OFFICE OF
INSPECTOR GENERAL

Semiannual Report to Congress

APRIL 1, 2010–SEPTEMBER 30, 2010

NATIONAL ARCHIVES

FOREWORD

As in prior reporting periods, in this semiannual report we have included a component entitled <u>*Top Ten Management Challenges*</u>. *Even if NARA were given abundant resources, fully addressing these challenges would prove difficult, and as a pragmatist I appreciate that in this budget environment funding is likely to be constrained. However, the Archivist of the United States, David Ferriero has embarked on a process to transform the structure and business processes of this agency to provide agency personnel the opportunity to succeed in their jobs, and in so doing better support the core mission of this agency. If the "Charter for Change" proves successful, then real progress toward addressing legacy management challenges will result.*

The six transformational outcomes and organizational changes identified by NARA's Task Force on Agency Transformation were:

1. *One NARA – Work as one NARA and not just as component parts.*
2. *Out in Front – Embrace the primacy of electronic information in all facets of our work and position NARA to lead accordingly.*
3. *An Agency of Leaders – Foster a culture of leadership, not just in position but as the way we all conduct our work.*
4. *A Great Place to Work – Transform NARA into a great place to work through trust and empowerment of all of our people, the agency's most vital resource.*
5. *A Customer-Driven Organization – Create structures and processes to allow our staff to more effectively meet the needs of our customers.*
6. *An Open NARA – Open our organizational boundaries to learn from others.*

Given sound leadership, commitment and focus; I believe success can be achieved transforming NARA into a world-class organization. In the process, I believe many of the top ten challenges identified in this report can be tackled and resolved. We look forward to supporting the Archivist, and other committed NARA staff through the conduct of independent audits, investigations, and other support functions.

Paul Brachfeld
Inspector General

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Visit http://www.archives.gov/oig/ *to learn more about the National Archives Office of Inspector General.*

EXECUTIVE SUMMARY

This is the 44rd Semiannual Report to the Congress summarizing the activities and accomplishments of the National Archives and Records Administration (NARA) Office of Inspector General (OIG). A summary of NARA's top ten management challenges is included as well. The highlights of our major functions are summarized below.

Audits

In this reporting period, the Audit Division continued to examine the development of NARA's Electronic Records Archives (ERA) system, the security of NARA's Information Technology (IT) systems, and to assess the economy and efficiency of NARA's programs. Our work this period had a positive impact on agency operations and related controls in these critical areas. Recommendations directed to NARA officials will, upon adoption, translate into reduced risk for the agency and increased levels of security and control over NARA's financial assets, IT systems programs and operations.

During the reporting period we issued the following audit reports and management letters in three general categories: (a) Information Technology, (b) Electronic Records Archives, and (c) Programs and Operations.

Information Technology

- **NARA's Network Infrastructure. A**ppropriate physical security and access controls had not been implemented on NARA's network, which left network equipment vulnerable to potential compromise, theft, or damage. These weaknesses could jeopardize the availability of NARANET NARA's computer network. We also identified several opportunities to improve security and operation of the network. We made 18 recommendations to assist NARA in providing appropriate management and technical controls over the network. Management concurred with 17 of the 18 recommendations. (OIG Report #10-07, dated April 28, 2010. See page 14.)

- **Backup Computer Tape Disposal.** NARA was not properly or adequately disposing of used or failed computer backup tapes. In response to a complaint to the OIG Office of Investigations, we found NARA failed to adequately control the disposal of these tapes, and NARA can provide no assurance that sensitive information has not inappropriately left NARA's control. Our analysis revealed confused and contradictory beliefs and understanding of what was and was not allowed in terms of computer backup tape disposal at NARA. (Management Letter #OI-10-03, dated May 13, 2010.)

Electronic Records Archives

- **Concerns with the ERA system's Ability to Conduct Full-Text Searches.** The OIG advised the Archivist of our concerns as to the capacity and capability of the ERA System to search the records which it will eventually store. The ERA Requirements Document defines the system's core requirements, and based on our interpretation, it

calls for a system which would ingest, preserve, and facilitate authorized user search, retrieval and access to all data in each record maintained in the ERA. For example, we believe ERA should be able to search the full text of an email's body, not just the subject line or delivery addresses. It had come to our attention NARA program officials may decide to limit ERA's searching functions short of full-text searches due to the costs involved. With Final Operation Capacity looming in 2012, NARA had yet to make this crucial decision, nor had officials alerted appropriators of the resource issues involved. (Management Letter #10-10, dated April 23, 2010.)

- **Inadequate Contingency Planning for the ERA System.** Due to inadequate contingency planning, ERA officials lack assurance the ERA System can be successfully restored at an alternative location should its primary site be unavailable. Such a significant risk severely limits the reliability of the system. Specifically, the audit found: (a) the ERA Business Impact Analysis (BIA), central to determining what recovery strategies should be implemented to ensure availability, was incomplete and lacks current system information; (b) it is unknown if the ERA System (in its entirety) can be successfully restored from backup tapes; and (c) there is not an alternative backup site. (Audit Report #10-11, dated April 29, 2010. See page 15.)

- **No Alternative Backup Site for the ERA System.** NARA expended over $2.8 million dollars to lease space for the ERA system at the Stennis Space Center in Mississippi that was never put to use. Originally, Congress provided funds for NARA to begin working with the Naval Oceanographic Office at Stennis, and the facility was to serve as the primary site for the ERA System. However, the primary ERA site shifted to Rocket Center, West Virginia, and the Stennis site was never utilized as either the primary or back-up ERA site. Thus, over $2.8 million was expended for leased space that was never used, and NARA continues to lack an alternative ERA back-up site. (Audit Report #10-16, dated August 18, 2010. See page 16.)

- **Similar Developmental Issues Exist for both NARA's ERA Program and the FBI's Sentinel Project.** This audit focused on assessing whether (a) the ERA Program is meeting cost and schedule requirements, and (b) NARA and contractor management officials are taking timely action to correct any actual or potential problems with program performance. In several ways, NARA's experience with developing the ERA System is similar to that of the Federal Bureau of Investigation's (FBI's) development of the Sentinel Information and Investigative Case Management System, both of which are being developed by the same contractor. In reports of the FBI's implementation of the Sentinel Project, the U.S. Department of Justice (DOJ) OIG has expressed concerns about Sentinel's overall progress, aggressive schedule, increased costs, and inability to satisfy user requirements, similar to the concerns we have about the ERA Program. (Audit Report #10-12, dated May 17, 2010. See page 17.)

- **Defense Contract Audit Agency (DCAA) Audits.** The Defense Contract Audit Agency (DCAA) reviewed contractor invoices submitted for work on the ERA development contract. The invoice reviews consisted of verifying direct labor charges, subcontractor labor charges, other direct costs, and overhead. We requested DCAA's

assistance with this effort, because of their experience with performing this type of review and their access to contractor records. During the period, the DCAA issued 3 audit reports detailing the results of their reviews, none of which contained any significant findings. (DCAA Audit Report Numbers 6271-2010N17900001, 6271-2010N17900002 and 6271-2010N23000002 dated May 26, 2010, June 25, 2010 and September 10, 2010 respectively.)

Programs and Operations

- **NARA's Contract for Information Technology and Telecommunication Support Services (ITTSS).** Our review of NARA's $56 million ITTSS contract disclosed that: (a) agency officials had the opportunity to select a contractual arrangement with less inherent risk to NARA for acquiring these services; (b) NARA officials did not prepare a Determination and Findings (D&F) justifying their use of a Time-and-Materials (T&M) component to this acquisition, and their documented rational for using other than a firm-fixed-price (FFP) order or performance-based order was inadequate; (c) the Quality Assurance Surveillance Plan (QASP) for the contract did not adequately describe the methodology, frequency, documentation required, or reporting on requirements; (d) contractor performance was not being evaluated on the basis of achieving the Service Level Agreements (SLAs) in the contract; (e) the surveillance process was poorly documented and not well-organized for review; (f) the contractor was not complying fully with the contract's Invoice Submission Requirements[1]; and (g) the contractor failed to satisfy contract requirements related to the delivery of data items. We made six recommendations to assist the agency in correcting the reported deficiencies and to ensure the interest of the Government is protected. While management generally disagreed with the audit findings, they generally concurred with the recommendations. (Audit Report #10-05, dated August 18, 2010. See page 19.)

- **Security at Archives I and II.** Through this management letter, we informed the Archivist of serious safety and security risks noted during our ongoing fieldwork for the Audit of the Security Force Contract. Specifically, NARA has no assurance contractor employees (a) are proficient enough with their weapons to perform their duties, (b) have the physical capacity and capabilities needed to respond to the variety of emergency situations, and (c) would be able to respond appropriately during an incident. (Management Letter #10-18, dated September 16, 2010.)

- **Process for Providing and Accounting for Information Provided to Researchers.** As a result of inadequate controls over records provided to researchers, NARA cannot adequately ensure the records are properly accounted for, nor can the agency appropriately safeguard them. We made four recommendations designed to strengthen internal control weaknesses defined in the report. Management concurred with all four recommendations. (Audit Report #10-14, dated August 6, 2010. See page 19.)

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[1] The Contracting Officer reported NARA officials verbally waived these requirements for the contractor.

EXECUTIVE SUMMARY

- **National Historical Publications and Records Commission (NHPRC) Grant No. RB-50061-09.** We questioned the entire cost incurred to date on this grant, due to misuse of grant funds and poor management of the grant, to include a lack of supporting documentation for labor cost. An OIG investigation did not reveal direct evidence of intentional misuse of Federal grant funds by any person; however, the evidence suggested particular grantee staff were aware their actions were inappropriate. Based on our recommendation, NHPRC terminated this grant and a decision by NHPRC to recover the costs questioned is pending. (Audit Report #10-15, dated June 23, 2010. See page 18.)

