informed about problems and deficiencies of the Commission and its operations.

Completed Work

Overall Accomplishments

1. Top Management Challenges Report (December 21, 2018)

In December 2018, the OIG issued the Top Management Challenges Report facing the Commission. The report highlighted the complex nature of the AbilityOne Program and the multiple challenge areas that the AbilityOne Program faces. The OIG identified the erosion of statutory program authority, transparency, implementation of the cooperative agreements, lack of adequate resources, needed enhancements to program compliance, and a lack of risk management as the most pressing challenges.

¹ 41 CFR Chapter 51-3.

Erosion of Statutory Program Authority

The mandate of the AbilityOne Program operates in an environment with laws that conflict with the statutory authority of the Commission. Recently, the U.S. Court of Appeals for the Federal Circuit upheld the lower court's ruling in PDS Consultants, Inc. to the detriment of the blind and disabled community in the AbilityOne Program. The organic laws of the Javits-Wagner-O'Day Act (JWOD) conflict with the Randolph-Sheppard Act (RSA).

Higher Level of Transparency Needed to Enhance Program Confidence

Several factors point to the need for increased transparency within the Commission. Stakeholders and affected parties from the disabled community are extremely interested in Commission activities such as what actions are under consideration and when Commission decisions are available. Congress has also made observations regarding challenges in transparency. Greater transparency would enhance operations in administering the program and result in increased program confidence.

Implementation of Cooperative Agreements Given Central Nonprofit Agencies' Growth

The dynamics of the CNAs relationship to the AbilityOne Program is evolving. The Cooperative Agreements with the CNAs emphasize employment growth, program integrity, support for nonprofit agency employers participating in the AbilityOne Program, as well as enhanced training and communication. Ensuring implementation of the Cooperative Agreements is essential to the success of the program and will require increased resources and a sustained effort by Agency leadership.

Lack of Adequate Resources Impacts Program Effectiveness

Commission resources are critically low, and this threatens the sustainability of managing the AbilityOne Program. Budget resources have not kept pace with increases in mission requirements and complexity of the AbilityOne Program. The OIG believes that increased resources are essential for the Commission to successfully respond to the rapidly growing demands.

Establishing Enterprise-Wide Risk Management

As reported by the OIG last year, implementing Enterprise Risk Management (ERM) procedures allow the agency leadership to effectively manage its risks and align its strategic goals. ERM as mandated by OMB guidance has not been implemented by the Commission limiting the Commission's ability to identify risks and respond to critical issues.

Enhancement of Program Compliance

Program compliance continues to progress with a new deputy director, implementation of virtual documentation assessments, and standardizing compliance processes. We reported on the continual progress of the compliance work under the new leadership in the compliance office. A western field office was opened in 2018 in Seattle at the Joint Base Lewis-McChord, and at least

four field compliance inspections were conducted. However, completion and publishing of the Compliance Manual and Policies for the NPAs use has not been implemented. Enhancing the risk-based approach to compliance reviews is essential and is progressing. The Oversight and Compliance Office is challenged in its compliance goals, given the large size of the program.

2. Knowledge-Based Center

The OIG is working hard to stand up the office and provide oversight of the agency's programs and operations. We are extremely challenged in providing oversight of a 3.3-billion-dollar program and have introduced several innovations to leverage OIG resources. The office has restructured to better ensure that it meets the agency's needs of oversight. The OIG implemented a Knowledge-Based Center as a part of its organizational structure (Figure 3 in Appendix I). With a current allocated level of five full time employees, the resource needs for the OIG far exceed the current staffing levels. The goal of the knowledge-based center is to provide a means for additional OIG support via MOUs with other agencies, internships, rotations, Council of the Inspectors General for Integrity and Efficiency (CIGIE) Fellows, other shared services, and positive synergies.

During the reporting period, the OIG hosted an intern from The Washington Center and a CIGIE Fellow. The Washington Center is the oldest and most established internship program of its kind, with more than 400 public and private partner universities in the United States. The CIGIE Fellows Program (CFP) is designed to broaden perspectives of emerging leaders and prepare them for future challenges. The program provides each Fellow a temporary senior level interagency assignment (six months) to help develop and enhance specific leadership competencies. Our OIG was selected by CIGIE among only 12 IGs to be in the fellowship program.

3. Inspection and Evaluation of Agency's Reporting Requirements

The engagement was terminated during this reporting period due to competing OIG oversight responsibilities and available resources called for by the CNAs reviews, along with the length of time the project was taking to complete.

Audit Accomplishments

During this reporting period, the OIG completed four audit products. The OIG provides audit oversight of the Agency's programs and operations to improve efficiency and effectiveness. The OIG provides audit coverage for a \$3.3 billion program and is also responsible for audits of the Commission's financial statements and information security practices.



1. Evaluation of the U.S. AbilityOne Commission's Compliance with the Federal Information Security Modernization Act (December 19, 2018)

In accordance with FY 2018 IG Federal Information Security Modernization Act (FISMA) Reporting Metrics, the objective of the evaluation was to review the effectiveness of the information security program and practices of the Commission. The scope of this evaluation focused on the Commission's General Support System (GSS) and related information security policies, procedures, standards, and guidelines, and testing of prior year's implemented recommendations. The overall assessment of the Commission's information security program was deemed effective because of the positive rating throughout the IG FISMA Reporting Metrics. Due to the success demonstrated by the Commission's compliance with FISMA, there were no new recommendations in the report. We found the Commission made significant progress to develop, document, and implement information security measures that support its operations. The Commission improved information technology (IT) security and completed most actions needed from prior year recommendations. The FY 2017 IG FISMA evaluation contained 11 findings and 29 associated recommendations. During the FY 2018 evaluation, 25 of the 29 recommendations were implemented and are now closed. We continue to track recommendations from the FY 2017 IG FISMA evaluation in the areas of vulnerability scanning, system security plan, backups, and configuration changes.

2. Audit of the U.S. AbilityOne Commission's Fiscal Year 2018 Financial Statements

The audit objective was to determine whether the Commission's financial statements were free from material misstatements and the auditors examined the internal controls over financial reporting and compliance, as well as the overall financial statement presentation by the Commission. On November 15, 2018, the independent public accounting (IPA) firm Brown & Company (Brown) issued its report on the financial statement audit. Brown was unable to express an opinion on the Agency's financial statements and issued a disclaimer due to a lack of timely, sufficient, and appropriate audit evidence on which to base the opinion. During that audit the Agency also did not complete the management representation letter as required by AU-C Section 580, Written Representation, and the legal representation letter by the Agency General Counsel, which includes contingent liabilities as required by AU-C Section 501, Audit Evidence – Specific Consideration for Selected Items Litigation, Claims, and Assessments.

A financial statement audit report was later issued by a different IPA firm, Davis & Associates (Davis). That audit engagement was managed by the Agency without the required OIG oversight. Davis issued its report on December 1, 2018, rendering an unmodified opinion of the Commission's financial statements for fiscal year 2018. The OIG will work with the Commission to improve future financial management reporting.

3. Audit Priorities and Resources

In prior Semiannual Reports to Congress, we communicated audit plans that focus on risk areas and performance challenges that factor in our limited resources. The OIG's focus for the next two years is on CNA and program oversight, subject to availability of budget resources.

Figure 1: Central Nonprofit Agencies Review Design Matrix

Central Nonprofit Agencies (CNAs) Review Design Matrix			
Audit Job	Potential Risk	Audit Objective	Planned Scope/Methodology
1. Audit of the Program Fee of Qualified Nonprofit Agencies (NPAs)	Lack of optimal understanding from program stakeholders for how the CNAs fee is established, developed and applied	Is there a clear understanding and adequate guidance for how the Program Fee works?	Detail criteria that defines standards, requirements, or measures on Program Fees
2. Review completed actions of the Cooperative Agreements by CNAs	Desired key performance indicators may not be achieved by the implementation of the Cooperative Agreements	Is employment growth and program accountability being measured and improved?	Assess the review process of completed actions from the Cooperative Agreements and improvements made
3. Evaluation of the process for NPA assignment of projects and allocation of orders	Lack of transparency, effectiveness, and consistency for applying the criteria on project assignments/allocation of orders	Are there effective internal controls over the process for assigning projects and the distribution of orders?	Measure the effectiveness of policies/procedures, and test the efficiency of key controls
4. Evaluation on the market shift and developments for the innovation of products and services	Business development opportunities may be limited due to the initial parties involved during the Procurement List (PL) Addition Process	Do all NPAs get the same opportunity to develop new items that are added on the PL?	Select a few PL additions and measure the effectiveness for the process and practice used
5. Evaluation on the CNAs recommended submission package to the Commission for NPAs project assignments and allocation of orders	Transparency and disclosure on the recommended submission for NPA project assignments and allocation of orders	Is there appropriate established policy and procedures for making recommendations to the Commission?	Evaluate the process from policy to internal controls for the overall preparation and submission of recommendations to the Commission
6. Audit of the quality of products or services in meeting Government requirements	The quality control process may not yield to a systematic, organized, and structured approach to enhance product/service delivery	Is the quality control process by the CNAs and NPAs effective to remediate deficiencies on a timely basis?	Review the corrective actions from the quality control process of a few product/service business lines
7. Review the appeal process on the designation of project assignments and allocation of orders	Latitude for recommending a NPA project assignment or allocation of orders, and limited opportunity for an appeal	Are the appeal policies and procedures in place and followed?	Assess established process and adequate documentation of appeals

Figure 2: Tiers

Tiers & Initiation		
Tier I		Year
	1. Program Fee	2019
	2. Completed Actions from Cooperative Agreements	2019
Tier II		
	3. Project Assignments and Allocation of Orders	2020
	4. Business Development and Innovation of Products	2020
	5. CNAs Recommended Submission to the Commission	2020
Tier III		
	6. Quality Control Review Process	2021
	7. Appeal Process by NPAs of Projects and Orders	2021

Audit of the Program Fee to Qualified NPAs

A comprehensive study to enhance both the understanding of the Program fee and whether the Program fee as applied and established accomplishes the intended benefits and efficiencies for the AbilityOne Program. The CNAs collect Program fees from the government contracts of the NPAs based on NPA sales and services to the Government through the AbilityOne Program, and in accordance with rates, regulations and policies set forth by the Commission. The total Program fee charged by the CNAs is calculated using rates not to exceed the annual Program fee ceiling rate approved by the Commission.

