Committee for Purchase
From People Who Are Blind or Severely Disabled

Fiscal Year 2026
Performance and Accountability Report

An independent Federal agency responsible for administering the
Javits-Wagner-O'Day Act and the AbilityOne Program

Operating as the U.S. AbilityOne Commission

OFFICE OF THE CHAIRPERSON

November 16, 2026

I am pleased to present the U.S. AbilityOne Commission's FY 2026 Performance and Accountability Report. It reflects the Commission's unwavering commitment to drive value, efficiency, and accountability as it oversees the nationwide public-private AbilityOne Program, which creates private sector jobs for people who are blind or have significant disabilities.

Private sector jobs on AbilityOne Federal contracts grew 4% to approximately 41,000 in FY 2025, the most recent year for which data is available – a 5-year high. That growth follows a 7% increase in FY 2024. Veterans held approximately 2,800 jobs.

Direct labor hours worked increased by 8% in FY 2025 to approximately 48 million – a significant measure of employment growth because not only are more individuals working, but they are working more hours and earning more income.

With a strong emphasis on domestic sourcing and Made in America products, AbilityOne delivered more than $4.7 billion in products and services to the Federal Government in FY 2025, a 5% increase. The Commission directly supports efforts to rebuild the American industrial base through the Program's role as a trusted source of supply and services for Federal customers.

This report outlines the following major actions taken by the Commission to execute its mission while supporting an effective and accountable government that delivers results for all Americans.

Implementing President Trump's Day 1 directive to "Create employment opportunities for American workers including drawing discouraged workers into the labor force"[1]

The President's guidance underscores the value of the AbilityOne Program, whose mission is to tap the underutilized workforce of people who are blind or have significant disabilities to deliver high quality, mission-essential products and services to Federal agencies.

The Program achieves this by creating private sector jobs for Americans who are blind or have significant disabilities – a historically discouraged and underutilized workforce with the lowest employment rate of any segment of U.S. society. The income these individuals earn enables them to pursue their share of the American dream through greater economic participation, empowerment, and independence.

AbilityOne employment also serves as a springboard to a wide range of jobs in the broader economy, whether in manufacturing, skilled trades, professional services, or other industries.

National security, military readiness, and the defense industrial base are all strengthened through AbilityOne's domestic manufacturing and delivery of mission-critical Made in America products and services.

Prioritizing Made in America products

Issuing a series of domestic sourcing directives that prioritize Made in America products, the Commission continues to provide guidance to the Program's central nonprofit agencies (CNAs) – SourceAmerica and National Industries for the Blind – and AbilityOne Federal contractors (also known as nonprofit agencies, or NPAs):

- Commission Directive 27-01, "Transparency, Accuracy, and Accountability in Country-of-Origin Documentation" provides additional guidance related to the two earlier directives below.[2]
- Commission Directive 26-02, "Updated Guidance for Domestic Sourcing and Accuracy in Product Labels"[3] reiterates the Commission's commitment to both President Donald J. Trump's "America First Trade Policy" and Executive Order 14392, "Ensuring Truthful Advertising of Products Claiming to be Made in America."
- The Directive sets forth the Commission's guidance to AbilityOne Program authorized Federal contractors (also known as nonprofit agencies, or NPAs) to ensure that products they produce for the AbilityOne Procurement List (PL) meet all applicable domestic sourcing laws, particularly the Buy American Act of 1933 and the Make PPE in America Act.
- The Directive also requires the CNAs – designated by the Commission to help facilitate the AbilityOne Program – and AbilityOne Program Federal contractors to ensure accurate representation of Country of Origin (COO) information on product packaging.
- As of July 1, 2026, every new product that is proposed for addition to the PL, and every existing product submitted for a price change must be accompanied by a certification that the product meets all applicable domestic sourcing laws.
- Commission Directive 25-01, "Strengthening and Ensuring Consistency of AbilityOne Program Compliance with Domestic Sourcing Laws."[4] By clearly articulating domestic sourcing law requirements, applying them to all new products, and leveraging the annual price change cycle for review and recertification, the Directive allows AbilityOne Program Federal contractors to make plans and supply chain adjustments as needed, and to certify that their products meet domestic sourcing law requirements in a timely and predictable manner.

Other actions include:

- Establishing the AbilityOne American Manufacturing Steering Group to highlight and advance domestic manufacturing in the Program.

  Composed of leaders from the Commission, CNAs, and AbilityOne Federal contracting community, the steering group has adopted a charter and is developing a 2-year work plan that includes identifying strategic manufacturing opportunities, domestic sourcing strategies, supply chain risks, structural barriers, and mitigation strategies. The group will disseminate best practices, and support, demonstrate, and cultivate American manufacturing, across the AbilityOne network.
- Convening public engagement sessions on domestic manufacturing, onshoring, and innovation in AbilityOne products at Commission quarterly public meetings. The sessions included examples such as the recent success story of an AbilityOne Federal contractor

reshoring mission-critical metal components for manufacturing cargo nets used worldwide by the Air Force.

- Establishing a "Made in America by AbilityOne" web page highlighting examples of mission-essential products Made in America by AbilityOne Federal contractors.[5]

Strengthening the U.S. industrial base, national security, military readiness

Part of the backbone of the U.S. industrial base, AbilityOne bolsters national security and military readiness with a nationwide infrastructure of wide-ranging capability and capacity.

Domestic manufacturing of AbilityOne products fortifies the defense industrial base, including clothing and textiles production. AbilityOne is the sole manufacturer of chemical protective suits for the U.S. military, as well as other complex garments and equipment.

AbilityOne manufacturers of military clothing and equipment meet Berry Amendment standards (100% domestic production, including raw materials). Examples include uniforms, cold weather clothing systems, fire-retardant protective gear, medical kits and supplies, and food items.

AbilityOne also supports the Department of Homeland Security (DHS) at dozens of Customs and Border Protection stations on both U.S. borders, providing cleaning and groundskeeping services at many locations. AbilityOne Federal contractors also support DHS employees by providing their personal protective equipment, including all disposable gloves for the Transportation Security Administration.

Establishing a new AbilityOne Program Fee structure to lower costs for Federal customers and increase value and efficiency

The Program Fee is a percentage of the sales revenue generated from Federal contracts on the AbilityOne Procurement List. It is an allowable cost paid by AbilityOne-participating Federal contractors to fund CNA activities that facilitate AbilityOne Program operations.[6]

The new structure:

- Lowers the Program Fee from 3.75% to 3.00% for all AbilityOne service projects with annual contract values greater than $10 million, effective October 1, 2026, through December 31, 2027.
- Maintains the current 3.75% Program Fee for all other AbilityOne projects through December 31, 2027.

This new model enhances the overall value, efficiency, and cost-effectiveness of the AbilityOne Program; recognizes economies of scale; and better aligns incentives – e.g., Federal customers who bring large dollar opportunities to AbilityOne will benefit from the lower costs of the new structure.

The new structure follows extensive review and dialogue with stakeholders, including the CNAs (SourceAmerica and National Industries for the Blind).

Modernizing compliance and increasing accountability of AbilityOne Federal contractors through updated policies and new digital data collection

Compliance is and always will be a top priority within the Commission and AbilityOne Program. Major strides forward in strengthening Commission oversight of compliance in the AbilityOne Program in FY 2026 include:

- Fully implementing an entirely new set of Commission policies on NPA compliance, thereby modernizing the NPA compliance assessment process.[7]
- Implementing a new digital data collection system that gathers more accurate and more complete Program information that will inform future decisions, strengthen Commission oversight, and enhance Program integrity and stewardship.[8]
- Continuing upgrades to the Commission's digital backbone and essential business system – the Procurement List Information Management System (PLIMS) 2.0 – that increase accountability, improve efficiency, and heighten security in agency and Program operations.
- Initiating the hiring process for a Director of Program Management who will head compliance and backfill a leadership vacancy resulting from the Deferred Retirement Program in FY 2025. The Commission is also planning to hire a Deputy for Compliance.
- Continuing to oversee the CNAs' compliance programs for the NPAs that each CNA represents in the Program. The CNAs recently provided presentations on their compliance programs at a Commission quarterly public meeting.[9]

I recently reaffirmed the Commission's position on compliance in a statement provided for a Department of Justice press release: "The AbilityOne Commission maintains a zero-tolerance policy toward any action, omission, or misrepresentation that undermines the integrity of the AbilityOne Program. The Commission will promptly and thoroughly address allegations of wrongdoing to ensure that isolated incidents are appropriately resolved. Working with the Department of Justice and our partners, the Commission and its Office of Inspector General remain committed to accountability, transparency, and responsible stewardship of taxpayer dollars."[10]

The Commission's policies, procedures, systems, and practices are designed to provide a framework for overseeing self-reporting of compliance information by Federal contractors and for assuring the quality of data.[11]

This framework is reinforced by the Commission's second-generation cooperative agreements with the CNAs. Signed in December 2024, the agreements require the CNAs to implement an effective compliance program, including inspections and technical assistance visits.[12]

These agreements formally delegated onsite compliance inspections to the CNAs, thus enabling the Commission to further leverage the CNAs' statutory role – e.g., providing operational capacity and capability to support the Program. The Commission retains the ultimate responsibility for ensuring compliance oversight informed by CNA/NPA reporting and the new digital data collection system.

Accountability of AbilityOne Federal contractors is central to contracting integrity, performance, and quality. The Commission's FY 2026 focus in this area included establishing Commission policies and procedures for receiving and remediating complaints about the quality of products

and services on the PL (Policy 51.103, "Contract Performance Accountability Policy for Quality Complaints").[13]

By establishing clear policies for addressing quality complaints, the Commission not only reinforces accountability among AbilityOne Federal contractors but also sets a foundation for ongoing improvements in contract administration and performance—ensuring that future actions will be guided by transparent processes and a commitment to excellence.

Issuing the Strategic Plan for FY 2026-2030

The Commission's Strategic Plan for FY 2026 – FY 2030 builds on the President's Management Agenda as well as the previous strategic plan. Three Strategic Objectives anchor the plan:

1. Increase workforce participation by Americans who are blind or have significant disabilities.
2. Drive value, efficiency, and accountability across the AbilityOne Program.
3. Engage in partnerships to expand employment opportunities for Americans who are blind or have significant disabilities within and beyond the AbilityOne Program.

The plan's outcome goals, strategies, and performance measures all clearly communicate the Commission's direction and resource prioritization.

The Commission conducted an extensive stakeholder engagement process over more than a year to ensure a constructive dialogue about the plan's content.

More about the plan is included in this report.

Implementing second-generation Cooperative Agreements with Central Nonprofit Agencies

As part of increasing accountability for AbilityOne Federal contractors, the Commission signed second-generation Cooperative Agreements in FY 2025 with the CNAs.

The agreements reflect the governing relationship, roles, responsibilities, key expectations, and guidance for the Commission and CNAs in administering the AbilityOne Program. Importantly, the second-generation agreements adopt the Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 C.F.R. § 200) framework, which streamlines the Commission's management of the agreements, provides clarity around cost principles, and provides standardized, predictable requirements for the CNAs.

In FY 2026, these agreements were fully implemented and continued strengthening Program governance through an updated front-line inspection approach and digital data collection, as well as promoting more efficient performance and aligning resources to Program priorities.

Also in FY 2026, the Commission took an additional step through the formal rulemaking process to incorporate the use of 2 C.F.R. 200 into its regulations as the mandatory framework for future cooperative agreements.[14]

Implementing competition in the AbilityOne Program

The Commission supports the Administration's focus on value, efficiency, and accountability, and considers competition to be one of several tools for advancing these goals in the AbilityOne Program. The introduction of competition was a key recommendation of the 2017 NDAA Section 898 "Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity."

The Commission further advanced this recommendation by issuing Directive 27-02, "Clarifying the Process for Competitive Distributions in the AbilityOne Program."[15] Building on the Commission's FY 2024 rulemaking, and the policy framework established in FY 2025, this new Directive clarifies how competitive distributions will be conducted. It establishes the criteria a Federal agency must meet when requesting a competition, including for purposes of innovation (i.e., that "competition is needed to obtain emerging technologies and techniques that address current and future needs" and that "the incumbent NPA has demonstrated an inability or unwillingness to evolve to meet them").

With this framework in place, competition is an approach that may be leveraged when a Federal customer seeks innovative solutions or when stronger contract performance and accountability are needed. Because this is a relatively new business process, the Commission is introducing it gradually, with the first competitions now underway. The Commission will use the results to refine the process and promote greater value, innovation, employment opportunities, and competitive pricing for the Government.

Developing joint efficiencies with the CNAs

To meet the AbilityOne Program's mission with a leaner Commission workforce, the Commission and the CNAs identified seven near-term opportunities in FY 2026 to streamline their joint business processes. They are now putting these efficiencies into practice.

The measures simplify and expedite price-change reviews when the key parties have already reached agreement. They also align data and documentation requirements with the size and risk of Procurement List transactions and reduce or eliminate certain monthly reports. Together, these changes reduce administrative burden and allow the agency staff to focus more time on complex requirements and essential oversight.