- **Accuracy of NARA's Performance Measurement Data**. To assess the accuracy and reliability of performance data entered into NARA's Performance Measurement and Reporting System (PMRS), we reviewed nine of NARA's 37 FY 2009 performance metrics. Of those nine, we identified problems with five metrics. We made two recommendations to assist with ensuring the accuracy and reliability of future data entered into PMRS. Management concurred with both recommendations. (Audit Report #10-13, dated July 15, 2010. See page 21.)

- **NARA's Internal Control Program.** At the end of the Federal Managers' Financial Integrity Act (FMFIA) reporting period, September 30, 2009, NARA did not fully comply with the requirements of the Office of Management and Budget's (OMB) Circular A-123, *Management's Responsibility for Internal Control*, as a formalized internal control program did not exist. Since then, NARA has made progress and should be commended for establishing an implementation plan for a comprehensive internal control program. However, while the plan was established, much more remains to be done. Further, management has not closed the open audit recommendations from the last two years' audit reports. As a result of these conditions, NARA continues to exhibit weaknesses in internal controls first identified in FY 2007 that degrade the effectiveness of internal controls and the accuracy of office assurance statements. We made two recommendations. Management concurred with both recommendations. (Audit Report #10-19, dated September 29, 2010. See page 21.)

EXECUTIVE SUMMARY

Investigations

During this reporting period, the Office of Investigations (OI) opened 14 investigations and closed 24 investigations, five of which are closed pending an administrative response from NARA. The OI also received 74 complaints and closed 37 complaints, eight of which are closed pending an administrative response from NARA. Fourteen NARA holdings were recovered during the period. The OI worked with the Veterans Administration, the FBI, the Federal Protective Service, the U.S. Secret Service, and the Department of Justice Computer Crime and Intellectual Property Section, as well as the Offices of Inspectors General at the Veterans Administration, the Treasury Inspector General for Tax Administration, and NASA. The OI also worked with a number of local and state law enforcement entities to include: the Maryland National Capitol Park and Planning Police, the Oak Forest Illinois Police Department, the Office of the State's Attorney in Cook County, Illinois, the Lewisville Texas Police Department, and the Baltimore County Police Department. At the close of the period, there remained 54 open complaints and 29 open investigations.

The OI completed investigations in a variety of areas including the following:

- Distribution of Pornography via Government Computer
- Improper Disposal of Computer Hard Drives
- False/Double billing
- Access to Pornographic Websites on Government Computer
- Unlawful Intrusion into NARA's Network
- Threats to a NARA Employee
- Theft of NARA Holdings
- Theft of Construction Materials
- Grant Fraud
- Wrongful Access of IRS Records in Transit to NARA
- Theft from a Presidential Library

The Office of Investigations is presently staffed with five 1811 series Special Agents, an investigative archivist, a computer forensic analyst, and an Assistant Inspector General for Investigations. An additional agent was selected and is scheduled to report during the next reporting cycle. This team provides investigative coverage to an approximately 3,000-person, 44-facility, nationwide agency that includes the Presidential library system. This broad-based area of operations presents a demanding investigative challenge to provide real-time coverage when multiple incidents occur requiring a rapid response. The OI conducts both responsive and proactive investigations in order to support our statutory mission. At present our law-enforcement authority is through special deputation from the U.S. Marshals Service. We anticipate submitting our application to the Attorney General for statutory law enforcement authority during the next reporting period. We are based in NARA's College Park, Maryland facility and staff a satellite office in NARA's Washington, D.C. facility.

EXECUTIVE SUMMARY

<u>Management Assistance</u>

- Referred five cases from the Archival Recovery Team to the Office of General Counsel pursuant to NARA Directive 1462.

- Members of the Office of Investigations, and particularly, the Archival Recovery Team, meet routinely with staff from NARA's Holdings Protection Program in an effort to marshal our collective resources to discover new avenues and approaches to providing adequate security and control of our nation's historical records.

- Responded to multiple requests for OIG records under the Freedom of Information Act

- Provided comment and input into several NARA directives covering a variety of topics such as personal property management and NARA's fee structure for copies of records.

- Reviewed and provided comment on NARA process to identify and release records pertaining to Elena Kagan.

- Presented at NARA's Supervisory Fundamentals Seminar. Taught new supervisors about the role of the OIG and the supervisor's responsibilities.

INTRODUCTION

About the National Archives and Records Administration

Mission

The National Archives and Records Administration serves American democracy by safeguarding and preserving the records of our Government, ensuring the people can discover, use, and learn from this documentary heritage. Further, the agency ensures continuing access to the essential documentation of the rights of American citizens and the actions of their government; and supports democracy, promotes civic education, and facilitates historical understanding of our national experience.

Background

NARA, by preserving the nation's documentary history, serves as a public trust on which our democracy depends. It enables citizens to inspect for themselves the record of what the Government has done. It enables officials and agencies to review their actions and helps citizens hold them accountable. It ensures continuing access to essential evidence documenting the rights of American citizens, the actions of Federal officials, and the national experience.

Federal records reflect and document America's development over more than 200 years. They are great in number, diverse in character, and rich in information. NARA's traditional holdings amount to 31 million cubic feet of records. These holdings also include, among other things, letters, reports, architectural/engineering drawings, maps and charts; moving images and sound recordings; and photographic images. Additionally, NARA maintains hundreds of thousands of artifact items and over 6.7 billion logical data records. The number of records born and stored solely in the electronic world will only continue to grow, thus NARA is developing the Electronic Record Archives to address this burgeoning issue.

NARA involves millions of people in its public programs, which include exhibitions, tours, educational programs, film series, and genealogical workshops. In FY 2010, NARA had 39 million online visits in addition to hosting 3.5 million traditional museum visitors, all while responding to 1.5 million written requests from the public. NARA also publishes the *Federal Register* and other legal and reference documents, forming a vital link between the Federal Government and those affected by its regulations and actions. Through the National Historical Publications and Records Commission, NARA helps preserve and publish non-Federal historical documents that also constitute an important part of our national heritage. Additionally, NARA administers 13 Presidential libraries preserving the papers and other historical materials of all past Presidents since Herbert Hoover.

Resources

In fiscal year (FY) 2010, NARA was appropriated an annual budget of approximately $469.8 million and 3,214 (estimated) Full-time Equivalents (FTEs), including appropriations of $339 million for operations, $85 million for the Electronic Records Archives (ERA) program, $27.5 million for repairs and restorations of facilities, and $13 million for grants. NARA operates 44 facilities nationwide.

INTRODUCTION

About the Office of Inspector General (OIG)

The OIG Mission

The OIG's mission is to ensure NARA protects and preserves the items belonging in our holdings, while safely providing the American people with the opportunity to discover, use and learn from this documentary heritage. We accomplish this by providing high-quality, objective audits and investigations; and serving as an independent, internal advocate for economy, efficiency, and effectiveness.

Background

The Inspector General Act of 1978, as amended, along with the Inspector General Reform Act of 2008, establishes the OIG's independent role and general responsibilities. The Inspector General reports to both the Archivist of the United States and the Congress. The OIG evaluates NARA's performance, makes recommendations for improvements, and follows up to ensure economical, efficient, and effective operations and compliance with laws, policies, and regulations. In particular, the OIG:

- assesses the effectiveness, efficiency, and economy of NARA programs and operations

- recommends improvements in policies and procedures to enhance operations and correct deficiencies

- recommends cost savings through greater efficiency and economy of operations, alternative use of resources, and collection actions; and

- investigates and recommends legal and management actions to correct fraud, waste, abuse, or mismanagement.

Further, the OIG investigates criminal and administrative matters concerning the agency, helping ensure the safety and viability of NARA's holdings, customers, staff, and resources.

Resources

In FY 2010, a separate appropriation was established for the OIG in compliance with the Inspector General Reform Act of 2008, previously funds for the OIG were in NARA's Operating Expenses appropriation. For FY 2010, Congress provided $4.1 million for the OIG, including resources for three additional positions and raising the OIG FTEs level from 19 to 23. During the period the OIG began the process to fill the three positions. At current staffing, the OIG has one Inspector General, one support staff, 10 FTEs devoted to audits, eight FTEs devoted to investigations, and a counsel to the Inspector General.

ACTIVITIES

Involvement in the Inspector General Community

Co-hosted Annual CIGIE Conference

The IG co-hosted the President's Counsel of Inspectors General on Integrity and Efficiency's (CIGIE's) annual conference with the Veteran's Administration OIG. This year's conference took place in Lancaster, PA and was a huge success, bringing together and training IG's from across the entire federal community.

CIGIE Investigations Committee

The IG served as a member of the CIGIE Investigations Committee. The mission of the Investigations Committee is to advise the IG community on issues involving investigative functions, establishing investigative guidelines, and promoting best practices.

Assistant Inspectors General for Investigations (AIGI) Committee

The AIGI served as vice-chair to the AIGI Committee, which serves as a standing subcommittee to the CIGIE Investigations Committee. The AIGI Committee provides guidance, assistance and support to the CIGIE Investigations Committee in the performance of its duties. In addition, the AIGI Committee serves as a conduit for suggestions, issues and concerns that affect the OIG investigations community to the CIGIE Investigations Committee for appropriate action.

Council of Counsels to Inspectors General (CCIG)

The OIG counsel is an active participant in meetings of the CCIG, and communicated regularly with fellow members. In these meetings multiple topics were raised, discussed, and addressed, including the operation and staffing of the new Counsel of Inspectors General on Integrity and Efficiency, launching a new interactive CCIG website, changes to various Federal laws and policies, the training of IG criminal investigators, and various high-profile investigations in the IG community.

Presentation at National Ethics Conference

The OIG counsel presented at the Office of Government Ethics' National Ethics Conference on a panel discussion on "Cooperation among IG's, Ethics Officials, and Management in Pursuing Ethics Violations."