The Commission signed a Cooperative Agreement with SourceAmerica and NIB with the purpose of establishing the governing relationship, roles and responsibilities as to their respective role in the AbilityOne Program. The Agreements provide that the CNAs must have a written agreement with the qualified NPAs, setting forth the respective roles and responsibilities to allow the charge of the Program fee to the qualified NPAs.

Assess the Effectiveness from completed actions of the Cooperative Agreements

The objective is to conduct an in-depth review of the Cooperative Agreements to ensure that the desired outcomes for the Cooperative Agreements are operating as intended.²

4. Quarterly Follow-up on Recommendations from the Federal Information Security Modernization Act

During this reporting period, the OIG performed follow-up work on the recommendations from the FY18 IG FISMA Reporting Metrics (Report No. 19-02, December 19, 2018). The Commission completed three of the four open recommendations from the FY 2017 IG FISMA evaluation in the following areas: vulnerability scanning, system security plan, and configuration changes. The OIG worked with the Commission's IT leadership to promptly track the implementation of audit recommendations. The OIG maintains a complete record of actions taken by management to implement recommendations (see Figures 3 and 4).

Figure 3: Follow-up Actions

End of Quarter Follow-up Actions	Recommendation Status		
	Open	Completed	Remaining
Q1 2019 (report issued)	4	0	4
Q2 2019	4	3	1
Q3 2019	N/A	N/A	N/A
Q4 2019	N/A	N/A	N/A

The following figure illustrates the remaining four recommendations, of which three were completed during this reporting period. None of these recommendations have cost savings, questioned costs, or funds put to better use.

² See [NIB Cooperative Agreement](#); See Also [SourceAmerica Cooperative Agreement](#).

Figure 4: Recommendation Status

Evaluation of the U.S. AbilityOne Commission’s Compliance with the Federal Information Security Modernization Act, Report No. 19-02				
Reportable Area	Recommendation	Status	Initial Estimated Completion Date	Revised Completion Date
Timely Remediation of Vulnerabilities	3. Run vulnerability scan and act upon results.	Completed	3/31/2018	N/A
Security Assessment and Authorization (SA&A) Package Requirements	4. Develop and implement System Security Plan (SSP).	Completed	4/30/2018	N/A
Contingency Training and Backups	14. Store incremental and full back up with service provided that is FedRAMP certified.	Open (Research for Cloud Service Provider (CSP) that meets FedRamp)	8/30/2018	08/30/2019 ³
Configuration Changes	19. Review a sample of changes annually, to ensure compliance with established process.	Completed	7/30/2018	N/A

³ We granted management’s request for an extension to complete this action, previously set to March 30, 2019.

Investigative Accomplishments

The OIG initiates investigations of possible violations of law or misconduct regarding policies or regulations in the administration of the AbilityOne Program and its activities. This includes investigations of criminal and/or civil violations for referral to the U.S. Department of Justice (DOJ), and investigations of program irregularities for contractual or administrative remedies.

The OIG activities and accomplishments included:

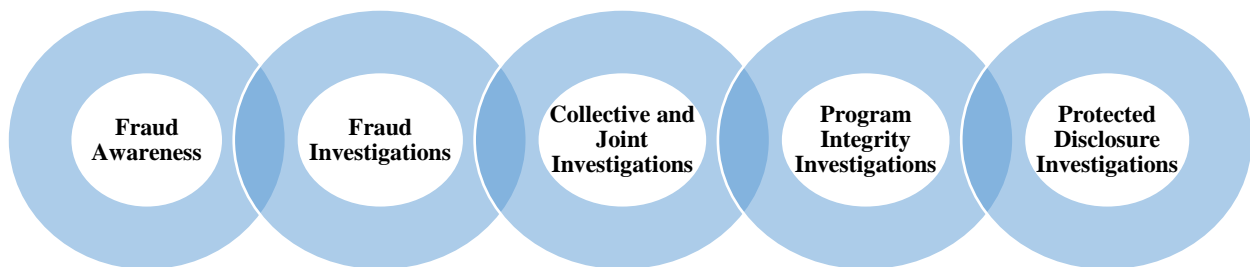
- Received 18 Hotline complaints
- Conducting investigations
- Continuing investigative activity with AbilityOne Program Joint Investigations
- Further developed the mandatory disclosure program and referral protocols

Figure 5: Investigation Activity October 1, 2018- March 31, 2019

Office of Investigations	Number
Total number of closed investigations	0
Total number of persons referred to DOJ for criminal prosecution	0
Total number of persons referred to State and Local prosecuting authorities for criminal prosecution	0
Total number of indictments and criminal information that results from any prior referral to prosecuting authorities	0
Closed Hotline complaints during the reporting period	7
Open activities at the end of the reporting period	21

Investigative Priorities

The investigative areas of focus include:



Investigative Activities

1. OIG Fraud Awareness Outreach

During the reporting period, the OIG continued to promote its fraud awareness orientations to AbilityOne Program members. The OIG fraud awareness outreach educates stakeholders of the AbilityOne Program about the OIG oversight role. The OIG continues to leverage the fraud

awareness training to promote awareness of AbilityOne program vulnerabilities. The fraud awareness orientation is posted to the AbilityOne OIG website.

2. Hotline Complaints Received During This Period

During the reporting period, the OIG hotline received 18 complaints. The areas of OIG interest included:

- allegation of conflict of interest
- employee misconduct
- fraud
- violations of law, rules, regulations, and policy

Figure 6: 2017-2019 Hotline Complaints Status

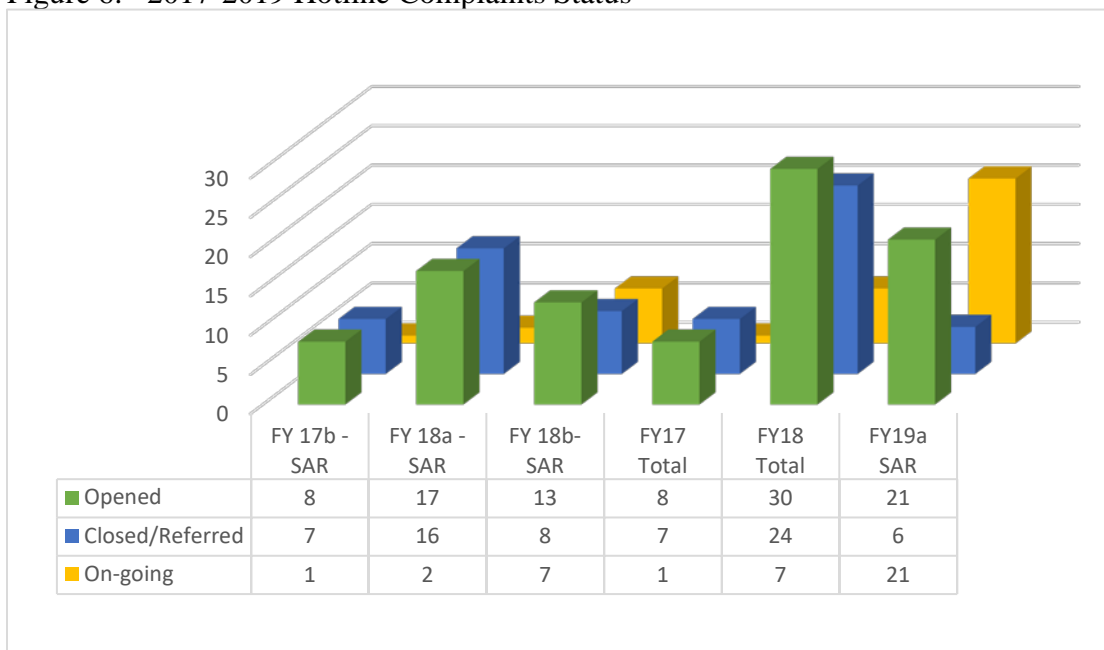
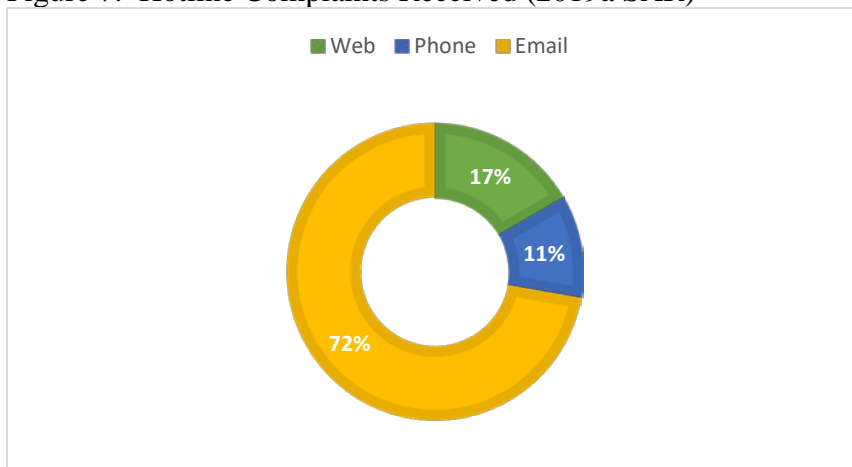


