A Guide to Grant Oversight and Best Practices for Combating Grant Fraud

NATIONAL PROCUREMENT FRAUD TASK FORCE

Grant Fraud Committee

February 2009

I. Introduction

The National Procurement Fraud Task Force (NPFTF) was created on October 10, 2006, to promote the prevention, early detection, and prosecution of procurement fraud. The NPFTF recognizes that a large part of government dollars lost to fraud, waste, and abuse includes dollars lost to grant fraud. As a result, the NPFTF includes preventing, detecting and prosecuting grant fraud as part of its focus. The NPFTF includes 58 prosecutorial and investigative agencies, including 35 Offices of Inspectors General (OIG). Chaired by the Department of Justice's (DOJ) Assistant Attorney General of the Criminal Division, the NPFTF's goal is to detect, investigate, and prosecute procurement fraud, grant fraud, and associated corruption.

The NPFTF has established the following objectives:

- Increase coordination and strengthen partnerships among Inspectors General, law enforcement agencies, and DOJ to more effectively address procurement fraud;
- Assess existing government-wide efforts to combat procurement fraud and work with audit and contracting staff both inside and outside of government to detect and report fraud;
- Increase civil and criminal prosecutions and administrative actions to recover ill-gotten gains resulting from procurement fraud;
- Educate and inform the public about procurement fraud;
- Identify and remove barriers to preventing, detecting, and prosecuting procurement fraud;
- Encourage greater private-sector participation in the prevention and detection of procurement fraud; and
- Evaluate and measure the performance of the NPFTF to ensure accountability.

The Grant Fraud Committee

The NPFTF has established several committees to pursue these objectives. Because one of the areas of special concern identified by the NPFTF is the significant amount of federal dollars lost each year to grant

fraud, one of the committees the NPFTF has established is the Grant Fraud Committee.[1]

The Grant Fraud Committee focuses on the following three areas to help improve the federal government's ability to prevent, detect, investigate, and prosecute grant fraud:

1) Examining ways to enhance information sharing related to grant fraud;

2) Coordinating efforts among agencies to provide training to auditors, agents, and prosecutors on detecting, investigating, and prosecuting grant fraud; and

3) Conducting outreach to agency program managers who oversee federal grant programs and grantees to coordinate prevention, detection, and investigation of grant fraud and to communicate best practices in these areas.

This White Paper is written in support of the Grant Fraud Committee's outreach efforts.[2] Its goal is to provide recommendations for enhancing the grant oversight process and identifying best practices for combating grant fraud.

To develop this White Paper, the Grant Fraud Committee conducted a survey of NPFTF members to identify effective methods for detecting and preventing grant fraud.

II. Background

According to the website www.usaspending.gov, a grant is an authorized expenditure to a non-federal entity for a defined public or private purpose in which services are not rendered to the federal government.[3] Grants are categorized as either formula or project grants.

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[1] Other committees established by the NPFTF include the Steering Committee, the Training Committee, the Legislation Committee, Information Sharing Committee, the Intelligence Committee, the Private Sector Outreach Committee, the Suspension and Debarment Committee, and the International Committee.

[2] The Grant Fraud Committee is chaired by Glenn A. Fine, Inspector General for the Department of Justice. The Grant Fraud Committee has active members from 16 agencies.

[3] The website www.usaspending.gov was established by the Office of Management and Budget as a result of the Federal Funding Accountability and Transparency Act of 2006, which provides the public with a single searchable website that contains federal contract, grant, and other award data.

Formula grants are awarded to state or local governments, in accordance with distribution formulas prescribed by law or administrative regulation for activities of a continuing nature not confined to a specific project. Project grants are funded for specific projects to be completed within a fixed or known period of time. Projects can include fellowships, scholarships, research, training, experiments, evaluations, planning, technical assistance, surveys, and construction.

As shown in the following table, the amount of federal dollars awarded through grants increased from $294.5 billion in fiscal year (FY) 2000 to $383 billion in FY 2007. During FYs 2000 through 2007, grant spending averaged 18 percent of total federal spending while contract spending averaged 14 percent during the same time period. Moreover, as a result of the recently enacted American Recovery and Reinvestment Act of 2009, grant spending will increase significantly.