Federal Audit Executive Council (FAEC)

The Assistant Inspector General for Audits (AIGA) continued to serve as a representative to the FAEC. During the period, the AIGA attended FAEC's meeting to discuss topics such as financial statement audit issues, audit training, opinion reports on internal controls, and information security.

ACTIVITIES

Peer Review Information

NARA OIG Peer Review of the U.S. International Trade Commission's OIG Audit Organization

In accordance with the Government Accountability Office's *Government Auditing Standards* (GAS) and CIGIE guidelines, we reviewed the system of quality control for the audit organization of the International Trade Commission (ITC) OIG in effect for the year ending September 30, 2009. A system of quality control encompasses an OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming to GAS.

However, we determined that we could not express an opinion of the audit organization of the ITC OIG because the audit organization has not conducted any audits in the past five years. Based on GAS, the external peer review requirement is effective within three years from the date an audit organization begins field work on its first assignment in accordance with GAS for both financial and performance audit practices. Since no audits had been performed in the requisite time frame, we did not express an opinion on the design of or compliance with the system of quality control. (OIG Audit Report #10-09, dated May 27, 2010)

Peer Review of NARA OIG's Audit Organization

NARA OIG's audit organization was last peer reviewed by the Library of Congress in April of 2008. There are no outstanding recommendations from this review.

Peer Review of NARA OIG's Office of Investigations

NARA OIG's Office of Investigations was last peer reviewed by the National Science Foundation in May of 2008. There are no outstanding recommendations from this review.

ACTIVITIES

Response to Congressional Items

Audits Provided

The Information Policy, Census, and National Archives Subcommittee of the House Oversight and Government Reform Committee requested, and was provided, various OIG reports. This included copies of all OIG products produced on the Electronic Records Archives, OIG Audit 10-04 on Electronic Records Management, and OIG Audit 10-05 on NARA's contract for Information Technology and Telecommunication Support Services (ITTSS).

Information on NARA's Freedom of Information Act Policies

Senator Charles Grassley and Representative Darrell Issa requested information on NARA's Freedom of Information Act (FOIA) policies, specifically whether or not any political appointees review FOIA requests or responses. NARA has only one political appointee, the Archivist of the United States, who is not involved in the decision-making or the process for handling FOIA requests.

Information on Open Audit Recommendations

Representative Darrell Issa requested, and was provided with, information on various open and/or unimplemented OIG audit recommendations.

Inventory of Commercial Activities

We submitted to OMB our FY 2010 inventory of commercial activities performed by OIG employees. The Federal Activities Inventory Reform Act of 1998, Pub.L. 105-270 (the FAIRAct), requires Federal agencies to annually prepare and submit to OMB inventories of commercial activities performed by Federal employees. OMB reviews each agency's inventory and consults with the agency regarding its content. OMB is then required to list the available inventories in the Federal Register, and the agency head must transmit a copy of the inventory to the Congress and make it available to the public. NARA forwarded its FY 2010 inventory to OMB and published it to the NARA website during this reporting period.

AUDITS

Overview

This period, we issued:

- ten final audit reports, and
- three management letters.[2]

We completed fieldwork on the following audits:

- an audit of NARANet Server Upgrade Project to determine whether the project was developed in accordance with NARA requirements, and whether system development has been adequately managed and monitored to ensure requirements are met in the most economical and efficient manner;

- a Network Vulnerability Assessment and Penetration Test audit to assess whether an intruder could intentionally or accidentally gain access to NARA's network or systems;

- an audit of NARA's Oversight of Selected Grantees' Use of Grant Funds to determine whether management controls are adequate to ensure (1) grants are properly administered, (2) grant goals and objectives are adequately met, and (3) grant funds are adequately accounted for and expended; and

- an audit of the Movement of Freight Shipments to assess whether controls are effective and efficient to ensure NARA obtains the best value and most economical prices for the movement of freight.

We continued work on the following assignments:

- an audit of NARA's FY 2010 Financial Statements to report on the annual consolidated financial statement of the entity, the internal control structure, and compliance with laws and regulations;

- an audit of NARA's compliance with the Federal Information Security Management Act, to assess the adequacy of controls over information security and compliance with information security policies, procedures, standards, and guidelines; and

- an audit of NARA's Security Force Contract, to determine whether NARA is properly administering the contract and whether the contractor is performing in accordance with contract requirements.

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[2] Management letters are used to address issues which need to be quickly brought to the Archivist's or management's attention.

AUDITS

Audit Summaries

NARA's Network Infrastructure

The objective of our audit was to determine whether NARA had effectively implemented appropriate physical security and access controls to protect network resources. In addition, we also assessed whether network components provided adequate network security.

To observe physical security controls protecting network resources, we visited five Presidential Libraries, three Record Centers, and two Regional Archives facilities. At each of these facilities, we observed the location of network equipment and assessed whether the equipment was adequately protected from interruptions in computer services, physical damage, and theft. We also visited the data center supporting one of NARA's critical systems and reviewed physical security and environmental controls over the equipment. For those locations with a wireless network, we reviewed the controls in place to secure the wireless network.

To review access controls in place to protect network resources, we reviewed whether system and network administrators were appropriately identified and authenticated. Specifically, we reviewed administrator accounts on the servers located at the field sites we visited. We also reviewed the mechanisms in place used to authenticate to the network routers, switches, and firewalls. To review the security of network components, we attempted to review the placement of routers and switches within the network. Our review in this area was limited by the fact NARA does not possess a complete network drawing. We also reviewed the configuration of the main NARA firewall and determined whether the rule sets were documented.

Our review revealed that appropriate physical security and access controls had not been implemented which left network equipment vulnerable to potential compromise, theft, or damage. These weaknesses could jeopardize the availability of NARAnet, NARA's computer network. We also identified several opportunities to improve security and operation of the network. Specifically:

- the Chief Information Officer and her staff were unable to effectively manage and assess the overall network security of NARA's infrastructure because a complete and accurate network diagram was not maintained;

- improper firewall management and configuration created vulnerabilities in the network and increased the amount of time it takes traffic to pass into the network;

- firewall log files were not being reviewed to identify inappropriate activity or potential threats;

- multiple weaknesses in logical access controls increased the risk of unauthorized access to network devices and servers; and

- additional physical security and environmental controls are needed at NARA Regional Archives, Record Centers, and Presidential Libraries to restrict physical access to computer resources and protect them from intentional or unintentional loss or damage.

AUDITS

The report made 18 recommendations to assist NARA in providing appropriate management and technical controls over the network. Management concurred with 17 of the 18 recommendations. (Audit Report #10-07, dated April 28, 2010.)

Inadequate Contingency Planning for the ERA System

This audit was part of our on-going effort to review NARA's development and implementation of the Electronic Records Archives (ERA). The purpose of this Advisory Report was to notify the Archivist that ERA management officials have not adequately planned for a long-term service disruption or outage should the ERA System and its primary site become unavailable.

Specifically, our review found: (1) the ERA Business Impact Analysis (BIA) is incomplete and lacks current system information; (2) it is unknown if the ERA System (in its entirety) can be successfully restored from backup tapes; and (3) there is no alternative backup site.

According to the National Institute of Standards and Technology Special Publication 800-34, *Contingency Planning Guide for Information Technology Systems*, the BIA is a key step in the contingency planning process which helps to identify and prioritize critical IT systems and components. The purpose of the BIA is to correlate specific system components with the critical services they provide. The BIA is central to determining what recovery strategies should be implemented to ensure availability. Our review of the ERA BIA found it is incomplete and lacks current information. For example, there are no points of contact listed along with their respective roles, no recovery priorities, and no specific resources listed with the respective allowable outage time for each. The BIA was developed in 2008, prior to the Executive Office of the President (EOP) data archive being substantially populated and prior to implementation of the Congressional data archive. As the ERA System is evolving, the recovery priorities may need to be redefined and reprioritized in order to reflect the needs of the current stakeholders. In addition, there are no specific resources listed with the corresponding allowable outage time. Some functions are listed under resources such as Support for Ingest, Search, and Access of Presidential Records. However, no specific resources (e.g. servers) are listed. According to an ERA official, the ERA Program Management Office has designated a team to review the current BIA. He said the team is made up of personnel from multiple disciplines within the ERA Program Office and business representation. Without a complete and current BIA, ERA management lacks an effective component of the contingency planning process.

Although incremental backups of ERA data are done daily, the ERA System, in its entirety, has not been restored from backup tapes. Without adequate testing, it is unknown if the ERA System can be restored in a timely manner from backup tapes. ERA Program Office officials acknowledged that while limited restoration has been performed in testing and production, the restorability of every component has not been demonstrated. ERA officials are confident the management platform of ERA can be restored successfully and the ERA Base and Congressional data archives are recoverable. However, of particular concern is the EOP data archive because it is mirrored to an onsite replicated archive. Program officials feel the EOP data can be recovered from the replica, but have serious concerns about the ability to restore the EOP data archive from tape if the replica was not available.

AUDITS

In 2006, an Interagency Agreement (IAA) was established between NARA and the Commander, Naval Meteorology and Oceanography Command, to lease space in Stennis, MS for an alternative processing site for the ERA System. However, for the approximately four years that NARA paid to lease this site, it was never populated with any NARA hardware or software at all.

Without adequate contingency planning, ERA officials lack assurance the ERA System can be successfully restored at an alternative location should its primary site be unavailable. Such a significant risk severely limits the reliability of the system. In addition, as the system continues to grow in terms of the number of Federal agency users and the volume of data ingested effective contingency planning becomes even more critical. (Audit Report #10-11, dated April 29, 2010.)

No Alternative Backup Site for the ERA System

This report represents our ongoing effort to provide oversight over the Electronic Records Archives (ERA) program which represents the largest information technology project ever undertaken by NARA.