Figure 7: Hotline Complaints Received (2019a SAR)



3. CNAs' Cooperative Agreement Mandatory Disclosure Reporting

The Cooperative Agreements established mandatory disclosure reporting requirements for the CNAs on allegations, findings, or knowledge of violations of federal law involving the AbilityOne Program. The CNAs make mandatory disclosures to the Office of Compliance and matters are brought to OIG that involve OIG jurisdiction. The OIG continues to receive mandatory disclosure reports pursuant to the Cooperative Agreements from the CNAs.

4. Joint Investigations of Civil Fraud and Criminal Violations

During the reporting period, the OIG continued to provide investigative support for on-going collective and/or joint investigations with law enforcement partners into allegations of fraud and violations of federal law in the AbilityOne Program. The funds currently estimated to be involved in the investigations of the alleged fraud is over \$300 million dollars.

5. Inspections and Evaluations of Agency Operations, Programs, or Policies

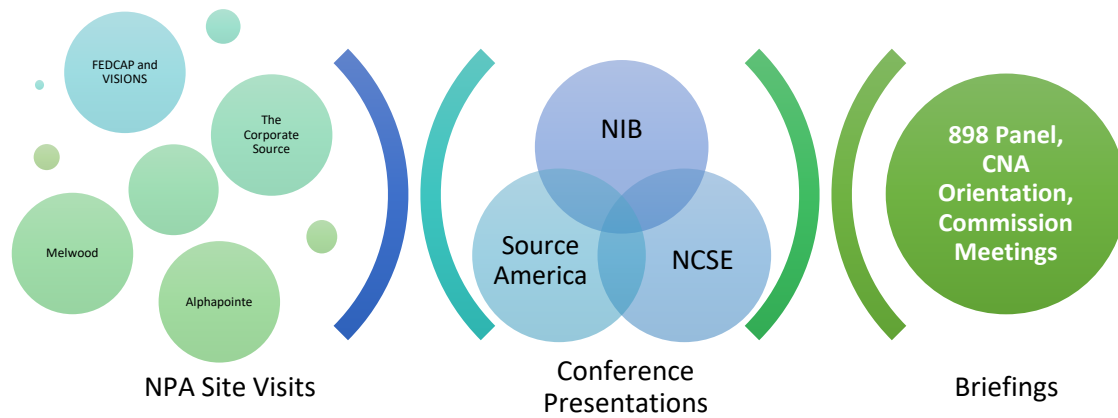
During the reporting period, the OIG worked on the evaluation of the mandatory reporting requirements applicable to the Commission. After field work was conducted, the OIG closed the evaluation based on priority reallocation of its resources.

OIG Outreach

The mission of the AbilityOne Program is to provide employment and training opportunities for people who are blind or have significant disabilities. The Program serves federal customers by providing them with high quality products and services, delivered on time and at a reasonable price. The American taxpayer benefits from reduced disability payments made to people with significant disabilities and the increased tax revenues their employment generates. As a part of its continuous effort to deepen its learning and understanding of the AbilityOne Program that it oversees, the OIG conducts NPA visits, presents at relevant conferences, briefs the Commission, and meets with industry experts.

The outreach is designed to inform the AbilityOne program community of the function of an IG in a government agency, and to promulgate the IG message of promoting integrity and efficiency, as well as preventing waste, fraud, and abuse.

Figure 8: Outreach Activities (October 1, 2018 - March 31, 2019)



1. OIG NPA Site Visits

During this reporting period, the OIG visited six NPAs. During these visits to Alphapointe, Fedcap, VISIONS, The Corporate Source, Dallas Lighthouse and Melwood, the OIG achieved a greater understanding of the impact of AbilityOne programs and the value of the OIG oversight. Each visit and the accomplishments are described in detail below.

Alphapointe (November 2018)

Alphapointe is an NPA in the NIB network. Alphapointe has operations in Kansas City, MO, as well as Queens, NY with nearly 400 employees, more than half of which are blind or visually impaired. The OIG visited Alphapointe, in Kansas City, Missouri. The visit was hosted by President & CEO Reinhard Mabry. The visit enabled the OIG to see Alphapointe's operations at its headquarters, as well as allowed for a meeting with two Board of Directors for more in-depth insight into Alphapointe's origin, mission, and operations. The OIG visited Alphapointe's manufacturing plant which included the Plastics, Textiles, Janitorial Supplies, and Office Products divisions. These divisions deliver to the federal customer through government contracts, as well as to the private sector. The OIG also toured Alphapointe's rehabilitation, training and clinical programs that serve over 2,000 people annually. The visit included a meeting with the Alphapointe employees participating in the AbilityOne Program.



Source: OIG photos from Alphapointe

Fedcap (February 2019)

Fedcap offers an array of services through its four practice areas of Education, Workforce Development, Occupational Health, and Economic Development. Through these services Fedcap is helping more than 100,000 individuals graduate from high school, obtain vocational certification or a college degree, become work ready, obtain meaningful employment and achieve economic well-being. As a part of our visit, OIG met with members of senior management and learned more about Fedcap's experiences as a part of the AbilityOne program. The OIG met with Fedcap staff and toured operations in two lower Manhattan locations and complexes.



The Corporate Source (February 2019)

The Corporate Source employs disabled workers to provide services throughout the metropolitan New York City area as well as in Puerto Rico and the United States Virgin Islands. The Corporate Source operates in over 100 geographically dispersed locations. The OIG held meetings with the CEO and COO, at their headquarters in Long Island, NY, and met with program participants servicing NY federal buildings. The meetings were followed by a tour of the U.S. Merchant Marine Academy in Kings Point, NY, where The Corporate Source employs 19 disabled individuals who provide facility management services to the Academy.



Source: OIG photos from The Corporate Source

VISIONS (February 2019)

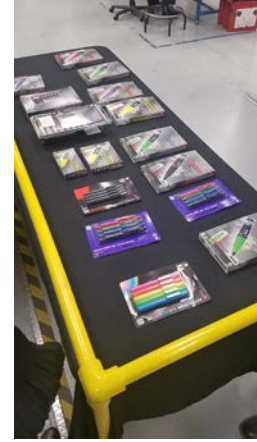
VISIONS was the first visit to a NIB affiliate that does not have AbilityOne contracts. Visiting a NIB affiliate deepens the OIG knowledge about the industry and its programs. The focus of VISIONS program is on individuals with low income in the greater New York area who are blind or visually impaired, including those with multiple disabilities, elders, limited-English speakers and culturally diverse consumers, and their families. Each year, VISIONS provides programs and services for over 7,000 individuals. As a part of our visit to their lower Manhattan offices, the OIG was able to experience VISIONS at work. The OIG met with the CEO and the leadership team. Two staffers from the VISIONS program detailed their daily work to support individuals throughout the New York City Area.



Source: OIG photos from VISIONS

Dallas Lighthouse (February 2019)

As a part of the OIG's participation in the Annual NIB Compliance Summit in Dallas, Texas (discussed later), the OIG visited the Dallas Lighthouse for the Blind. Dallas Lighthouse for the Blind provides services in 11 North Texas Counties for more than 150,000 people who are Blind and Visually Impaired. During our visit we had the opportunity to see the various components of the facility including vinyl products, eyeglass case production, writing instruments, and textiles. The Dallas Lighthouse for the Blind also partners with local businesses on a contract basis to employ people who are blind and visually impaired, both in-house and at partner sites.



Source: OIG photos from Dallas Lighthouse for the Blind

Melwood (March 2019)

During the OIG visit to Melwood, the OIG toured their Maryland campus. The OIG learned about Melwood's landscaping/horticultural program, custodial program, call centers, and recycling center. Melwood also provides community services such as vocational support for people with differing abilities, as well as community and therapeutic services. One of the most unique aspects of Melwood is their Abil IT program. It is a program offering people on the autism spectrum a supportive IT training course, through which the trainees gain the qualifications to pursue a job in the IT field. Melwood's Abil IT is currently piloting the program with 15 students on the autism spectrum for gainful employment in the high-demand IT areas.



