



OFFICE *of* INSPECTOR GENERAL

SEMIANNUAL REPORT

to **CONGRESS**

APRIL 1, 2015 *to* SEPTEMBER 30, 2015



FOREWORD

I am pleased to present my second Semiannual Report to Congress for the National Archives and Records Administration (NARA) Office of Inspector General (OIG) since being hired as the Inspector General (IG). The last six months have been an interesting time for Federal OIGs. Notably, despite the IG Act's clear statement that OIGs have access to all information available to their agency, an arm of the Department of Justice issued a 68-page opinion concluding their IG did not have the right to independently access certain records. In response, I joined 66 fellow IGs in signing a letter to members of Congress calling for corrective action. Access is at the very heart of what OIGs do. Without it we cannot effectively do the job we were created for, and cannot maintain our independence. If an agency can filter the data the OIG receives, then no report can be truly complete. At this time corrective legislation has been proposed, and we hope this chapter will soon come to a close.

At NARA, I continue to urge the agency to develop and implement an effective internal control program. A strong internal control program is the bedrock for an agency to plan, implement, test, and adapt operations to become effective and efficient. For years NARA has lacked a strong internal control program despite how the audits and reports of my office and the General Accountability Office have demonstrated NARA's need for one. NARA has realized change is necessary and has initiated efforts to develop an internal control program. However, until all levels of management embrace their responsibility to establish and maintain internal controls, NARA will be challenged in meeting its responsibilities. Improvement only happens when parties are willing to take a fresh fact-based and data-driven look at challenges. The agency and the OIG share the same goal, improvement. We strive to provide independent, high-quality products which move NARA in a positive direction, and look forward to cooperation from all parties to effectively generate positive change.

In this period we began looking at NARA's space management. We found NARA's archival space is already 88% full. Further, if NARA had followed its own policies and procedures and received all the records scheduled to come in from other agencies, NARA would already be at its total archival capacity today. NARA has estimated it will need over 2.4 million additional cubic feet of archival storage capacity to meet its needs through 2030. This represents an amount roughly equal to half of NARA's archival capacity nationwide. This issue has the potential to rapidly become the largest challenge facing NARA in the near future.

Change has come to the OIG as well. This period I welcomed Jason Metrick as the new Assistant Inspector General for Investigations. Jason is already hard at work contributing to the office, and running a top-notch investigative program. Our search continues for a new Assistant Inspector General for Audits, and I look forward to selecting one soon. I continue to be amazed at the hard work and dedication of my staff, and commend their efforts. Our audits, investigations, and other services only serve to improve the agency, and I am proud of the accomplishments of my staff.



James Springs
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 54th Semiannual Report to 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 and Reports

The Office of Audits continued to assess the economy and efficiency of NARA's programs and operations, and examine NARA's Information Technology (IT) systems including the Electronic Records Archives (ERA). During the reporting period, the Office of Audits issued the following audit reports, and the Office of Investigations issued the following management letter.

Programs and Operations

- **NARA's Space Management.** NARA is running out of space to store archival records. If this critical space challenge is not addressed, NARA will not meet its mission. NARA has filled 88% of its current archival capacity. However, if NARA had followed its own policies and procedures and received all the records scheduled to come in from other Federal agencies, NARA's space would already be completely full. While NARA has managed to implement short-term solutions to its space challenge, the agency has not sufficiently provided for the country's long-term archival space needs. (OIG Audit Report #15-14, dated September 29, 2015. See page 11.)
- **NARA's Digitization Storage and Transfer Capabilities.** NARA's lack of strategic management within the Digitization Partnership Program has impeded the release of over 57 million partner-digitized records currently eligible for online public access. NARA did not maintain adequate storage for internally digitized records, nor did it maintain adequate storage network transfer capabilities. Additionally, NARA does not have effective processes and controls in place to manage partner-digitized records from the time of original scan through the point they become publicly accessible. (OIG Audit Report #15-11, dated May 5, 2015. See page 11.)

Information Technology (IT)

- **NARA's Online Public Access Development Effort.** NARA lacks assurance sufficient system testing was performed by the vendor prior to delivery of system builds for the new online public access system. This weakness occurred primarily because the performance work statement did not specifically account for system testing for more than one build within a release. As a result, the online public access system builds had a high number of defects which were not identified and resolved prior to user acceptance testing. (OIG Audit Report #15-12, dated May 26, 2015. See page 12.)
- **NARA's Cable Infrastructure.** Overall, NARA is effectively managing its communications cabling infrastructure. However, weaknesses exist related to the consistent implementation and assessment of specific physical, environmental, and

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infrastructure controls. There are also security controls weaknesses which, if exploited, could limit the agency's ability to perform operations. (OIG Audit Report #15-15, dated September 30, 2015. See page 12.)