Total U.S. Government Spending in Relation to Grants and Contracts*

(Represented in Billions of Dollars)

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Averages (FY 2000-2007)
Total Federal Spending[4]	**$1,789.216**	**$1,863.190**	**$2,011.153**	**$2,160.117**	**$2,293.006**	**$2,472.205**	**$2,655.435**	**$2,730.241**	**$2,246.820**
Contracts[5]	$208.298	$219.217	$258.966	$297.807	$343.145	$385.060	$423.348	$456.896	$324.092
Grants[5]	$294.511	$330.738	$406.157	$493.287	$449.619	$441.028	$489.046	$383.545	$410.991
Other[6]	$1,286.407	$1,313.235	$1,346.030	$1,369.023	$1,500.242	$1,646.117	$1,743.041	$1,889.800	$1,511.737
Grants as a Percentage of Total	16%	18%	20%	23%	20%	18%	18%	14%	18%
Contracts as a Percentage of Total	12%	12%	13%	14%	15%	16%	16%	17%	14%

* The sources for the data in this table are noted in the footnotes below. Averages were calculated based on data from the referenced sources.

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[4] Executive Office of the President of the United States, Office of Management and Budget, The Budget of the United States Government for Fiscal Year 2009, Historical Tables, (February 2008), page 22.

[5] The data for contracts and grants reflects what was posted on the website www.usaspending.gov as of February 13, 2009. The website contains a disclaimer indicating that the figures reported for all FYs presented may change after each data submission from government agencies.

[6] The data for the "other" category was attained by subtracting the sum of contracts and grants from the total. This row represents government spending excluding contract and grant spending.

For discretionary grants, the awarding agency is permitted, according to specific authorizing legislation, to exercise judgment in selecting the recipient organization typically through a competitive grant application process. Non-discretionary grants, otherwise known as mandatory grants, include block grants, formula grants and earmarks. For non-discretionary grants, the awarding agency is required by statute to award the grant if the recipient submits an acceptable plan or application and meets the eligibility and compliance requirements of the grant program.

State, local, and tribal governments combined received 87 percent, or $427.182 billion, of federal FY 2006 grant dollars.[7] The remaining grant funds totaling $61.864 billion were distributed to other recipients, including institutions of higher education, for-profit organizations, individuals, and non-profit organizations.

Grant funds are awarded to carry out the goals and objectives identified in the grant solicitation. The awarded funds are subject to certain regulations, oversight, and audit. Grant recipients must also ensure that the funds are used for their intended purpose and must account for expenditures made with grant dollars.

Using federal grants for unjust enrichment, personal use, or other than their intended purpose is a form of theft that is subject to potential criminal and civil prosecution under federal law. Several federal criminal code provisions cover grant fraud, including statutes involving embezzlement, theft, bribery, false statements, false claims, mail fraud, and wire fraud.

III. Recommendations

Based on input from members of the Grant Fraud Committee, this White Paper discusses recommendations for agencies to consider in preventing and detecting fraud, waste, and abuse in grants they administer. These recommendations include enhanced certifications, increased training, improved communications with grant recipients, increased information sharing concerning potential fraud, and rigorous oversight of how grant dollars are spent after they are awarded. While the details of each recommendation may not be applicable to all federal

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[7] This information was based on data from www.usaspending.gov. The Department of Health and Human and Services (HHS) awards the largest dollar amount of grants. HHS awarded $285.1 billion, or 66.7 percent, of FY 2006 grant funds. Over 75 percent of that amount was awarded for mandatory grant programs such as Medicaid, State Children's Health Insurance Program, and Temporary Assistance for Needy Families.

agencies, the areas of concern are relevant for many federal agencies that award grants.

A. Certifications for Federal Grant Recipients

As a condition of receiving a grant, an awarding agency may require the grantee to certify that the statements it makes in the grant application are true and correct and that it understands that any false statements made as part of these certifications can be prosecuted. While regulations require the use of this type of certification in some situations, agencies that do not already use this type of certification for all awards should consider adding it as a requirement.

A significant number of Grant Committee members stated that they regard the signing of certifications by grantees as among the most effective tool for educating the grantee on the terms and conditions of the grants, for preventing grant fraud from occurring, and for prosecuting grant fraud when it occurs.