Source: OIG photo from Melwood

2. Conference Presentations

In November 2018, the OIG addressed the National Council of SourceAmerica Employer (NCSE) forum in Scottsdale, AZ. NCSE is a group of executives that provide services and products under the AbilityOne Program. The NCSE addresses issues of significant relevance to NPAs and their participation in AbilityOne Program and assists SourceAmerica with research and data collection necessary to advance the program.

In January 2019, the OIG attended and spoke at the National Association for the Employment of People who are Blind (NAEPB) CEO conference in Clearwater, Florida. The mission of the NAEPB is to represent and protect the collective interest of its member organizations to enable them to strengthen and maximize opportunities for people who are blind. The OIG discussed 898 Panel recommendations with NAEPB members and worked with NIB to obtain feedback from the NPAs.

In February 2019, the OIG was invited to present at the Annual NIB Compliance Summit in Dallas, Texas. The OIG provided information to attendees ranging from “what is the IG Act” to “how to report waste, fraud, and abuse.” In addition, the OIG participated in a question and answer session that allowed the NPA participants to ask questions about the OIG and the work that it conducts. The summit featured presentations and trainings from various federal agencies, including the Department of Labor and Social Security Administration. Additionally, the summit included a tour of the local NPA- Dallas Lighthouse for the Blind.

Ongoing OIG Work

1. Audit Activities

The current OIG audit activities are as follows:

a) Central Nonprofit Agencies (CNAs) Audits

Audit of the Program Fee paid to CNAs by Qualified NPAs

The objective of this audit is to produce a comprehensive study to enhance both the understanding of the program fee and whether the CNAs program fee as applied and established, accomplishes the intended benefits and efficiencies for the AbilityOne Program. The CNAs collect program fees on NPAs sales to the Federal Government under the AbilityOne Program and in accordance with rates, regulations and policies set forth by the Commission.

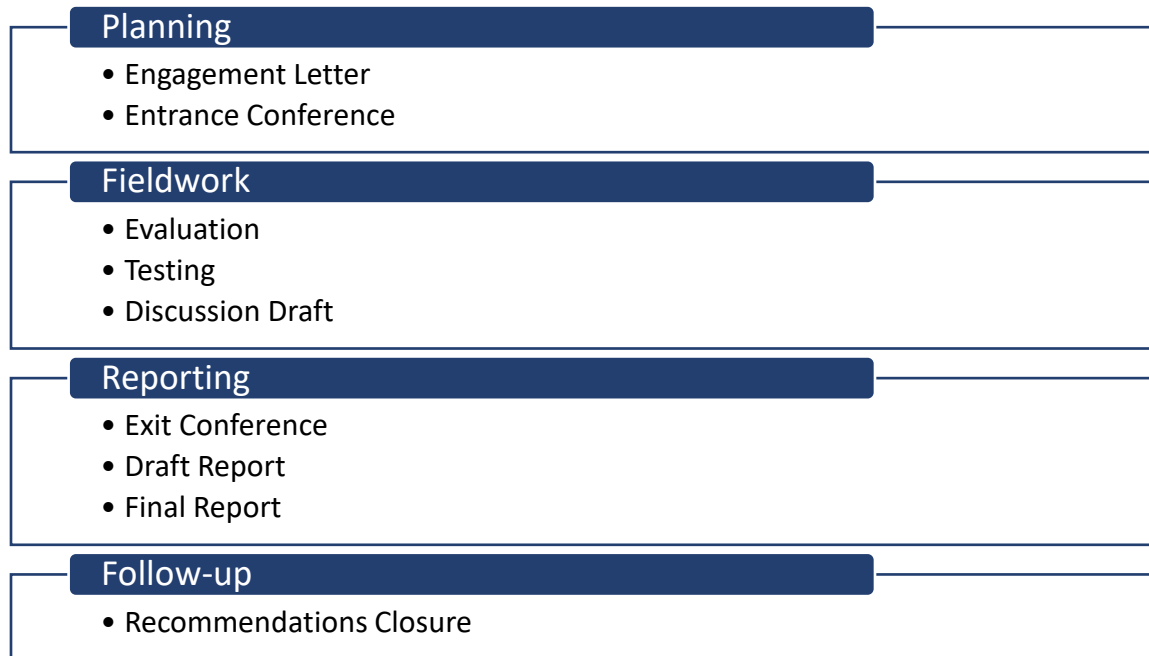
Assess the effectiveness from completed actions of the Cooperative Agreements

The objective of this audit is to evaluate the employment growth and program accountability as a result of Cooperative Agreement oversight requirements. As a part of the planned scope and methodology, the OIG will conduct an in-depth review of the Cooperative Agreements to ensure that the desired outcomes for the Cooperative Agreements are operating as intended.⁴

The following figure describes the audit process.

⁴ See [NIB Cooperative Agreement](#); See Also [SourceAmerica Cooperative Agreement](#).

Figure 9: OIG Audit Process



Engagement Letter – OIG announces the audit by issuing a letter to the responsible program office. The letter includes details on the objective, scope, methodology and request for a point of contact to schedule the entrance conference.

Entrance Conference – A meeting is held to inform the program officials of the objective(s), and scope of the audit, general audit methodology to be followed, and planned milestones.

Audit Fieldwork – A comprehensive review is performed of selected areas of a program, activity, or function using an audit program developed specifically to address the audit objectives.

Discussion Draft Report – A discussion draft copy of the report is provided to management to allow them the opportunity to prepare for the exit conference.

Exit Conference – A meeting is held with the appropriate program officials to discuss the discussion draft report. This meeting provides management the opportunity to confirm information, ask questions, and provide any necessary clarifying data.

Draft Report – After the exit conference, OIG issues a draft copy of the report that includes comments or revisions from the exit conference, and requests formal written comments. Responses include a decision for each recommendation indicating concurrence or nonconcurrence with the recommended action. For concurrence, management provides corrective actions taken or planned, and actual or target dates for completion. For nonconcurrence, management provides their reasons for disagreement and any alternative proposals for corrective action.

Final Audit Report – The final report includes, as necessary, any revisions to the facts, conclusions, and recommendations of the draft report discussed in the exit conference or generated

in written comments supplied by program action office. Written comments are included as an appendix to the report.

Audit Follow up and Closure – This process ensures that recommendations made to management are implemented.

b) Audit Follow-up Activity

Due to the success demonstrated by the Commission’s compliance with the FISMA, only one recommendation remains open for implementation. The overall assessment of the Commission’s information security program was deemed effective because of the ratings throughout the FY 18 IG FISMA Reporting Metrics domain. The Commission has completed 28 of the 29 recommendations (three during this reporting period) to address various recommendations including: scanning for vulnerabilities, security assessment and authorization documentation, user access for terminated/transferred personnel, physical and environmental controls, contingency training and backups, configuration changes, incident response training and testing, access authorization management, complexity settings, audit events, reviews and updates, and continuous monitoring.

The figure below indicates the Commission’s progress in implementing recommendations during this period.

Figure 10: Progress of Recommendations

Status of Recommendations	Number of Recommendations
Open at the beginning of the reporting period	4
Issued during the reporting period	0
Implemented/Completed during the reporting period	3
Closed during the reporting period	0
Open at the end of the period	1

The Commission’s IT department has actively implemented control activities to establish an effective IT governance framework, and it continues to assess actions taken to ensure the effectiveness of its security posture. OIG will continue to follow up on the progress of the one open recommendation.

Figure 11: Status of Recommendation

Evaluation of the U.S. AbilityOne Commission’s Compliance with the Federal Information Security Modernization Act, Report No. 19-02				
Reportable Area	Recommendation	Status	Initial Estimated Completion Date	Revised Completion Date
Contingency Training and Backups	14. Store incremental and full back up with service provided that is FedRAMP certified.	Open (Research for Cloud Service Provider (CSP) that meets FedRamp)	8/30/2018	08/30/2019

c) Audit Policy and Procedures

The OIG policy and audit manual are issued in accordance with the IG Act, as amended, CIGIE standards, and the Government Auditing Standards established by Government Accountability Office (GAO) Comptroller General. The policy and procedures provide guidelines for the OIG. The comprehensive audit manual ensures the OIG follows standards in conducting timely, independent audits that can assist the Commission leadership in improving accountability, effectiveness, efficiency, and integrity of the AbilityOne Program. The generally accepted government auditing standards (Yellow Book) provides standards and guidance for auditors and audit organizations on the requirements for audit reports and professional qualifications for OIG. In July 2018, the GAO issued a revision of the Yellow Book. The revision will take effect on June 30, 2019, and OIG will update its audit policies and procedures accordingly, to ensure compliance with the revised Yellow Book audit standards.