- **NARA's Human Resources Systems and Data Accuracy.** In general, security and availability controls for the systems reviewed appeared adequate. However, opportunities existed to strengthen the agency's ability to maintain data reliability and accuracy, provide adequate user training, conduct access reviews for the systems, and manage personnel data and system access for individuals other than federal employees. (OIG Audit Report #15-13, dated August 24, 2015. See page 13.)

Management Issues

- **NARA's Public Transit Subsidy Program (PTSP).** We notified management of weaknesses in its PTSP. Some participating employees did not understand how participating in NARA's PTSP affected how they could, or could not, use government provided parking at the worksite. Further, some employees reported they assumed so long as they submit the yearly application form, they could use the benefit however they chose, including giving the government provided public transportation fare cards or tokens to family members. Some first line supervisors stated they had been instructed their role was not to oversee or investigate suspected misuse, but rather they should simply wait to see if the conduct was uncovered by the OIG. We suggested additional training to correct these misperceptions. We also suggested NARA consider reviewing the wording of the current policy, and examine developing a standard process for PTSP participants to follow when they need to drive to work and park at the worksite. (OIG Management Letter #OI-15-01, dated September 30, 2015.)

Investigations

The Office of Investigations (OI) receives and evaluates complaints, and conducts investigations related to fraud, waste, and abuse in NARA programs and operations. This includes identifying and recovering wrongfully alienated NARA holdings. Investigations showing violations of law, regulations, rules, or contract terms may result in administrative, civil, or criminal actions. These can include things such as terminations, debarments, prison terms, probation, fines, or restitution. The OI may also issue management letters detailing specific problems or vulnerabilities, and offer insight on how to correct them.

In this period the OI opened 7 investigations, while closing 14 investigations which included 1 criminal conviction. Prosecutors declined to prosecute four individuals referred for prosecution. One individual was accepted to be prosecuted. The OI also issued one management letter on NARA's Public Transit Subsidy Program, discussed in detail above.

Other notable achievements include:

- The OI began an agency-wide outreach program educating NARA employees across the nation regarding responsibilities of the OIG and NARA employees concerning waste, fraud, and abuse. In total, 35 briefings were given at 23 facilities to 744 employees. All

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NARA offices reported positive feedback, and the number of allegations being reported to the OIG increased.

- After years of reviewing the Archival Recovery Team, it became apparent a great deal of manpower was being spent on the initial screening of cases to determine whether an item was stolen or not. In general, this could only efficiently be done by NARA. During this period this function, along with others, was transferred to the agency. This provides the agency the ability immediately to address archival issues such as misfiled records, while allowing the OI to focus on investigative priorities involving criminal violations.
- Under the Attorney General Guidelines for OIGs with Statutory Law Enforcement Authority, the OI should be peer reviewed “no less often than once every 3 years.” The OI was granted statutory law enforcement authority in February 2012, and is due for peer review. The OI is working with the Council of Inspectors General on Integrity and Efficiency (CIGIE) to designate an available peer organization and to schedule a date for the review, which is anticipated early in the next calendar year.
- The OI acquired a new case management system, the Archives Investigative Management System (AIMS). This will improve the OI’s ability to track and analyze investigative activity for future reporting.
- During this reporting period, the OIG hired Assistant Inspector General for Investigations (AIGI) Jason J. Metrick to lead the OI. AIGI Metrick has over 15 years of law enforcement experience, including at the Department of Treasury OIG and the District of Columbia OIG. AIGI Metrick brings with him the experience to enhance OI operations and ensure the OI meets the rigorous standards required of OIGs with statutory law enforcement authority.

Management Assistance and Other Work

- Brought to NARA’s attention continued deficiencies with the implementation of NARA’s mobile device policies.
- Continued assisting NARA in litigation resulting from a civil judgment collection action relating to a closed OIG investigation, resulting in NARA collecting a \$130,000 settlement from a contractor.
- Continued running the Whistleblower Ombudsman program, providing training and information to potential whistleblowers on various rules and protections available.
- Responded to multiple requests for OIG records under the Freedom of Information Act (FOIA), and coordinated with the Department of Justice (DOJ) on requests from the media pertaining to joint work between the DOJ and NARA.
- Provided comment and input into several NARA directives and regulations covering a variety of topics.
- Worked with the NARA Human Relations (HR) office to ensure the Inspector General is not subject to annual performance evaluations by the agency.
- Reviewed legislative and Office of Management and Budget (OMB) proposals and provided feedback to appropriate entities, and reviewed proposed and passed legislation for its effect on NARA and the NARA OIG.

