

**Audit of the Management of
Records at the Washington
National Records Center**

**OIG Audit Report No. 12-05
Report 2 of 2**

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Executive Summary

The National Archives and Records Administration's (NARA) Washington National Records Center (WNRC) provides records storage, reference, and disposal services for agencies of the Federal Government on a reimbursable basis. WNRC contains 3.9 million cubic feet of records storage space, of which 551,284 cubic feet is for classified records. WNRC holds the largest volume of classified records among NARA's Federal Records Centers (FRCs).

NARA's Office of Inspector General (OIG) completed an audit of the management of records at WNRC. The objective of the audit was to evaluate and assess the adequacy of controls over the management and handling of records at WNRC. Specifically, this audit focused on whether controls were in place to adequately safeguard and secure the records held at WNRC. This audit report represents the second of two audit reports issued for this audit. The first audit report focused on security. This report focuses on the handling of records, the Archives and Records Centers Information System (ARCIS), training, policies, and procedures.

Our audit disclosed management controls were either missing, ineffective or inadequate to appropriately manage and handle records at WNRC. This coupled with a lack of effective management oversight resulted in an environment where records cannot be properly accounted for, processed, disposed of or adequately safeguarded. As a result, WNRC revenue generating activities that depend on proper records management activities were adversely impacted and records at the WNRC were at risk of possible loss, damage, compromise, or unauthorized disclosure. Specifically, we noted:

- Record classification levels were not reviewed in detail to ensure classified documents were appropriately segregated.
- There were no controls in place to track and monitor new records stored in WNRC hallways.
- A formalized problem tracking and resolution process was not in place to properly track problems with records received, stored, or removed from WNRC.
- Controls over disposals were not adequate to ensure records were disposed of timely.
- Periodic inventories of the records held at WNRC were not conducted.
- Records stored at WNRC were not adequately safeguarded as records were not carefully maintained.
- ARCIS access was not properly restricted as terminated and transferred employees maintained access after their separation from WNRC.
- ARCIS was not updated timely to reflect the current status of records held at WNRC.
- WNRC did not require agencies to use the ARCIS customer portal.
- WNRC employees have not been trained on the processes outlined in the *Classified Standard Operating Procedures* (SOP) manual. In addition, there was no monitoring in place to ensure the procedures in the *Classified SOP* were operating as written.
- Guidelines were not followed or enforced when agencies sent records to WNRC.
- Documented procedures did not exist for many WNRC operations.

We made 12 recommendations in this report which we believe, once implemented, will address weaknesses cited in this review.

Background

The National Archives and Records Administration (NARA) serves as our nation's record keeper. Since 1950, the Federal Records Centers (FRCs) have maintained the nation's records, including citizen tax returns, Official Military Personnel Folders, passport applications, and other records containing classified information. Every day, NARA's FRCs deliver on the agency's mission to provide ready access to essential evidence. NARA is authorized to establish, maintain, and operate records centers for Federal agencies under 44 U.S.C. 2907, and to approve a records center maintained and operated by an agency under 44 U.S.C. 3103.

The Washington National Records Center (WNRC) was constructed in 1966 and is located on the Suitland Federal Complex in Suitland, Maryland. The building is approximately 565 feet long and 723 feet wide, comprising approximately 820,000 square feet providing 3.9 million cubic feet of records storage space. The building is subdivided into 20 independent stack areas; each stack is approximately 40,000 square feet. WNRC has 551,284 cubic feet available for classified records, and stores the largest volume of classified records among NARA's FRCs.

WNRC provides records management services to headquarters and field offices of Federal agencies located in the District of Columbia, Maryland, Virginia, and West Virginia. It also serves Federal Courts located in the District of Columbia and Armed Forces worldwide. WNRC's largest customers are the Social Security Administration, the Internal Revenue Service, and agencies of the Department of Defense. WNRC is responsible for the safe storage and referencing of records ranging from Unclassified to Top Secret.

WNRC is the first stop for Federal records after they are no longer actively used by the agency of origin. WNRC accepts records for storage and servicing in accordance with approved agency records retention schedules, General Records Schedules, and prescribed archival standards. Agency records stay at the WNRC, where they are tracked through an automated database (Archives and Records Centers Information System – (ARCIS)), until they are either destroyed through recycling or accepted by NARA as permanent records. All Federal agency records management and interaction with the facility is governed by the Code of Federal Regulations as it relates to records management. Access to most records stored at the facility is controlled by the agency of origin; however some court records are open to the public.

History of Problems at WNRC

In 1966 WNRC was created from the consolidation of five separate buildings in Northern Virginia. Since the time of its opening, WNRC has been plagued with problems evidencing a lack of management oversight and attention to internal controls.

From 1966 to 2009, WNRC used charge cards to track records removed from stack areas including the Vault. In 1975 NARA started using a computerized system, National Archives and Records Service-5 (NARS-5), to control FRC holdings. The system had limited capability as a number of fields precluded accurate listing of box numbers and descriptions of odd-sized

containers. The system was updated in the 1980's to include a map, Space Information System, and error cycle reports.

From 1982 to the early 1990s NARA authorized the Department of Army to review multiple collections of Army records originating in Southeast Asia. Army personnel were given access to enter the Vault and remove their records for declassification review. From that time, various boxes from collections (RG-319 Army Chief of Staff, RG-334 Unified Commands, and RG-338 Army Commands Military Assistance Commands) of Army records have been missing without explanation due to the fact boxes were not charged out, but sent to various Army facilities in the Washington area.

Classified records were transferred from other facilities to WNRC in 1981 (Mechanicsburg) and 1997 (Bayonne). Management indicated the records lacked transfer numbers or the numbers did not match NARS-5. Physical markings of transfer numbers on the boxes sometimes duplicated existing transfer numbers at WNRC. These boxes are presently still a problem.

Management further indicated in 1995, as a result of Executive Order 12958, declassification reviews began in the Vault and agencies were allowed to enter the Vault and retrieve their records for declassification review. In 1995 the WNRC Director estimated an additional 20 full-time employees were required to service the requests without customer agency assistance. Unfortunately, additional dollars were not available for additional full-time employees and as a result, many boxes were not charged out correctly and remain missing today.