In addition, they suggested that it is important that individual certifications address the specific needs of particular agencies or program areas. Some survey respondents stated that agencies too often rely solely on generic certifications, which are of limited usefulness in either educating the grantee of its obligations to comply with grant requirements or when relying on the certification as evidence of intent when a grantee engages in fraudulent activity. Several survey respondents recommended that grantees should be required to certify to specific activities or requirements so that the agency would have evidence that the grantee had knowledge of the grant requirement and indicated its intent to comply with those requirements. For example, the grant awarding agency can fashion a certification statement for the grantee to sign in which the grantee acknowledges its awareness of a governing provision in the Code of Federal Regulation or in an Office of Management and Budget Circular and promises under penalty of perjury to comply with the provision. In addition, when grantees are required to submit data related to grant activities, the certification should also require the grantee to certify that the information submitted is complete and accurate.

As examples, the Department of Health and Human Services (HHS) and the National Science Foundation (NSF) OIG stated that they included specific criteria in certification statements when awarding grants. HHS and NSF both require grantees to certify that: (1) none of their principal investigators are currently debarred or suspended, (2) no federal funds will be used to pay for lobbying activities, and (3) a conflict of interest policy has been established and is in effect. These certifications alert the

grantee to certain rules governing grants and establish terms of the grant award the violation of which can be the basis for an enforcement action.

Some respondents to our survey also suggested there is a benefit in requiring continuing certifications throughout the award period, particularly when supplemental funds are awarded. If fraudulent conduct or misuse of funds occurs later in the award period, there may be no concurrent certification that the grantee was aware of applicable laws, rules, terms, and conditions and that it intended to comply with the terms of the grant.

B. Training

Survey respondents emphasized the importance of training in preventing and detecting grant fraud. As discussed below, it is important for training to be provided to three target audiences: grant recipients, awarding agencies, and oversight agencies.

1. Training Grant Recipients

The majority of survey respondents stated that workshops and training programs for grantees that specifically focus on grant fraud are useful for preventing fraud and for encouraging grantees to report fraud when they become aware of it. Many of the Task Force agencies who responded to our survey conduct fraud awareness briefings for grant recipients. They believe that both awarding agencies and oversight entities can perform a valuable service by increasing the training they provide to grant recipients.

Examples of effective grant fraud training for grant recipients were provided by Task Force members. The National Endowment for the Humanities (NEH) convenes a meeting of the executive directors of state humanities councils (the largest program in NEH) several times per year, and the NEH OIG makes a presentation focusing on accounting and auditing problems typically encountered by grantees. The OIG also has a session at the state humanities councils' annual meeting. Effective January 2009, the NEH OIG will make a presentation at the NEH Program Directors' meetings with new grantees.

The Department of Transportation (DOT) OIG regularly provides information to state transportation departments and industry associations on the types of fraud found during DOT OIG audits of grant programs, how to prevent such fraud from occurring, and how to report fraud if it does occur. As part of this effort, the DOT OIG also co-sponsors a biennial National Transportation Fraud Prevention

Conference, which is attended by more than 300 government and private-sector officials from across the country.

The National Science Foundation OIG conducts outreach to grantees through Regional Grants Seminars, individual presentations to grantee institutions, and presentations to organizations such as the Society of Research Administrators and the National Council of University Research Administrators. A consistent theme of such presentations is risk identification and avoidance, as well as the value of institutional compliance programs.

The Department of Housing and Urban Development (HUD) OIG regularly conducts outreach to grantees, subgrantees, and industry groups on grant fraud. One of the primary outreach goals of the HUD OIG is to identify fraud indicators and provide information on who to contact if fraud is suspected. In addition, the HUD OIG participates in Department-sponsored training programs for many grant fund recipients.

The Department of Justice OIG Fraud Detection Office has presented grant fraud awareness training to many grantees that receive DOJ funds through the Office of Justice Programs and Office of Violence Against Women. This training alerts the grantees to fraud indicators, possible conflicts of interest, and weak internal controls. For example, the training stresses to grantees that possible risk factors for fraud within their own organizations can include a compressed timeline for performance, known financial strain, a lack of qualified employees to perform the work called for in the grant, or a failure to separate financial duties among staff.

Department of Health and Human Services (HHS) provides to all grantees of discretionary awards a Grants Policy Statement that serves as a single source of information about the grants process and HHS requirements for grantees. This Statement provides examples of fraud, waste, and abuse; OIG Hotline contact information; and a description of remedies that the government may pursue relating to fraud and false statements or claims.