We found NARA expended over $2.8 million dollars to lease space at the Stennis Space Center in Mississippi that was never put to use. Originally Congress provided funds for NARA to begin working with the Naval Oceanographic Office at Stennis, and the facility was to serve as the primary site for the ERA System. However, the primary ERA site shifted to Rocket Center, West Virginia, and the Stennis site was never utilized as either the primary or back-up ERA site. Thus, over $2.8 million was expended over approximately four years for leased space that was never used, and NARA continues to lack an alternative ERA back-up site.

The Interagency Agreement (IAA) between NARA and the Naval Meteorology and Oceanography Command at the Stennis Space Center was entered into on June 20, 2006, and initially funded by Congress with a FY 2006 budget earmark. According to the prior ERA Program Director, no one at NARA had any involvement in or knowledge of, this funding before it was added to the appropriation. Prior to this, NARA had decided in principle that at least one complete copy of all the records preserved in ERA had to be in a facility controlled by the Government. According to the NARA official, given the Congressional direction and the established capabilities at Stennis for hosting and protecting government computers, NARA decided to use the earmark to locate the primary site for the ERA System at Stennis. However, this never came to fruition.

The primary site is now located in West Virginia. The former ERA Program Director also stated that before NARA reached the stage of actually installing any hardware at Stennis, the Congress, through the office of Senator Byrd, gave NARA the option of locating primary ERA functionality at the Allegany Ballistics Lab in Rocket Center, West Virginia. Per ERA officials, the Rocket Center offered substantial cost avoidance advantages over the Stennis location. However, these officials indicated that NARA opted to retain Stennis as a back-up site. Unfortunately, Stennis has never met the definition of a back-up site, as there is, and there has never been any ERA equipment at the site. Further, no ERA personnel have ever resided on-site at that location and it was never used for the approximately four years it was leased.

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NARA's 2008 Performance Budget Congressional Justification stated that by the beginning of 2008, there would be an ERA operational site in West Virginia and a back-up site in Mississippi, which together would be capable of accepting and securely storing Presidential and Federal government electronic records. These sites were also to provide basic preservation, search, and retrieval capability for unclassified and Sensitive but Unclassified records from NARA's existing holdings and initially from four Federal agencies. When asked why hardware had not been installed at Stennis, the former ERA Program Director responded there was never an appropriation for a back-up system. He stated the 2008 budget language was finalized in March 2007, prior to Lockheed Martin Corporation (the ERA systems development contractor) admitting they would not be able to meet the schedule for Initial Operating Capability in the fall of that year. At that time, the expectation was there would be enough funds available to establish a back-up capability at Stennis.

To date, NARA has paid $2,862,357 for space at the Stennis Space Center. The initial earmark was for $2 million, but a NARA budget official stated it was reduced by 1% ($20,000). According to an ERA Program Office official, there were no additional earmarks for Stennis after the initial one. She stated there were annual obligations from the ERA appropriations for support/operations & maintenance of the Stennis site. These funds totaled $882,357. In December 2009, NARA notified the Naval Meteorology and Oceanography Command that it would not be exercising the next option year, thereby terminating the agreement with Stennis on June 20, 2010.

To adequately plan for a long-term service disruption, ERA officials need to have a contingency plan in place that includes an alternative back-up site for the ERA System should its primary processing site be unavailable. In the event of a disaster, NARA may not be able to fulfill its mission and provide Federal users, as well as the public, access to critical electronic records. (Audit Report #10-16, dated August 18, 2010.)

Similar Developmental Issues Exist for Both NARA's ERA Program and the FBI's Sentinel Project

This audit, performed to advise the Archivist of the current status of the Electronic Records Archives (ERA) Program, focused on assessing whether (a) the ERA Program is meeting cost and schedule requirements, and (b) NARA and contractor management officials are taking timely action to correct any actual or potential problems with program performance.

In several ways, NARA's experience with developing the ERA system is similar to that of the Federal Bureau of Investigation's (FBI's) development of the Sentinel information and Investigative Case Management System. In reports of the FBI's implementation of the Sentinel Project, the U.S. Department of Justice (DOJ) OIG has expressed concerns about Sentinel's overall progress, aggressive schedule, increased costs, and inability to satisfy user requirements, similar to the concerns we have about the ERA Program.

Our review disclosed that (a) a change in system development methodology was introduced without substantiation of the contractor's ability to implement it, and NARA's ability to evaluate contractor compliance with contract requirements; (b) the ERA program could be adversely

impacted, because senior-level officials were transferred to NARA's new Center for Advanced Systems and Technologies (NCAST); (c) ERA Program officials must be vigilant to ensure a cost increase, similar to that experienced by the Sentinel Project, does not develop for the ERA Program; and (d) like the Sentinel Project, the ERA Program has incurred schedule problems and business functionalities have been deferred to future increments.

As a result, we believe the issues, i.e., shortcomings and delays, discussed in this report, as well as the FBI's experience with Lockheed Martin's performance related to developing the Sentinel System, are indicators of a program whose success is in jeopardy. (Audit Report #10-12, dated May 17, 2010.)

National Historical Publications and Records Commission (NHPRC) Grant No. RB-50061-09

The objective of this audit was to determine whether grant funds expended were used in accordance with Federal guidelines. The performance objective of the grant project was to improve public access to the archival and audiovisual collections held by the grantee. We questioned $27,159, the entire cost incurred on this grant at the time of our audit due to misuse of grant funds and poor management of the grant.

The grantee used Federal grant funds to pay organizational expenditures not associated with the grant program in lieu of paying for authorized grant program expenses. Grant program expenses went unpaid because the grantee, experiencing financial instability, used advanced Federal funds to pay other expenditures they deemed more urgent. OIG audit and investigative staff substantiated that the grantee, under the direction of its Executive Director, misused Federal grant funds. This investigation did not reveal direct evidence to support intentional misuse of Federal grant funds by any employee or contract employee of the grantee; however, the evidence suggests that particular grantee staff were aware their actions relating to the NARA grant funds were inappropriate. The details of this case were presented to an Assistant United States Attorney in the District of Columbia who declined Federal prosecution of this case due, in large part to the small amount of funds misused.

In addition to misuse of grant funds, the grantee lacked appropriate administrative capability to adequately manage the grant including lack of supporting documentation/timesheets supporting labor cost. The grant agreement identified that most Federal funds were used for labor expenses. We found the grantee did not have an adequate accounting system in place and, as a result, the accounting for grant funds was not accurate, current, or complete. The grantee's cost accounting system could not compare grant budgeted amounts to actual expenditures, and the grantee used budget estimates (vs. actual costs) to report their cost share obligation. Finally, the grantee did not have any written accounting procedures associated with management of Federal funds.

OMB Circular A-110 states grants recipients shall safeguard Federal funds and assure the funds are used solely for authorized purposes, and requires the grant recipient's financial management system to provide the following:

- accounting systems that provide accurate, current and complete information about all financial transactions related to each Federally-supported project;
- accounting records that identify adequately the source and application of funds for federally-sponsored activities;
- accounting records supported by source documentation according to Federal regulations;
- comparisons of outlays with the approved budgeted amounts for each award; and
- written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.

We provided a copy of our audit report to management for resolution. Based on our recommendation, NHPRC terminated this grant and a decision by NHPRC to recover a portion of the questioned cost is pending. (Audit Report #10-15, dated June 23, 2010.)

Process for Providing and Accounting for Information Provided to Researchers

The objective of the audit was to determine whether controls were in place for ensuring requested records were properly accounted for when requested and returned to storage locations. Specifically, the audit focused on NARA's process for making records requested available to researchers, accounting for the records once they leave the record storage areas, and the process for refiling the records once the researcher finishes using them.

Our audit disclosed opportunities exist to strengthen the effectiveness and controls over the process of providing and accounting for information provided to researchers. Specifically, the audit found NW's Access Programs did not have a formal ongoing monitoring program for the records retrieval and re-file process, to identify and address potential problems and ensure compliance with program requirements. As a result (a) records were not refiled, refiled incorrectly, or refiled in an untimely manner, (b) pull slips were incomplete, and (c) pull logs were not maintained consistently. The audit also found: (1) a centralized, integrated database for storing researcher requests for records was not utilized, and (2) access to record storage areas at Archives I and II was not restricted to authorized personnel whose job responsibilities require access. As a result of these conditions, NARA cannot adequately ensure records are properly accounted for nor appropriately safeguard the records entrusted to them.

We made four recommendations intended to strengthen the effectiveness and controls over the process of providing and accounting for information provided to researchers. Management concurred with each of the recommendations included in the report. (Audit Report #10-14, dated August 6, 2010).

NARA's Contract for Information Technology and Telecommunication Support

We reviewed NARA's $56 million contract recently awarded to the Capstone Corporation to acquire information technology and telecommunication support services for the agency. Our

objectives for reviewing this contract were to determine if (a) the procurement was accomplished in accordance with FAR requirements, and (b) NARA personnel adequately monitor contractor efforts, to ensure the government gets good value for the funds expended on the contract.

To accomplish our objectives, we determined if: (a) NARA officials selected an appropriate type of arrangement for acquiring information technology and telecommunications support services for NARANet (NARA's computer network), one that would motivate the contractor to perform contractual effort effectively and efficiently; (b) subcontractor costs on the Capstone contract are reasonable and appropriate; (c) contracting officials complied with FAR requirements prior to the award of the Capstone contract; (d) NARA officials, including the Contracting Officer's Technical Representative (COTR) and performance monitors, are performing appropriate government surveillance of contractor performance, to assure that the contractor is using efficient methods and effective cost controls in the accomplishment of contract requirements; and (e) the Capstone Corporation is complying with the terms and conditions of its contract with NARA.