Up until the year 2000, there were several moves of records at WNRC, but data about internal relocations were sometimes entered improperly in NARS-5, a situation management is still trying to correct today.

Prior to 2001 Vault attendants were not assigned to monitor the Vault and only a sign-in/sign-out sheet was used as a monitoring tool. In 2007, WNRC hired the first Information Security Program Manager (ISPM) and a Vault Control Desk Attendant whose responsibility was to monitor every person who entered the Vault. In 2009 a Vault Manager was hired to coordinate and oversee all the reference and refile activities in the Vault and supervise Vault employees.

In 2007, a Vault inventory revealed that boxes of records belonging to several agencies were missing. A Problem Resolution Team was formed to resolve questions associated with the missing boxes. Three Vault employees, including the Vault Manager, were assigned to the team. In November 2010, WNRC indicated 3,202 boxes (1,864 classified and 1,338 unclassified) from the Vault were missing. In July 2011, WNRC began notifying agencies about the missing classified boxes.

Prior OIG Reports

In January 2009 the Office of Inspector General issued a Management Letter (Management Letter OI 09-01) which identified a series of problems at WNRC relating to the management and handling of classified material. These problems, dating back as far as 1998, resulted in unacceptable and even dangerous practices associated with classified records management at WNRC. The OIG report identified the following four specific issues 1) a comprehensive and

thorough Standard Operating Procedure manual for the Vault did not exist; 2) there was no coordination or consistency among all NARA records centers holding classified material; 3) there was co-mingling of classified and unclassified records; and 4) the ongoing arrival of 5,000 boxes of classified material from St. Louis would contribute to the issues noted above at WNRC. The issues mentioned in this Management Letter contributed to the improper management of classified material. Management responded to the letter by defining action taken or planned.

Objectives, Scope, Methodology

The objective of the audit was to evaluate and assess the adequacy of controls over the management and handling of records at WNRC. Our audit focused on the handling and management of unclassified and classified records. Audit work was performed at WNRC in Suitland, MD and at Archives II in College Park, MD with representatives from WNRC, Security Management Division (BX), and Office of Human Capital (H).

In support of the audit we examined applicable laws, regulations, and NARA guidance including (a) NARA 202, *Classified Information Security Program*; (b) Supplement to NARA 202, *Classified Information Security Handbook*; (c) Executive Order 13526, *Classified National Security Information*; (d) Executive Order 12968, *Access to Classified Information*; (e) Code of Federal Regulations - 32 CFR 2001, *Classified National Security Information*; (f) Code of Federal Regulations - 36 CFR 1234, *Facility Standards for Records*; (g) Code of Federal Regulations 36 CFR 1233, *Transfer, Use, and Disposition of Records in a NARA Federal Records Center*; (h) Code of Federal Regulations 36 CFR 1280, *Use of NARA Facilities: General Information on Using NARA Facilities*; (i) Code of Federal Regulations 41 CFR 102-74.375, *Conduct on Federal Property: Admission to Property*; (j) Code of Federal Regulations 36 CFR 1228 Subpart K, *Facility Standards for Record Storage Facilities*; (k) Code of Federal Regulations 5 CFR § 735.203, *Administrative Personnel: Employee Responsibilities and Conduct*; (l) Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control*; (m) NARA 204, *Access Privilege Procedures at AI and AII*; (n) NARA 271, *Key Control at NARA Facilities*; (o) NARA 275, *Background and Identity Verification Process for Access Privileges*; (p) *Washington National Records Center Standard Operating Procedures for Classified Operations*; (q) Government Accountability Office, *Standards for Internal Control in the Federal Government*; (r) NARA 260, *Food and Drink near Archival and Record Center Holding*; (s) Code of Federal Regulations 36 CFR 1220, *Federal Record*; and (t) NARA 279, *Clearance Procedures for Separating or Reassigned NARA Employees, Contractor Employees, Volunteers, Interns, and Foundation Employees*.

We held discussions with NARA employees and officials within WNRC, BX, and H. We evaluated the adequacy of controls over processing new transfers of records, disposal of records, requests for existing records, and refiling of records. We also evaluated controls over record security including, Vault combination changes, clearance levels of Vault employees and contractors, loading dock procedures, physical security, agency authorizations, and badge access rights for employees and contractors. We also reviewed and followed up on action items discussed in WNRC's Reports on Incidents (ROI). Finally, we reviewed ARCIS system user rights and access, policies and procedures, and training provided to employees.

Our audit work was performed at WNRC in Suitland, Maryland between November 2010 and August 2011. We conducted this audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our

audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results

1. Record classification levels were not reviewed in detail.

Documentation accompanying boxes received were not reviewed in detail by personnel to ensure classified documents were appropriately segregated. This occurred because WNRC staff relied on the markings on the outside of boxes rather than reviewing the accompanying documentation and the ARCIS system to determine the classification. According to the *Classified SOP*, it is WNRC's responsibility to adequately store and protect classified records of other agencies. Without a detailed review of the classification of records, records may not be adequately protected. In addition, because detailed reviews were not always performed, classified boxes have ended up in the unclassified areas of WNRC. This increases the risk of possible loss, compromise, and unauthorized disclosure of classified information.

During the course of our audit we noted WNRC staff did not review agency manifests and compare them to ARCIS to validate the classification of new transfers. We noted a delivery from an agency where classification levels on boxes were different than the accompanying documentation sent from the agency. However, WNRC staff present at the time did not take the initiative to determine the proper classification. The markings on the outside of the boxes indicated the contents were unclassified. An employee attempted to take the boxes into the mailroom for processing and stated the unclassified Refile Supervisor would determine the correct classification. We examined the records and noticed the accompanying documentation indicated the contents were classified as Secret. Although there was a discrepancy, none of the WNRC employees present validated the classification by calling the agency, reviewing ARCIS, or involving the Information Security Program Manager (ISPM). This lack of attention to detail has attributed to incidents at WNRC where classified boxes were found in unclassified storage areas of WNRC.



Figure 1: Boxes marked unclassified, but accompanying documents indicated the contents were classified as Secret.