2. Training Grant Administrators

Training for grant administrators in the agencies awarding grants and for their oversight entities is also important. This training can address the benefits of specific certification requirements, the necessity of providing adequate oversight after the grant money is awarded, and the types of grant fraud indicators that administrators should be alert to finding.

In one example of such training, HHS offers training courses in grants management to its grant staff via classroom training, online self-study, development programs, and career counseling.

The U.S. Nuclear Regulatory Commission regularly conducts a fraud awareness presentation to all project managers responsible for contracts and financial assistance awards. This training provides information about the types of grant fraud the agency has experienced and actions that project managers should take if they become aware of indications of grant fraud.

The National Science Foundation OIG briefs all incoming agency personnel about grant fraud as part of the agency New Employee Orientation program. Further, they present regularly at NSF Program Manager Seminars.

The Department of Justice OIG regularly provides training to DOJ grant monitors to alert them to look for specific grant fraud indicators. Examples of these indicators include an unusually large number of awards to one grantee, employees of the grantee who appear to be living beyond their means, costs charged to multiple grants, or an unusual pattern in the draw-down of grant funds.

3. Training Investigators and Auditors

Effective training for investigators and auditors is also important to effective prevention and prosecution of fraudulent grant activity. Although most OIGs currently hold general training sessions for investigators and staff members on detecting, preventing, and prosecuting contract fraud, few address the specific issue of grant fraud in these programs.

However, some OIGs do provide specific grant fraud training. This training includes:

- fraud awareness briefings;
- audit troubleshooting workshops;
- grant program-specific meetings and conferences;
- traditional classroom training;
- online self-study;

- viewings of anti-fraud educational videos; and
- interagency working groups.

Grant fraud investigations require particularized training because grants can be governed by a complex set of terms and conditions, and investigators should be familiar with the regulations that apply to all grant recipients. Some survey respondents commented that too often fraud training for investigators and auditors focuses on procurement fraud and does not highlight issues specific to investigating grant fraud cases.

The Grant Fraud Committee and the Training Committee of the NPFTF, in conjunction with the Federal Law Enforcement Training Center (FLETC), has developed a week-long course that focuses specifically on detecting grant fraud and investigating grant fraud cases. The course is designed for both investigators and auditors. FLETC offered the course on two separate occasions in FY 2008 and will continue to offer this course at regular intervals in the future. FLETC also offered a special grant fraud course specifically designed for the Department of Homeland Security OIG.

In addition, the National Science Foundation regularly conducts an interagency grant fraud training program that addresses both investigation and prosecution of grant fraud cases.

C. Regular Communication Between the Agency, the Grant Recipient, and the Public

In addition to periodic training sessions that inform grantees of the grant requirements, agencies should regularly provide award recipients guidance at each stage of the grant agreement. Questions may arise after the funds have been awarded, and grantees are more likely to comply with grant requirements if they are in regular communication with the grant awarding agency.

Several survey respondents recommended that agencies create their own websites with information about the various grant programs offered by the agencies. Materials on these websites can enhance grantee knowledge of grant requirements. The websites can also provide a link to an OIG hotline to inform individuals where to report grant fraud, waste, or abuse. The website for the HUD OIG has a "fraud awareness" link that directs the reader to several brochures about how to prevent fraud in HUD-funded programs and where to report it.

Some agencies have created handbooks or brochures for grantees that offer tips, based on past OIG experience, on how to prevent and detect grant fraud. For example, the HHS OIG, in coordination with the National Institutes of Health and other Public Health Service agencies, issued a draft compliance program guide for recipients of research awards. The guide is designed to assist Public Health Service grantees (such as colleges, universities, and others who conduct biomedical research) in reducing fraud and abuse by encouraging internal controls to monitor adherence to applicable statutes, regulations, and program requirements.

OIGs at the Department of Justice and the National Science Foundation have created fraud cards for distribution to grant recipients. These cards outline fraud indicators such as false or altered supplier invoices, lies about performance or completion, and payments to influence grant awards. The fraud cards provide the phone number of the OIG so that grantees can report fraud and discuss their concerns with an agent.