Our review of the new NARA Information Technology and Telecommunications Support Services (NITTSS) contract disclosed that: (a) agency officials had the opportunity to select a contractual arrangement with less inherent risk to NARA for acquiring these services; (b) NARA officials did not prepare a Determination and Findings (D&F) justifying their use of a Time-and-Materials (T&M) component to this acquisition, and their documented rational for using other than a firm-fixed-price (FFP) order or performance-based order was inadequate; (c) the Quality Assurance Surveillance Plan (QASP) for the Capstone contract did not adequately describe the methodology, frequency, documentation required, or reporting on requirements; (d) contractor performance was not being evaluated on the basis of achieving the Service Level Agreements (SLAs) in the contract; (e) the surveillance process was poorly documented and not well-organized for review; (f) the contractor was not complying fully with the contract's Invoice Submission Requirements[3]; and (g) the contractor failed to satisfy contract requirements related to the delivery of data items.

As a result, (a) most of the risk for contract performance resides with the government; (b) there is no documented evidence to support that sufficient research and analysis was performed prior to choosing a T&M type of contract to procure the information technology and telecommunications support services; (c) NARA lacks assurance that the contractor is performing contractual effort efficiently, and in accordance with contract specifications; (d) contract management officials cannot be assured contractor billings are accurate; and (e) the operation and maintenance of NARA's computer network could be adversely impacted as a result of the contractor not meeting its contract deliverable requirements.

We made six recommendations that, when implemented by management, will assist the agency in correcting the reported deficiencies, and in ensuring government interests are protected for the contractor-provided information technology and telecommunications support services. While management generally disagreed with the audit, they generally concurred with the recommendations. (Audit Report #10-05, dated August 18, 2010.)

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[3] The Contracting Officer did report that NARA officials verbally waived these requirements for the contractor.

AUDITS

Accuracy of NARA's Performance Measurement Data

The objective of this audit was to verify the accuracy and reliability of performance data entered into NARA's Performance Measurement and Reporting System (PMRS). This audit is a continuation of our oversight of NARA's implementation of the Government Performance and Results Act (GPRA). The GPRA of 1993 requires the head of each Federal agency to develop and track performance and to report annually to the President and the Congress.

Of the nine performance metrics reviewed we identified problems with five. For four of these metrics, we determined data entered into NARA's PMRS was either inaccurate or was not adequately documented. We identified that NARA lacks adequate management controls over the maintenance and verification of PMRS performance data. Specifically, responsible NARA operating units were not required to establish and follow written policies and procedures to appropriately capture, document, and ultimately validate data entered into PMRS. Federal regulations specifically identified under OMB Circular A-123 require agency management to ensure reported performance data is properly documented and verified. In order for NARA to provide accurate and reliable data, the establishment of formal, documented controls including described processes for the maintenance and verification of performance data must be established. Without appropriate management controls, the risk exists that performance data will be flawed and inaccurate.

In the case of the fifth metric identified as *#2.1: Percent of Scheduled Transfers of Archival Records Transferred to NARA at the Scheduled Time*, we found the data as reported, to be flawed and misleading as it is composed of a very limited subset and not the total universe of electronic records available for transfer. Without a caveat defining this limitation, users of this data could readily misconstrue the content and value of this information as to embrace a far wider population than actually defined. This could lead to inaccurate conclusions and determinations by the stakeholder.

Management concurred with the two recommendations contained in this report which, when implemented, will help ensure the accuracy and reliability of future data entered into PMRS. (Audit Report #10-13, dated July 15, 2010.)

NARA's Internal Control Program

The OIG performed an audit of NARA's Internal Control Program. Annually, the OIG performs a review to ensure NARA managers continuously monitor and improve the effectiveness of internal controls associated with their programs. This continuous monitoring, in conjunction with other periodic evaluations, provides the basis for the agency head's annual assessment of, and report on, internal controls as required by the Federal Managers' Financial Integrity Act (FMFIA) of 1982 (Public Law 97-255).

The objectives of the audit were to (1) evaluate NARA's compliance with guidance contained in FMFIA and the Office of Management and Budget's (OMB) Circular A-123, *Management's Responsibility for Internal Control*, and the adequacy of the agency's assurance statement, and

(2) identify and evaluate the system of internal controls using the Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*, for assessing and evaluating internal controls. Specifically, we (1) examined management's responsibilities for internal control in Federal agencies as outlined in the Circular, and (2) reviewed the status of open recommendations made in prior year reports. Also, to facilitate the submission of NARA's annual assurance statement, we performed a preliminary review of the agency assurance statement in October 2009.

Our initial assessment of the agency's FY 2009 assurance statement, as conveyed in our October 20, 2009 memorandum, was NARA's statement underreported material risk associated with Preservation and Processing programs and did not accurately reflect the breadth of risks in NARA's Information Security Program. This is the same conclusion we reached and conveyed to the agency in our assessments of their FY 2007 and FY 2008 assurance statements. Our audit revealed that at the end of the FMFIA reporting period, September 30, 2009, NARA did not fully comply with the requirements of the Circular as a formalized internal control program did not exist. Since then, NARA has made progress and should be commended for establishing an implementation plan for a comprehensive internal control program. However, while the plan was established, much more remains to be done on the internal control program. Also, management has not closed the open audit recommendations from the last two years' audit reports. As a result of these conditions, NARA continues to exhibit weaknesses in internal controls first identified in FY 2007 that degrade the effectiveness of internal controls and the accuracy of office assurance statements.

The OIG issued its final report of the results of the audit on September 29, 2010. The report included two recommendations intended to strengthen internal controls. Management concurred with each of the recommendations included in the OIG's report. (Audit Report #10-19, dated September 29, 2010.)

INVESTIGATIONS

Investigations Overview

During this reporting period, the Office of Investigations (OI) opened 14 investigations and closed 24 investigations, five of which are closed pending an administrative response from NARA. The OI also received 74 complaints and closed 37 complaints, eight of which are closed pending an administrative response from NARA. Fourteen NARA holdings were recovered during the period. The OI worked with the Veterans Administration, the FBI, the Federal Protective Service, the U.S. Secret Service, and the Department of Justice Computer Crime and Intellectual Property Section, as well as the Offices of Inspectors General at the Veterans Administration, the Treasury Inspector General for Tax Administration, and NASA. The OI also worked with a number of local and state law enforcement entities to include: the Maryland National Capitol Park and Planning Police, the Oak Forest Illinois Police Department, the Office of the State's Attorney in Cook County, Illinois, the Lewisville Texas Police Department, and Baltimore County Police Department. At the close of the period, there remained 54 open complaints and 29 open investigations. The OI continued to send our employees to nationally recognized training programs to ensure our skill sets are comprehensive and up-to-date.

Updates on Previously Reported Investigations

Alleged Wire Fraud, Theft of Public Money, Money Laundering
A former NARA contractor plead guilty to theft of public money and was sentenced to 15 months in prison and full restitution for his role in a scheme to embezzle $958,280 from NARA. His co-conspirator, a former NARA employee, also plead guilty and is scheduled for sentencing in the next reporting period.

Mishandling of Classified Documents
Continuing security violations at the Washington National Records Center (WNRC) prompted the Office of Inspector General to initiate an investigation in the interest of National Security. Pursuant to the completion of an inventory at NARA's Suitland facility of Top Secret and/or Restricted Data materials, 81 boxes of TS/RD material remain missing. NARA is determining the amount of Secret and Confidential material potentially missing. This investigation remains open and ongoing.

Counterfeit/Grey Market IT Contract Fraud
An IT contractor provided NARA with counterfeit and "grey market," or resold equipment in violation of the contract terms. The case has been accepted for prosecution by an Assistant United States Attorney for mail and wire fraud, as well as false claims. The investigation remains ongoing.

Indecent Exposure
During a previous reporting period, OIG received a report of a naked male seen at the National Archives Building in Washington, DC. OIG's investigation determined the identity of the subject, who is a NARA employee. The employee initially denied any wrongdoing, but ultimately confessed to removing his clothes while in a NARA research room library on this

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occasion; and to the same conduct in and around NARA office space on an earlier occasion. The Washington, D.C. Attorney General declined prosecution and NARA issued a deferred suspension contingent on the employee committing no further misconduct.

Shoplifting
A woman arrested at the JFK Presidential Library in Boston for shoplifting from the library's gift shop pleaded guilty to theft and was sentenced to a fine of $250.

Improper Disposal of Computer Tapes
A complaint alleged that sensitive information collected on computer tapes at NARA was subject to compromise due to a failure by NARA to adequately control the destruction of the tapes. Our investigation revealed NARA had no adequate or uniform policy in place to address the issue of how to securely destroy old tapes and protect the information on them. A management letter was issued during the reporting period. NARA responded that several improvements to the process were now in place to include training of Field Office System Administrators on transmission of electronic media. (See Management Letter #OI-10-03, dated May 13, 2010.)

Misuse of Government Credit Card
NARA's Financial Services Division notified the OIG of questionable charges on an employee's Government Travel Card. When interviewed, the subject made multiple false statements to NARA staff, and criminal investigators, before admitting culpability. An Assistant United States Attorney declined prosecution, and the case was referred to NARA for administrative action. NARA suspended the employee for two days.

False Billing
The subject company was initially investigated for allegations of a bid-rigging scheme to steer government contracts to the subject company and its alleged co-conspirators. While that charge was not substantiated, and prosecution was declined by an Assistant United States Attorney, a civil case remains pending for an outstanding debt of more than $250,000 owed to NARA.

Grant Fraud
The National Historical Publications and Records Commission (NHPRC) informed OIG of a possible misuse of Federal grant funds by a NARA grantee. OIG investigators and audit staff substantiated that the grantee, under the direction of its Executive Director, misused federal grant funds. This investigation did not reveal direct evidence to support intentional misuse of federal grant funds by any employee or contract employee of the grantee, however, the evidence suggests that particular grantee staff were aware that their actions relating to the NARA grant funds were inappropriate. The details of this case were presented to an Assistant United States Attorney who declined prosecution of this case due in large part to the small amount of funds misused. The case was referred back to NARA for appropriate administrative action and NARA terminated the grant.