We identified that as a matter of routine, WNRC staff failed to protect classified records from potential compromise. As an example, while OIG auditors were present, we observed a delivery of an unmarked crate from a non-government courier. The classification of the box contents was unknown by the mailroom staff present to accept the delivery. However, no one attempted to figure out the contents of the boxes or their classification. The mailroom employee was going to initially accept the delivery of the crate and leave it on the loading dock. The OIG suggested the Vault Manager be called to come inspect the contents of the crate. After review by the Vault Manager, it was determined in this instance that the records were unclassified. According to the *Classified SOP*, Vault staff are to verify that each piece of mail or package does not contain classified information before allowing the courier to leave the loading dock. In addition, Vault staff will use the computer terminal located on the lower loading dock to check ARCIS to verify the classification level of each piece of mail or part of a delivery. Clearly these internal control mechanisms were being bypassed on a routine basis.



Figure 2: Unmarked crate delivered to WNRC

In addition, at the beginning of our audit, we noted records were not all received by cleared personnel to determine if they were classified or unclassified. Although it is the process at this time for cleared personnel to receive records on the lower loading dock, it was not consistently performed. By not having cleared personnel present at all times, there is the risk classified records could be received by uncleared personnel. According to the *Classified SOP*, Vault staff will receive all carriers bringing deliveries to the lower loading dock to ensure adequate protection of any classified information contained therein.

Recommendation 1

The Executive of Agency Services should ensure:

- a) A robust review process for records received at WNRC is implemented and monitored.
- b) The current policy of requiring cleared personnel to receive all classified records is enforced and monitored.

Management Response

Management concurred with the recommendations.

2. There were inadequate controls in place to track and monitor new records stored in WNRC hallways.

WNRC does not have an inventory log to track the location of records stored in hallways and ARCIS does not track their temporary storage location. This occurred because storage limitations at WNRC require new records to be stored in hallways, however, management failed to implement controls to properly track the temporary storage locations of these records. WNRC should have adequate and proper documentation of record locations in order to appropriately manage and protect records held for agencies. Without a tracking mechanism for these records, there is the potential they may be misplaced.

Due to the lack of storage space at WNRC, new records were stored in the hallways until space became available on the shelves. According to the Transfer and Disposition (T&D) Supervisor, the volume of records was too great and fluctuated too much to track what was in the hallways. She stated in order to identify what may be in the hallways, ARCIS can be searched for records in the RECEIVED status, but ARCIS does not give the specific location of the record. We noted this search did not give an accurate picture of what was in the hallways as there were records with an incorrect status of RECEIVED (see finding #8). We ran a query for all records in a RECEIVED status as of May 16, 2011 and August 31, 2011. Our query revealed there were over 5,400 and 6,111 records listed in a RECEIVED status, respectively. Records in a received status fluctuate and these two queries may or may not have contained any of the same records. The volume of records sitting in the hallways increases the risk that a record could become misplaced or subject to unauthorized access.

WNRC management informed us of efforts underway to close the existing facility and transfer all functions and holdings to a new and appropriate storage and processing facility projected for completion in 2014. While a new facility will provide additional storage in the future, management will need to put additional controls in place to track the location of records currently arriving at WNRC.



Figure 3: Records stored in the hallways at WNRC

Recommendation 2

The Executive of Agency Services should ensure a formal tracking mechanism is implemented for new records received, but stored in the hallways due to lack of shelving space.

Management Response

Management concurred with the recommendation.

3. A formalized problem tracking and resolution process was not in place at WNRC.

There was no system in place to properly track problems with records received, stored, or removed from WNRC. There was also no process in place to ensure all problems identified were reviewed and resolved in a timely manner. This occurred because management failed to implement a systematic process where all issues were reviewed and resolved. The Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* asserts management should design and implement internal controls to protect its assets. By not having a formalized problem resolution process, WNRC is not able to effectively identify and address reoccurring problems and weaknesses, resulting in records being misplaced, lost, or provided to the wrong requestor.

The following are examples of problems that occurred in the absence of a problem tracking and resolution process.

Incorrect boxes provided to researcher

On two different occasions a researcher for a United States Senator was provided boxes he did not request. In the first incident, a request was sent by the researcher via email requesting to view 10 boxes. When the researcher came to WNRC's Unclassified Research Room to view the 10 boxes, he was provided 6 boxes that were not what he requested, but were the retired records for a different Senator. The researcher informed the Research Room attendant of the error and the correct boxes were provided.

When the researcher requested the 10 boxes, the customer reference number was provided. In this case the customer reference number (329-11-A079) for the ten boxes was mistaken to be the ARCIS transfer number by a staff member not familiar with the issues surrounding WNRC's ARCIS-era use of Customer Reference Number versus ARCIS Transfer Numbers. These issues included allowing agencies to provide customer reference numbers when requesting records instead of ARCIS transfer numbers. In this case it led to a problem where a researcher was provided records they were not authorized to access. The current process is confusing and, with the passage of time, almost guarantees to cause additional incidents wherein customers receive incorrect records.

In the second incident, the same researcher was then authorized by the Senator's office to pickup 72 boxes from WNRC for offsite review, but was given two more boxes than requested (a total of 74 boxes). A quality assurance reviewer assigned to the WNRC Mailroom reviewed the 72 boxes, confirming all were present and appropriately marked. But, when the boxes were loaded into the researcher's vehicle, the researcher noticed there were 74 boxes instead of the 72 he was authorized to retrieve. He informed the Archives Technician (from the Mailroom), who simply changed the ARCIS paperwork to reflect the higher number of boxes instead of determining if the researcher was given the appropriate boxes. When the researcher returned the boxes to WNRC, he mentioned the additional boxes to another Archives Technician and WNRC's Congressional Liaison. The Congressional Liaison investigated and identified the record transfer number for the 72 boxes requested was different from the record transfer number for the additional two boxes. The two boxes were retired records of a different Congressman. The additional two boxes were originally pulled when the researcher sent the request for the 10 boxes discussed above.

The problems identified above were not escalated and discussed with management. Management was not informed of the issue until it was raised by the OIG. While the Congressional Liaison took the initiative to investigate, the Archives Technicians failed to act when the researcher discussed his concerns regarding the problems. The Archives Technicians also failed to involve their Supervisor once the problem was identified.