2. Investigative Activities

Ongoing Investigative Activities
<u>Joint Investigation Activities:</u> Joint Investigations with our Federal Law Enforcement Partners. The Joint Investigations involve allegations of fraud by NPAs, within the AbilityOne Program.
<u>Hotline Investigations:</u> Investigations into hotline complaints received through our hotline system. The investigations involve allegations of fraud, abuse and misconduct within the AbilityOne Program.
<u>Educating Individuals on Vulnerabilities Within the AbilityOne Program:</u> In its front-line efforts to create a deeper sense of awareness in the AbilityOne Program, the OIG provided Fraud Awareness Orientation to program participants.
<u>Law Enforcement Authority:</u> Based on the investigative needs of the program, the OIG is planning to seek law enforcement authority, pursuant to the IG Act.

3. Knowledge Based Center

The OIG is in the process of sponsoring a soldier through the Wounded Warrior Project (WWP). More than 52,000 servicemen and women have been physically injured in recent military conflicts. At least 500,000 living with wounds, from depression to post-traumatic stress disorder and 320,000 are experiencing debilitating brain trauma. Although advancements in technology and medicine save lives, the quality of those lives might be profoundly altered. As a part of the WWP, the OIG will help give on the job training and experience to empower the participant to continue the journey to recovery.

In this reporting period, the OIG leveraged its resources through hosting a CIGIE fellow who provides experience and expertise in management as well as other knowledge areas for OIG. The OIG also hosted an intern from The Washington Center. The intern helped with various projects such a review of data related to use of 14(c) by NPAs in AbilityOne's country-wide network of government contracts.

The AbilityOne OIG was invited in March 2019 to be on a special CIGIE working group to enhance and further build the capabilities of oversight.gov for the IG community. The project is designed to build web hosting and other capabilities for OIGs across government.

4. 898 Panel Issues and Activities

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 known as the "Panel on Department of Defense and U.S. AbilityOne Contracting Oversight, Accountability, and Integrity" ("the Panel"). The Panel will report to Congress for three consecutive years beginning in 2018.

Pursuant to Section 898(a)(2), a representative of the Inspector General of the Department of Defense and a representative of the Inspector General of the AbilityOne Commission are statutory members of the Panel, among others. The primary mission of the Panel is to identify vulnerabilities and opportunities for improvement in DoD contracting within the AbilityOne Program. The Panel established seven subcommittees to fulfill its duties as indicated in Section 898(c). Since its inception, and during the reporting period, the IG led the Panel's Inspector General subcommittee. In addition to leading the subcommittee, the OIG provided support and advice to multiple Panel subcommittees dealing with the effectiveness and internal controls of the AbilityOne Program as it relates to DoD contracting.

The Panel's Inspector General subcommittee was tasked with reviewing the progress of DoD IG's recommendations from the 2016 audit report, DODIG-2016-097. The subcommittee found that the DoD had made progress with the report's recommendations to implement existing DoD policy requiring contracting officers to check the AbilityOne's Product List (PL) to verify whether a product or service is on the List, and to improve training for procurement personnel.

The Panel identified its FY 2019 goals to include prioritizing and refining the actionable recommendations to improve oversight, accountability, transparency, and integrity in contracting

with the Program. Execution of these recommendations will have a positive impact on the employment opportunities for individuals who are blind or have other significant disabilities. Until the sunset of the Panel in 2020, as established by the law, the IG will continue to report on the progress of the panel.

5. Department of Veteran Affairs Medical/Surgical Prime Vendor- Next Generation (MSPV-NG) 2.0 and Non-manufacturer Rule Waiver

Department of Veterans Affairs (VA) Acquisition Management was recently added to the GAO 2019 High Risk List, where the VA was specifically cited for a “lack of effective medical supplies procurement strategy.”⁵ The VA is NIB’s third largest federal customer under the AbilityOne Program. In 2018, sales to the VA amounted to fifteen percent of NIB’S total AbilityOne Program sales. These sales equate to nearly 800 jobs for Americans who are blind or significantly disabled, many of whom are veterans. SourceAmerica also has numerous contracts within this program. Addressing program erosion is a priority for the OIG and we have identified three inter-related issues of concern. We will be examining the lack of essentially-the-same (ETS) and AbilityOne compliance on the current MSPV NG formulary; the absence of AbilityOne products on the MSPV 2.0 formulary; and the risk of a blanket non-manufacturer waivers being issued to cover products sold to the VA.

MSPV-NG Current Structure

Contracts were awarded to four prime vendors (PVs) that cover 23 VISNs, 152 medical centers and 1,400 community-based outpatient clinics across the United States. The VA allows PVs to partner with veteran owned small businesses (VOSB)/service disabled veteran owned small businesses (SDVOSB). The VA determines the contract offering and issues a monthly product catalog known as the “formulary.” The current formulary has up to 22,757 products listed; 872 are AbilityOne items. The Veterans Health Administration (VHA) manages the product offering and the Strategic Acquisition Center (SAC) manages the contracts.

Current challenges have been identified with MSPV NG that include the lack of an agreement with the VA to implement an ETS review process for the formulary. Federal law prohibits federal agencies from purchasing items that are essentially the same as AbilityOne items on the Procurement List. *See* 41 CFR § 51-5.3(a). Accordingly, agencies such as GSA have used an ETS review process to avoid products appearing on the formulary that are ETS to AbilityOne products which are mandated for purchase by the Javits-Wagner-O’Day Act as implemented by the Federal Acquisition Regulation (FAR).

Additionally, PVs require commercial supplier agreements to be signed by the NPAs which manufacture the products. The GSA requires its distributors to block any ETS offerings to the federal customer and requires AbilityOne distributor authorization for all large contracts including Federal Strategic Sourcing Initiatives (FSSI) for commodity products. The VA, however, does not have any similar requirement to be a PV. Three of the four PVs have agreed to terms required by the U.S. AbilityOne Commission, but one PV has thus far refused; this lack

⁵ Government Accountability Office (GAO) 2019 High Risk List, See <https://www.gao.gov/assets/700/697245.pdf>

of a single completed vendor agreement results in lost sales for the AbilityOne program, thus reducing employment opportunities for people who are blind.

MSPV 2.0 and the Unknown Acquisition Strategy for the AbilityOne Program

On February 28, 2019, the VA hosted a webinar for industry to provide an overview of the new MSPV 2.0 Program. During this forum the VA announced that AbilityOne procurement would take place outside of the formulary, which will now be known as the “catalog.” Absent an expressed acquisition strategy for AbilityOne products, this raises concerns about the impact this will have on VA compliance with the mandatory source provisions of the FAR. The new MSPV 2.0 catalog has 26 categories; AbilityOne items should be included in 10 of those categories.

PVs require NPAs to ship to their distribution centers and PVs deliver to the customer. If not included in the MSPV 2.0 catalog, it is unclear if NPAs will be required to drop-ship to all individual VA locations directly. If so, such a drastic change in the distribution model will have a significant impact on the cost of fulfillment and will drive price increases for the VA.

The MSPV 2.0 also references use of this procurement vehicle by other federal agencies. This could magnify the concerns already described and place other federal agencies in a non-compliant situation. Not including AbilityOne items on the MSPV 2.0 catalog will have a detrimental impact on the AbilityOne Program and its mission to generate meaningful employment for Americans who have significant disabilities and the OIG would like to understand the VA’s decision not to include AbilityOne.

“Blanket” Non-manufacturing Waiver

In February 2019, the VA Office of Small and Disadvantaged Business Utilization (OSDBU) posted a request for information (RFI) with guidance that respondents reply via electronic survey. The purpose of the RFI was to conduct market research to determine the potential industrial base of small businesses capable of manufacturing products reflected in the MSPV 2.0 catalogue. The survey questions focused on the manufacturing capabilities for 26 product categories to be included in the MSPV catalog. Results of this survey have not been announced.

In April 2019, the VA OSDBU sent non-manufacturer waiver requests to the SBA for 10 supply categories for MSPV 2.0 and are proposing five more categories. Four of those categories cover 7.5-percent of AbilityOne products. The impact of this could result in a potentially devastating loss of jobs for people who are blind, estimated at approximately 437 Blind Work Years, since lost sales in the amount of \$63.9M are projected.

Current Procurement Process for VA Requirements and Application of Non-Manufacturing Waivers

The VA follows the VAAR Rule of 2 (“Ro2”) in determining fulfillment of their support requirements for consumable medical supplies used in the MSPV program. Under VAAR Ro2, the VA must first consider VOSB/SDVOSB designated suppliers who can manufacture the item(s). If a minimum of two VOSB/SDVOSB respondents cannot manufacture the item(s), then the VA considers all other socio-economic small business categories. If no small business

manufacturers are identified during the market research phase, the next step be to perform market research to determine if there are AbilityOne agencies that produce a product portfolio that could meet the needs of the VA. At this point, the VA has two choices: procure through the AbilityOne Program or compete the requirement as Full and Open (“F&O”).

The non-manufacturing waiver allows the item(s) to be acquired from VSOB/SDVOSB suppliers who have the capability to *source* the item(s), but not the capability to *manufacture* them. Allowing this practice opens the door for VOSB/SDVOSBs (many of whom are individually owned “storefront” operations) to source products offshore; whereas, if the requirements were sourced from NPAs through the AbilityOne Program, the products would remain in production in the United States and continue to create employment for people who are blind, many of whom are veterans.

