

TO: Secretary Riley  
FROM: COO Greg Woods  
OSFA  
RE: Weekly Report  
DATE: January 09, 2001

**PRINCIPAL OFFICE'S WORK ON PRESIDENTIAL INITIATIVES**

Nothing to report.

**OFFICIAL'S ACTIVITIES**

**Operating Partners Meeting.** COO Greg Woods will kick-off the first meeting of 2001 with SFA's Operating Partners on January 9, 2001. He will address contracting and performance scorecards.

**DEPARTMENT'S NEWS**

**Entrance Conference for IG Review of PBO Implementation Scheduled for January 12.** The purpose of the review is to determine whether the performance indicators used to measure SFA's performance objectives are accurate, reliable and valid. Initially, the OIG will focus on customer satisfaction and employee satisfaction.

**Entrance Conference for IG Audit of Title IV Refunds Scheduled for January 9.** The audit objective, stated in the engagement letter, is to evaluate processes to identify schools that fail to make refunds when students withdraw from school. The audit will focus on Title IV data for award year 1998-99.

**Entrance Conference for IG Audit of the 1998-99 Direct Loan Closeout Process to be held.** This entrance conference is tentatively scheduled for January 31, 2000. The objective is to determine if schools were able to successfully closeout the 1998-99 program year by achieving a zero balance as described in Direct Loan Bulletin 00-24.

**GAO's Presidential Transition Effort Series.** On December 29, 2000, the General Accounting Office (GAO) updated its series of reports on government operations that it identified as high risk because of their greater vulnerabilities to waste, fraud, abuse, and mismanagement. The GAO reports that although Education has made much progress in improving its management and accountability systems, major challenges remain.

These challenges include one particularly critical area - student financial aid - which GAO has designated as high risk for vulnerability to waste, fraud, abuse, and mismanagement. GAO reports that although the national student default rate is the lowest ever - 6.9 percent in fiscal year 1998 - the default costs remain high - \$4.3 billion in fiscal year 1999. In 1990, the first year that GAO issued its high-risk series, GAO reported that the FFELP (then known as the Guaranteed Loan Program) was of high risk. In 1995, GAO extended that designation to include all student aid provided under title IV of the Higher Education Act.

These challenges will be discussed in GAO's upcoming January 2001 report, *Major Management Challenges and Program Risks: Department of Education*. That report is part of a special Performance and Accountability Series, which contains separate reports on 21 agencies as well as a government-wide overview report and a report updating GAO's high-risk list.

**CONGRESSIONAL TESTIMONY**

Nothing to report.

**LEGISLATIVE ACTIVITY**

Nothing to report.

**REPORTS**

Nothing to report.

**ON THE HORIZON**

Nothing to report.