New Investigation Highlights

Inappropriate Use of Government Computer/Threats to NARA Staff
NARA's Information Technology department reported an employee's computer had shown thousands of attempts to access websites blocked by NARA's Internet security system. An

analysis of the websites revealed many of the sites were pornographic. The employee admitted to accessing pornographic websites on his government computer, as well as making threats to other NARA staff. The employee resigned in lieu of potential administrative action.

Alienated Lincoln Document
An endorsement by President Lincoln on a letter was offered for sale by an autograph dealer. The document included markings indicating it was a federal record. The markings were consistent with a NARA record group and the OIG's Archival Recovery Team referred this case to NARA recommending it be recovered and returned to NARA's holdings. A final determination on recovery is pending from the agency.

Harassing Phone Calls
A NARA employee received multiple threatening phone calls from an individual. The subject was contacted but refused to stop making the calls. The local jurisdiction accepted the case for prosecution and the subject was subsequently arrested, but failed to show for her court appearance. She was found guilty in abstentia and an arrest warrant has been issued.

Inappropriate Security of NARA System Passwords
There are no indications of any criminal misconduct in this case. The investigation remains open and ongoing in an administrative capacity.

Theft of Construction Materials
A NARA contractor was observed loading copper and brass scrap metal into a contract vehicle. The contractor claimed he was delivering the material to an Archives facility for disposal. Instead, he was delivering the material to a scrap metal dealer and selling it for personal gain. The subject did this on multiple occasions. Subject ultimately confessed and the case was accepted for prosecution by a District of Columbia Assistant United States Attorney. He was subsequently arrested, found guilty, and ordered to pay restitution and perform 40 hours of community service. The subject was removed from NARA's contract.

Veteran Record Fraud
A local chapter of the Military Order of the Purple Heart alleged an individual was misrepresenting his service record. In an attempt to verify his record, the individual fabricated NARA letterhead and a NARA record form. This investigation remains open and ongoing.

Misconduct at Presidential Library Gift Shop
When there was a shortage of funds from a Presidential Library gift shop cash register, the gift shop supervisor failed to notify library management and asked staff to contribute personal funds to cover the shortage. An investigation substantiated that theft was occurring at the gift shop and a subject, not the supervisor, was identified. The subject ultimately confessed to theft and the case was accepted for prosecution by the local district attorney's office. The supervisor's misconduct was pending administrative action by NARA.

Gray Market Server Components
NARA's acquisitions division notified OIG that server components procured from a vendor had been identified as potentially gray market products in violation of NARA's contract. Ninety-six

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of 121 pieces were identified by OIG as gray market. The remaining pieces could not be identified. The Computer Crime and Intellectual Property Section of the U.S. Department of Justice declined prosecution. NARA terminated the contract.

Rape/Identify Theft
OIG joined with the Baltimore County Police Department in the investigation of a rape allegation against a NARA employee. The rape allegation was subsequently disproved; however, the subject employee corresponded with the alleged victim using another NARA employee's identity. The identity theft portion of the case was referred to NARA for administrative action.

Grand Jury Secrecy and Record Recovery
Potential grand jury and other federal records were inappropriately donated to an institution outside of the federal government more than 30 years ago. These records were brought to NARA's attention by a researcher doing work on the particular subject matter at the outside institution. The case was referred to the Department of Justice due to the potential exposure of grand jury information. NARA archivists are scheduled to review the material in the next reporting period at which time DOJ will determine how to handle any grand jury material and NARA will determine what material should be returned to NARA.

Wrongful Access to IRS Records in Transit
The lock and seal on storage containers containing IRS records shipped to a NARA federal records center were missing. There was no evidence that the records in the container had been damaged. While the investigation was ongoing a subsequent incident occurred. Investigation revealed that unknown persons were breaking into freight cars at a rail yard searching for merchandise to steal and resell. The case was referred to NARA to implement tighter security of these shipments. The case was also referred to the IRS for any action they deemed in their interests.

Other Office of Investigation Activity

Archival Recovery Team
During this period, the Archival Recovery Team (ART) fielded 22 complaints and opened three investigations, while 13 complaints and five investigations were closed. In addition, five non-criminal ART cases were referred to NARA for a recovery determination. At the close of the period, 20 ART complaints and five ART investigations remained open. In total, 14 NARA holdings were recovered during the period.

- **Social Media**: The ART launched a Facebook page reflecting its mission at NARA. The page highlights the stories behind documents and artifacts alienated from NARA's holdings. The site also updates Facebook visitors about upcoming shows and happenings with the ART, along with other newsworthy items about document thefts, investigations, and recoveries at other institutions. Each month features a missing document or artifact including a description of the item and contact information for the pubic to report leads. Three times a week interesting articles, such as stories of crimes committed at cultural institutions, are posted. Since its launch, more than 700 active users have viewed the site each month. Visit the site at http://www.facebook.com/archivalrecoveryteam.

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- **Other Media**: The ART was featured in a front-page story in the LA Times and approached by multiple television production entities for future programming potential. Additionally, a C-Span television crew followed the team to a historical records show in Richmond, Virginia, for a special scheduled to air in the next reporting period.

- **Records Review**: The ART reviewed a large body of general correspondence created by the U.S. Army Chief of Ordnance covering the period from 1903-1941. The records were examined in an effort to locate signatures of important Army personalities such as Douglas MacArthur, John J. Pershing, George S. Patton and Dwight D. Eisenhower. Such correspondence was located and recommendations will be made to have the documents secured. Additionally, ART conducted a survey of high value items/documents held in the Eisenhower and Truman Libraries and the Central Plains Region. It was determined from this exercise that measures are in place to secure such items and all were accounted for.

- **Outreach**: As part of the ART's outreach program working with individuals and groups who may have interactions with historic records, Office of Investigations staff manned displays at the following shows to educate the public about the NARA OIG and ART.

  -- April 2010: the Northern Virginia Relic Hunters Civil War show in Fredericksburg, VA.

  -- May 2010: the Ohio Civil War Collectors Show in Mansfield, OH.

  -- June 2010: the Gettysburg Battlefield Preservation Association Civil War Collector's Show.

  -- August 2010: the National Civil War and Antique Arms Show in Richmond, VA.

  -- April 2010: ART members presented at the Company of Military Historians 61st Annual meeting in Reston, VA. ART joined the FBI in the panel discussion.

Computer Crimes Unit

During the reporting period, the Computer Crimes Unit (CCU) provided digital forensic support to several criminal investigations. The CCU completed the examination of digital media to assess the exposure to NARA resulting from the loss of digital media containing Personally Identifiable Information (PII) and other sensitive information. In addition, the CCU completed a Report of Investigation relating to defective computer hard drives containing sensitive personally identifiable information (PII) being returned to a maintenance contractor without being wiped or degaussed. The CCU also visited the Financial Crime Enforcement Network (FinCEN) operated by the Department of the Treasury on several occasions to run database searches related to criminal investigations.

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OIG Hotline

The OIG Hotline provides a confidential channel for reporting fraud, waste, abuse, and mismanagement to the OIG. In addition to receiving telephone calls at a toll-free Hotline number and letters to the Hotline post office box, we also accept e-mail communication from NARA's internal network or the Internet through the Hotline e-mail system. Walk-ins are always welcome. Visit *http://www.archives.gov/oig/* for more information, or contact us:

- **By telephone**
  Washington, DC, Metro area: (301) 837-3500
  Toll-free and outside the Washington, DC, Metro area: (800) 786-2551
- **By mail**
  NARA OIG Hotline
  P.O. Box 1821
  Hyattsville, MD 20788-0821
- **By e-mail**
  oig.hotline@nara.gov
- **By online referral form**
  http://www.archives.gov/oig/referral-form/index.html

The Office of Investigations promptly and carefully reviews calls, letters, and e-mail to the Hotline. We investigate allegations of suspected criminal activity or civil fraud and conduct preliminary inquiries on non-criminal matters to determine the proper disposition.

Where appropriate, referrals are made to the OIG audit staff, NARA management, or external authorities. Hotline contacts are captured as complaints in the Office of Investigations. The following table summarizes complaints received and Hotline activity for this reporting period:

Complaints received	74
Complaints closed pending response from NARA	8
Complaints closed final	29
Complaints open to Investigations	8

Contractor Self Reporting Hotline

To comply with the self-reporting requirements in the Federal Acquisition Regulation, a web-based form has been created to allow NARA contractors to satisfy the requirement they notify the OIG, in writing, whenever the contractor has credible evidence that a principal, employee, agent, or subcontractor of the contractor has committed a violation of the civil False Claims Act or a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations in connection with the award, performance, or closeout of a contract or any related subcontract. The form can be accessed through the OIG's home page, for found directly at: *http://www.archives.gov/oig/contractor-form/index.html*

TOP TEN MANAGEMENT CHALLENGES

Overview

Under the authority of the Inspector General Act, the NARA OIG conducts and supervises independent audits, investigations, and other reviews to promote economy, efficiency, and effectiveness and to prevent and detect fraud, waste, and mismanagement. To fulfill our mission and help NARA achieve its strategic goals, we have aligned our programs to focus on areas we believe represent the agency's most significant challenges. We have identified those areas as NARA's top ten management challenges.

Based on Congressional interest, GAO conducted an evaluation of NARA's Information Security Program and NARA's ability to effectively carry out its mission of overseeing the management of Federal records while preserving those of historic and intrinsic value. Final reports from these audits were not issued during the reporting period, and they may impact management challenges.

1.   Electronic Records Archives

NARA's mission with the Electronic Records Archives (ERA) is to build a system accommodating the government's vast amounts of electronic records stored in past, present, and future formats. The challenge is to deliver and maintain a functional system for preserving and providing access to our nation's electronic records for as long as needed. Electronic records are vital to how our government works, and their preservation through the ERA will define what information future generations will be able to access and use. However, the ERA Program has experienced delivery delays, budgeting problems, and contractor staffing problems. Initial Operating Capacity (IOC) for the ERA Program was delayed from September 2007 until June 2008, and even then program functions available at IOC were less than the original requirements. Also, the component to handle all White House records, the Executive Office of the President (EOP) System, was separated out due to delays, and pursued down a separate line of development. The success of this mission-critical program is uncertain. NARA staff was not able to clearly define what the ERA Program would be able to do, or what functions it would provide to NARA, when the program was scheduled to reach Full Operating Capability in 2012.