Potential Impact of a “Blanket” Non-Manufacturing Waiver:

The decision to allow a non-manufacturing waiver would only compound the current situation by virtually eliminating the sale of AbilityOne products on the formulary/catalogue and essentially lead to the probability of no new VA-sponsored Federal Procurement List additions. This will have a direct impact on the AbilityOne Program’s mission of creating employment opportunities for Americans who are blind or have significant disabilities. In our work, we are going to explore resolutions that include program compliance strategies such as:

1. Refusing to grant non-manufacturing waivers and require the VA to come to AbilityOne for everything their NPAs can do; or,
2. When a requirement receives a non-manufacturing waiver, require VOSB/SDVOSB contractors to source through the AbilityOne Program (where NPAs can provide the items).

We are also exploring the role of program risk. As stated earlier, the VA Acquisition Management was recently added to the GAO 2019 High Risk List. The VA was specifically cited for a “lack of effective medical supplies procurement strategy.” Removing mandatory AbilityOne products from a national procurement solutions program exacerbates this risk.

6. E-Commerce

The arrangement between the Commission and Amazon supports the Commission’s effort to offer AbilityOne PL products for sale to Government purchase card holders. The expectation is that, by offering government agencies the ability to purchase AbilityOne products through Amazon, AbilityOne product sales would increase and result in more jobs for people who are blind or significantly disabled. In addition to the AbilityOne and Amazon arrangement, other federal agencies (the Department of Homeland Security (DHS), and the U.S. Air Force) are establishing pilot programs with Amazon allowing the purchase by procurement officers of commercial products online through Amazon. The FY2018 NDAA, P.L. 115-91, was signed by the President on December 12, 2017 and included Section 846, “Procurement Through Commercial E-Commerce Portals.” Section 846 directed GSA, in partnership with OMB, to

“...establish a program to procure commercial products through commercial e-commerce portals for the purposes of enhancing competition, expediting procurements, enabling market research, and ensuring reasonable pricing of commercial products” (e.g., Amazon, Office Depot, etc.).

E-Commerce was considered in the 2019 NDAA legislative history. The President signed FY 2019 NDAA, P.L. 115-232, on August 13, 2018. Despite inclusion in the Chairman’s Mark, Section 834 – Modifications to Procurement through Commercial E-Commerce Portals did not make it into the final version of the law. This provision would have amended section 846 of the FY 2018 NDAA (PL 115-91) to allow the Administrator of the General Services Administration (GSA) to develop procedures for procurement through a commercial e-commerce portal, subject to certain requirements. Notably, the amendment would have also increased the micro-purchase threshold for procurement through a commercial E-Commerce portal from \$10,000 to \$25,000.

GSA’s implementation of Section 846 is expected to extend through FY 2020. Accordingly, the OIG will continue exercising its oversight role and deepening its understanding of the e-commerce platforms and their application to the AbilityOne Program. The OIG views the innovations of E-Commerce as the future of an evolving marketplace, just as in the past the early “workshops” provided new employment opportunities for the blind, opening new avenues.

The OIG also considers that, for the shared success of the E-Commerce platform, it is key that the buyers of products and services, i.e., the government agencies and their purchase officers, understand that the customer that the e-commerce platform seeks to serve is the AbilityOne Program itself.



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

Activities with the Inspector General Community

The AbilityOne IG is a member of CIGIE and is on the legislation and investigative committees. Members of our staff contribute to the law enforcement community as guest speakers for the Federal Law Enforcement Training Center and the IG Academy. The OIG regularly participates in CIGIE working groups designed to focus on areas of IG interest, sharing best practices, and addressing various topics of pertinence specifically to smaller size OIGs. The Assistant Inspector General for Auditing (AIGA) participates in subgroups of CIGIE with emphasis on audit operations. The Counsel to the IG is a member of the Council of Counsels of Inspectors General and the co-chair of the smaller OIG Counsel Group. The Counsel to the IG also serves as the OIG liaison with other government agencies and enforcement entities, and with OIG counterparts for joint investigations in cooperation with the role of Assistant Inspector General for Investigations (AIGI).

The OIG has participated in the Oversight.gov program since the earliest stages of its creation, and it continues to contribute its work products. Specifically, our office was recently invited to work on CIGIE's latest innovation, and the IG will help lead the initiative. Our OIG will participate in a new CIGIE working group and pilot program for OIGs who are interested in creating a webpage that will be hosted by oversight.gov. The CIGIE initiative will make oversight.gov a single portal for government-wide oversight.

As introduced earlier, the OIG participated in the CIGIE Fellows Program during this reporting period. As a part of the Knowledge Based Center, the OIG hosted an employee from the Environmental Protection Agency (EPA) OIG. The CIGIE Fellows Program provides selected IG community employees with opportunities to expand their leadership competencies, broaden their organizational experiences, and foster professional networks.

As a part of its commitment to fostering growth and development in the OIG community, the OIG provided its fellow with the opportunity to meet Fellows program objectives such as:

- Work in a senior level assignment opportunity that fosters growth and development
- Provide executive-level mentorship
- Expand the Fellows' experience, either within or outside of their current area of expertise

The OIG anticipates continued participation in the CIGIE Fellows Program.

Ability One OIG Webpage



Over this reporting period, the AbilityOne OIG has worked to increase the public's access to completed OIG reports. All OIG reports are posted on our webpage and posted on Oversight.gov. In addition to posting completed reports, the OIG also provides access to current and past documents such Semi-Annual Reports, Top Management Challenge Reports, IG briefings and remarks, and organizational structure information. All of these items are provided as a means to increase transparency and keep the public informed about the work of the OIG.

To view the OIG's current website, visit <https://abilityone.gov/commission/oig.html>

During this reporting period CIGIE invited the OIG to join a new CIGIE working group and pilot program for OIGs who are interested in creating a webpage that is independent of their agency that CIGIE will host.

Photo: OIG visit to Dallas Lighthouse for the Blind during NIB Compliance Summit.



Oversight.gov is a publicly accessible, searchable website containing the latest public reports from Federal Inspectors General who are members of CIGIE. Today, over 14,000 OIG employees work to detect and deter waste, fraud, abuse, and misconduct in federal programs and personnel. This work has resulted in recommendations for hundreds of billions of dollars of potential savings, tens of thousands of successful prosecutions, and transformational government reforms. The site is operated and maintained by CIGIE. The reports and information are sent to this site by the OIGs. See figure below for some of the AbilityOne OIG reports.

To view all reports by Inspectors General, visit: oversight.gov

Report Date	Agency Reviewed / Investigated	Title	Type	Location
12/21/2018	Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program)	Top Management and Performance Challenges Report	Top Management Challenges	Agency-Wide
12/19/2018	Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program)	Evaluation of the U.S. AbilityOne Commission's Compliance with FISMA for FY 2018	Inspection / Evaluation	Agency-Wide
12/03/2018	Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program)	Semiannual Report to Congress: April 1, 2018 through September 30, 2018	Semiannual Report	Agency-Wide
11/16/2018	Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program)	Audit of the U.S. AbilityOne Commission's Financial Statements for Fiscal Years 2018 and 2017	Audit	Agency-Wide
05/31/2018	Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program)	Semiannual Report to Congress: October 1, 2017 through March 31, 2018	Semiannual Report	Agency-Wide
05/03/2018	Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program)	Oversight Audit Plan of AbilityOne Central Nonprofit Agencies	Other	Agency-Wide
12/08/2017	Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program)	Evaluation of the U.S. AbilityOne Commission's Compliance with FISMA for FY 2017	Inspection / Evaluation	Agency-Wide
11/16/2017	Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program)	Financial Statements Audit	Audit	Agency-Wide
10/31/2017	Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program)	Semiannual Report to Congress: April 1, 2017 - September 30, 2017	Semiannual Report	Agency-Wide
10/20/2017	Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program)	Top Management and Performance Challenges	Top Management Challenges	Agency-Wide

AbilityOne OIG Hotline

What should you do if you suspect fraud, waste or abuse?

The OIG Hotline provides a way for employees and other concerned citizens to report suspected wrongdoing within the AbilityOne Program.

If you suspect fraud, waste or abuse, call our Hotline at (844) 496-1536, or email the Office of Inspector General at hotline@oig.abilityone.gov. All callers may remain anonymous or may request confidentiality. Further details of the OIG Website and Hotline Contact information are below.