INTRODUCTION

About the National Archives and Records Administration

Mission

The National Archives and Records Administration (NARA) drives openness, cultivates public participation, and strengthens our nation's democracy through public access to high-value government records. Simply put, NARA's mission is to preserve and provide public access to Federal Government records in its custody and control. Public access to government records strengthens democracy by allowing Americans to claim their rights of citizenship, hold their government accountable, and understand their history so they can participate more effectively in their government.

Background

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

Federal records reflect and document America's development over more than two centuries. They are great in number, diverse in character, and rich in information. NARA holds nearly 4.8 million cubic feet of traditional records. These holdings include, among other things, letters, reports, architectural/engineering drawings, maps and charts; moving images and sound recordings; and photographic images. Additionally, NARA maintains nearly 617,000 artifacts and approximately 648.5 terabytes of electronic records. The number of records born and stored solely in the electronic world will only continue to grow; thus NARA developed the Electronic Record Archives to attempt to address this burgeoning issue.

NARA involves millions of people in its public programs, including exhibitions, tours, educational programs, film series, and genealogical workshops. In FY 2015, NARA had 61 million online visits in addition to hosting 3.5 million traditional museum visitors, all while responding to almost one 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) 2015, NARA was appropriated \$381.7 million. This included \$365 million for operating expenses, \$7.6 million for repairs and restoration of NARA-owned buildings, \$5 million for the National Historical Publications and Records Commission (NHPRC), and \$4.13 million for IG operations. With approximately 2,833 full-time equivalents (FTEs), NARA operates 44 facilities nationwide.

INTRODUCTION

About the Office of Inspector General (OIG)

The OIG Mission

The OIG serves the American citizen by improving the effectiveness, efficiency, and economy of NARA programs and operations. As part of our mission, we detect and prevent fraud and abuse in NARA programs, and strive to ensure proper stewardship over Federal funds. We accomplish this by providing high-quality, objective audits and investigations, and serving as an independent, internal advocate. Unique to our mission among other OIGs is our duty 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 our documentary heritage.

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 keeps both the Archivist of the United States and Congress fully and currently informed on our work. 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 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 programs, customers, staff, and resources.

Resources

In FY 2015, Congress provided \$4.13 million for the OIG's appropriation, including authorization for 24 FTEs. During this period two positions were filled, the Assistant Inspector General for Investigations and an investigative program analyst. Also, an investigative archivist position and an auditor position were vacated. The OIG continued the hiring process to fill the Assistant Inspector General for Audits (AIGA). Currently the OIG has 16 FTEs on board, including an Inspector General, one support staff, seven FTEs devoted to audits, six FTEs devoted to investigations, and a counsel to the Inspector General.

ACTIVITIES

Involvement in the Inspector General Community

Council of Inspectors General on Integrity and Efficiency (CIGIE) Legislation Committee

The Legislation Committee provides timely information about congressional initiatives to the IG community; solicits the views and concerns of the community in response to legislative initiatives and congressional requests; and presents views and recommendations to congressional committees and staff, the Government Accountability Office, and the Office of Management and Budget on issues and legislation affecting the IG community. The OIG counsel attends Committee meetings for the IG, who serves as a member. Counsel is involved in drafting the Committee's comments to Congress on potential legislation and in other Committee work.

CIGIE Audit Committee

The Audit Committee provides leadership to, and serves as a resource for, the Federal Inspector General audit community. Specifically, the Audit Committee sponsors and coordinates audit-related activities addressing multi-agency or Government-wide issues, maintains professional standards for OIG audit activities, and administers the audit peer review program. The Audit Committee also provides input to the CIGIE Professional Development Committee on training and development needs of the CIGIE audit community, and advice to the Chairperson, Vice Chairperson, and Executive Director regarding CIGIE's contracts for audit services. The Inspector General continued to serve as a member of this Committee. The IG attended Audit Committee meetings to discuss topics such as financial statement audit issues, audit training, opinion reports on internal controls, and information security.