In August 2010, OMB placed the ERA Program on its high- priority list of 26 high-risk IT projects selected from across the Federal government. The major problems NARA must remedy for ERA are the lack of detailed plans for the final two increments, low usage of the system, and need for improved strategic planning. NARA's actions planned to correct these problems include preparing a detailed plan that focuses on accelerated user adoption of the ERA System, and updating ERA implementation plans to reflect an end to system development on September 30, 2011. System development had been planned to extend through March 2012. As a result of unknown funding levels and the decision by OMB to end ERA development at the end of FY 2011, NARA is planning on deferring implementation of 20 percent of the original system requirements. Agency officials reported that, as of the beginning of August 2010, 41 percent of the requirements have been implemented, and the plan is to have 80 percent implemented by the end of FY 2011.

2.   Improving Records Management

Part of NARA's mission is safeguarding and preserving the records of our government, thereby ensuring people can discover, use, and learn from this documentary heritage. NARA provides continuing access

to the essential documentation of the rights of American citizens and the actions of their government. The effective management of these records is key to accomplishing this mission. NARA must work with Federal agencies to ensure the effective and efficient appraisal, scheduling, and transfer of permanent records, in both traditional and electronic formats. The major challenge is how best to accomplish this component of our overall mission while reacting and adapting to a rapidly changing technological environment in which electronic records, particularly e-mail, proliferate. In short, while the ERA system is intended to work with electronic records received by NARA, we need to ensure the proper electronic and traditional records are in fact preserved and sent to NARA in the first place.

NARA also directs the Electronic Records Management (ERM) initiative, one of 24 government-wide initiatives under the E-Government Act of 2002. The ERM initiative will provide guidance to agencies in managing and transferring their permanent electronic records to NARA, in an increasing variety of data types and formats. In June 2008, GAO recommended NARA develop and implement an approach to provide oversight of agency electronic records management programs, to provide adequate assurance that NARA guidance is effective and the agencies are following electronic records guidance. NARA, its Government partners, and Federal agencies are challenged with determining how best to manage electronic records and how to make ERM and e-Government work more effectively.

3.   Information Technology Security

The Archivist identified IT Security as a material weakness under the Federal Managers' Financial Integrity Act reporting process beginning in FY 2007. NARA's Office of Information Services (NH) conducted an independent assessment of the IT security program using the Program Review for Information Security Management Assistance (PRISMA) methodology developed by the National Institute for Standards and Technology (NIST) in FY 2007. The assessment stated NARA's policy and supporting procedures for IT security were weak, incomplete, and too dispersed to be effective. The majority of the weaknesses identified during the assessment remain open.

IT security continues to present major challenges for NARA, including physical security of IT hardware and technical vulnerabilities within our electronic systems themselves and how NARA operates them. The confidentiality, integrity, and availability of our electronic records and information technology systems are only as good as our IT security infrastructure. A GAO review conducted in 2010 identified significant weaknesses in access controls, and other information security controls, impairing NARA's ability to ensure the confidentiality, integrity, and availability of its information systems. Each year, risks and challenges to IT security continue to be identified. NARA must ensure the security of its data and systems or risk undermining the agency's credibility and ability to carry out its mission.

4.   Expanding Public Access to Records

The records of a democracy's archives belong to its citizens. NARA's challenge is to more aggressively inform and educate our customers about the services we offer and the essential evidence to which we can provide access. Unfortunately, over half of NARA's textual holdings have not been processed to allow efficient and effective access to these records. To meet its mission, NARA must work to ensure it has the processes and resources necessary to establish intellectual control over this backlog of unprocessed records.

Another challenge for NARA, given society's growing expectation for easy and near-immediate access to information on-line, will be to provide such access to records created digitally (i.e., "born digital") and to identify those textual records most in demand so they can be digitized and made available electronically. NARA's role in ensuring the timeliness and integrity of the declassification process of classified material held at NARA is also vital to public access.

5. Meeting Storage Needs of Growing Quantities of Records

NARA-promulgated regulation 36 CFR Part 1228, "Disposition of Federal Records," Subpart K, "Facility Standards for Records Storage Facilities," requires all facilities housing Federal records to meet defined physical and environmental requirements by FY 2009. NARA's challenge is to ensure its own facilities, as well as those used by other Federal agencies, are in compliance with these regulations; and effectively mitigate risks to records which are stored in facilities not meeting these new standards.

6. Preservation Needs of Records

As in the case of our national infrastructure (bridges, sewer systems, etc.), NARA holdings grow older daily and face degradation associated with time. This affects both traditional paper records, and the physical media that electronic records and audio/visual records are stored on. The Archivist previously identified preservation as a material weakness under the Federal Managers' Financial Integrity Act reporting process. However, in FY 2006, preservation was downgraded to a reportable condition, and it is currently being monitored as a significant deficiency. The OIG strongly disagrees with this. Preserving and providing access to records is a fundamental element of NARA's duties to the country, and NARA cannot provide access to records unless it can preserve them for as long as needed. The backlog of records needing preservation action continues to grow. NARA is challenged to address this backlog and future preservation needs, including the data integrity of electronic records. The challenge of ensuring NARA facilities meet environmental standards for preserving records (see OIG Challenge #5) also plays a critical role in the preservation of Federal records.

7. Improving Project Management

Effective project management, particularly for IT projects, is essential to obtaining the right equipment and systems to accomplish NARA's mission. Complex and high-dollar contracts require multiple program managers, often with varying types of expertise. NARA is challenged with planning projects, developing adequately defined requirements, analyzing and testing to support acquisition and deployment of the systems, and providing oversight to ensure effective or efficient results within costs. Currently, IT systems are not always developed in accordance with established NARA guidelines. These projects must be better managed and tracked to ensure cost, schedule, and performance goals are met.

GAO reports NARA has been inconsistent in its use of earned value management (EVM), a project management approach providing objective reports of project status and early warning signs of cost and schedule overruns. As a result, NARA did not fully implement practices necessary to make effective use of EVM, limiting the reliability of its progress reports.

GAO also reported NARA does not document the results of briefings to its senior management oversight group, and thus there is little evidence this body reviewed and approved the progress of the ERA Program. There is also little evidence the group identified or took appropriate corrective actions, or ensured such actions were taken and tracked to closure. Without adequate oversight evaluating project progress, including documenting feedback and action items from senior management, NARA will not be able to ensure ERA is being implemented at acceptable cost and within reasonable and expected time frames.

Inconsistent use of key project management disciplines like Earned Value Management limits NARA's ability to effectively manage projects and accurately report on their progress.

8.   Physical and Holdings Security

The Archivist has identified security of collections as a material weakness under the FMFIA reporting process. Document and artifact theft is not a theoretical threat; it is a reality NARA has been subjected to time and time again. NARA must maintain adequate levels of security to ensure the safety and integrity of persons and holdings within our facilities. This is especially critical in light of the security realities facing this nation and the risk our holdings may be pilfered, defaced, or destroyed by fire or other man-made and natural disasters.

9.   Contract Management and Administration

The GAO has identified Commercial Services Management (CSM) as a government-wide initiative. The CSM initiative includes enhancing the acquisition workforce, increasing competition, improving contract administration skills, improving the quality of acquisition management reviews, and strengthening contractor ethics requirements. Effective contract management is essential to obtaining the right goods and services at a competitive price to accomplish NARA's mission. NARA is challenged to continue strengthening the acquisition workforce and to improve the management and oversight of Federal contractors. NARA is also challenged with reviewing contract methods, to ensure a variety of procurement techniques are properly used in accordance with Federal laws and regulations.

10.   Strengthening Human Capital

The GAO has identified human capital as a government-wide high risk, explaining it is critical to ensure agencies have the talent and skill mix they need to address their current and emerging human capital challenges. In August 2009, NARA published its first Strategic Human Capital Plan (SHCP), covering FYs 2009 through 2014. The SHCP discusses strategies for achieving each of its five human capital goals. However, NARA has yet to develop an agency-wide workforce plan. Based on NARA's SHCP, the agency is supposed to develop and deploy an integrated workforce plan enabling it to hire and retain "the right talent, at the right time, in the right place," by December 31, 2014. While NARA should be commended for some accomplishments, such as implementing their 2010 Hiring Reform Action Plan, more work remains to be done.

Earlier this year the Partnership for Public Service ranked NARA the lowest out of 31 large Federal agencies in its "Best Places to Work in the Federal Government" rankings. The rankings

are based on employee responses to the Federal Human Capital Survey (FHCS) administered biannually by the U.S. Office of Personnel Management (OPM). In response to the 2010 FHCS, NARA's Employee Viewpoint Survey Task Force is now conducting a follow-up to the OPM survey gather feedback and ideas to help make NARA one of the best places to work in the Federal Government. Responses to the survey will be used by the task force to develop an agency-wide action plan to address issues in the areas of Leadership, Communication, Diversity, and Training and Development. NARA's challenge is to adequately address its workforce's concerns and assess its human capital needs in order to effectively recruit, retain, and train people needed to achieve its mission, both now and in the future.