Toll-Free Number: (844) 496-1536

Email: Hotline@oig.abilityone.gov

OIG website: www.abilityone.gov/commission/oig.html

Appendix I- Organizational Chart and Staffing Structure

Figure 1: AbilityOne Program Organization Chart

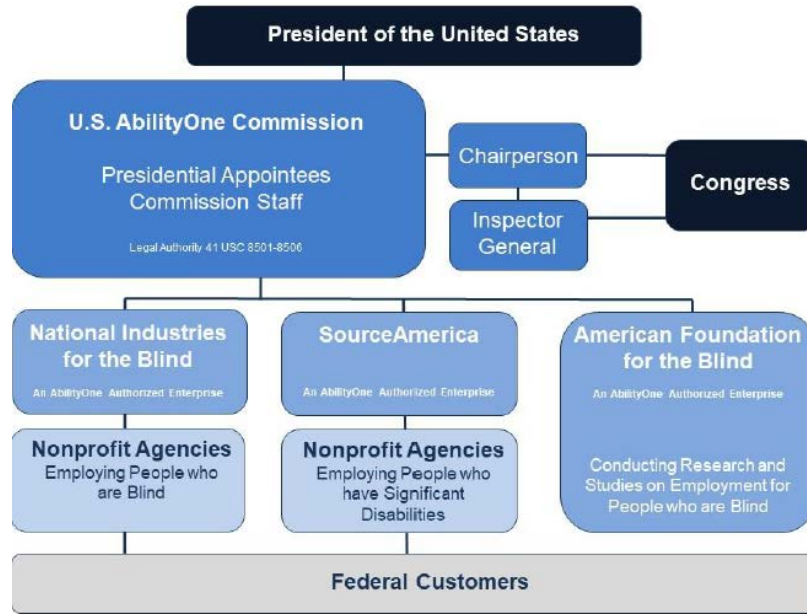


Figure 2: U.S. AbilityOne Commission Organization Structure

To help carry out its mandate, the Commission has a full-time staff located in Crystal City, VA.

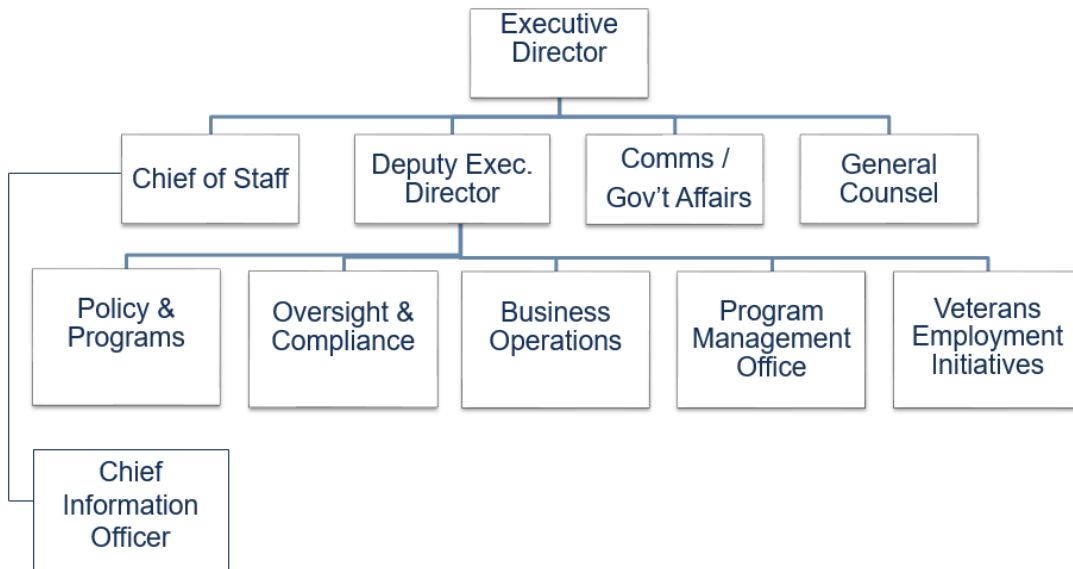
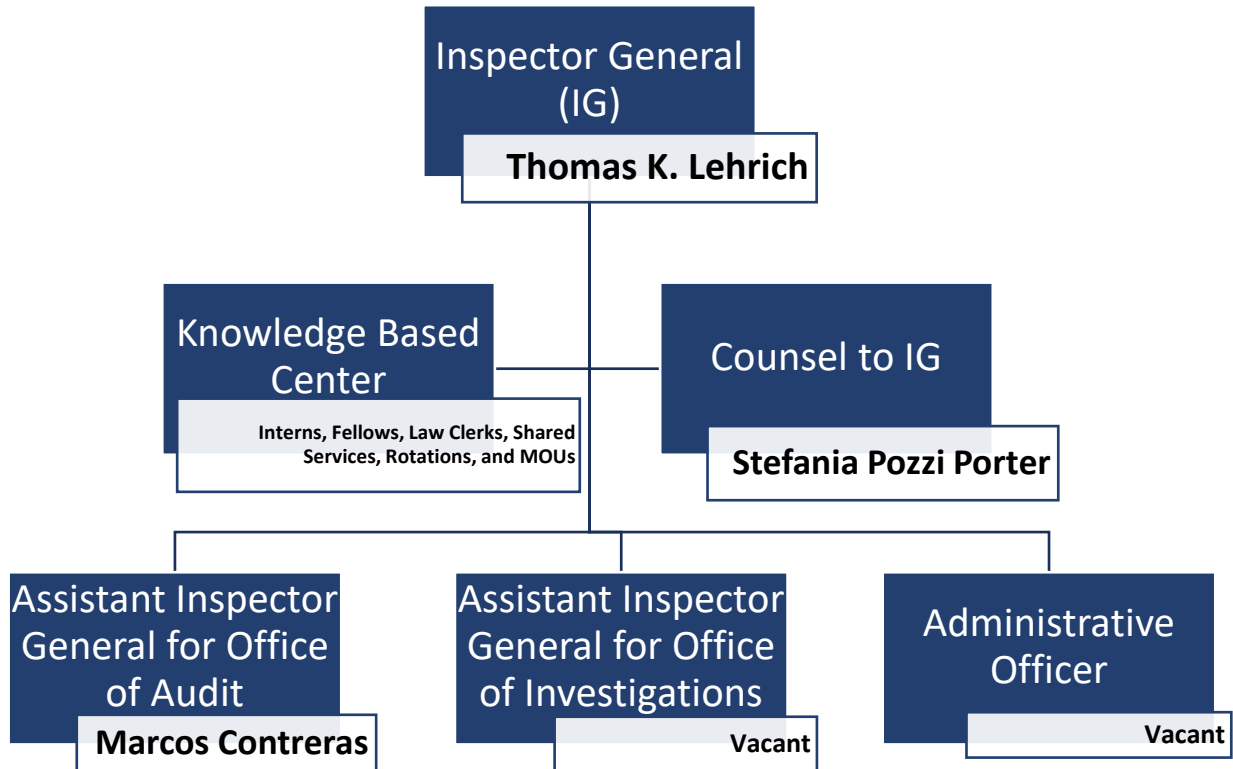


Figure 3: OIG Organizational Structure

The OIG is working hard to stand up the office and provide oversight of the agency’s programs and operations. The following figure depicts the current organizational structure as the office moves forward.



Appendix II- Reporting Requirements Under the Inspector General Act of 1978, as amended

Figure 4: OIG Reporting Requirements

IG Act Reference	OIG Reporting Requirements	Page Number
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.		
Section 4(a)(2)	Review of legislation and regulations.	N/A
Section 5(a)(1)	Significant problems, abuses, and deficiencies.	N/A
Section 5(a)(2)	Recommendations for corrective action.	N/A
Section 5(a)(3)	Significant outstanding recommendations.	7 and 18
Section 5(a)(4)	Matters referred to prosecutorial authorities.	N/A
Section 5(a)(5) / 6(c)(2)	Information or assistance unreasonably refused or not provided.	N/A
Section 5(a)(6)	Listing of completed audit, inspection, and evaluation reports.	3-4
Section 5(a)(7)	Summary of significant reports.	1-4
Section 5(a)(8)	Statistical table pertaining to questioned costs.	N/A
Section 5(a)(9)	Statistical table pertaining to funds recommended to be put to better use.	N/A
Section 5(a)(10)	Prior OIG reports unresolved, uncommented upon, desired timetable for achieving a management decision.	N/A
Section 5(a)(11)	Significant revised management decisions.	N/A
Section 5(a)(12)	Management decision disagreements.	N/A
Section 5(a)(13)	Information described under Section 804(b) of the Federal Financial Management Improvement Act of 1996.	N/A
Section 5(a)(14)	Information regarding peer reviews involving the Office of Inspector General.	N/A
Section 5(a)(15)	List of any outstanding recommendations from any peer review conducted by another Office of IG.	N/A
Section 5(a)(16)	List of any peer reviews conducted by the IG of another Office of Inspector General during reporting period.	N/A
Section 5(a)(17)	Statistical tables pertaining to OIG investigations.	9
Section 5(a)(18)	Description of the metrics for OIG investigative table.	9
Section 5(a)(19)	Reports involving senior Government employees where allegations were substantiated, including the facts and circumstances of the investigation and status and disposition of the matter.	N/A
Section 5(a)20	Instance of whistleblower retaliation.	N/A
Section 5(a)21	Attempted agency interference with OIG independence, including budget constraints designed to limit OIG capabilities; and incidents where agency has resisted, objected, or significantly delayed access to information.	N/A
Section 5(a)22	Inspections, evaluations, audits, and investigations of senior Government employees undisclosed to the public.	N/A

Upon the enactment of the IG Empowerment Act on December 16, 2016, the OIG is required under IG Act section 5(a)(20) to provide “a detailed description of any instance of whistleblower retaliation, including ... what, if any, consequences the establishment imposed to hold that official accountable.” Pursuant to the IG Empowerment Act’s reporting requirement, the OIG will provide information about any consequences imposed by the establishment for retaliation in the semiannual report for the period in which the OIG is informed that the consequences were imposed.