Management was asked to perform an inquiry into the issues raised by OIG Investigations. Based on the results of the inquiry, management identified some recommendations, including: (1) developing comprehensive procedures as WNRC lacked updated standard operating procedures, (2) immediately focusing on the ARCIS-era interaction between Customer

Reference Numbers and ARCIS Transfer Numbers, and (3) developing and implementing a better way to track WNRC's ARCIS billing.

Problem refiles and boxes

There were approximately 2,500 boxes stored in one of the record storage areas at WNRC which are considered "problem refiles." These boxes were returned to WNRC for refileing, but due to lack of information on the boxes per WNRC staff, they could not be refiled. Many of the boxes had notes on them indicating either (1) no information on charge cards (charge cards used previously before ARCIS was implemented to track record movement), (2) no annotation on the boxes, or (3) accession number missing. According to the Refile Supervisor, problem refiles were not allowed after 2006, which means the majority of the 2,500 boxes existed prior to then. A final resolution had not been identified for the boxes during our audit.



Figure 4: Problem Refiles



Figure 5: Problem Refiles

We also noted there were several new record transfer boxes sitting in the upper loading dock. These boxes were labeled as "problem boxes." There was no systematic process in place to resolve the problems once the boxes were received by the Control Unit. Therefore, agencies assumed their boxes were received and stored as outlined in the agreement between WNRC and the agency.

A loss of records could erode agencies' confidence in the FRCs. It could also potentially jeopardize the FRCs ability to achieve the goal of providing high-quality storage for agencies.

Recommendation 3

The Executive of Agency Services should ensure:

- a) A Problem Resolution Process is created for all problems, regardless of whether they are considered major or minor. All problems should be tracked to resolution and supported by adequate documentation.
- b) A mechanism (database, etc.) to facilitate the problem tracking and resolution process is implemented.

Management Response

Management concurred with the recommendations.

4. Controls over disposals were not adequate to ensure records were disposed of in a timely manner.

Controls over disposals needed improvement to ensure records were disposed of timely. During the course of our audit we noted:

- WNRC did not destroy approved disposals in a timely manner;
- 16,000 cubic square feet of approved non-textual disposals were sitting on WNRC shelves at no cost to agencies; and
- The T&D department performed an inefficient process using excessive reviews and spreadsheets to identify records for disposal.

These conditions existed because WNRC did not implement effective management controls over disposals. According to the FRC Toolkit¹, when an agency returns the approved disposal notice the FRC is to destroy the records as scheduled. Adherence to retention schedules is good records management. As a result of the issues noted, there were records occupying space on shelves that could be used for records that are currently sitting in hallways at no cost to the agency. In addition, WNRC has lost a total of \$131K since 2001 and will continue to lose \$50K a year in revenue, by storing non-textual records on the shelves at no cost to the agencies.²

Untimely record disposals

During the course of our audit, we noted five instances out of the fifteen tested where the agency approved records for disposal however, WNRC did not dispose of them. In three of these instances, the disposal authority schedule had changed and needed to be reviewed by the T&D Supervisor prior to destruction. Those records had been approved for over a year and no one in T&D had reviewed them to determine if they could be destroyed. In another instance, the transfer contained SCI material and required a special disposal run. The transfer had been approved for over a year. As of the end of our fieldwork, there were no plans for disposing of this transfer. In the last instance, the records had been approved for disposal for over three years, but were not destroyed because the Acting Director of WNRC was concerned the agency did not have the correct disposal schedule. However, WNRC had not contacted this agency since March 2007 to resolve the matter. At the end of fieldwork, there was 1,546 cubic feet of records from this agency eligible for disposal. The T&D Supervisor stated there wasn't enough staffing in

¹ The FRC toolkit is a resource for Federal employees with records management responsibilities. It provides step-by-step instructions for transferring, retrieving, and returning records to a FRC as well as information on records disposition and accession of records into the national Archives at the end of their retention schedule.

² We calculated this loss of revenue by aging the approved disposal records based on their approval date to get the amount of time they had been approved for disposal by month and year. We then multiplied that time by the applicable monthly storage cost for that year.

place for them to adequately follow-up with agencies. Once an agency approves records for disposal, they no longer pay storage fees. Therefore, in each of these instances, these records were stored at no cost to the agencies and occupied space on the shelves that new records could occupy. WNRC is losing revenue by not adequately following up with agencies timely in order to remove records from the shelves and to dispose of them.

Non-textual records not disposed

WNRC holds over 16,000 cubic square feet of non-textual records that have been approved for disposal, but not destroyed. Once the agency approved the records for disposal, they no longer have to pay storage costs to WNRC. WNRC did not destroy them because they did not have a contract with a vendor that could destroy non-textual records. The OIG obtained a report from WNRC that listed all non-textual records approved for destruction from 2001 through 2011. We determined WNRC lost a total of \$131K from 2001 to 2011. The yearly amount escalated in 2011 to \$50K and WNRC will continue to lose this amount each year in revenue if they allow these records to sit on the shelf at no cost to the agencies. During the time of the audit, WNRC management was not actively seeking a contract to destroy non-textual records. If a contract is not secured, WNRC will continue to lose revenue since these non-textual records are sitting on the shelves for free and are occupying space on the shelf that new records could occupy.

Inefficiencies in disposal processing

WNRC relied on an inefficient process as the T&D unit performed excessive reviews and used spreadsheets to identify records for disposal. Although a review of SF-135s is completed when records are transferred, WNRC reviews them again once the records are eligible for disposal. Prior to destruction, the listing of records for disposal are reviewed by the T&D Supervisor and the Acting Director of WNRC. These excessive reviews create a tedious inefficient process. Efficiencies could be gained by streamlining the review process by eliminating excessive reviews and automating part of the process through ARCIS.

Recommendation 4

The Executive of Agency Services should ensure:

- a) A vendor is secured to destroy non-textual records.
- b) Records already approved for disposal are destroyed.
- c) The disposal review process is streamlined.

Management Response

Management concurred with the recommendations.

5. Periodic inventories were not conducted.

Periodic physical inventories of records were not conducted at WNRC. This occurred because conducting periodic inventories was not a management priority or policy. According to OMB's Circular A-123, *Management's Responsibility for Internal Control*, periodic reviews, reconciliations or comparisons of data should be included as part of the regular assigned duties of personnel. A record inventory is the foundation of sound records management and without it there is the risk agencies' records could become unaccounted for.