The Commission will continue implementing these measures to improve timeliness, use resources more efficiently, and target oversight where it is most needed.

Increasing operational efficiency

The Commission is increasing operational efficiency throughout the agency and its programs. Key measures include:

- Supporting approximately 41,000 jobs with an agency budget of less than $10 million (not including the Office of Inspector General (OIG) budget).
- Restructured staff – Compared to the beginning of FY 2025, the Commission now has 32% fewer FTEs – a current total of 21 FTEs (non-OIG) – as a result of Agency restructuring

accomplished through voluntary attrition and implementation of the Commission's Merit Hiring Plan.

- Moving to a smaller office space in 2026 to achieve a 16% reduction in square footage and up to 20% rent savings annually.
- Reducing travel expenses by leveraging front-line compliance partners and maximizing use of video conferencing, aiming for at least 30% savings.
- Building on the first phase of IT systems modernization, completed in 2025, to continue automating routine business processes.
- Implementing updated data collection forms.

The Commission will continue to work closely with the Office of Inspector General (OIG) to improve economies and efficiencies, enhance confidence in the Program, and promote Program growth through reports, audits, alerts, and other actions. In addition, the OIG guards against fraud, waste, and abuse by providing vital oversight to deter and detect bad actors.

In addition, the Commission Chairperson issued a memo titled "Zero Tolerance for Fraud, Waste, or Abuse on AbilityOne Contracts" affirming that "the qualified nonprofit agencies participating in the AbilityOne Program shall uphold the highest standards of integrity, protect taxpayer dollars, and maintain operations free from fraud, waste, or abuse in all aspects of AbilityOne contract performance."[16]

Addressing OIG Top Performance and Management Challenges in FY 2026 and FY 2027

The FY 2027 OIG Top Management and Performance Challenges report acknowledges that the Commission has made significant strides in addressing previously identified management challenges.

For FY 2027, this TMPC identified two areas that we agree merit management attention: "Data Collection and Analysis Needs Continue" and "Compliance Needs To Be Prioritized."

The Commission will report progress in these areas as we mitigate these challenges. That said, I am pleased to note that we have already taken steps to address these areas, including as reflected above in the section on "Modernizing compliance and increasing accountability of AbilityOne Federal contractors through updated policies and new digital data collection."

Maintaining the pace of progress

The AbilityOne Program answers the President's call to bring "discouraged workers" into the labor force by creating an engine of economic opportunity, empowerment, and independence. The Commission continues to facilitate the movement of employees into private sector jobs both within the AbilityOne Program and throughout the U.S. economy, while delivering quality products and services to Federal agencies at fair prices.

I believe the performance and financial data presented in this report are complete and reliable in accordance with OMB guidance. The adequacy and effectiveness of our management controls and the compliance of our financial management systems with government-wide requirements are delineated in Section 1.7, Analysis of Systems, Controls and Legal Compliance, in the

Management's Discussion & Analysis part of this Performance and Accountability Report. Section 1.7 also provides the status of actions we are taking, and progress we are making, to correct internal control deficiencies and material weaknesses identified by the Independent Auditor. We continue to strengthen internal controls and implement solutions that enhance our operational effectiveness and efficiency.

The Commission again received, from independent auditors, an unmodified or "clean" opinion on our financial statements for FY 2026. There was no reportable noncompliance for FY 2026 with all applicable laws and regulations.

As we move forward into 2027 and beyond, the Commission will continue to fulfill its mission of expanding employment for people who are blind or have significant disabilities while providing effective oversight of the AbilityOne Program to drive value, accountability, and efficiency on behalf of the American taxpayers.

Sincerely,



Christina Brandt
Chairperson and Presidential Appointee

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1.0 Management's Discussion and Analysis

1.1 Overview

The U.S. AbilityOne Commission is the independent Federal agency that oversees the AbilityOne Program, which creates private sector jobs for approximately 41,000 people who are blind or have significant disabilities, while producing products and providing services for Federal customers at a fair market price.

The U.S. AbilityOne Commission is the operating name for the agency, whose statutory name is the Committee for Purchase From People Who Are Blind or Severely Disabled. The Commission administers the AbilityOne Program in accordance with the Javits-Wagner-O'Day (JWOD) Act (41 U.S.C. §§ 8501-8506).

A driver of economic empowerment, AbilityOne creates jobs in the private sector for people who are blind or have significant disabilities, a group that has historically experienced the lowest employment rate of any segment of U.S. society. The Program's significance can be measured not only in the financial benefits and social value to these individuals, but in the broader positive economic impact at the national, state, and local levels.

The AbilityOne Program provided approximately $4.7 billion in products and services to the Federal Government in FY 2025.[17] AbilityOne employees worked nationwide at approximately 400 AbilityOne Federal contractors (also known as AbilityOne-participating nonprofit agencies, or NPAs), from Guam to Maine, in FY2025.

Growing jobs for people with disabilities, and particularly veterans with disabilities, is both an Administration and a nonpartisan priority. The Commission and AbilityOne Program have the experience and capacity to contribute effectively to this national priority.

Approximately 2,800 wounded, ill or injured veterans work in direct labor jobs in the AbilityOne Program. The range of their military service stretches from Vietnam to Afghanistan and Iraq.

The AbilityOne Program:

- Operates at more than 1,000 locations representing 40 government agencies
- Operates more than 150 Base Supply Centers at military installations and Federal buildings
- Provides SKILCRAFT® and other office supplies, cleaning products, military clothing, and equipment
- Returns dollars to taxpayers through its contract close-out initiative which, since 2010, has identified more than $24 billion in unused contract funds that can be returned to the U.S. Treasury

1.2 Mission and Vision

Mission

To tap America's underutilized workforce of individuals who are blind or have significant disabilities to deliver high quality, mission-essential products and services to Federal agencies in quality employment opportunities.

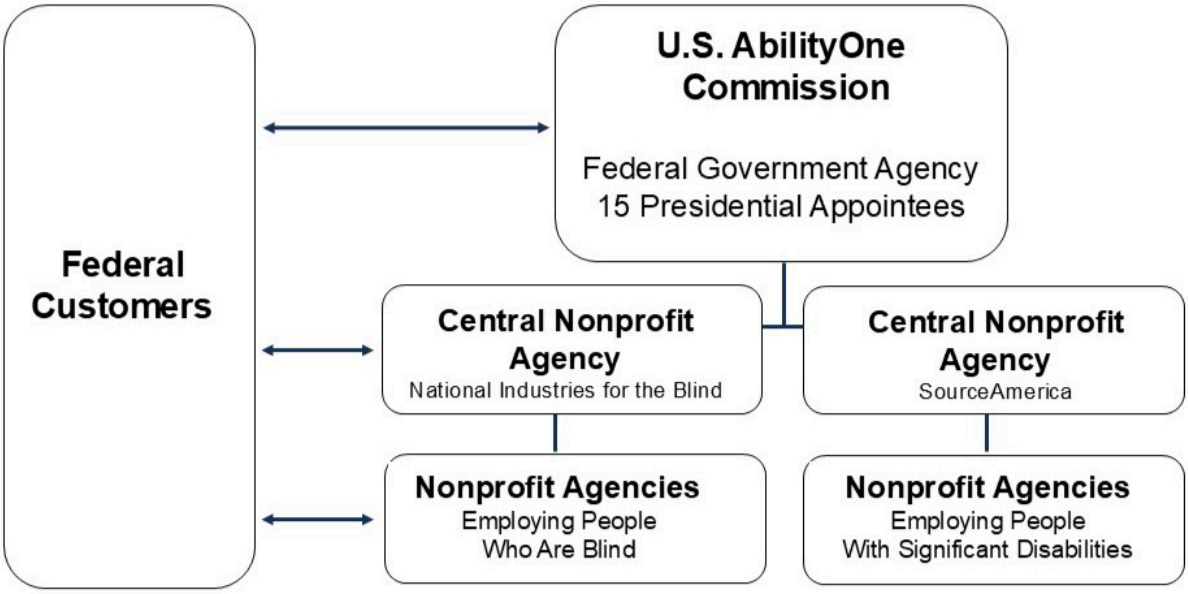
Vision

Remain a trusted source of supply and services for Federal agencies while creating quality employment opportunities across all economic sectors for people who are blind or have significant disabilities.

1.3 History

The 1938 Wagner-O'Day Act established a unique link between job creation and Federal purchasing power. The Act's focus was on providing employment for people who are blind to make products for the Federal Government. In 1971, the Act was amended to become the Javits-Wagner-O'Day (JWOD) Act, expanding the original legislation to include employment of people who are blind or have significant disabilities. It also allowed participating AbilityOne Federal contractors to expand into providing services to the Federal Government. In 2006, the Committee launched the AbilityOne brand to better reflect the Program's mission. The Committee began operating as the U.S. AbilityOne Commission in 2011.

1.4 Program Structure and Responsibilities



Presidential appointees

The Commission is authorized 15 Presidential appointees: 11 Federal agency members and 4 private citizen members who represent the employment concerns of people who are blind or have significant disabilities.

The Commission's 7 current members are from the Departments of Commerce, Justice, Labor, War (Defense Logistics Agency), the General Services Administration, and 2 private citizens.

The Commission currently has 8 vacancies (Agriculture, Air Force, Army, Education, Navy, Veterans Affairs, and 2 private citizens) due to retirements and the change of Administration.

Presidential appointees on the Commission bring extensive expertise and tested judgement that promote the effective implementation of the JWOD Act, the operational efficiency of the Commission and AbilityOne Program, and the interests of people who are blind or have significant disabilities.

Each appointee representing a Federal government agency is a senior procurement official with decades of experience in acquisition and procurement, a senior official knowledgeable on personnel issues, or a disability employment policy expert responsible for related programs in their own agency. Each private citizen appointee is an individual with broad knowledge of the employment problems facing people who are blind or have significant disabilities.

Commission members meet monthly, hold quarterly public meetings, and visit and engage with AbilityOne Federal contractors to promote an ongoing dialogue with stakeholders and ensure a shared and current understanding of Program issues. They also participate in Commission subcommittees on Regulations and Policy, Enterprise Risk Management, and Performance Management.

For a list of Presidential appointees who served on the Commission in FY 2025, see Appendix 1.

Commission staff

The Commission staff (currently 21 FTEs) maintains agency operations and prepares materials required by law, regulation, and policy to inform the decisions made by the Presidential appointees. The Commission also has an OIG (currently 7 FTEs).

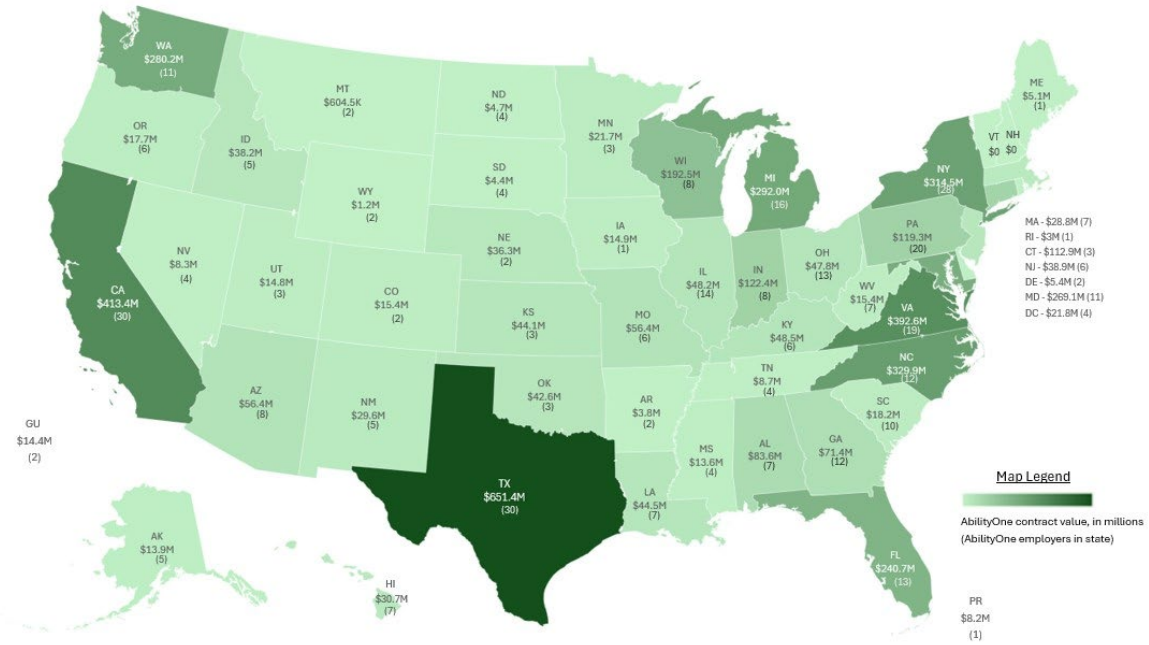
Central Nonprofit Agencies

In accordance with the JWOD Act, the Commission has designated two Central Nonprofit Agencies (CNAs) – National Industries for the Blind (NIB) and SourceAmerica – to facilitate the distribution of orders and assist the approximately 400 AbilityOne Federal contractors participating in the AbilityOne Program as of FY 2025.