CIGIE Investigations Committee

The Investigative Committee advises the Inspector General community on issues involving criminal investigations and criminal investigative personnel. The Committee also works on establishing criminal investigative guidelines. The AIGI attends Committee meetings for the IG, who serves as a member. The AIGI is involved in helping provide guidance, assistance, and support to the CIGIE Investigations Committee in the performance of its duties.

Council of Counsels to Inspectors General (CCIG)

The OIG counsel continues to be an active member of the CCIG. The CCIG provides a rich environment wherein legal issues can be raised and interpretations can be presented and reviewed with an experienced network of OIG lawyers.

CIGIE Training Institute

The OIG counsel continued to work with the CIGIE Training Institute teaching the IG Authorities course. Counsel also was chosen to instruct new OIG investigators in the IG Investigator Training Program at the Federal Law Enforcement Training Center.

Whistleblower Ombudsman Working Group (WOWG)

In accordance with the spirit of the Whistleblower Protection Enhancement Act of 2013, the OIG formed a whistleblower ombudsman program, and is working with the WOWG to develop best practices and implement an effective training program.

ACTIVITIES

Peer Review Information

Peer Review of NARA OIG's Audit Organization

The NARA OIG audit function was last peer reviewed by the Federal Deposit Insurance Corporation (FDIC) OIG in accordance with the Government Accountability Office's *Government Auditing Standards* (GAS) and CIGIE's *Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. FDIC OIG concluded "the system of quality control for the audit organization of the NARA OIG, in effect for the 12-months ended September 30, 2013, has been suitably designed and complied with to provide the NARA OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Federal audit organizations can receive a rating of *pass*; *pass with deficiencies*, or *fail*. NARA OIG has received a peer review rating of *pass*."

The peer review report's accompanying letter of comment contained 14 recommendations that, while not affecting the overall opinion, were designed to further strengthen the system of quality control in the NARA OIG Office of Audits. In responding to the recommendations, we committed to completing recommended actions by September 30, 2014. We completed actions for all but two recommendations.

Outstanding Recommendations: The FDIC OIG recommended that the Acting Inspector General revise the Procedures Manual to (1) require that auditors request a description of planned corrective actions to address recommendations from NARA management before finalizing audit reports and memoranda, and (2) include a process for addressing situations in which NARA management does not provide corrective action plans in its responses to audit reports and memoranda. The corrective actions necessary also involved changing NARA management's process, which they were not able to immediately implement. A process has been drafted and agreed upon with the agency. It will be piloted at the start of the next audit. Full implementation is anticipated by March 31, 2016. There are no other outstanding recommendations from any peer review of the NARA OIG conducted by another Office of Inspector General that have not been fully implemented.

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 2008. There are no outstanding recommendations from this review. In February 2012, the Attorney General of the United States granted the Inspector General's application for statutory law enforcement authority. The OI has prepared for the mandatory peer review which should have been completed within three years of being granted statutory authority. The review has yet to be scheduled by CIGIE. A new AIGI has been hired and is working to get the peer review scheduled, it is currently anticipated in 2016.

ACTIVITIES

Response to Congressional Items

In addition to communicating and meeting with Congressional staff over the period to keep the Congress informed about agency and OIG activities, the OIG responded to the following items.

Ongoing Report Requested by Chairman Johnson and Chairman Grassley

The OIG responded to a letter signed by Senator Ron Johnson, Chairman of the Committee on Homeland Security and Governmental Affairs, and by Senator Charles Grassley, Chairman of the Committee on the Judiciary, requesting several items of information on a continuing basis. Among other things, our response included information on outstanding unimplemented audit recommendations, descriptions of products provided to the agency but not responded to within 60 days, issues involving IG independence, and information on closed investigations, evaluations, and audits that were not disclosed to the public.

Ongoing Report Requested by the House Committee on Oversight and Government Reform

The OIG responded to a letter signed by Representative Jason Chaffetz, Chairman of the Committee on Oversight and Government Reform, and by Representative Elijah Cummings, the Committee's Ranking Member, requesting several items of information on a continuing basis. Our response included information on outstanding unimplemented audit recommendations (including those the IG felt most important or urgent), and information on closed investigations, evaluations, and audits that were not disclosed to the public.

Federal Records Issue Response

The OIG provided congressional staff with information concerning an ongoing issue surrounding Federal records of a past Secretary of State.

OIG Access to Agency Information

The OIG responded to a letter signed by Representative Jason Chaffetz, Chairman of the Committee on Oversight and Government Reform requesting information on the OIG's access to agency information in the last two years. While we have had instances where we believe the agency could have provided us with information quicker, we did not experience any instance meeting the request's threshold of "refusing to provide timely, unfettered access."