In December 2007, WNRC began a one time inventory of the Top Secret, Restricted Data, and Formerly Restricted Data storage areas of the Vault. The inventory of the remaining areas of the Vault was started in January 2008. The inventory revealed thousands of agencies' records were missing. An inventory problem resolution team was formed in January 2008. As of the end of fieldwork, the inventory was still in process without a final resolution or follow-up with all agencies regarding the status of their records. Issues resolved to date were documented on hard copy inventory worksheets. Based on our review, the inventory resolution documentation was difficult to follow, disorganized, and sloppy. In addition, the resolution process mostly relied on the knowledge of one manager who had extensive history knowledge of WNRC. Should that employee leave WNRC, the historical knowledge would be lost and the consequences profound.

In November 2010, WNRC indicated 3,202 boxes (1,864 classified and 1,338 unclassified) belonging to 49 agencies were not on the shelf and potentially missing. In July 2011, WNRC began notifying agencies about the unaccounted for and potentially missing boxes. However, as of the end of fieldwork, all agencies had not been notified of the missing records.³

Besides the efforts to inventory the classified Vault, no effort was made by management to perform periodic inventories of other storage areas at WNRC. Although ARCIS is used to track the location and movement of records, periodic inventories were not used to validate ARCIS data. WNRC's Acting Director agreed a periodic systematic, repeatable inventory process needed to be developed. Lack of proper management controls and periodic inventories have contributed to the plethora of missing records.

Recommendation 5

The Executive of Agency Services should ensure a process to perform periodic inventories of the records held at WNRC is documented and implemented. This process should be systematic and repeatable.

Management Response

Management concurred with the recommendation.

³ As of December 2011, WNRC indicated they contacted all agencies with missing records. However, this had not been validated by the OIG.

6. Records stored at WNRC were not adequately safeguarded.

WNRC did not ensure records were carefully maintained and safeguarded. This occurred because management did not enforce policies to safeguard records. According to NARA 260, *Food and Drink near Archival and Record Center Holdings*, food and drink are prohibited where holdings are present because they damage records and attract pests. Also, according to the Code of Federal Regulations 36 CFR Part 1220, *Federal Records*, records are to be protected in a safe and secure environment. Failure to properly store and protect records stored at WNRC could lead to damaged records.

Food, Drink, and Tobacco

During our review, we noted employees and contractors were allowed to bring and store food and beverages in the record storage areas. On various occasions we observed evidence that food (see Figures 6 and 7) and tobacco were consumed in the record storage areas. Although lockers and a break room were on the premises, they were not always used to either store or consume food and beverages. Also, one Supervisor chewed tobacco and used a container from his pants pocket to dispose of tobacco from his mouth when walking in the record storage areas.

Once the OIG discussed the food and beverages finding with management in February 2011, a memorandum was issued in March reminding employees the food and drink policy was still in effect. It also defined food and drink and where the items were prohibited and permitted.



Figure 6: Water bottle laying on top of records



Figure 7: Candy wrapper lying on the floor of a record storage area

Record Storage

We noted records were not properly stored in the record storage areas as there were (1) records spilling out of boxes, (2) damaged boxes, (3) boxes sitting in aisles, and (4) box contents sitting on shelves. Once boxes became old and deteriorated it appeared no effort was made to replace the boxes. Also, aisles frequented by staff contained boxes that clearly needed to be rehabilitated. While WNRC's physical facility is not in the best condition, every opportunity should be taken to safeguard the records entrusted to the record center.



Figure 8: Record not properly stored.



Figure 9: Documents spilling out of a box.



Figure 10: Documents not secured in box



Figure 11: Box sitting in middle of aisle

Recommendation 6

The Executive of Agency Services should ensure:

- a) Employees and contractors are reminded not to consume food, beverages, and tobacco in the record storage areas as outlined in NARA 260, *Food and Drink near Archival and Records Center Holdings*. In accordance with the directive, discipline anyone who does not comply.
- b) A detail review of the record storage areas is performed to assess the conditions of records stored at WNRC. Problems identified should be corrected.
- c) Employees are reminded the importance of safeguarding records, including what to do when boxes deteriorate or no longer support the stored contents.

Management Response

Management concurred with the recommendations.

7. Access to ARCIS was not properly restricted.

Terminated and transferred employees and contractors maintained active user accounts to ARCIS. In addition, current employees had access that was not commensurate with their job responsibilities. This occurred because periodic access reviews were not performed to determine whether individuals needed to maintain their existing ARCIS access. According to NARA 279, *Exit Clearance Procedures for Separating or Reassigned NARA Employees, Contractor Employees, Volunteers, Interns, and Foundation Employees*, when an employee is terminating employment the clearance official must request termination of access to a local system. If a reassigned individual has access to a system, the clearance official must determine whether access should be terminated and if so they are to request termination of access. Failure to properly delete ARCIS user accounts for terminated or reassigned individuals could potentially lead to unauthorized access. It could also provide ample opportunities to conceal malicious activity such as theft of records.

We reviewed active and inactive accounts in ARCIS. Based on our review, we found WNRC (1) did not ensure employees job responsibilities required access to ARCIS and super-user rights were not limited to certain individuals and (2) did not readily initiate action to terminate user accounts for separated or transferred employees.

Active Accounts

In May 2011, there were 97 active ARCIS user accounts for WNRC. Based on review of the active user accounts, we noted 12 user accounts did not have appropriate access including, (1) five employees that worked on the 2008 Vault inventory were no longer assigned to work at WNRC, (2) four individuals in management (Acting Director of WNRC, Director of Records Center Operations, T&D Supervisor, and Acting Vault Manager), had excessive rights including edit capabilities that allow them to transfer and dispose records, (3) two employees (a Management Analyst and a Secretary) did not have appropriate access based on their job responsibilities including edit capabilities that allow them to transfer records and create, modify, and reserve space, and (4) one IT contractor who was not involved in WNRC record operations had read-only access to ARCIS.