1.5. Performance Highlights

AbilityOne Key Metrics – FY 2025

Private sector AbilityOne employees who are blind or have significant disabilities	40,663
AbilityOne wages paid to private sector employees	$893.7 million
Average hourly wage paid to private sector employees	$18.71
Cost per AbilityOne job based on AbilityOne Commission budget (Federal agency & OIG $13.124 million budget ÷ 40,663 jobs)	$323
Sales of products and services to Federal customers	$4.7 billion
Wounded, ill, or injured veterans in AbilityOne direct labor jobs	2,768
Outward placements from AbilityOne contracts	1,524
Upward promotions within AbilityOne contracts	2,322



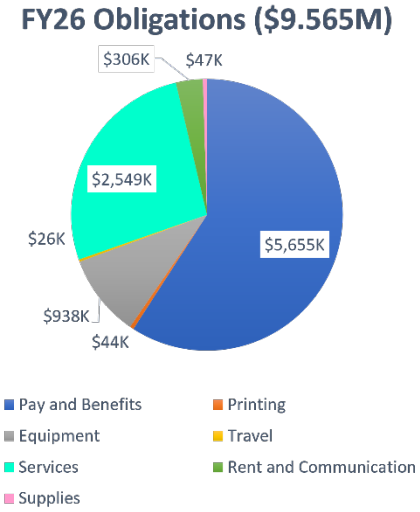
FY 2025 is the most recent data available, due to timing of AbilityOne reporting cycles.

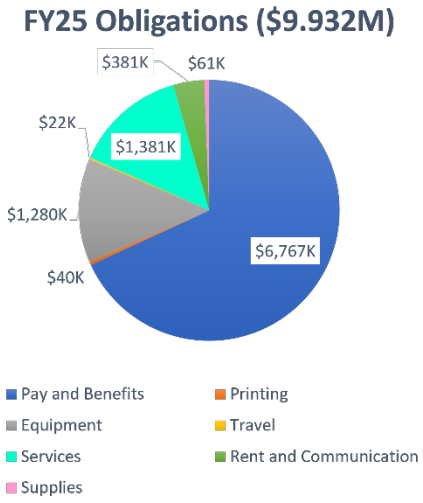
1.6 Analysis of Financial Statements and Stewardship Information

Limitations of the Financial Statements

The principal financial statements are prepared to report the financial position, financial condition, and results of operations, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements are prepared from records of Federal entities in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

The Commission drove FY 2026 cost savings through workforce restructuring, reducing outlays by 3% – i.e., the difference between FY 2026 ($9,565,000) and FY 2025 ($9,932,000).





1.7. Analysis of Systems, Controls and Legal Compliance

The U.S. AbilityOne Commission (Commission) management states and assures that to the best of our knowledge:

1. In accordance with OMB Circular No. A-123, Section VI (B), we are issuing an unqualified statement of assurance considering the Independent Auditor, Harper, Rains, & Knight Company issued an unmodified audit opinion in its FY 2026 audit report. The system of internal controls of this agency is functioning and provides reasonable assurance as to the efficiency and effectiveness of programs and operations; reliability of financial reporting; and compliance with laws and regulations. These controls satisfy the requirements of the Federal Managers' Financial Integrity Act (FMFIA) and Federal Financial Management Improvement Act (FFMIA).

2. The financial management systems of the Commission are maintained by the Financial Management Shared Service Provider (FMSSP). Historically, the Agency has relied on its FMSSP to conduct its assessment of risk and internal control in accordance with Office of

Management and Budget Circular A-123. The Commission utilizes a Funds Control Officer to certify the availability of funds prior to Agency obligations and expenditures. This system of control, as part of its Administrative Control of Funds policy, ensures compliance with the Anti-Deficiency Act.

3. The Commission received an unmodified opinion in the FY 2026 financial statements audit report. The Commission will continue its focus on properly assessing and updating its management control structure to remediate any audit findings, in accordance with the guidance in OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. Agency management is committed to designing and implementing a robust set of controls, and to performing regular monitoring to ensure that the controls are operating effectively. Except as noted in our assessment and findings documented below in the Description of Independent Auditor's Findings section of this Management Assurance Statement, the Commission maintains accountability for assets and provides reasonable assurance that obligations and costs are in compliance with applicable law, and that performance data and proprietary and budgetary accounting transactions applicable to the Agency are properly recorded and accounted for to permit the timely preparation of accounts and reliable performance information. The financial management systems at this Agency satisfy the requirements of the FMFIA.

4. The Independent Auditor's report identified a finding related to benefits election processing by the shared service provider, as discussed below in Description of Independent Auditor's Findings.

Description of Independent Auditor's Findings

During the audit of the financial statements for the year ended September 30, 2026, the Independent Auditor communicated one internal control finding: the agency needs to strengthen oversight of benefits election processing by the shared service provider. This finding was identified as a Management Letter Comment. We identified a corrective action for implementation in FY 2027 accordingly.

Kimberly M. Zeich

Kimberly M. Zeich
Executive Director

1.8 Forward-Looking Information

The Commission considers forward-looking information, including risks and challenges, as it works to ensure a strong future for the AbilityOne Program and increased employment opportunities for people who are blind or have significant disabilities.

AbilityOne returns dollars to the U.S. economy and U.S. Treasury

AbilityOne employees earned $893.7 million in wages in FY 2025. Dollars are returned to the U.S. Treasury because economic empowerment of AbilityOne employees through job opportunities increases tax revenues and decreases reliance on public benefits.

For example, a 2023 report commissioned by the CNAs on AbilityOne's economic impact estimated that every dollar that Congress and Federal agencies invest in the Program results in a return on investment to the Treasury of $2.66 due to increased tax revenues from AbilityOne jobs, savings realized by reduced reliance on public programs, and multiplier effects on the surrounding economies.[18]

Within available resources, the Commission continues to meet all Executive Branch and Congressional mandates, including:

- Consolidated Appropriations Act, 2016, requirements for Commission to (1) establish Cooperative Agreements to govern its relationship with the CNAs, and (2) establish an OIG.
- Executive Orders and memoranda issued by Office of Management and Budget (OMB) and/or the Office of Personnel Management (OPM).
- OMB requirements for IT and cybersecurity.
- FY 2017 National Defense Authorization Act (NDAA) Section 898 "Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity" (898 Panel). (For details, see "Implementing 898 Panel Recommendations" in Section 2.3.)

Office of Inspector General (OIG)

The Office of Inspector General (OIG) is the guardian of the integrity of the U.S. AbilityOne Commission and its Program. The OIG mission is to promote economy, efficiency, and effectiveness and to prevent fraud, waste, and abuse. In furtherance of its mission, the OIG conducts evaluations, audits and investigations and regularly delivers reports to Congress and to the head of the Commission about its oversight work. On May 5, 2025, the Commission Chairperson appointed the OIG's General Counsel, Carla Smith, as the Acting Inspector General. A permanent Inspector General has yet to be hired.

In FY 2026, the OIG issued its mandated Semiannual Reports and the following:

- Top Management and Performance Challenges Report (December 17, 2025)
- Audit of the Commission's FY 2025 Financial Statements (December 18, 2025)

- Oversight Plan (January 26, 2026)
- Risk Assessment of the Commission's Government Purchase Card Program (May 27, 2026)
- Evaluation of the Commission's FY 2026 FISMA (September 28, 2026)

Additionally, in FY 2026 the OIG issued two investigative summaries. The OIG also conducted a peer review of another OIG's Office of Audit during the fiscal year. All OIG FY 2026 activities are discussed in the OIG's Semiannual Reports to Congress posted on the OIG website at https://abilityone.oversight.gov/.

Commission Challenges

- Meeting Congressional and Executive Branch mandates within resource limitations. *(See above.)*
- Executing mission with 32% fewer FTEs compared to the beginning of FY 2025, following voluntary attrition and the implementation of the agency's Merit Hiring Plan.
- Implementing the Commission's second-generation Cooperative Agreements with the CNAs, signed in December 2024.
- Implementing the agency's 2026-2030 Strategic Plan.
- Addressing the OIG's annual Top Management and Performance Challenges Report.
- Continuing the Commission's paradigm shift for the AbilityOne Program to become a pathway to careers in upwardly mobile positions both within and outside AbilityOne.
- Updating IT infrastructure.
- Scaling and attaining the numerous and complex requirements of the Federal Information Security Management Act (FISMA) as a small Federal entity.

2.0 Performance Section

NOTE: This section is based on the FY 2022-2026 Strategic Plan, which was in effect throughout FY 2026. The Commission is currently implementing its FY 2026-2030 Strategic Plan, issued on October 23, 2026.[19]

The Commission continued to drive value, efficiency, and accountability across the AbilityOne Program in alignment with the FY 2022-2026 Strategic Plan's four overarching Strategic Objectives:

1. Transform the AbilityOne Program to expand competitive integrated employment (CIE) for people who are blind or have significant disabilities.
2. Identify, publicize, and support the increase of good jobs and optimal jobs in the AbilityOne Program.
3. Ensure effective governance and results across the AbilityOne Program.

4. Engage in partnerships to increase employment for people who are blind or have significant disabilities within and beyond the AbilityOne Program.

Strategic Plan outcome goals, strategies, and performance measures clearly communicate the Commission's direction and resource prioritization.

The status of all FY 2022-2026 Strategic Plan performance measures is available in the Commission's FY 2025 Performance and Accountability Report, Appendix 1.[20]

Key achievements in implementing the FY 2022-2026 Strategic Plan include:

- Ended payment of subminimum wages on AbilityOne contracts
- Updated all Commission compliance policies
- Developed new data collection system to meet Program needs
- Implemented competition in the AbilityOne Program
- Established second-generation Cooperative Agreements with CNAs
- Implemented AbilityOne Representatives (ABORs) program
- Created Commission Enterprise Risk Management system
- Modernized IT infrastructure to meet Program needs

More information on agency performance can be found in the Commission's 2025 Report to the President.[21]

2.1 Strategic Objective 1: Transform the AbilityOne Program to expand competitive integrated employment (CIE) for people who are blind or have significant disabilities.

The Commission sent three legislative proposals to Congress on April 13, 2023, to amend the JWOD Act.[22]

The Commission is committed to working effectively with Congress to amend the JWOD Act to support CIE for people who are blind or have significant disabilities. However, to achieve that goal fully, Congress must amend the JWOD Act to enable all AbilityOne Federal contractors to offer CIE to employees.

2.2 Strategic Objective 2: Identify, publicize, and support the increase of good jobs and optimal jobs in the AbilityOne Program.

The Commission defines a "good job" in the AbilityOne Program as having four attributes:

- Individuals with disabilities are paid competitive wages and benefits.
- The job matches the individual's interests and skills ("job individualization").
- Individuals with disabilities are provided with opportunities for employment advancement comparable to those provided to individuals without disabilities.
- Individuals are covered under employment laws.

The Commission believes there are such jobs currently within the AbilityOne Program and that the number of such jobs should be increased.

The Commission defines an "optimal job" as one that includes the four attributes of a "good job," but also allows AbilityOne employees to work side-by-side with employees without disabilities doing the same or similar work. That is obviously harder, and frequently not possible, to achieve given the direct labor hour ratio mandated by the JWOD Act. Nevertheless, the Commission is aware of several examples in which such workplaces have been achieved in the AbilityOne Program.

As part of the focus on good and optimal jobs, the CNAs in early 2026 completed the first-ever assessment of placement and training programs across the AbilityOne network. This effort yielded valuable insights into the state of professional development in the AbilityOne Program, including in the areas of resources, activities, personnel, and credentials. The information gathered will help to identify where additional resources are needed to enhance consistency and effectiveness, as well as inform Commission policy decisions.

Emphasis on subcontracting to increase the quantity and variety of employment options

In FY 2026, the Commission continued to pursue new types of job opportunities, including information technology and other knowledge-based work, through subcontracting and partnerships. The AbilityOne network continues to engage with commercial industry as appropriate to foster innovation, secure highly technical expertise where needed, and build pathways from AbilityOne employment to jobs in the broader economy. At the same time, the Commission ensures that the necessary guardrails are in place to maintain alignment with the purpose of the AbilityOne Program and prevent misuse.

2.3 Strategic Objective 3: Ensure effective governance and results across the AbilityOne Program.

Commission commitment to closing open audit recommendations

Closing open audit recommendations is a high priority for the Commission. The OIG or an independent auditor has sole responsibility for closing open audit recommendations, not the agency. The Commission has corrective action plans in place for all open recommendations and continues to implement those plans.