Appendix III- FY2018 National Defense Authorization Act

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).

(E) A representative of the Inspector General of the Department of Defense and the AbilityOne Commission.

(F) A representative from each of the Army Audit Agency, the Navy Audit Service, the Air Force Audit Agency, and the Defense Contract Audit Agency.

(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.

Appendix IV- FY2019 National Defense Authorization Act

SEC. 846. PROCUREMENT THROUGH COMMERCIAL E-COMMERCE PORTALS

(a) Establishment of Program. —The Administrator shall establish a program to procure commercial products through commercial e-commerce portals for purposes of enhancing competition, expediting procurement, enabling market research, and ensuring reasonable pricing of commercial products. The Administrator shall carry out the program in accordance with this section, through multiple contracts with multiple commercial e-commerce portal providers, and shall design the program to be implemented in phases with the objective of enabling Government-wide use of such portals.

(b) Use of Program. —The head of a department or agency may procure, as appropriate, commercial products for the department or agency using the program established pursuant to subsection (a).

(c) Implementation and Reporting Requirements. —The Director of the Office of Management and Budget, in consultation with the Administrator and the heads of other relevant departments and agencies, shall carry out the implementation phases set forth in, and submit to the appropriate congressional committees the items of information required by, the following paragraphs:

(1) PHASE I: IMPLEMENTATION PLAN. —Not later than 90 days after the date of the enactment of this Act, an implementation plan and schedule for carrying out the program established pursuant to subsection (a), including a discussion and recommendations regarding whether any changes to, or exemptions from, laws that set forth policies, procedures, requirements, or restrictions for the procurement of property or services by the Federal Government are necessary for effective implementation of this section.

(2) PHASE II: MARKET ANALYSIS AND CONSULTATION. —Not later than one year after the date of the submission of the implementation plan and schedule required under paragraph (1), recommendations for any changes to, or exemptions from, laws necessary for effective implementation of this section, and information on the results of the following actions:

(A) Market analysis and initial communications with potential commercial e-commerce portal providers on technical considerations of how the portals function (including the use of standard terms and conditions of the portals by the Government), the degree of customization that can occur without creating a Government-unique portal, the measures necessary to address the considerations for supplier and product screening specified in subsection (e), security of data, considerations pertaining to nontraditional Government contractors, and potential fees, if any, to be charged by the Administrator, the portal provider, or the suppliers for participation in the program established pursuant to subsection (a).

(B) Consultation with affected departments and agencies about their unique procurement needs, such as supply chain risks for health care products, information technology, software, or any other category determined necessary by the Administrator.

(C) An assessment of the products or product categories that are suitable for purchase on the commercial e-commerce portals.

(D) An assessment of the precautions necessary to safeguard any information pertaining to the Federal Government, especially precautions necessary to protect against national security or cybersecurity threats.

(E) A review of standard terms and conditions of commercial e-commerce portals in the context of Government requirements.

(F) An assessment of the impact on existing programs, including schedules, set-asides for small business concerns, and other preference programs.

(3) **PHASE III: PROGRAM IMPLEMENTATION GUIDANCE.** —Not later than two years after the date of the submission of the implementation plan and schedule required under paragraph (1), guidance to implement and govern the use of the program established pursuant to subsection (a), including protocols for oversight of procurement through the program, and compliance with laws pertaining to supplier and product screening requirements, data security, and data analytics.

(4) **ADDITIONAL IMPLEMENTATION PHASES.** —A description of additional implementation phases, as determined by the Administrator, that includes a selection of agencies to participate in any such additional implementation phase (which may include the award of contracts to multiple commercial e-commerce portal providers).

(d) **Considerations For Commercial E-Commerce Portals.**—The Administrator shall consider commercial e-commerce portals for use under the program established pursuant to subsection (a) that are widely used in the private sector and have or can be configured to have features that facilitate the execution of program objectives, including features related to supplier and product selection that are frequently updated, an assortment of product and supplier reviews, invoicing payment, and customer service.

(e) **Information On Suppliers, Products, And Purchases.** —

(1) **SUPPLIER PARTICIPATION AND PRODUCT SCREENING.** —The Administrator shall provide or ensure electronic availability to a commercial e-commerce portal provider awarded a contract pursuant to subsection (a) on a periodic basis information necessary to ensure compliance with laws pertaining to supplier and product screening as identified during implementation phase III, as described in subsection (c)(3).

(2) **PROVISION OF ORDER INFORMATION.** —The Administrator shall require each commercial e-commerce portal provider awarded a contract pursuant to subsection (a) to provide order information as determined by the Administrator during implementation phase II, as described in subsection (c)(2).

(f) **Relationship To Other Provisions Of Law.** —

(1) All laws, including laws that set forth policies, procedures, requirements, or restrictions for the procurement of property or services by the Federal Government, apply to the program established pursuant to subsection (a) unless otherwise provided in this section.

(2) A procurement of a product made through a commercial e-commerce portal under the program established pursuant to subsection (a) is deemed to be an award of a prime contract for

purposes of the goals established under section 15(g) of the Small Business Act ([15 U.S.C. 644\(g\)](#)), if the purchase is from a supplier that is a small business concern.

(3) Nothing in this section shall be construed as limiting the authority of a department or agency to restrict competition to small business concerns.

(4) Nothing in this section shall be construed as limiting the applicability of section 1341 of title 31, United States Code (popularly referred to as the Anti-Deficiency Act).

(g) **Use Of Commercial Practices And Standard Terms And Conditions.** —A procurement of a product through a commercial e-commerce portal used under the program established pursuant to subsection (a) shall be made, to the maximum extent practicable, under the standard terms and conditions of the portal relating to purchasing on the portal.

(h) **Disclosure, Protection, And Use of Information.** —In any contract awarded to a commercial e-commerce portal provider pursuant to subsection (a), the Administrator shall require that the provider—

(1) agree not to sell or otherwise make available to any third party any information pertaining to a product ordered by the Federal Government through the commercial e-commerce portal in a manner that identifies the Federal Government, or any of its departments or agencies, as the purchaser, except if the information is needed to process or deliver an order or the Administrator provides written consent;

(2) agree to take the necessary precautions to safeguard any information pertaining to the Federal Government, especially precautions necessary to protect against national security or cybersecurity threats; and

(3) agree not to use, for pricing, marketing, competitive, or other purposes, any information related to a product from a third-party supplier featured on the commercial e-commerce portal or the transaction of such a product, except as necessary to comply with the requirements of the program established pursuant to subsection (a).

(i) **Simplified Acquisition Threshold.** —A procurement through a commercial e-commerce portal used under the program established pursuant to subsection (a) shall not exceed the simplified acquisition threshold in section 134 of title 41, United States Code.

(j) **Comptroller General Assessments.** —

(1) **ASSESSMENT OF IMPLEMENTATION PLAN.** —Not later than 90 days after the Director of the Office of Management and Budget submits the implementation plan described in subsection (c)(1) to the appropriate congressional committees, the Comptroller General of the United States shall submit to the appropriate congressional committees an assessment of the plan, including any other matters the Comptroller General considers relevant to the plan.

(2) **ASSESSMENT OF PROGRAM IMPLEMENTATION.** —Not later than three years after the first contract with a commercial e-commerce portal provider is awarded pursuant to subsection (a), the Comptroller General of the United States shall submit to the appropriate congressional committees a report on the challenges and benefits the General Services Administration and participating departments and agencies observe regarding implementation of the program established pursuant to subsection (a). The report shall include the following elements:

(A) A description of the acquisition of the commercial e-commerce portals (including the extent to which the portals had to be configured or otherwise modified to meet the needs of the program) costs, and the implementation schedule.

(B) A description of participation by suppliers, with particular attention to those described under subsection (e), that have registered or that have sold goods with at least one commercial e-commerce portal provider, including numbers, categories, and trends.

(C) The effect, if any, of the program on the ability of agencies to meet goals established for suppliers and products described under subsection (e), including goals established under section 15(g) of the Small Business Act ([15 U.S.C. 644\(g\)](#)).

(D) A discussion of the limitations, if any, to participation by suppliers in the program.

(E) Any other matters the Comptroller General considers relevant to report.

(k) Definitions. —In this section:

(1) ADMINISTRATOR. —The term “Administrator” means the Administrator of General Services.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES. —The term “appropriate congressional committees” means the following:

(A) The Committees on Armed Services of the Senate and House of Representatives.

(B) The Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives.

(C) The Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives.

(3) COMMERCIAL E-COMMERCE PORTAL. —The term “commercial e-commerce portal” means a commercial solution providing for the purchase of commercial products aggregated, distributed, sold, or manufactured via an online portal. The term does not include an online portal managed by the Government for, or predominantly for use by, Government agencies.

(4) COMMERCIAL PRODUCT. —The term “commercial product” means a commercially available off-the-shelf item, as defined in section 104 of title 41, United States Code, except the term does not include services.

(5) SMALL BUSINESS CONCERN.—The term “small business concern” has the meaning given such term under section 3 of the Small Business Act ([15 U.S.C. 632](#)).

Office of Inspector General

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