Non-Career Officials' Involvement in NARA's Freedom of Information Act Program

The OIG responded to a letter signed by Senator Ron Johnson, Chairman of the Committee on Homeland Security and Governmental Affairs, requesting information on the involvement of non-career officials in NARA's Freedom of Information Act (FOIA) program. NARA has only one non-career official, the politically appointed Archivist of the United States. In general, the Archivist has no involvement in the day-to-day operations of NARA's FOIA process. The FOIA process is run by a unit within the General Counsel's office, and they have no established procedures involving review by any non-career officials.

AUDITS AND REPORTS

Audit and Reports Overview

This period, we issued:

- five final audit reports,
- one OI management letter.¹

We completed fieldwork on audits of:

- NARA's Web Hosting Environment, determining if NARA is maintaining a secure web hosting environment;
- NARA's Information and Physical Security controls at select Federal Records Centers, assessing whether management controls are adequate and appropriate; and
- NARA's Refile Processes at Selected Federal Records Centers, determining the effectiveness and adequacy of management controls for refile processing.

We initiated or continued work on audits of:

- NARA's Procurement Program, determining whether NARA's procurement program is efficient and effective for acquiring goods and services providing the best value to NARA;
- NARA's Compliance with Homeland Security Presidential Directive (HSPD) – 12 Policy for a Common Identification standard for Federal Employees and Contractors, determining whether NARA is effectively complying with HSPD-12 requirements for accessing agency facilities and information systems; and
- NARA's Preparation and Planning for the Receipt of President Obama Administration's Records and Artifacts, assessing the adequacy and appropriateness of these efforts.

¹ Management letters are used to address issues which need to be quickly brought to the Archivist's or management's attention. They do not follow Government Auditing Standards (the "Yellow Book"), nor are they intended to.

AUDITS AND REPORTS

Audit Summaries

NARA's Space Management

NARA is facing critical space challenges that must be addressed immediately, efficiently, and economically for NARA to continue to meet its mission of providing public access to Federal government records. This is imperative as the agency has stated, “appropriate storage space is the most fundamental component in achieving [NARA’s] mission.” NARA preserves more than 10 billion pages of traditional holdings and the number continues to grow each year. NARA has currently filled 88% of its current archival capacity. However, if NARA had followed its own policies and procedures and received all the records scheduled to come in from other Federal agencies, NARA’s space would already be completely full.

In 2014, NARA’s Chief Operating Officer created a cross-agency working group to analyze NARA’s current archival space, and project NARA’s upcoming archival space needs. We evaluated the adequacy and effectiveness of NARA’s space management efforts for storing textual archival holdings. Specifically, we evaluated the validity of the data used in the space study, the reasonableness of the projections, and the effectiveness of the results of the study and potential solutions. We found the working group did not use actual record experience in some of their projections, and identified several other factors not taken into consideration in the final projection of NARA’s space needs. As a result, NARA may be underestimating its needs. Further, NARA did not have a formal, long-term strategy for archival storage of its textual holdings, and did not include space management as part of its most recent strategic plan.

NARA must initiate and continue discussions with Congress, the Office of Management and Budget, the General Services Administration, and other applicable external parties to efficiently and economically address the agency’s space challenges so NARA can continue to meet its mission. We made nine recommendations, and management concurred with all of them. (OIG Audit Report #15-14, dated September 29, 2015.)

NARA's Digitization Storage and Transfer Capabilities

NARA’s first strategic goal, “Make Access Happen,” establishes access as NARA’s core purpose. An initiative of this goal is to digitize all of NARA’s analog archival records to make them available online. Digitization of NARA’s holdings occurs through NARA’s internal digitization efforts and the efforts of NARA’s digitization partners. We evaluated NARA’s processes for the storage and transfer of digitized records. Specifically, we evaluated NARA’s efforts to ensure digitized records were adequately stored and made publicly available in a timely manner.

NARA did not maintain adequate space for storing records digitized internally by its Digitization Labs and Presidential Libraries, nor did it maintain adequate storage network transfer capabilities to efficiently move digitized records across the agency’s various internal systems. Additionally, NARA does not have effective processes and controls in place to manage records digitized by its partners from the time of original scan through the point the digitized records ultimately become publicly accessible. Finally, NARA’s lack of strategic management within the agency’s

AUDITS AND REPORTS

Digitization Partnership Program has impeded the release of over 57 million partner-digitized records currently eligible for online public access. We made 13 recommendations, and management concurred with all of them. (OIG Audit Report #15-11, dated May 5, 2015.)