- In FY 2027, the agency will be tracking 13 unique open audit recommendations. Of those 13 recommendations, one (1) is awaiting review by the independent financial auditor of record for a determination regarding closure. Three (3) are awaiting review by the independent FISMA auditor.
- The remaining nine (9) recommendations with corrective action plans are related to strategic planning, compliance, business operations, and Cooperative Agreements and/or Program Fees.
- Responsiveness to audits: In FY 2026, the Commission closed 26 financial and program audit recommendations.

Chief Financial Officer advancing effective stewardship

- Maintains financial processes and controls for funds management, obligations, and payments.
- Prepared FY 2026 Annual Statement of Assurance in accordance with the Federal Managers' Financial Integrity Act (FMFIA).
- Conducted an FY 2026 Management Control Review of 105 of more than 200 Agency controls and determined Agency internal controls were effective.
- Conducts quarterly enterprise risk management assessments of risk mitigation plans; established nine (9) risk mitigation plans in alignment with FY 2026-2030 Strategic Plan development.

Ensuring accountability of AbilityOne Federal contractors

Please see "Modernizing compliance and increasing accountability of AbilityOne Federal contractors through updated policies and new digital data collection" in the Chairperson's cover letter for this PAR.

Issuing updated data collection forms

FY 2026 marked the first year that the Commission used three new data collection forms that collectively represent groundbreaking improvements in efficiency, accountability, and transparency throughout the Program:[23]

- Disability Qualification Determination (DQD) Form (previously titled Participating Employee Eligibility Form)
- Participating Employee Information (PEI) Form
- AbilityOne NPA Annual Representations and Certifications (ARC) Form

For the first time, AbilityOne Federal contractors can use documentation of disability from other Federal agencies to qualify an individual to participate in the AbilityOne Program, as allowed by the new Disability Qualification Determination Form.

The new forms enable the Commission to better assess compliance, demonstrate value, and ensure that individuals employed on AbilityOne contracts have qualifying disabilities and receive appropriate accommodations and job supports; that AbilityOne Federal contractors meet applicable laws; and that AbilityOne provides on-time delivery of quality, mission-critical products and services.

The CNAs launched new or updated systems in October 2025 to begin collecting data in accordance with the new forms.

Compliance

Compliance actions in FY 2026 continued to build on the FY 2024 and FY 2025 modernization of all Commission compliance policies for AbilityOne Federal contractors. While the Commission continues to exercise oversight of compliance, one major change was that the agency moved responsibility for conducting front-line compliance inspections from the Commission staff to the CNAs as part of the latter's responsibilities to provide operational support of the Program – specifically, CNAs are now required to provide technical assistance to, and conduct compliance inspections of, their AbilityOne Federal contractors.

A key AbilityOne Program compliance metric is that people who are blind or have significant disabilities must provide at least 75% of an AbilityOne Federal contractor's overall direct labor hours worked during the fiscal year (referred to as the 75% Overall Direct Labor Hour Ratio Requirement).

Table 1. AbilityOne Federal Contractors in Compliance with 75% Overall Direct Labor Hour Ratio Requirement

	FY 2020	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
AbilityOne Federal contractors in compliance / Total AbilityOne Federal contractors[24]	402 / 469	353 / 450	313 / 443	344 / 424	348 / 405	349 / 394
Percentage of AbilityOne Federal contractors in compliance	86%[25]	78%[26]	71%[27]	81%[28]	86%	89%

AbilityOne Federal contractor compliance with this key requirement was lower in FY 2021 and FY 2022 than in previous years due to pandemic impacts. Responding to the unique circumstances presented by the pandemic, and consistent with agency practice relating to emergency responses, the agency expanded exceptions to its Direct Labor Ratio Requirements for FY 2020, FY 2021, and FY 2022.[29]

Improving customer satisfaction

Increasing Federal customer satisfaction with AbilityOne products and services is a Commission priority, reflected in the FY 2022-2026 Strategic Plan – i.e., "Support the mission of the Federal customer by providing best value through contract performance."

In FY 2026 the Commission strengthened its emphasis on customer satisfaction, including through the following initiatives:

Increasing customer satisfaction by emphasizing quality performance and best value

Strong contract performance – quality, dependability, consistency, and timely delivery – is the foundation of the Program's ability to meet Federal customer requirements. Excellent performance:

- Showcases the work of AbilityOne in a competitive market
- Strengthens relationships between Federal agencies and the Program
- Results in increased customer satisfaction and better mission outcomes
- Supports expansion into new markets

The Commission recently issued Policy 51.103, "Contract Performance Accountability Policy for Quality Complaints,"[30] to help ensure contract performance accountability, drive cost savings, foster high levels of customer satisfaction, and provide best value for Federal customers and American taxpayers. The Commission continues to update guidance to emphasize performance excellence.

For addition information about Commission initiatives to provide best value to Federal customers, see the Chairperson cover letter section on "Establishing the AbilityOne American Manufacturing Steering Group."

Implementing competition in the AbilityOne Program

See "Implementing competition in the AbilityOne Program" in the Chairperson's cover letter and Commission Directive 27-02, "Clarifying the Process for Competitive Distributions in the AbilityOne Program."[31]

Supporting AbilityOne Representatives (ABORs)

ABORs play a key role in ensuring Federal agency customer satisfaction with the AbilityOne Program by serving as an essential communication channel between their agencies and the Commission and CNAs.[32] Each ABOR advocates for utilization of AbilityOne products and services in accordance with mandatory source contracting procedures, engages with the workforce to build use of the Program, and offers feedback to the Commission to improve the value of the Program.

More than 130 ABORs have been appointed in more than 20 agencies, including nearly all the CFO Act agencies. Additionally, ABORs represent 10 Department of War components, including the military services. The Commission hosts monthly ABORs meetings, creating a community of practice that builds awareness of AbilityOne capacity within Federal agencies, creates new business opportunities, and resolves concerns with contract implementation.

Implementing 898 Panel recommendations

Achieving customer satisfaction through improved contract performance was part of every 898 Panel Annual Report to Congress from 2017 through 2021.

The Panel issued 24 recommendations in its Fourth and Final Report to Congress.[33] Of these recommendations, the Commission has now successfully closed out all action items under its control (21 of 24 recommendations). The remaining recommendations require legislative action.

Increasing public trust and confidence in the Commission through greater transparency and expanding public engagement

The Commission has a strong track record of conducting public engagement across a wide range of topics and activities including rulemaking, policy updates, public meetings, and conferences.

Expanded public engagement has significantly boosted participation by, and input from, key stakeholders including advocates from the disability community. The Commission's virtual quarterly public meetings facilitate attendance and participation by hundreds of stakeholders and routinely feature one or more topics for public feedback or discussion. Federal Register notices of Commission quarterly public meetings promote transparency and public engagement by posing questions for discussion, soliciting written statements to the Commission, and encouraging verbal presentations and exchanges between the public and Commission members.

The Commission receives valuable feedback during these public meetings and uses the input to inform decision-making. These frank and productive exchanges create the shared awareness and understanding that are essential to the success of the Commission and Program. (For details, see Appendix 2, "Quarterly Commission Meeting Public Engagement Topics.")

Agendas, slides, minutes, and videos are posted on the Commission website.[34]

2.4 Strategic Objective 4: Engage in partnerships to increase employment for people who are blind or have significant disabilities within and beyond the AbilityOne Program.

Employment growth

Jobs reached a 5-year high in AbilityOne during FY 2025, growing 4% to approximately 41,000 private-sector jobs for people who are blind or have significant disabilities.

Direct labor hours worked increased by 8% in FY 2025 to approximately 48 million – a significant measure of employment growth because not only are more workers working, they are also working more hours.

Table 2. AbilityOne Program Comparison FY 2024 and FY 2025 Metrics

	FY 2024	FY 2025	Change
Employees	39,247	40,663	4%
Direct Labor Hours	44.2 million	47.8 million	8%
Promotions	2,398	2,322	-3%
Wages	$821 million	$894 million	9%
Average Hourly Wage	$18.58	$18.71	1%
Sales	$4.47 billion	$4.7 billion	5%

(For additional data, see 1.5. Performance Highlights.)

Growth in jobs and sales through innovative policy implementation

FY 2025 saw a 100% increase in AbilityOne Federal contractor purchases of AbilityOne products to support AbilityOne service contracts – $12.7 million in FY 2025 compared to $6.3 million in FY 2024.

The increase results from a 2022 Commission policy requiring NPAs to buy products from each other, which creates and sustains jobs.[35] In addition, this policy means that both Federal agencies and AbilityOne Federal contractors are now required to purchase and use AbilityOne products – a change that also provides more feedback to AbilityOne manufacturers about product performance and price.

3.0 Financial Section (starts on next page)

U.S. AbilityOne Commission
Office of Inspector General

445 12th Street SW (Suite 2400)
Washington, DC 20024

November 16, 2026

MEMORANDUM

TO: Christina Brandt
Chairperson
U.S. AbilityOne Commission

Kimberly Zeich
Executive Director
U.S. AbilityOne Commission

FROM: Carla Smith
Acting Inspector General
U.S. AbilityOne Commission OIG

SUBJECT: Audit of the U.S. AbilityOne Commission's Financial Statements for Fiscal Year 2026, OIG Report OA-2026-02

I am pleased to provide the audit report on the U.S. AbilityOne Commission's (Commission) financial statements. The independent public accounting firm of Harper, Rains, Knight, & Company, P.A. (HRK) was awarded a contract, by the Office of Inspector General (OIG), to audit the financial statements of the Commission as of and for the fiscal years ended September 30, 2026, and 2025. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget audit guidance, and the GAO/CIGIE[1] Financial Audit Manual.

Results of the Independent Audit

In its audit of the Commission, HRK reported:

- the financial statements are presented fairly, in all material respects, in accordance with

[1] Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency

accounting principles generally accepted in the United States of America, and
- no material weaknesses[2] in internal control over financial reporting were identified.

Although no material weaknesses in internal control were identified, HRK found a deficiency that it does not consider to be a material weakness or significant deficiency that, nonetheless, warrants management's attention and decided to communicate this matter to Commission management in a separate letter.

HRK's objective was not to provide an opinion on internal control over financial reporting or compliance with laws, regulations, contracts, and grant agreements applicable to the Commission.

HRK is responsible for the enclosed independent auditor's report dated November 16, 2026, and the conclusions expressed therein. The OIG does not express opinions on the Commission's financial statements, internal control over financial reporting, or conclusions on compliance or other matters.

The OIG would like to thank the Commission staff for their assistance and cooperation. If you have any questions or need additional information, please contact me or Lauretta A. L. Joseph, Assistant Inspector General for Audit and Evaluation at (571) 329-3419 or Ljoseph@oig.abilityone.gov.

Enclosure: *Independent Auditor's Report, September 30, 2026*

cc: Virna L. Winters
Vice-Chairperson
U.S. AbilityOne Commission

[2] A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Harper, Rains, Knight & Company

Independent Auditors' Report

Chairperson, Committee Members, and Executive Director
Committee for Purchase from People Who Are Blind or Severely Disabled – U.S. AbilityOne Commission

Report on the Audit of the Financial Statements

Opinion

In accordance with the Accountability of Tax Dollars Act, we have audited the financial statements of the Committee for Purchase from People Who Are Blind or Severely Disabled – U.S. AbilityOne Commission (the Commission). The Commission's financial statements comprise the balance sheets as of September 30, 2026, and 2025; and the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the Commission's financial statements present fairly, in all material respects, the Commission's financial position as of September 30, 2026, and 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Commission's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with accounting principles generally accepted in the United States of America; preparing and presenting other information included in documents containing the audited financial statements and auditors' report, and ensuring the consistency of that information with the audited financial statements and the RSI; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and (2) issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS, GAS, and OMB Bulletin No. 24-02 will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAS, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the Management's Discussion and Analysis (MD&A) be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB who considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

Required Supplementary Information (continued)

We have applied certain limited procedures to the RSI in accordance with GAAS, which consisted of (1) inquiries of management about the methods of preparing the RSI and (2) comparing the information for consistency with management's responses to the auditors' inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit, and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Commission's financial statements. The information in the Message from the Chairperson, Performance, and Other Information sections contain a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control over Financial Reporting

In planning and performing our audit of the Commission's financial statements as of and for the year ended September 30, 2026, in accordance with GAS, we considered the Commission's internal control relevant to the financial statement audit as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Financial Reporting **(continued)**

Our consideration of internal control over financial reporting was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of the Commission's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

During our 2026 audit, we identified a deficiency in the Commission's internal control over financial reporting that we do not consider to be a material weakness or significant deficiency that, nonetheless, warrants management's attention. We have communicated this matter to Commission management and, where appropriate, will report on it separately.

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, and contracts noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Report on Compliance with Laws, Regulations, and Contracts

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with selected provisions of applicable laws, regulations, and contracts that have a direct effect on the determination of material amounts and disclosures in the Commission's financial statements, and to perform certain other limited procedures, but not for the purposes of expressing an opinion on the Commission's compliance with applicable laws, regulations, and contracts. Accordingly, we do not express such an opinion. We did not test compliance with all laws, regulations, and contracts, applicable to the Commission. The Commission management is responsible for complying with laws, regulations, and contracts applicable to the entity.