Inactive Accounts

Between January 2010 and May 2011, 29 ARCIS user accounts were changed to inactive status. We noted 23 of the 29 accounts were changed because the employee or contractor transferred to a different department or separated from NARA. When the OIG compared the employee's or contractor's transfer or separation date from NARA to the date the account was made inactive, we noted 18 accounts were not changed in a timely manner (Table 2 lists the 10 users whose accounts remained active for more than 90 days after their separation or transfer). Nine of the 18 accounts were not changed until after the OIG made the request for the report of ARCIS users.

Table 1

User Account	Number of days between separation/transfer dates from NARA and ARCIS inactive account status dates
User Account 1	333
User Account 2	204
User Account 3	198
User Account 4	197
User Account 5	189
User Account 6	147
User Account 7	146
User Account 8	109
User Account 9	109
User Account 10	95

Recommendation 7

The Executive of Agency Services should ensure accounts for separated or terminated employees are terminated in a timely manner. Also, quarterly reviews of access to ARCIS should be performed to identify whether user accounts access is appropriate.

Management Response

Management concurred with the recommendations.

8. ARCIS did not accurately reflect the current status of records.

Our review found ARCIS was not updated in a timely manner to reflect the current status of records held by WNRC. We also noted WNRC ARCIS users skipped statuses when processing records in ARCIS. These weaknesses exist because WNRC management did not implement effective internal controls, including monitoring anomalies. According to the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government*, internal controls should generally be designed to assure that ongoing monitoring occurs in the course of normal operations. Internal controls are performed continually and are ingrained in the agency's operations. They include regular management and supervisory activities, comparisons, reconciliations, and other actions people take in performing their duties. As a result of the above issues, WNRC cannot ensure records are properly accounted for. Without a consistent process for monitoring anomalies, WNRC's ability to identify and address potential issues is limited.

Incorrect ARCIS status

Upon initial receipt, records transferred to WNRC are to be captured in ARCIS as RECEIVED and subsequently transitioned to a SHELVED status when appropriate. *RECEIVED* status

indicates all containers are received. *SHELVED* status indicates all containers associated with the record transfer are shelved.

During our review we found management lacked the controls, including management reports, to monitor items received and shelved to ensure record transfers were shelved timely and ARCIS was updated timely and accurately. Our review found there were 56 record transfers received at WNRC in 2009 and 2010 that remained in *RECEIVED* status in May 2011. We noted exceptions with 48 of the 56 record transfers. Based on discussion with management these transfers were either not received, already shelved, or sitting on the loading dock at WNRC. The T&D and Control Unit Supervisors indicated the following regarding the 48 exceptions:

- Twenty-eight were never received at WNRC and were mistakenly categorized in *RECEIVED* status. No detailed research was performed by management to identify the root cause of why the record transfers were mistakenly categorized. The record transfer's statuses were changed back to the *APPROVED* status in ARCIS after the OIG brought them to management's attention.

Table 2: Record Transfers never received at WNRC, but mistakenly categorized in *RECEIVED* status

Date Received	Number of days in <i>RECEIVED</i> STATUS	Date Received	Number of days in <i>RECEIVED</i> STATUS	Date Received	Number of days in <i>RECEIVED</i> STATUS
1) 5/21/2009	725	11) 6/1/2010	349	21) 10/19/2010	209
2) 9/28/2009	595	12) 6/1/2010	349	22) 11/2/2010	195
3) 10/16/2009	577	13) 6/18/2010	332	23) 11/2/2010	195
4) 11/4/2009	558	14) 8/26/2010	263	24) 11/12/2010	185
5) 11/25/2009	537	15) 9/1/2010	257	25) 12/1/2010	166
6) 2/23/2010	447	16) 9/1/2010	257	26) 12/1/2010	166
7) 4/9/2010	402	17) 9/9/2010	249	27) 12/1/2010	166
8) 5/6/2010	375	18) 9/14/2010	244	28) 12/21/2010	146
9) 5/6/2010	375	19) 10/8/2010	220		
10) 5/25/2010	356	20) 10/19/2010	209		

- Eleven record transfers were already shelved. No rationale was provided for why the records did not have the correct status of *SHELVED*. Based on examination by the OIG, two of the eleven records were postmarked months prior to the *RECEIVED* date in ARCIS. According to the Control Unit Supervisor, the lag time between when the two boxes were received and when they were updated in ARCIS occurred because Vault personnel physically received the record transfers, but it was the responsibility of the Control Unit to change the items to *RECEIVED* status in ARCIS. A lack of coordination between the Vault and Control Unit contributed to the record transfers not being processed in a timely manner.

Table 3: Record Transfers in RECEIVED status at WNRC, but already shelved

Date Received	Number of days in RECEIVED STATUS	Date Received	Number of days in RECEIVED STATUS
1) 9/24/2010	234	7) 12/4/2010	163
2) 9/24/2010	234	8) 12/9/2010	158
3) 10/1/2010	227	9) 12/14/2010	153
4) 11/10/2010	187	10) 12/22/2010	145
5) 11/10/2010	187	11) 12/23/2010	144
6) 11/18/2010	179		

- Eight record transfers were sitting in the aisles of the record storage areas or on the loading dock. The records were not shelved due to their unique size and spacing problems at WNRC.

Table 4: Record Transfers received at WNRC, but sitting in the aisles of the record storage areas or on the loading dock

Date Received	Number of days in RECEIVED STATUS	Date Received	Number of days in RECEIVED STATUS
1) 5/6/2010	375	5) 7/21/2010	299
2) 5/28/2010	353	6) 11/24/2010	173
3) 7/15/2010	305	7) 12/7/2010	160
4) 7/21/2010	299	8) 12/28/2010	139

- One record transfer received in November 2010 was permanently withdrawn by the customer. It was left in *RECEIVED* status because it was expected to ship out in January 2011; however it did not ship out until March 2011. After the shipment, the ARCIS status was supposed to be changed to *PERMANENTLY WITHDRAWN*. This still had not taken place in July 2011.

Table 5: Record Transfer permanently withdrawn

Date Received	Number of days in RECEIVED STATUS
11/24/2010	173

For each of the exceptions noted above, agencies were not billed for storage at WNRC since the records had not been shelved, resulting in lost revenue of \$2,379 as of May 2011. Although minimal, this could accumulate if not monitored by management.