Several OIGs have created videos for grant administrators. For example, the Department of Transportation (DOT) OIG funded development of a professionally produced 27-minute bribery awareness video. The video is divided into three modules: module 1 identifies three unethical behaviors (conflicts of interest, gratuities, and bribes); module 2 reports on three case studies and includes actual testimony by confidential informants and fraudsters; and module 3 advises what individuals can do after witnessing suspicious activity. This video is shown at numerous transportation conferences attended by government officials and industry representatives and has been widely distributed to Federal Highway Administration employees and state departments of transportation. The DOT OIG currently is developing a second anti-fraud video on false claims and false statements.

In addition, it can be beneficial for a federal agency issuing a grant to create more transparency on grants in general. Basic information on many federal grant awards, whether a direct award from the federal government to a grantee or a sub-grant administered by a State Administering Agency, often can be made available for pubic inspection and review. Websites such as www.usaspending.org and www.fedspending.org already make general data available on dollar amounts and dates of federal awards. By going a step further and publicly disclosing more information about awards, the risk of misuse of these awards can be reduced or identified earlier. For example, documents that describe the proposed grant program, general budget, and the grantee's narrative progress reports can increase the public's awareness about how these funds are intended to be used. This

increased awareness can lead to both increased deterrence and increased reporting of fraud, waste, and abuse in grant awards.

D. Information Sharing within and Among Agencies

Several survey respondents noted that information sharing is important to preventing and detecting fraud. They stated that information about potentially fraudulent grant recipients or common fraud schemes should be shared among grant awarding agencies, between each grant awarding agency and its oversight entity, and among the oversight entities.

The grant awarding agencies can promote increased coordination and communication among themselves and personnel involved in funding operations regarding crosscutting grant management issues, such as problem grantees that accept awards from more than one agency, common fraud schemes, and coordination and cooperation in the areas of outreach and training. Grant awarding agencies and their respective OIGs also can develop regular information sharing processes about grant programs that are vulnerable to fraud and steps that can be taken to prevent such fraud. For example, Department of Education OIG representatives meet weekly with an intra-agency group known as the Risk Management Team, which monitors potentially high-risk grantees for compliance with program laws and regulations. This group also works with other federal agencies to increase the focus on oversight of grants and the resolution of issues identified at specific high-risk grantees.

Participation in task forces, such as the National Procurement Fraud Task Force and the Hurricane Katrina Task Force, which was formed by the President's Council on Integrity and Efficiency (PCIE) Homeland Security Roundtable after the Gulf Coast Hurricanes of 2005, can also help provide oversight of grants. In addition, OIGs can participate in Task Forces that are specifically aimed at certain projects. For example, the Lower Manhattan Construction Integrity Team in New York City was established in 2004 to prevent fraud as various federal, state, and local entities attempted to rebuild damage caused to Lower Manhattan by the September 11 attacks. The group includes a range of oversight agencies, including the OIGs of the U.S. Departments of Labor, HUD, and DOT; the OIG for the State of New York; the New York City Department of Investigation; and the OIGs for the Port Authority of New York & New Jersey and the New York Metropolitan Transportation Authority.

Several survey respondents noted the need for OIGs to ensure that information about potential grant fraud is effectively shared internally

within each OIG, particularly between the audit and investigation divisions. For example, the Department of Justice (DOJ) OIG implemented a grant fraud initiative to increase coordination on potential grant fraud matters between the OIG's Audit and Investigations Divisions. As part of this initiative, the OIG assigned a grant fraud coordinator at each OIG investigations field office and OIG regional audit office. The coordinators exchange information on ongoing grant-related audits and investigations and participate in regional-procurement fraud working groups where relevant grant fraud issues are discussed. The DOJ OIG Investigations and Audit Divisions also appointed a grant fraud liaison at the headquarters level. The two liaisons meet regularly to coordinate grant fraud efforts among the Audit and Investigations Divisions, and discuss referrals and other fraud-related issues. The liaisons also regularly meet with DOJ grant-making authorities to discuss ongoing grant fraud issues.

The DOJ OIG Audit and Investigations Divisions also collaboratively developed a list of grant fraud indicators by reviewing past grant investigations and audits involving fraud to identify common relevant factors.

To further the goals of this initiative, the OIG Investigations Division also conducted a series of training sessions with OIG auditors on key indicators of fraud. As a result of these efforts, the Audit Division refers notices of irregularities on a more regular basis to the Investigations Division for additional follow-up and the number of OIG grant fraud cases has increased.