Our tests of compliance with these selected provisions of applicable laws, regulations, and contracts disclosed no instances of noncompliance for the year ended September 30, 2026, that would be reportable under GAS or OMB Bulletin No. 24-02. We caution that noncompliance may occur and not be detected by these tests.

Purpose of the Other Reporting Required by **Government Auditing Standards**

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* is solely to describe the scope of our testing of internal control and compliance with selected provisions of applicable laws, regulations, and contracts, and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or compliance. These reports are an integral part of an audit performed in accordance with GAS and OMB Bulletin No. 24-02 in considering the entity's internal control and compliance. Accordingly, these reports are not suitable for any other purpose.

Harper, Rains, Knight & Company, P.A.

November 16. 2026
Washington, D.C.

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND AND SEVERELY DISABLED – U.S. ABILITYONE COMMISSION
Status or Prior Year Findings

September 30, 2026

Title of Finding from FY 2025 Auditors' Report	Prior Year Status	Current Year Status
Control Gap over Financial Reporting by Shared Service Provider	Material Weakness	Resolved



GENERAL FUND
FINANCIAL STATEMENTS

As Of And For The Fiscal Years Ended September 30, 2026 and 2025

Committee for Purchase from People Who Are Blind or Severely Disabled

BALANCE SHEETS

As Of September 30, 2026 and 2025

(in thousands)

		2026	2025
Assets			
Intragovernmental Assets			
Fund Balance With Treasury	(Note 2)	$ 8,764	$ 7,126
Advances and Prepayments		90	47
Total Intragovernmental Assets		8,854	7,173
Other than Intragovernmental Assets			
Accounts Receivable, net	(Note 3)	17	4
Property, Plant and Equipment, net	(Note 4)	2,739	2,641
Total Other than Intragovernmental Assets		2,756	2,645
Total Assets		**$ 11,610**	**$ 9,818**
Liabilities	(Note 5)		
Intragovernmental Liabilities			
Accounts Payable		$ 130	$ 25
Other Liabilities	(Note 6)	44	49
Total Intragovernmental Liabilities		174	74
Other than Intragovernmental Liabilities			
Accounts Payable		191	961
Federal Employee Salary, Leave, and Benefits Payable	(Note 7)	837	1,140
Total Other than Intragovernmental Liabilities		1,028	2,101
Total Liabilities		**$ 1,202**	**$ 2,175**
Commitments and Contingencies	(Note 10)		
Net Position			
Unexpended Appropriations - Funds From Other than Dedicated Collections		$ 8,191	$ 5,778
Cumulative Results of Operations - Funds From Other than Dedicated Collections		2,217	1,865
Total Net Position		**$ 10,408**	**$ 7,643**
Total Liabilities and Net Position		**$ 11,610**	**$ 9,818**

The accompanying notes are an integral part of these statements.

Committee for Purchase from People Who Are Blind or Severely Disabled

STATEMENTS OF NET COST

For The Fiscal Years Ended September 30, 2026 and 2025

(in thousands)

	2026	2025
Program Cost		
Gross Costs	$ 10,375	$ 13,103
Net Program Cost	**$ 10,375**	**$ 13,103**
Net Cost of Operations	**$ 10,375**	**$ 13,103**

The accompanying notes are an integral part of these statements.

Committee for Purchase from People Who Are Blind or Severely Disabled
STATEMENTS OF CHANGES IN NET POSITION
For The Fiscal Years Ended September 30, 2026 and 2025
(in thousands)

	FY 2026 (CY)	
	Funds From Other than Dedicated Collections	Consolidated Total
Unexpended Appropriations:		
Beginning Balance	$ 5,778	$ 5,778
Appropriations Received	13,124	13,124
Other Adjustments (+/-)	**(430)**	**(430)**
Appropriations Used	(10,281)	(10,282)
Net Change in Unexpended Appropriations	2,413	2,412
Total Unexpended Appropriations	**$ 8,191**	**$ 8,190**
Cumulative Results of Operations		
Beginning Balances	$ 1,865	$ 1,865
Appropriations Used	10,282	10,282
Nonexchange Revenue	**1**	**1**
Imputed Financing	445	445
Other (+/-)	**(1)**	**(1)**
Net Cost of Operations	(10,375)	(10,375)
Net Change in Cumulative Results of Operations	352	352
Total Cumulative Results of Operations	**2,217**	**2,217**
Net Position	**$ 10,408**	**$ 10,407**

The accompanying notes are an integral part of these statements.

Committee for Purchase from People Who Are Blind or Severely Disabled
STATEMENTS OF CHANGES IN NET POSITION
For The Fiscal Years Ended September 30, 2026 and 2025
(in thousands)

	FY 2025 (PY)	
	Funds From Other than Dedicated Collections	Consolidated Total
Unexpended Appropriations:		
Beginning Balance	$ 5,821	$ 5,821
Appropriations Received	13,124	13,124
Other Adjustments (+/-)	(428)	(428)
Appropriations Used	(12,739)	(12,739)
Net Change in Unexpended Appropriations	(43)	(43)
Total Unexpended Appropriations	$ 5,778	$ 5,778
Cumulative Results of Operations		
Beginning Balances	$ 1,523	$ 1,523
Appropriations Used	12,739	12,739
Imputed Financing	706	706
Net Cost of Operations	(13,103)	(13,103)
Net Change in Cumulative Results of Operations	342	342
Total Cumulative Results of Operations	**1,865**	**1,865**
Net Position	**$ 7,643**	**$ 7,643**

The accompanying notes are an integral part of these statements.

Committee for Purchase from People Who Are Blind or Severely Disabled

STATEMENTS OF BUDGETARY RESOURCES

For The Fiscal Years Ended September 30, 2026 and 2025

(in thousands)

		2026	2025
		Budgetary	Budgetary
Budgetary resources:			
Unobligated balance from prior year budget authority, net (Discretionary and Mandatory)	(Note 12)	$ 4,337	$ 4,200
Appropriations (Discretionary and Mandatory)		13,124	13,124
Total Budgetary Resources		$ 17,461	$ 17,324
Status of budgetary resources:			
New Obligations and Upward Adjustments (Total)	(Note 9)	$ 11,996	$ 12,815
Unobligated Balance, End of Year:			
Apportioned, Unexpired Accounts		1,142	320
Unexpired Unobligated Balance, End of Year		1,142	320
Expired Unobligated Balance, End of Year		4,323	4,189
Unobligated Balance, End of Year (Total)		5,465	4,509
Total Budgetary Resources		$ 17,461	$ 17,324
Outlays, Net and Disbursements, Net			
Outlays, Net (Total) (Discretionary and Mandatory)		$ 11,057	$ 12,332
Agency Outlays, Net (Discretionary and Mandatory)		$ 11,057	$ 12,332

The accompanying notes are an integral part of these statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Committee for Purchase from People who are Blind or Severely Disabled is the independent Federal agency that administers the Javits-Wagner-O'Day (JWOD) Program. The committee's mission is to create employment opportunities for people who are blind or have other severe disabilities by educating Federal customers about their requirement to purchase products and services made available by nonprofit agencies across the country employing such individuals.

The Office of Inspector General (OIG) was established in 2016 as a result of the amendment to the Consolidated Appropriations Act of 2016 (P.L. 114-113). The OIG is a designated federal entity responsible for conducting audits and investigations; recommending policies and procedures that promote economy, efficiency, and effectiveness of agency resources and program; and preventing fraud, waste, abuse, and mismanagement.

The Committee received $13,124 thousand in appropriated funding for fiscal year (FY) 2026, with the stipulation that "No less than $3,150 thousand shall be available for the Office of Inspector General."

Basis of Presentation

These financial statements have been prepared from the accounting records of the Committee in accordance with generally accepted accounting principles (GAAP), and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Circular No. A-136, as amended. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants.

OMB Circular No. A-136 requires agencies to prepare principal statements which include a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources. The balance sheet presents, as of September 30, 2026 and 2025, amounts of future economic benefits owned or managed by the Committee (assets), amounts owed by the Committee (liabilities), and amounts which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Committee and other reporting entities. The Statement of Budgetary Resources reports on how budgetary resources were made available during the period and their status at the end of the period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The aggregation of line items on the Balance Sheet has changed as required for all significant reporting entities by OMB Circular A-136. This change does not affect totals for assets, liabilities, or net position and is intended to allow readers of this Report to see how the amounts shown on the Balance Sheet are reflected on the Government-wide Balance Sheet, thereby supporting the preparation and audit of the *Financial Report of the United States Government.*

All dollar amounts included in the financial statements and footnotes have been rounded to the nearest thousand dollar.

Basis of Accounting

Transactions are recorded on the accrual accounting basis in accordance with Generally Accepted Accounting Principles (GAAP). Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

Fund balance with Treasury

The Committee and OIG maintain its available funds with the Department of the Treasury (Treasury). The fund balance with Treasury is available to pay current liabilities and finance authorized purchases. Cash receipts and disbursements are processed by Treasury and are reconciled with those of Treasury on a regular basis. Note 2, Fund Balance with Treasury, provides additional information.

Revenue and Other Financing Sources

The Committee receives an annual appropriation. Other financing sources for the Committee recognize the costs in the general ledger, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, Accounting for Liabilities of the Federal Government which requires all expenses of a federal entity to be reported by that agency regardless of whether the agency will ultimately pay those expenses. A related amount is recognized in the Statement of Changes in Net Position as imputed financing sources. The Committee records imputed expenses and financing sources for employee retirement plan contributions, group term life insurance, and health benefit costs, which are paid by the Office of Personnel Management (OPM).

The Committee receives the funding needed to support its programs through an annual Congressional appropriation. The United States Constitution prescribes that no money may be expended by a federal agency unless and until funds have been made available by Congressional appropriation. Appropriations are recognized as financing sources when related expenses are incurred or assets are purchased.

The Committee receives an annual appropriation that may be used within statutory limits. For example, funds for general operations are generally made available for one fiscal year. The Statement of Budgetary Resources presents information about the resources appropriated to the Committee.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable, Net and Advances and Prepayments

Accounts Receivable, Net (Other than Intragovernmental) represents the Accounts Receivable from current employees. The direct write-off method is used for uncollectible receivables. The Committee has historically collected receivables due and thus has not established an allowance for uncollectible accounts. Advances and Prepayments are when an agency pays in advance for goods/services which have not yet been received.

General Property and Equipment

General property and equipment (PP&E) consist of equipment used for general operations and internal use software. The basis for recording purchased PP&E is full cost, which includes all costs incurred to bring the PP&E to a form and location suitable for its intended use. The cost of PP&E acquired through donation is the estimated fair market value when acquired. All PP&E with an initial acquisition cost of $10 thousand or more and an estimated useful life of two years or more are capitalized.

The PP&E is depreciated using the straight-line method over the estimated useful life of the asset. Normal maintenance and repair costs are expensed as incurred.

The depreciation calculation method used was Straight Line with a useful life applicable to the type of asset (Equipment, Furniture, Motor Vehicles, and Internal Use Software at 5 years; and Leasehold Improvements at 7 years or the remainder of the lease). The Committee capitalizes PPE individually costing more than $10 thousand ($25 thousand for leasehold improvements and software in development). Bulk purchases of lesser value items are capitalized when the cost is $100 thousand or greater.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liabilities

Liabilities are recognized for amounts of probable and measurable future outflows or other sacrifices of resources as a result of past transactions or events. Since the Committee is a component of the U.S. Government, a sovereign entity, its liabilities cannot be liquidated without legislation that provides resources to do so. Payments of all liabilities other than contracts can be abrogated by the sovereign entity. In accordance with public law and existing federal accounting standards, no liability is recognized for future payments to be made on behalf of current workers contributing to the Medicare Health Insurance Trust Fund, since liabilities are only those items that are present obligations of the government. The Committees' liabilities are classified as covered by budgetary resources or not covered by budgetary resources.

Liabilities Covered by Budgetary Resources are Liabilities incurred which are covered by realized budgetary resources as of the Balance Sheet date. Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Budgetary resources include: (1) new budget authority, (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year, (3) spending authority from offsetting collections (credited to an appropriation or fund account), and (4) recoveries of unexpired budget authority through downward adjustments of prior year obligations.

Liabilities Not Covered by Budgetary Resources are liabilities which are not considered to be covered by budgetary resources. Liabilities Not Covered by Budgetary Resources are combined with liabilities covered by budgetary resources on the face of the Balance Sheet.

Accrued Payroll and Benefits

Accrued payroll and benefits consist of salaries, wages, leave and benefits earned by employees, but not disbursed as of September 30. Liability for annual and other vested compensatory leave is accrued when earned and reduced when taken. At the end of each fiscal year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. Annual leave earned but not taken is considered an unfunded liability since this leave will be funded from future appropriations when it is actually taken by employees. Sick leave and other types of leave are not accrued and are expensed when taken.