Skipped ARCIS statuses

During the review of the classified records quality assurance process, we noted the reviewer did not always check the *QUALITY CONTROL* status in ARCIS. The auditor indicated if the system

was slow, the status was skipped and the *READY FOR SHIPMENT STATUS* was checked in ARCIS. While checking the *QUALITY CONTROL* status in ARCIS does not provide assurance the action took place, it does provide an audit trail.

We also noted at the end of the auditing process for unclassified records being shipped to agencies, the status in ARCIS was changed to *SHIPPED* after the *QUALITY CONTROL* status, but prior to the records shipment. The records may not actually be shipped on that day, but the status was changed prior to the Mailroom personnel completing shipping labels and preparing records for shipment. This practice could lead to confusion with agencies that use the ARCIS customer portal as they may be under the assumption that records were shipped when they are actually still at WNRC.

Recommendation 8

The Executive of Agency Services should ensure management designs and implements monitoring activities (including anomalies) for records processed at WNRC, including weekly, monthly, and quarterly reports.

Management Response

Management concurred with the recommendation.

9. WNRC did not require agencies to use the ARCIS Customer Portal.

Federal agencies storing records at WNRC did not fully utilize ARCIS' Customer Portal. This occurred because WNRC management believed that in order to provide customer service they should not require customers to utilize the Customer Portal to its full capability. According to the ARCIS manual, ARCIS will serve as the online portal through which agencies conduct business with the FRCs. It allows agencies to handle transactions online, reducing paperwork and saving time. Failure to require customers to fully utilize the Customer Portal increases the risk of error by WNRC employees as they have to manually enter requests in ARCIS. It is also a waste of the funds NARA invested in creating ARCIS if it is not used to its full capacity.

ARCIS reference requests can be submitted and tracked by FRC customers through the ARCIS Customer Portal. During our review we noted not all agencies utilized the ARCIS Customer Portal to request records. Requests were sent via email, fax, telephone, and via ARCIS. Once the requests were received by WNRC, they were logged by personnel into ARCIS. Although no errors were found by the OIG auditors, we noted there was no secondary review performed to ensure the requests were entered as requested. Dedicating resources to these tasks may not be the best use of employee's time as those resources could be assigned to other tasks throughout WNRC.

Recommendation 10

The Executive of Agency Services should ensure a plan is developed to help all agencies transition to fully using all of the features available in ARCIS' Customer Portal.

Management Response

Management concurred with the recommendation.

10. Employees have not been trained on the Classified Standard Operating Procedures and there was no monitoring to ensure the procedures were operating as written.

WNRC employees have not been trained on the processes outlined in the Classified Standard Operating Procedures (SOP) manual. In addition, there was no monitoring in place to ensure the procedures in the *Classified SOP* were operating as written. Management relied on signed acknowledgement statements from employees stating they read the procedures and would adhere to them. According to the GAO's *Standards on Internal Control*, all personnel need to possess and maintain a level of competence that allows them to accomplish their assigned duties, as well as understand the importance of developing and implementing good internal control. In addition, management needs to identify appropriate knowledge and skills needed for various jobs and provide needed training. Without proper training and monitoring, management cannot ensure classified processes are operating effectively and classified records are properly safeguarded in accordance with the *Classified SOP*.

During the course of our audit, we noted there was no formal training provided to employees to ensure they were aware of what the procedures were and how to perform the procedures outlined in the *Classified SOP*. As a result, many of the procedures outlined in the *Classified SOP* were not performed. Specifically, we noted the following procedures were not in operation:

Table 6

Section of SOP	Procedures not in operation
5.2 (B.2)	<ul style="list-style-type: none"> • Combinations must be changed immediately when an individual with access to the combination, password, or PIN number no longer requires access or leaves the Records Center
6.0 (C)	Visitors requesting classified records be returned to their agency must: <ul style="list-style-type: none"> • Possess a valid, agency issued courier badge • Be authorized by their agency records officer to accept records on behalf of the agency; and, • Have a current Visitor Authorization Letter on file with the Vault Manager and NASS Personnel Security at Archives II
6.2 (C)	<ul style="list-style-type: none"> • Immediately upon receipt of records the mailroom staff must verify in ARCIS the classification status of deliveries containing refiles. Records must be verified before moving the records from the dock.
6.3 (A)	<ul style="list-style-type: none"> • On the specific days reserved for the Defense Intelligence Agency (DIA) deliveries, new transfers and re-files, an individual with Sensitive Compartmented Information access must be

	<p>present to review the contents of each box while the courier is present.</p> <ul style="list-style-type: none"> • Prior to signing the courier receipt and accepting physical custody of DIA records, each box must be opened in the presence of the courier and the classification level of the contents verified against the overall classification level identified on the SF 135.
6.5 (B)	<ul style="list-style-type: none"> • NARA and other agency personnel wishing to hand-carry classified material (originals or reproductions) maintained by WNRC must provide an agency issued, valid courier card or an original memo on official letterhead from the agency, granting them permission to transport classified information prior to taking custody of the requested material. • WNRC staff is not authorized to release classified material unless the courier provides proof in the form of a valid agency issued courier card or memo stating authorization.
6.9 (A)	<ul style="list-style-type: none"> • The Vault Manager conducts and documents Intrusion Detection System and Response Force testing annually, in coordination with the ISPM. • Keep IDS and Response Force test records on file for two years.
7.2 (B)	<ul style="list-style-type: none"> • The ISPM shall conduct a walk-thru with the Division Director and Deputy Division Director, WNRC on a quarterly basis to identify deficiencies and decide on corrective actions. The documented items and corrective actions will be maintained as part of the security file.
7.3 (A)	<ul style="list-style-type: none"> • WNRC staff shall report immediately all incidents that involve the potential or actual compromise or loss of classified material to the ISPM and Vault Manager.

In addition, during the fieldwork, there were staffing changes that occurred within the Vault. Five new individuals began working in the Vault including a new Vault Manager. Although these individuals were trained on how to identify and protect classified information, none of these individuals received training on the *Classified SOP*. The ISPM was aware the procedures in the *Classified SOP* were not fully being followed and stated there were no plans to provide training or to put any monitoring in place.