REPORTING REQUIREMENTS

MANDATED BY THE INSPECTOR GENERAL ACT OF 1978, AS AMENDED, AND OTHER LAWS

REQUIREMENT	SUBJECT	PAGE(s)
Section 4(a)(2)	Review of legislation and regulations	7, 10
Section 5(a)(1)	Significant problems, abuses, and deficiencies	2 – 5, 14 – 22, 23 – 26
Section 5(a)(2)	Significant recommendations for corrective action	2 – 5, 14 – 22
Section 5(a)(3)	Prior significant recommendations unimplemented	40
Section 5(a)(4)	Summary of prosecutorial referrals	36 – 37
Section 5(a)(5)	Information or assistance refused	40
Section 5(a)(6)	List of reports issued	38
Section 5(a)(7)	Summaries of significant reports	2 – 5, 14 – 22
Section 5(a)(8)	Audit Reports—Questioned costs	39
Section 5(a)(9)	Audits Reports—Funds put to better use	40
Section 5(a)(10)	Prior audit reports unresolved	40
Section 5(a)(11)	Significant revised management decisions	40
Section 5(a)(12)	Significant revised management decisions with which the OIG disagreed	40
P.L. 110-181	Annex of completed contract audit reports	39
P.L. 111-203	Reporting on OIG peer review	11

REPORTING REQUIREMENTS

STATISTICAL SUMMARY OF INVESTIGATIONS

Investigative Workload	
Complaints received this reporting period	74
Investigations pending at beginning of reporting period	33
Investigations opened this reporting period	14
Investigations closed this reporting period	24
Investigations carried forward this reporting period	29
Categories of Closed Investigations	
Fraud	3
Conflict of Interest	0
Contracting Irregularities	3
Misconduct	5
Larceny (theft)	9
Other	4
Investigative Results	
Cases referred – accepted for prosecution	5
Cases referred – declined for prosecution	5
Cases referred – pending prosecutive decision	1
Arrest	6
Indictments and informations	1
Convictions	2
Fines, restitutions, judgments, and other civil and administrative recoveries	3
NARA holdings recovered	14
Administrative Remedies	
Employee(s) terminated	0
Employee(s) resigned in lieu of termination	2
Employee(s) suspended	2
Employee(s) given letter of reprimand or warnings/counseled	2
Employee(s) taking a reduction in grade in lieu of administrative action	0
Contractor (s) removed	2

REPORTING REQUIREMENTS

Accepted for Prosecution

Theft of Construction Materials
A NARA contractor was observed loading copper and brass scrap metal into a contract vehicle. The contractor claimed he was delivering the material to an Archives facility for disposal. Instead, he was delivering the material to a scrap metal dealer and selling it for personal gain. The subject did this on multiple occasions. Subject ultimately confessed and the case was accepted for prosecution by a District of Columbia Assistant United States Attorney. He was subsequently arrested, found guilty, and ordered to pay restitution and perform 40 hours of community service. The subject was removed from NARA's contract.

Shoplifting
A woman arrested at the JFK Presidential Library in Boston for shoplifting from the library's gift shop plead guilty to theft and was sentenced to a fine of $250.

Harassing Phone Calls
A NARA employee received multiple threatening phone calls from an individual. The subject was contacted but refused to stop making the calls. The local jurisdiction accepted the case for prosecution and the subject was subsequently arrested, but failed to show for her court appearance. She was found guilty in abstentia and an arrest warrant has been issued.

Misconduct at Presidential Library Gift Shop
When there was a shortage of funds from a Presidential Library gift shop cash register, the gift shop supervisor failed to notify library management and asked staff to contribute personal funds to cover the shortage. An investigation substantiated that theft was occurring at the gift shop and a subject, not the supervisor, was identified. The subject ultimately confessed to theft and the case was accepted for prosecution by the local district attorney's office. The supervisor's misconduct was pending administrative action by NARA.

Credit Card Theft
A NARA employee reported the theft of personal credit cards on NARA premises. While the theft did occur, it could not be determined that it took place on NARA property. Two subjects were arrested for using the stolen credit cards. The case was accepted for prosecution by the local jurisdiction.

Declined for Prosecution

Inappropriate Use of Government Computer/Threats to NARA Staff
NARA's Information Technology department reported that an employee's computer had shown thousands of attempts to access websites that were blocked by NARA's Internet security system. An analysis of the websites revealed that many of the sites were pornographic. The employee admitted to accessing pornographic websites on his government computer, as well as making threats to other NARA staff. The employee resigned in lieu of potential administrative action.

REPORTING REQUIREMENTS

Gray Market Server Components

NARA's acquisitions division notified the OIG that server components procured from a vendor had been identified as potentially gray market products in violation of NARA's contract. Ninety-six of 121 pieces were identified by OIG as gray market. The remaining pieces could not be identified. The Computer Crime and Intellectual Property Section of the U.S. Department of Justice declined prosecution. NARA terminated the contract.

IT Intrusion

A NARA server located in Rocket Center, West Virginia, was accessed without authorization. A log examination revealed evidence of human intervention and the case was referred to the OIG. An OIG Investigation revealed the server was accessed without authorization by an unidentified individual to act as a platform to launch further attacks against other machines, and not for the purpose of deliberately infiltrating a government network or to access government data. The Department of Justice (DOJ) Computer Crimes and Intellectual Property Section (CCIPS) declined this case for prosecution.

Veteran's Record Request Fraud

An individual submitted multiple requests for her ex-husbands military records claiming he was deceased and she was his next of kin. The subject admitted her ex-husband was not deceased, and she did not have a power of attorney, but she was unable to obtain his signature to request documents she wanted. An Assistant U.S. Attorney declined prosecution.

Indecent Exposure

During a previous reporting period, OIG received a report of a naked male seen at the National Archives Building in Washington, DC. OIG's investigation determined the identity of the subject, who is a NARA employee. The employee initially denied any wrongdoing, but ultimately confessed to removing his clothes while in a NARA research room library on this occasion and to the same conduct in and around NARA office space on an earlier occasion. The Washington, D.C. Attorney General declined prosecution and NARA issued a deferred suspension contingent on the employee committing no further misconduct.

Pending Prosecutorial Determination

Grand Jury Secrecy and Record Recovery

Potential grand jury and other federal records were inappropriately donated to an institution outside of the federal government more than 30 years ago. These records were brought to NARA's attention by a researcher doing work on the particular subject matter at the outside institution. The case was referred to the Department of Justice due to the potential of exposure of grand jury information. NARA archivists are scheduled to review the material in the next reporting period at which time DOJ will determine how to handle any grand jury material and NARA will determine what material should be returned to NARA.

REPORTING REQUIREMENTS

LIST OF REPORTS ISSUED
Requirement 5(a)(6)

Report No.	Title	Date	Questioned Costs	Unsupported Costs	Funds Put to Better Use
10-05	Review of NARA's Contract for Information Technology and Telecommunications Support Services	08/27/2010	0	0	0
10-07	Audit of NARA's Network Infrastructure	04/28/2010	0	0	0
10-09	System Review Report on the U.S. International Trade Commission's Office of Inspector General Audit Organization	05/27/2010	0	0	0
10-11	Inadequate Contingency Planning for the Electronic Records Archives System	04/29/2010	0	0	0
10-12	Similar Development Issues Exist for both NARA's Electronic Records Archives Program and the FBI's Sentinel Project	05/07/2010	0	0	0
10-13	Audit of the Accuracy of NARA's Performance Measurement Data	07/15/2010	0	0	0
10-14	Audit of the Process for Providing and Accounting for Information Provided to Researchers	08/06/2010	0	0	0
10-15	Audit of the National Historical Publications and Records Commission Grant No. RB 50061-09 Historical Publication and Records Commission	06/23/2010	$27,159	$27,159	0
10-16	No Alternative Backup Site for the Electronic Records Archives System	08/18/2010	0	0	0[4]
10-19	Audit of NARA's Internal Control Program	09/29/2010	0	0	0

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[4] This audit identified 2.8 million in wasted funds which could not be put to better use.

REPORTING REQUIREMENTS

AUDIT REPORTS WITH QUESTIONED COSTS
Requirement 5(a)(8)

Category	Number of Reports	DOLLAR VALUE	
		Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period	0	$0	$0
B. Which were issued during the reporting period	1	$27,159	$27159
Subtotals (A + B)	1	$27,159	$27,159
C. For which a management decision has been made during the reporting period	0	$0	$0
(i) dollar value of disallowed cost	0	$0	$0
(ii) dollar value of costs not disallowed	0	$0	$0
D. For which no management decision has been made by the end of the reporting period	1	$27,159	$27,159
E. For which no management decision was made within 6 months	0	$0	$0

ANNEX ON COMPLETED CONTRACT AUDIT REPORTS

Section 845 of the 2008 Defense Authorization Act, Public Law 110-181, requires certain information on completed contract audit reports containing significant audit findings be included as an annex to this report. While the OIG completed audits on the ERA contract during this period, they were generally program audits as opposed to contract audits, and the DCAA audits of the ERA program this period do not rise to the level of Section 845 requirements. Similarly, Audit #10-05 of NARA's contract for Information Technology and Telecommunication Support Services (ITTSS) was performed this period as well, but does not rise to the level of Section 845 requirements. Further information on that audit can be found on page 19.

REPORTING REQUIREMENTS

AUDIT REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE
Requirement 5(a)(9)

CATEGORY	NUMBER	DOLLAR VALUE
A. For which no management decision has been made by the commencement of the reporting period	1	$35,685
B. Which were issued during the reporting period	0	$0
Subtotals (A + B)	1	$35,685
C. For which a management decision has been made during the reporting period	1	$35,685
(i) dollar value of recommendations that were agreed to by management	1	$35,685
Based on proposed management action	1	$35,685
Based on proposed legislative action	0	$0
(ii) dollar value of recommendations that were not agreed to by management	0	$0
D. For which no management decision has been made by the end of the reporting period	0	$0
E. For which no management decision was made within 6 months of issuance	0	$0

OTHER REQUIRED REPORTS

REQUIREMENT	CATEGORY	SUMMARY
5(a)(3)	Prior significant recommendations unimplemented	None
5(a)(5)	Information or assistance refused	None
5(a)(10)	Prior audit reports unresolved	None
5(a)(11)	Significant revised management decisions	None
5(a)(12)	Significant revised management decisions with which the OIG disagreed	None