Accounts Payable

Accounts payable primarily consists of amounts due for goods and services as contract performance occurs, interest due on accounts payable, and other miscellaneous payables.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Employee Benefits

Most Committee employees participate in either the Civil Service Retirement System (CSRS) – a defined benefit plan, or the Federal Employees Retirement System (FERS) – a defined benefit and contribution plan. For employees covered under CSRS the Committee contributes a fixed percentage of pay. Most employees hired after December 31, 1983, are automatically covered by FERS. For employees covered under FERS the Committee contributes the employer's matching share for Social Security and Medicare Insurance. A primary feature of FERS is that it offers a Thrift Savings Plan (TSP) into which the Committee automatically contributes one percent of employee pay and matches employee contributions up to an additional four percent of pay.

The U.S. Office of Personnel Management is the administering agency for both of these benefit plans and, thus, reports CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities applicable to federal employees. Therefore, the Committee does not recognize any liability on its balance sheet for pensions, other retirement benefits, and other post-employment benefits.

Net Position

Net position is the residual difference between assets and liabilities and is comprised of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent the amount of unobligated and unexpended budget authority. Unobligated balances are the amount of appropriations or other authority remaining after deducting the cumulative obligations from the amount available for obligation.

Intragovernmental Costs and Exchange Revenue

Intragovernmental costs arise from purchases of goods or services from other components of the Federal Government. In contrast, public costs are those that arise from the purchase of goods or services from nonfederal entities. The Committee does not provide services to another federal entity.

Classified Activities

Accounting standards require certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

NOTE 2 – FUND BALANCE WITH TREASURY

The fund balance with Treasury is a consolidated balance of six annual funds (FY 2021, FY 2022, FY 2023, FY 2024, FY 2025 and FY 2026).

	2026 (CY)	2025 (PY)
Status of Fund Balance with Treasury		
Unobligated Balance	$ 5,465	$ 4,509
Obligated Balance not yet Disbursed	3,299	2,617
Total Fund Balance with Treasury	$ 8,764	$ 7,126

NOTE 3 – ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following at September 30, 2026 and 2025:

	2026 (CY)	2025 (PY)
Accounts Receivable - Other than Intragovernmental	$ 17	$ 4

NOTE 4 – GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET

As of September 30, 2026 and 2025, depreciation/amortization expense for the year was $669 thousand and $262 thousand, respectively.

FY 2026 (CY)	Equipment	Leasehold Improvements	Internal-Use Software in Development	Internal-Use Software	Total
Cost, beginning of year	$ 58	$ 861	$ -	$ 2,458	$ 3,377
Additions	-	-	767	-	767
Cost, end of year	58	861	767	2,458	4,144
Accumulated depreciation	(58)	(775)	-	(572)	(1,405)
Net Book Value, end of year	$ -	$ 86	$ 767	$ 1,886	$ 2,739

NOTE 4 – GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET (CONTINUED)

FY 2025 (PY)	Equipment	Leasehold Improvements	Internal-Use Software in Development	Internal-Use Software	Total
Cost, beginning of year	$ 58	$ 861	$ 2,458	$ -	$ 3,377
Transfers	-	-	(2,458)	2,458	-
Cost, end of year	58	861	-	2,458	3,377
Accumulated depreciation	(54)	(603)	-	(79)	(736)
Net Book Value, end of year	$ 4	$ 258	$ -	$ 2,379	$ 2,641

NOTE 5 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of the Committee are classified as liabilities covered or not covered by budgetary resources. The Committee's liabilities as of September 30, 2026 and 2025, consisted of the following:

	2026 (CY)	2025 (PY)
Other than Intragovernmental		
Unfunded Leave	$ 539	$ 780
Total Liabilities Not Covered by Budgetary Resources	539	780
Total Liabilities Covered by Budgetary Resources	663	1,395
Total Liabilities	$ 1,202	$ 2,175

NOTE 6 – OTHER LIABILITIES

Other Intragovernmental liabilities as of September 30, 2026 and 2025, consisted of the following:

FY 2026 (CY)	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable	$ -	$ 44	$ 44
Total Intragovernmental	-	$ 44	44
Total Other Liabilities	$ -	$ 44	44

NOTE 6 – OTHER LIABILITIES (CONTINUED)

FY 2025 (PY)	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable	$ -	$ 49	$ 49
Total Intragovernmental	-	$ 49	49
Total Other Liabilities	$ -	$ 49	$ 49

NOTE 7 – FEDERAL EMPLOYEE SALARY, LEAVE, AND BENEFITS PAYABLE

While the Committee does not administer pensions or benefit programs, it records the portion of the liability for which it is responsible. Liabilities for Federal Employee Salary, Leave and Benefits Payable consists of the following:

	2026 (CY)	2025 (PY)
Funded, accrued payroll benefits	$ 291	$ 352
Employer contributions and payroll taxes payable	7	8
Unfunded, accrued leave liabilities	539	780
Total Federal Employee Salary, Leave, Benefits Payable	$ 837	$ 1,140

NOTE 8 – LEASES

Effective April 2026, the Committee and OIG began occupying separate spaces in Washington DC. The spaces represent 6,639 combined square feet, with the Commission covering the lease costs for both spaces. The Commission's operating lease expenses were $241 thousand and $339 thousand as of September 30, 2026 and 2025, respectively.

NOTE 9 – APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS REIMBURSABLE OBLIGATIONS

Obligations for the Commission in FY 2026 and FY 2025 were apportioned by quarter under Category A on the SF 132, *Apportionment and Reapportionment Schedule*. New obligations and upward adjustments incurred against amounts apportioned are as follows:

	2026 (CY)	2025 (PY)
Direct - Category A	$11,996	$12,815
Total	$11,996	$12,815

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The Commission has no contingent losses as of September 30, 2026 or 2025.

NOTE 11 – INTER-ENTITY COSTS

AB1 recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs relate to employee benefits. AB1 recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the periods ended September 30, 2026 and 2025, inter-entity costs were as follows:

	2026 (CY)	2025 (PY)
Office of Personnel Management	$ 445	$ 707
Total Imputed Financing Sources	$ 445	$ 707

NOTE 12 – NET ADJUSTMENTS TO UNOBLIGATED BALANCE BROUGHT FORWARD, OCTOBER 1

During the fiscal years ended September 30, 2026 and 2025, certain adjustments were made to the balance of unobligated budgetary resources available as of the beginning of the fiscal year. These adjustments include, among other things, downward adjustments to undelivered and delivered orders that were obligated in a prior fiscal year. The adjustments during the fiscal years ended September 30, 2026 and 2025, are as follows:

	2026 (CY)	2025 (PY)
Unobligated Balance Brought Forward, October 1	$ 4,509	$ 3,802
Adjustments made during the current fiscal year		
Recoveries of prior year paid obligations	258	821
Recoveries of prior year unpaid obligations	-	5
Balance withdrawn to Treasury (canceling fund)	(430)	(428)
Unobligated Balance From Prior Year Budget Authority, Net	$ 4,337	$ 4,200

NOTE 13 - UNDELIVERED ORDERS AT THE END OF THE PERIOD

Undelivered orders represent the value of goods and services ordered and obligated that have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred. Amounts of the Committee's budgetary resources obligated for undelivered orders were $2,726 thousand and $1,270 thousand as of September 30, 2026 and 2025, respectively.

FY 2026 (CY)

	Unpaid Undelivered Orders	Paid Undelivered Orders	Total Undelivered Orders
Intragovernmental	$ 155	$ 90	$ 245
Other than Intragovernmental	2,481	-	2,481
	$ 2,636	$ 90	$ 2,726

NOTE 13 - UNDELIVERED ORDERS AT THE END OF THE PERIOD (CONTINUED)

FY 2025 (PY)

	Unpaid Undelivered Orders	Paid Undelivered Orders	Total Undelivered Orders
Intragovernmental	$ 117	$ 47	$ 164
Other than Intragovernmental	1,106	-	1,106
	$ 1,223	$ 47	$ 1,270

NOTE 14 – EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE US GOVERNMENT

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the *Budget of the United States Government* (Budget).

The Budget that will include FY 2026 actual budgetary execution information is scheduled for publication in March 2027, which will be available through OMB's website at http://www.whitehouse.gov/omb. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements.

Balances reported in the FY 2025 SBR and the related President's Budget reflected the following:

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	13,124	12,815	-	12,332
Rounding (+/-)	(124)	185	-	668
Budget of the U.S. Government	13,000	13,000	-	13,000

NOTE 15 – RECONCILIATION OF NET COST TO OUTLAYS

The Committee has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations.

FY 2026 (CY)	Intragovernmental	Other than Intragovernmental	Total
Net Operating Cost (SNC)	**$ 2,739**	**$ 7,636**	**$ 10,375**
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(669)	(669)
Increase/(Decrease) in Assets not affecting Budgetary Outlays:			
Other Assets	43	13	56
(Increase)/Decrease in Liabilities:			
Accounts payable	(105)	770	665
Federal employee salary, leave, and benefits payable	-	303	303
Other liabilities	4	-	4
Other Financing Sources			
Imputed costs	(445)	-	(445)
Total Components of Net Operating Cost Not Part of the Budget Outlays	**(503)**	**417**	**(86)**
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of capital assets	-	768	768
Components of the budget outlays that are not part of net operating cost	-	**768**	**768**
Total Net Outlays (Calculated Total)	**$ 2,236**	**$ 8,821**	**$ 11,057**
Related Amounts on the Statement of Budgetary Resources			
Outlays, net			$ 11,057
Agency Outlays, Net			**$ 11,057**

FY 2025 (PY)	Intragovernmental	Other than Intragovernmental	Total
Net Operating Cost (SNC)	**$ 3,620**	**$ 9,483**	**$ 13,103**
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(262)	(262)
Increase/(Decrease) in Assets not affecting Budgetary Outlays:			
Other Assets	18	-	18
(Increase)/Decrease in Liabilities:			
Accounts payable	15	(518)	(503)
Federal employee salary, leave, and benefits payable	-	(117)	(117)
Other liabilities	142	-	142
Other Financing Sources			
Imputed costs	(706)	-	(706)
Total Components of Net Operating Cost Not Part of the Budget Outlays	**(531)**	**(897)**	**(1,428)**
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of capital assets	-	657	657
Components of the budget outlays that are not part of net operating cost	-	**657**	**657**
Total Net Outlays (Calculated Total)	**$ 3,089**	**$ 9,243**	**$ 12,332**
Related Amounts on the Statement of Budgetary Resources			
Outlays, net			$ 12,332
Agency Outlays, Net			**$ 12,332**

NOTE 16 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 16, 2026, which is the date the financial statements were issued.

4.0 Other Information

4.1 Summary of Financial Statement Audit and Management Assurances

Table 3. Summary of Financial Statement Audit

Audit Opinion	Unmodified					
Restatement	No					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	*Reassessed	Ending Balance
Financial Reporting	1	0	1			0
Total Material Weaknesses	1	0	1			0

Table 4. Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	*Reassessed	Ending Balance
Financial Reporting	0	0	0			0
Total Material Weaknesses	0	0	0			0
Conformance with Federal Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Systems Conform					

4.2 Payment Integrity Information Act (PIIA) Reporting

The Commission incurs payment activity for vendor and employee payments. Controls are in place to review and reconcile payments on a quarterly basis, preventing significant improper payments from occurring. The Commission reports no improper payments for FY 2026. The Commission's value of payments is below PIIA mandatory reporting threshold.

Fraud Reduction Report

Pursuant to the Fraud Reduction and Data Analytics Act of 2015 (Public Law 114-186, 32 U.S. Code 3321), the U.S. AbilityOne Commission is reporting on its fraud reduction efforts for FY 2026 in three key areas:

1. Implementation of financial and administrative controls

   The Commission has built-in separation of duties, with the General Services Administration serving as a contracted financial, travel, human resources, payroll processing, and procurement services provider through an interagency agreement. Internally, financial transactions are prepared by the Chief Financial Officer or Deputy Chief Financial Officer, then the availability of funds is certified, and then approval is made at a higher level.

2. The fraud risk principle in the Standards for Internal Control in the Government (GAO Green Book)

   The Commission has a low risk of fraud in these areas:

- Fraudulent financial reporting risk: Financial reporting is provided by an authorized, shared financial services provider within the Federal Government. All financial reporting, including financial statements and necessary journal entries, is reviewed by the Chief Financial Officer prior to submission to the Office of Management and Budget. The Commission's financial statements are audited annually.
- Misappropriation of assets: All assets are recorded in the general ledger, inventoried, and tracked in software managed by the Commission. Proper sign-out procedures are incorporated for all equipment and property being removed from the property.
- Waste of government resources and abuse of authority or position: First, the Commission staff is provided with ethics training, and its leadership sets a tone of strong individual integrity. Second, the staff members receive whistleblower training with respect to reporting wrongdoing. This information is posted in the headquarters office suite. Third, the Commission has an active and engaged Office of Inspector General. Finally, the Commission was involved with the 2017 National Defense Authorization Act Section 898 Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity, including the Subcommittee on Fraud, Waste and Abuse.