E. Oversight and Monitoring of the Grantee

A critical step in ensuring the integrity of the grant process is active oversight of the grantee. This oversight should primarily be provided by grant administration officials within the grant-making agency. In addition, the OIG for each agency can play an important role in ensuring the integrity of the grant process and in encouraging agency administrators to aggressively monitor grantees.

1. Oversight by Grant Administrators

Many survey respondents suggested that grant awarding agencies are often focused on awarding the grant money and do not devote sufficient resources to the oversight of how those funds are spent. In many cases, grant awarding agencies either do not ensure that grantees submit required financial and progress reports or do not ensure that they are submitted in a timely manner. In addition, survey respondents noted that awarding agencies often inadequately monitor grantee activities by

not sufficiently reviewing supporting documentation for grant expenditures, not establishing performance goals for programs, not ensuring that grantees submit performance data to demonstrate that grant monies are being used effectively and as intended, and not properly closing grants in a timely manner.

It is important for the awarding agencies to award the billions of dollars in grant funds appropriated annually by Congress in a timely manner. However, it is equally important that the awarding agencies maintain proper oversight over the grantees' use of these funds and ensure that these funds are used appropriately and as intended.

In this regard, survey respondents made various suggestions for grant agencies to take proactive steps before awarding the grant to limit the amount of potential fraud. For example, prior to making a grant award, the Social Security Administration conducts a cost analysis of grantee budgets to determine whether fund allocations are appropriate. This practice helps to ensure that grant funds will be expended on costs that are reasonable and allowable. It also helps to ensure that the grantee will spend federal funds in a manner most likely to promote the grant's objectives.

In another example, HUD currently uses the online Enterprise Income Verification system to examine an individual grantee's source of income before providing assistance awards. The system contains monthly employer new hires, quarterly wages (including employer information), federal wages, quarterly unemployment compensation, and monthly social security and supplement security income benefits. Using this tool, HUD attempts to identify fraudulent applications for assistance before the award is granted.

In addition, federal agencies administering grants can encourage oversight by the state governments that receive and administer the federal money to sub-grant recipients. Many federal formula grant program dollars are distributed to State Administering Agencies, which are entities of state government charged with receiving and accounting for federal funds and making sub-grants to local government, non-profit organizations, and others in support of the federal purpose of the grant program. Many formula grant programs allow the states to retain a portion of these formula dollars to provide oversight of these sub-grants to ensure they comply with the applicable laws and the grant agreements. Federal agencies should ensure that State Administering Agencies are providing adequate oversight of their sub-grants and that the state agencies report known issues to the federal awarding agencies and the appropriate OIG.

2. Auditing Oversight by the OIG

Several survey respondents stated that OIGs cannot rely solely on allegations of wrongdoing in determining what to audit. Rather, OIG auditing divisions should routinely audit a variety of grant programs in their agencies to detect abuse and waste of funds.[8]

For example, the Department of Justice OIG attempts to identify high-risk grantees through an analysis of indicators of possible fraud. Once a high-risk grantee is identified, the OIG's Audit Division conducts a limited scope audit to analyze the grantee's grant management more closely and identify specific risks associated with its management and administration of grants. In these limited scope audits, auditors use the grant fraud indicators list developed collaboratively by the Audit and Investigations Divisions to assess if auditees are at risk for fraud.

The DOJ OIG also reports its findings from these limited scope audits to the DOJ agencies that awarded the grant, as well as the grantee. However, if during the course of these reviews the auditors find indicators that the grantee may not be able to properly safeguard DOJ funds, the auditors follow up with more in-depth audit testing of the grantee. If the auditors find significant indicators of fraud, the OIG Audit Division reports its finding to the OIG Investigations Division to determine if an investigation is appropriate. In all cases requiring more in-depth audit work or investigation, the results are reported to the DOJ office that awarded the grant so that it can respond appropriately, sometimes by increasing its monitoring of the entity or more carefully scrutinizing any future grant requests from the entity.

IV. Conclusion

Grant fraud is a significant issue affecting every grant-making federal agency. Elements of an effective strategy to combat grant fraud include deterrence, training, and education and oversight. The Grant Fraud Committee has developed this White Paper to identify effective practices and to help assist agencies and OIGs in their efforts to combat grant fraud.

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[8] While some limited audit coverage is provided by the "single audit" conducted under OMB Circular A-133 by grantees and reviewed by OIGs, these audits cannot be relied upon to replace routine OIG audits.