

TO: Secretary Paige
FROM: Acting COO Jim Manning
RE: FSA Weekly Report
DATE: August 26, 2002

THE WEEK AHEAD

Response to GAO Report: By August 30, comments on GAO's Draft Report *Student Aid and Tax Benefits: Better Research and Guidance Will Facilitate Comparison of Effectiveness and Student Use* will be provided for inclusion in the final report. OPE is the lead for developing a response for the Deputy Secretary's signature.

Asset Inventory: The FSA Asset Inventory for Washington was completed on August 20 and the inventory for the regional offices will be completed by August 30.

Electronic Records Management: This week the Financial Partners Channel is starting a project to electronically image all files, correspondence, audits, reviews, and other documents dated 1996 to the present. This new system is expected to increase accountability and program integrity by reducing the number of lost or incomplete filing processes. It also will reduce storage space. The imaging will take place in Washington and the regional offices.

KEY NEWS

Settlement Agreement Executed: On August 14, Administrative Actions and Appeals (AAA) executed a Settlement Agreement on behalf of ED/FSA. This is to settle an appeal from Advanced Career Training in Atlanta of their Final Audit Determination (FAD) dated January 4, 2002. We agreed the university now has paid the \$238,949 FAD liability. All parties agreed to submit a joint motion to dismiss the appeal.

Government-wide Debarment Imposed: On August 15, Administrative Actions and Appeals received notice that Frank Furey, ED's "Deciding Debarment and Suspension Official," sent a letter debaring Toni Farah Sumner from federal procurement and non-procurement transactions, for a period of three years. Sumner didn't appeal the proposed debarment. The debarment is based on Sumner's guilty plea, followed by judgment and sentencing, in the U.S. District Court, District of South Carolina. Sumner pled guilty to one-count that charged her with student aid fraud. The charge was based on her failure to refund Federal Pell Grant Program funds, which she knowingly and willfully embezzled, misapplied, stole, and obtained, by fraud, false statement and forgery.

Government Information Security Review Act (GISRA): An exit conference was held with OIG's Systems Internal Audit Team, ED CIO, ED CFO, and FSA. The audit found that ED has made progress in developing our information security program, but significant work remains to ensure that security controls are implemented throughout the life cycle of each system. OIG will provide OMB a conclusion regarding the effectiveness of ED and FSA's security programs.

Purchase Card Success: For the month of July, FSA Approving Officials and Purchase Cardholders had 100% on-time approval under the new purchase card processing system.

Nothing to report.

RESOLUTION OF KEY ISSUES

Nothing to report.

PUBLIC AFFAIRS ACTIVITIES

Nothing to report.

REGULATORY ACTIVITIES

Nothing to report.

POLICY DOCUMENTS

Nothing to report.

GRANT ACTIVITIES

Nothing to report.

ON THE HORIZON

CONTACT INFORMATION

Please contact Karen Santos Freeman at 377-4001 with any questions.