Recommendation 9

The Executive of Agency Services should ensure:

- a) Appropriate training is provided to Vault personnel on the *Classified SOP*.
- b) A training program for new Vault employees is implemented.
- c) A monitoring process is implemented for ensuring classified operations are performed as written in the *Classified SOP*.
- d) The *Classified SOP* is reviewed on an annual basis and updated when necessary.

Management Response

Management concurred with the recommendations.

11. FRC packaging standards were not always followed by customer agencies sending records to WNRC.

Records sent to WNRC by agencies were not always sent in secured boxes. This occurred because management allowed agencies to create their own standards instead of enforcing the FRCs standards. According to the FRC Toolkit, agencies are to seal their boxes securely with

packing tape. It further states boxes that arrive at the center out of order; including being improperly taped, may require extensive remedial effort and increased costs. Failure to secure the contents of the boxes increases the risk of them being lost, damaged, or mishandled.

During the course of our audit, we noted various records from the Social Security Administration were shipped to WNRC without box tops. The social security numbers on these records were exposed. Once the boxes arrived at WNRC, there was no process in place to close and seal the boxes. They were stored as received in areas accessible by employees and contractors.



Figure 12: Social Security Administration files left on the loading dock of WNRC. Social Security numbers were in plain view.



Figure 13: Social Security Administration files in the hallways at WNRC. Social Security numbers were in plain view.

Recommendation 11

The Executive of Agency Services should ensure explicit requirements are communicated to agencies on how boxes should be transferred to FRCs. When boxes do not meet these requirements, FRCs should correct the problems and enforce the policy of billing agencies for the additional costs to correct the problems.

Management Response

Management concurred with the recommendation.

12. Documented procedures did not exist for many WNRC operations.

Documented procedures were not written for many of the operations at WNRC. Procedures did not exist because WNRC used the knowledge of many seasoned employees to explain procedures, although those employees' procedures may have been incorrect. As a result, personnel did not always know or follow correct procedures to follow for their job duties. Lack of current documented procedures result in inconsistent process operations, key person dependencies, and overall process inefficiency. Likewise, the use of ad-hoc and unstructured

processes and procedures places records (to include classified records) at risk of loss or unauthorized access.

GAO’s *Standards for Internal Control in the Federal Government*, states management is responsible for developing the detailed policies, procedures, and practices to fit their agency’s operations and to ensure that they are built into and an integral part of operations. Information should be recorded and communicated to management and others within the entity, who need it, and in a form and within a time frame, which enables them to carry out their internal control and other responsibilities.

During the course of our audit, we were unable to obtain written procedures for many WNRC processes. As indicated in the table below, documented procedures did not exist for 11 of the 13 main processes performed at WNRC.

Table 7: WNRC Processes vs. Documented Procedures

Areas of Review	Documented Procedures
Processing new transfers – SF-135s	Yes
Processing requests for existing records (classified and unclassified)	No
Refiling records (classified and unclassified)	No
Processing disposals	Yes
Processing delivery of new records (classified and unclassified)	No
Processing delivery of re-files (classified and unclassified)	No
Access procedures at WNRC	No
ARCIS access requests and reviews	No
Key inventory	No
Auditing process (classified and unclassified)	No
Conducting periodic inventories	No
Management reporting	No
Safeguarding records (including access to the Vault and authorizations for access to records)	No

Management agreed procedures were either outdated or were missing. Prior to the end of our fieldwork, management began drafting procedures for some WNRC processes.

Recommendation 12

The Executive of Agency Services should ensure:

- a) Procedures for all WNRC processes are documented. Review existing procedures and update as necessary.
- b) Procedures between unclassified and classified processes are consistent where possible.

Management Response

Management concurred with the recommendations.

Appendix A – Acronyms and Abbreviations

ARCIS	Archives and Records Centers Information System
BX	Security Management Division
CFR	Code of Federal Regulations
DIA	Defense Intelligence Agency
FRC	Federal Records Center
GAO	Government Accountability Office
H	Office of Human Capital
ISPM	Information Security Program Manager
NAHR	Employee Relations and Benefits Branch
NARA	National Archives and Records Administration
NARS-5	National Archives and Records Service
OIG	Office of Inspector General
OMB	Office of Management and Budget
SOP	Standard Operating Procedures
T&D	Transfer & Disposition
WNRC	Washington National Records Center

Appendix B – Management’s Response to the Report



Date: March 21, 2011
To: Paul Brachfeld, Inspector General
From: David S. Ferriero, Archivist of the United States
Subject: OIG Report 12-05, Audit of the Management of Records at the Washington National Records Center, Part 2 of 2

Thank you for the opportunity to comment on this draft audit report. We appreciate the efforts of the auditors throughout this process and the willingness of OIG staff to meet and work with us to clarify portions of this draft report.

We concur with all twelve recommendations and are putting together an action plan to implement them and to otherwise continue to enhance accountability and control of records at the Washington National Records Center (WNRC) and to consider them in light of our other Federal Records Centers (FRCs). While the action plan will address the specific recommendations, I wanted to note several actions I have taken in response to your audit and the two related reports.

On February 15, 2012, I ordered all FRCs operated by NARA to conduct a one day stand-down to assess their operations to ensure we meet the high standards we have for accountability and control of our holdings. This measure was intended to see if any of the problems identified at the WNRC, our largest FRC, existed elsewhere. I am pleased to report that it does not appear that any of the other FRCs are experiencing the scope of the challenges faced by WNRC. Regardless, action plans are being developed for each FRC to address any identified issues and steps to address problems will be monitored by the Executive for Agency Services.

We have also established a WNRC Oversight Group to ensure senior leadership participation in oversight of plans, actions, and results related to resolving the long-standing issues at WNRC. This group is chaired by our Chief Operating Officer and includes participants from Agency Services and Business Support Services and observers from the Information Security Oversight Office and your office.

With respect to Recommendation 6(a), please see AFO-SD, 1206, "Food and Drink Near Records Center Holdings" issued on March 2, 2012 (enclosed).

If you have any questions about this response, please contact Mary Drak at 301-837-1668 or at mary.drak@nara.gov.

Sincerely,



DAVID S. FERRIERO
Archivist of the United States

Enclosure

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Appendix C – Report Distribution List

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