3. OMB Circular A-123 with respect to leading practices for managing fraud risk

   The Commission has designed and implemented internal controls over major processes to mitigate fraud risk. The Agency utilizes automated time and attendance, procurement, contract payments, and travel and purchase card systems located within other agencies. The Commission reviews the Merchant Category Codes and places appropriate restrictions to prevent and deter unauthorized purchases on both the purchase and the travel cards. Agency points of contact for purchase and travel cards, as well as the financial services provider, are trained to review supporting documentation and identify any anomalies. For example, the assigned Commission staff reviews all travel receipts for reimbursement before approving travel vouchers. The OIG maintains a hotline for individuals to report suspected irregularities and fraud for further evaluation and action.

4.3 Top Management and Performance Challenges Report (begins on next page)



TOP MANAGEMENT AND PERFORMANCE CHALLENGES FOR FISCAL YEAR 2027

U.S. ABILITYONE COMMISSION
OFFICE OF INSPECTOR GENERAL

U.S. ABILITYONE COMMISSION
OFFICE OF INSPECTOR GENERAL

445 12th Street SW, Suite 2400
Washington, DC 20554

November 16, 2026

MEMORANDUM

TO: Christina Brandt
Chairperson
U.S. AbilityOne Commission

Kimberly M. Zeich
Executive Director
U.S. AbilityOne Commission

FROM: Carla Smith Carla Smith
Acting Inspector General
U.S. AbilityOne Commission Office of Inspector General

SUBJECT: Final Report of the Fiscal Year 2027 Top Management and Performance Challenges

We are pleased to transmit the following final report on the U.S. AbilityOne Commission's Top Management and Performance Challenges. The U.S. AbilityOne Commission Office of Inspector General (OIG) issued this report.

If you have any questions, please contact me or Lauretta A. L. Joseph, Assistant IG for Audit and Evaluation at 571-329-3419 or at ljoseph@oig.abilityone.gov.

cc: Virna L. Winters
Vice Chairperson
U.S. AbilityOne Commission

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Introduction

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is reporting what it has determined are the most pressing management and performance challenges facing the U.S. AbilityOne Commission (Commission) for fiscal year (FY) 2027. This report provides our views on these challenges for inclusion in the Commission's Performance and Accountability Report (PAR) for FY 2027. Management and performance challenges are based on the OIG's observations from the work performed as well as information obtained while conducting oversight activities.

Noted Progress On Past Top Management Challenges

The OIG identified challenges based on the results and findings of its oversight. We found that over the past year, the Commission has made significant strides in addressing previously identified management challenges. For example, the Commission, in partnership with the Central Nonprofits (CNAs), has established access to electronic data through its electronic data collection forms and has continued to upgrade its information systems through the modernization of the Procurement List Information Management System (PLIMS) continuing into FY 2027. The Commission also prioritized hiring for key vacancies by hiring a Chief Information Officer (CIO) and the Commission plans to hire several other staff in fiscal year 2027.

Although we note much progress over the past year, there are still areas that remain a challenge for the Commission. Addressing these identified top management challenges will assist the Commission in enhancing efficiency and effectiveness in meeting the mission and goals of the AbilityOne Program.

Data Collection and Analysis Needs Continue

Data collection and analysis are fundamental components of successful program implementation and continue to be a challenge for the Commission. Specifically, it provides valuable information to the Commission on progress and challenges, allowing it to make informed decisions and necessary adjustments for the Program.

The Commission continues to work with the CNAs to implement the remaining required dashboards, including information such as AbilityOne Program-level data, qualified Nonprofit Agency (NPA) contract performance data, NPA compliance data, CNA-specific reporting data, and NPA employee qualification and employee career

development data.[1] While the dashboards will help the Commission see program data, the challenge remains how to analyze and validate the data that is available and utilize it to optimize the Program. More complete data collection will result in improved accuracy in the Commission's data analysis which will result in enhanced oversight and outcomes for the AbilityOne Program.

Compliance Needs To Be Prioritized

Managing compliance within the AbilityOne program continues to be a management challenge for the Commission. To date, the Commission still has open recommendations related to the implementation and oversight of compliance activities and its compliance unit is not fully staffed. The need for the Commission to prioritize compliance was also recently highlighted in two investigations. On August 14, 2026, the General Services Administration published a letter[2] to the Commission's Chairperson referencing compliance risks associated with the AbilityOne Program, reinforcing the OIG's classification of compliance as a top management challenge. Also, on September 21, 2026, the Department of Justice (DOJ) announced the largest AbilityOne Program related False Claims Act settlements[3]. Although AbilityOne has changed many of the requirements cited in this case, the results of this investigation and subsequent settlement further strengthen the importance of having a robust compliance program to minimize fraud, waste, and abuse against the AbilityOne Program.

The Oversight and Compliance Division experienced a major leadership change last year, resulting in a reduction in staff in the Commission's compliance department. Now there are only two full-time equivalent staff working in compliance alongside an acting Director that has multiple roles outside of the Oversight and Compliance division. Without permanent leadership in place, the Commission cannot effectively prioritize the development of a consistent comprehensive compliance oversight program within the AbilityOne Program. As of September 2026, the Commission has initiated the process to hire a Director of Program Management and indicated they plan to hire a Deputy for Compliance.

Additionally, compliance oversight also changed regarding written policies and procedures. In 2020, the Commission rescinded the Compliance Manual and

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[1] SourceAmerica Cooperative Agreement Signed 20261219 ; NIB Cooperative Agreement Signed 20261220

[2] GSA letter to AbilityOne, August 14, 2026

[3] Eastern District of Michigan | Contractor Agrees to Pay One of the Largest AbilityOne Program Related False Claims Act Settlements of All Time | United States Department of Justice

replaced it with Commission Policies in the 51.400 series. Later in 2024 and 2025, the Commission updated and/or developed new compliance policies. In comparison to the previous compliance manual, the current compliance policies appear to provide less detailed inspection and evidence-evaluation methods which may be necessary for strong compliance oversight. Currently, the Commission's compliance policies identify the obligations of the CNAs to perform oversight of the NPAs and strengthen the controls that the Commission will exercise over the CNAs' compliance activities.

Until the Commission staffs up more functions within the Compliance Office and puts a compliance program into place, it will continue to rely on NPA and CNA self-reported data, which puts reporting the effectiveness of the Program at serious risk. An effective compliance program is necessary for ensuring that goals and objectives are met as the AbilityOne Program continues to modernize. Without a robust compliance program and knowledgeable compliance leadership, the AbilityOne program may be vulnerable to fraud, waste, and abuse. Also, the Commission is at risk of not providing consistent oversight over the CNAs and NPAs and may not identify significant issues that could hinder the accomplishment of the Program's mission.

Abbreviations

The Program	AbilityOne Program
Commission	U.S. AbilityOne Commission
CNAs	Central Nonprofit Agencies
NPAs	Nonprofit Agencies
PLIMS	Procurement List Information Management System
CIO	Chief Information Officer

Appendix: Management Response

U.S. ABILITYONE COMMISSION
250 E Street, SW, Suite 3100
Washington, DC 20024

November 12, 2026

MEMORANDUM

FOR: Carla Smith, Acting Inspector General

FROM: Kimberly Zeich, Executive Director

SUBJECT: Draft FY 2027 Top Management and Performance Challenges Report

Thank you for the opportunity to review the Office of Inspector General's (OIG) draft FY 2027 Top Management and Performance Challenges (TMPC) report for the U.S. AbilityOne Commission (Commission). The Commission uses this report to strengthen accountability, drive continuous improvement, and mitigate risks across the AbilityOne Program.

In FY 2026, the Commission mitigated several key management challenges, including:

- Strengthened the Commission's Enterprise Risk Management (ERM) Program by adopting an OMB-recommended maturity model, training staff, updating risk appetite and tolerance levels with Commission input, and closing all remaining ERM recommendations. These actions resulted in closure of this TMPC.
- Completed the FY 2022–2026 Strategic Plan, achieving 27 of 28 performance metrics and closing the related TMPC. The Commission also issued its FY 2026–2030 Strategic Plan following extensive stakeholder engagement.
- Established access to electronic data aligned with approved collection forms in partnership with the Central Nonprofit Agencies (CNAs). The Commission also continued modernizing the Procurement List Information Management System (PLIMS).

The Commission has reviewed the FY 2027 challenges identified in your report and found that the challenges are generally consistent with our management priorities and aligned with Administration priorities. Our focus remains on strengthening the reliability and usability of Commission information systems to support data validation, analysis, and informed oversight. Concurrently, the Commission will advance robust regulatory compliance across the AbilityOne Program.

We appreciate the OIG's recognition of steps the Commission is taking in these crucial areas, including closing prior audit recommendations to standardize compliance inspection and reporting procedures, and establishing Commission Policy 51.103, *Contract Performance Accountability for Quality Complaints*, effective October 1, 2026.

Thank you for the opportunity to comment on the draft report.

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED
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Read all OIG reports on our website:
abilityone.oversight.gov/reports/all

Office of Inspector General
U.S. AbilityOne Commission
Committee for Purchase from People Who Are Blind or Severely Disabled (CPPBSD)
445 12th Street SW, Suite 2400
Washington, DC 20554
abilityone.oversight.gov

Appendix 1: Presidential Appointees

The following Presidential appointees served as Commission members in FY 2026.

**Indicates member who left the Commission in FY 2026.*

Christina Brandt
Chairperson
Private Citizen
Elected Commission Chairperson March 2026; previously served as Vice Chairperson (Feb.-Dec. 2025) and Interim Chairperson (Jan.-March 2026)

Virna L. Winters (SES)
Vice Chairperson
Associate Director for Acquisition Policy
Office of Acquisition Management
Department of Commerce
Elected Commission Vice Chairperson March 2026

Matthew R. Beebe (SES)
Director of Acquisition
Defense Logistics Agency
Department of Defense

Robert D. Hogue (SES) *
Principal Deputy Assistant Secretary (Manpower & Reserve Affairs)
Department of the Navy
Commission Chairperson Feb.–Dec. 2025; retired from Federal service in December 2025

Tara M. Jamison (SES)
Deputy Senior Procurement Executive and
Director, Office of Acquisition Management
Department of Justice

Jeffrey A. Koses (SES)
Senior Procurement Executive
General Services Administration

Jeffrey Mittman
Private Citizen

Jennifer Sheehy (SES)
Deputy Assistant Secretary
Office of Disability Employment Policy
Department of Labor

Appendix 2: Quarterly Commission Meeting Public Engagement Topics

The Commission's quarterly public meetings in FY 2026 were announced in Federal Register notices that solicited input from attendees about the following public engagement topics:

- October 23, 2025: The meeting was not held, due to the lapse in Federal appropriations.
- January 28, 2026: "The public engagement session will explore nontraditional and emerging service capabilities, including in the professional services category, that the Commission and AbilityOne Program participants might explore to create new employment opportunities for Americans who are blind or have significant disabilities."[36]
- April 22, 2026: "The public engagement session topic is "Innovation in AbilityOne Products and Domestic Manufacturing." Speakers are invited to highlight examples including, but not limited to, innovation, efficiency, speed, cost effectiveness, competitiveness, responsiveness to customer needs, reshoring/onshoring materials or components (to use domestic sources), supply chain management, and products developed from domestic raw materials."[37]
- July 22, 2026: "The public engagement session will both celebrate the historic milestone of America250 and continue to emphasize "Innovation in AbilityOne Products and Domestic Manufacturing." In keeping with these themes, speakers are invited to highlight examples of pride and patriotism within – and contributions of – the AbilityOne Program's 88-year history of Federal contracting. In addition, speakers are invited to highlight current domestic manufacturing within the AbilityOne Program including, but not limited to, examples of innovation, efficiency, speed, cost effectiveness, competitiveness, responsiveness to customer needs, reshoring/onshoring materials or components (to use domestic sources), and supply chain management."[38]

Appendix 3: FY 2026 Procurement List Additions

Products and services added to the AbilityOne Procurement List in FY 2026 include (but are not necessarily limited to):

Products

Bandage, Cravat, Triangular

Bandage, Flat Fold Compression

Battery, Non-Rechargeable

Battery, Storage, 12V

Buttstock, Subassembly, Black

Combat Knives

Cushioning Package Filler

Electrician's Quick Change Tool Kit

Hand File Set

Navy Cleaning Kit

Standard Vehicle Medical Kit

UGR-A Rations, Spices

Services

Base Logistics Services, Los Angeles Air Force Base, El Segundo, CA, Dept. of the Air Force

Base Operation Services, NAVFAC NW, West Sound, WA, Dept. of the Navy

Base Operations Maintenance Services, Joint Base Elmendorf-Richardson, Anchorage, AK, Dept. of the Air Force

Base Supply Center, Jeffersonville, IN, U.S. Census Bureau

Civil Engineering Base Maintenance Support, U.S. Air Force Academy, CO, Dept. of the Air Force

Contract Closeout Service, Washington, DC, Dept. of Commerce

Contractor Operated Civil Engineer Supply Store, Minot Air Force Base, ND, Dept. of the Air Force

Convenience Store Operations, NGA West, St. Louis, MO, National Geospatial-Intelligence Agency

Courier Services, U.S. Immigration and Customs Enforcement El Paso Field Office, El Paso, TX, U.S. Immigration and Customs Enforcement

Custodial Services, Mountain Home Air Force Base, ID, Dept. of the Air Force

Custodial Services, multiple locations, San Francisco Bay, CA, National Park Service

Custodial Services, Santa Monica Mountains National Recreation Area, CA, National Park Service

Custodial and Related Services, CDC-Acquisition Services, Fort Collins, CO, Centers for Disease Control and Prevention

Document Management, Tinker Air Force Base, OK, Dept. of the Air Force

Fleet Management, Robins Air Force Base, GA, Dept. of the Air Force

Grounds Maintenance, Air Force Life Cycle Management Center, Wright-Patterson Air Force Base, OH, Dept. of the Air Force

Grounds Maintenance, Atlantic Oceanographic and Meteorological Laboratory, Miami, FL, National Oceanic and Atmospheric Administration

Housekeeping Services - Custodial, Joint Base Elmendorf-Richardson, AK, Dept. of the Air Force

Janitorial Cleaning, Guam National Wildlife Refuge, GU, U.S. Fish and Wildlife Service

Janitorial Services, ATCT, Athens, GA, Federal Aviation Administration

Janitorial Services, Yuma Area Office, Yuma, AZ, Bureau of Reclamation

Laundry and Linen Service, Multiple Locations, GA and SC, Dept. of Veterans Affairs

Laundry and Linen Services, Memphis and Jackson, TN, Dept. of Veterans Affairs

Navy HAZMAT, San Diego, CA, Dept. of the Navy

Supply Distribution Food, United States Property and Fiscal Office-PA, Fort Indiantown Gap, PA, Dept. of the Army

Tactical Fleet Operator Support, U.S. Army Mission and Installation Contracting Command, Ft. Benning, GA, Dept. of the Army

Endnotes

[1] See "Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis" at https://www.whitehouse.gov/presidential-actions/2025/01/delivering-emergency-price-relief-for-american-families-and-defeating-the-cost-of-living-crisis/.

[2] See Commission Directive 27-01, "Transparency, Accuracy, and Accountability in Country-of-Origin Documentation," at https://www.abilityone.gov/documents/U.S.%20AbilityOne%20Commission%20Directive%2027-01%20Transparency%2C%20Accuracy%2C%20and%20Accountability%20in%20Country-of-Origin%20Documentation%2020261009-1139a.pdf.

[3] See Commission Directive 26-02, "Updated Guidance for Domestic Sourcing and Accuracy in Product Labels," at https://www.abilityone.gov/documents/U.S.%20AbilityOne%20Commission%20Directive%2026-02%20Updated%20Guidance%20for%20Domestic%20Sourcing%20and%20Accuracy%20in%20Product%20Labels%2020260501-1252a.pdf.

[4] See Commission Directive 25-01, "Strengthening and Ensuring Consistency of AbilityOne Program Compliance with Domestic Sourcing Laws," at https://abilityone.gov/documents/U.S.%20AbilityOne%20Commission%20Directive%20-%20Compliance%20with%20Domestic%20Sourcing%20Laws%2020250910a%20signed.pdf.

[5] See "Made in American by AbilityOne" web page at https://www.abilityone.gov/abilityone_program/made_in_america.html.

[6] See "New AbilityOne Program Fee Structure Lowers Costs for Federal Customers, Increases Value and Efficiency" at https://www.abilityone.gov/documents/New%20AbilityOne%20Program%20Fee%20Structure%20Lowers%20Costs%20for%20Federal%20Customers%2020260929a.pdf.

[7] See Commission webpage "Nonprofit Agency Compliance Policy (51.400 series)," https://abilityone.gov/laws,_regulations_and_policy/commission_policy_51_400.html

[8] See "Reference Documents, U.S. AbilityOne Commission Quarterly Public Meeting, April 24, 2025, Three Forms for Data Collection, Three Policies for Central Nonprofit Agencies," https://www.abilityone.gov/documents/AbilityOne%20Commission%20-%203%20Forms%20for%20Data%20Collection%203%20Policies%20for%20Central%20Nonprofit%20Agencies%2020250423a.pdf

[9] See the October 28, 2026, Commission quarterly public meeting slides at https://abilityone.gov/documents/Advance%20Slides%20(Updated)%20Oct%2028%202026%20AbilityOne%20Commission%20Public%20Mtg%2020261028-1115.pdf#page=15

[10] See Contractor Agrees to Pay One of the Largest AbilityOne Program Related False Claims Act Settlements of All Time, September 21, 2026, at https://www.justice.gov/usao-edmi/pr/contractor-agrees-pay-one-largest-abilityone-program-related-false-claims-act

[11] Numerous reports by the Congressional Research Service and Government Accountability Office describe the issues and challenges of self-reporting, including examining how federal agencies collect, verify, and rely on self-reported data for government oversight and regulatory compliance.

[12] The CNAs are required to establish and maintain a compliance program for the NPAs that each CNA represents in the Program. See Commission Policy 51.400, "AbilityOne Commission Compliance Program," at https://abilityone.gov/laws,_regulations_and_policy/documents/Commission%20Policy%2051.400%20AbilityOne

%20Commission%20Compliance%20Program%20-%20Jan%201,%202024%20-%20signed%20-%20508.pdf. Also see, for example, Cooperative Agreement between The Committee for Purchase From People Who Are Blind or Severely Disabled and SourceAmerica, December 20, 2024, "Section D: Compliance, Oversight & Employee Career Development," Task 1, "Implement an Effective Compliance Program as Required Under Policy 400, including Inspections and Technical Assistance Visits," at https://abilityone.gov/laws,_regulations_and_policy/documents/SourceAmerica%20Cooperative%20Agreement%20-%20signed%20Dec%2020%202024.pdf. The Cooperative Agreement "adheres to Congressional direction and intent by reinforcing the Commission's role in governing and administering the Program. In addition to Congressionally required elements, the Agreement sets forth the broad Functions, or services, the CNA shall generally provide, and specific Tasks accompanying those broad Functions" (see p. 4).

[13] See Commission Policy 51.103, "Contract Performance Accountability Policy for Quality Complaints," at https://www.abilityone.gov/documents/U.S.%20AbilityOne%20Commission%20Policy%2051.103%20Contract%20Performance%20Accountability%20for%20Quality%20Complaints%2020260717-0928--a2.pdf.

[14] See Committee for Purchase From People Who Are Blind or Severely Disabled, "Revising Central Nonprofit Agencies' Requirements To Charge Fees and Clarifying the Permissibility of Subcontracting Within the AbilityOne Program," 91 FR 23221, at https://www.federalregister.gov/documents/2026/04/30/2026-08392/revising-central-nonprofit-agencies-requirements-to-charge-fees-and-clarifying-the-permissibility-of.

[15] See Directive 27-02, "Clarifying the Process for Competitive Distributions in the AbilityOne Program," at https://abilityone.gov/laws,_regulations_and_policy/documents/U.S.%20AbilityOne%20Commission%20Directive%2027-02%2C%20Clarifying%20the%20Process%20for%20Competitive%20Distributions%20in%20the%20AbilityOne%20Program%2020261013a.pdf

[16] "Zero Tolerance for Fraud, Waste, or Abuse on AbilityOne Contracts," April 16, 2026, at https://www.abilityone.gov/commission/documents/AbilityOne%20Commisson%20Chair%20Letter%20-%20Zero%20Tolerance%20for%20FWA-20260416-1456a.pdf

[17] Most data contained in this document is from FY 2025, due to the timing of AbilityOne Program reporting cycles. Where possible, FY 2026 data is highlighted.

[18] See "Socioeconomic Impact Analysis Evaluation Report," Mathematica, June 15, 2023, at https://www.sourceamerica.org/sites/default/files/2023-06/socioeconomic-impact-analysis-evaluation-report.pdf

[19] See U.S. AbilityOne Commission Strategic Plan, October 23, 2026, at https://abilityone.gov/documents/AbilityOne%20Strategic%20Plan%20FY2026-FY2030%2020261023a.pdf

[20] See Appendix 1, "FY 2022-2026 Strategic Plan Performance Measures Status," in "U.S. AbilityOne Commission FY 2025 Performance and Accountability Report," March 16, 2026, at https://www.abilityone.gov/commission/documents/U.S.%20AbilityOne%20Commission%20FY25%20PAR%2016Mar2026a%20updated%20signed.pdf#page=68.

[21] See "U.S. AbilityOne Commission Report to the President," December 18, 2025, at https://www.abilityone.gov/documents/U.S.%20AbilityOne%20Commission%20-%20Report%20to%20the%20President%202025%20-%2020251218%20Final.pdf

[22] See "Legislative proposals sent to Congress to amend Javits-Wagner-O'Day Act" in Commission FY 2025 Congressional Budget Justification, p. 11, at https://www.abilityone.gov/commission/documents/CPPBSD%20AbilityOne%20FY%202025%20Congressional%20Budget%20Justification%20-%20Final%20-%20Signed.pdf#page=11

[23] See "Reference Documents, U.S. AbilityOne Commission Quarterly Public Meeting - April 24, 2025, Three Forms for Data Collection, Three Policies for Central Nonprofit Agencies" at https://www.abilityone.gov/documents/AbilityOne%20Commission%20-

%203%20Forms%20for%20Data%20Collection%203%20Policies%20for%20Central%20Nonprofit%20Agencies%2020250423a.pdf

[24] Data in Table 1 is based on the Annual Representations and Certifications form completed by AbilityOne Federal contractors.

[25] This FY 2020 percentage is lower than previous years due to the impact of the pandemic.

[26] This FY 2021 percentage is lower than previous years due to the full-year impact of the pandemic.

[27] This FY 2022 percentage is lower than in many previous years due to the full-year impact of the pandemic.

[28] This FY 2023 percentage is lower than in many previous years due to the impact of the pandemic.

[29] See "AbilityOne Flexibilities Related to the Coronavirus (COVID-19) Emergency and Recovery for the Duration of Fiscal Year 2022" at https://www.abilityone.gov/commission/documents/FY22%20ODLH%20Exception%20Memo%20Signed%206Apr2022.pdf. See also earlier memos on this subject on the pandemic page of the Commission website at https://www.abilityone.gov/covid19.html.

[30] See Commission Policy 51.103, "Contract Performance Accountability Policy for Quality Complaints," at https://www.abilityone.gov/documents/U.S.%20AbilityOne%20Commission%20Policy%2051.103%20Contract%20Performance%20Accountability%20for%20Quality%20Complaints%2020260717-0928--a2.pdf.

[31] See Commission Directive 27-02, "Clarifying the Process for Competitive Distributions in the AbilityOne Program," at https://www.abilityone.gov/documents/U.S.%20AbilityOne%20Commission%20Directive%2027-02%2C%20Clarifying%20the%20Process%20for%20Competitive%20Distributions%20in%20the%20AbilityOne%20Program%2020261013a.pdf.

[32] See Office of Management and Budget, Office of Federal Procurement Policy (OFPP), Memorandum on "Increasing the Participation of Americans with Disabilities in Federal Contracting," October 30, 2020, at https://www.abilityone.gov/media_room/documents/Increasing-the-Participation-of-Americans-with-Disabilities-in-Federal-Contracting.pdf

[33] See "FY 2017 NDAA Section 898 Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity, Fourth and Final Report to Congress" at https://www.acq.osd.mil/asda/dpc/cp/policy/docs/a1/4%20-%20Fourth%20and%20Final%20Sec%20898%20Panel%20RTC%20(Dec%202021).pdf.

[34] See Commission Meetings webpage at https://abilityone.gov/commission/meetings.html

[35] See Commission Policy 51.542, "Nonprofit Agency Use of AbilityOne Products in the Performance of AbilityOne Service Contracts," October 1, 2022, at https://www.abilityone.gov/laws,_regulations_and_policy/documents/Policy%2051.542%20(final%20version).pdf

[36] See Committee for Purchase From People Who Are Blind or Severely Disabled, "Quarterly Public Meeting," Federal Register, 91 FR 1755, January 15, 2026, at https://www.federalregister.gov/documents/2026/01/15/2026-00656/public-meeting.

[37] See Committee for Purchase From People Who Are Blind or Severely Disabled, "Quarterly Public Meeting," 91 FR 13296, March 19, 2026, at https://www.federalregister.gov/documents/2026/03/19/2026-05431/public-meeting.

[38] See Committee for Purchase From People Who Are Blind or Severely Disabled, "Quarterly Public Meeting," 91 FR 36810, June 18, 2026, at https://www.federalregister.gov/documents/2026/06/18/2026-12294/public-meeting.