NARA's Online Public Access Development Effort

NARA contracted for a new online public access system, referred to as the Online Public Access Production (OPA Prod) System, to ensure NARA could meet the public's search and user engagement needs for online access to records. In September 2013, NARA issued a firm-fixed price contract valued at over \$4.5 million, for the design, development, deployment, and application support and maintenance of the OPA Prod System. In early December, 2014 NARA launched the pre-release of OPA Prod, also referred to as the National Archives Catalog (NAC). Although the project experienced some delays, the NAC has increased functionality and is more scalable than its predecessor.

However, NARA lacks assurance sufficient system testing was performed by the vendor prior to delivery of the OPA Prod System builds. This weakness occurred primarily because the performance work statement does not specifically account for system testing for more than one build within a release. As a result of this testing issue, NARA is receiving OPA Prod System builds with a high number of defects that are not getting identified and resolved prior to user acceptance testing. The audit made one recommendation, and management concurred. (OIG Audit Report #15-12, dated May 26, 2015.)

NARA's Cable Infrastructure

The OIG contracted with Cotton and Company LLP to assist in assessing NARA's existing communication cabling infrastructure. Overall, NARA is effectively managing its communications cabling infrastructure as related to:

- regular NARA site reviews of select physical, environmental, and infrastructure related controls;
- NARA's general compliance with industry best practice standards for cable type and transfer rates; and
- adequate bandwidth allotments necessary to support day-to-day networking activities and continued growth.

However, weaknesses were identified in two areas. First is NARA's inconsistent implementation of specific physical, environmental, and infrastructure controls. Second is how specific site assessments are communicated to security management to ensure an appropriate understanding of risk is identified, communicated to affected individuals, and accepted by individuals responsible for documenting and approving security controls. These weaknesses, if exploited, could limit the agency's ability to perform operations supporting its mission; could adversely impact the confidentiality, integrity, and availability of NARA's data and information systems; and could ultimately have a negative impact on the agency's ability to protect the security of its information systems.

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The audit made three recommendations, and management concurred with all of them. (OIG Audit Report #15-15, dated September 30, 2015.)

NARA's Human Resources Systems and Data Accuracy

NARA uses various internal and external systems to store, process, and manage human resources (HR) data; and execute personnel actions. In Fiscal Year 2012, NARA initiated an interagency agreement with the Department of Interior's Interior Business Center (IBC) to use IBC's personnel, payroll, and HR and related services. However, concerns were raised about the accuracy of personnel and payroll information reported, and the security of the HR systems. Although it appeared security and availability controls for the systems hosted by the IBC were adequate in general, we found the following deficiencies:

- Inaccuracies in the personnel and payroll system, causing other HR and HR-related systems fed from it to contain inaccurate supervisor information.
- NARA had no process to ensure employees review their contact information on NARA's intranet on a periodic basis for accuracy and completeness, resulting in approximately 26% of employees sampled having either inaccurate or incomplete entries.
- Management survey participants stated training was inadequate or not provided. Customers also stated they would appreciate the opportunity to learn how different systems interact with one another, and what types of and how information is exchanged between systems.
- Access reviews for NARA's HR systems had not been conducted on a periodic basis to ensure individuals' access to the systems remains appropriate.
- NARA did not centrally manage personnel data for individuals other than federal employees (e.g. volunteers). NARA is currently in the process of implementing a Homeland Security Presidential Directive (HSPD-12) compliant logical access control system, but has not decided where to obtain an authoritative source of data for the non-federal workforce.
- NARA did not have one authoritative data source providing the latest data to role-based users encompassing all types of employment (federal, contractor, and volunteer) at the enterprise level.

Most of these issues exist because strong internal controls including detailed and clearly defined policies and procedures were not implemented; and user training and education were not adequately enforced. We made 11 recommendations, and management concurred with all of them. (Audit Report #15-13, dated August 24, 2015.)

INVESTIGATIONS

Investigations Overview

The Office of Investigations (OI) receives and evaluates complaints, and conducts investigations related to fraud, waste, and abuse in NARA programs and operations. This includes identifying and recovering wrongfully alienated NARA holdings. Investigations showing violations of law, regulations, rules, or contract terms may result in administrative, civil, or criminal actions. These can include things such as terminations, debarments, prison terms, probation, fines, or restitution. The OI may also issue management letters detailing specific problems or vulnerabilities, and offering insight on how to correct them.

In prior reports OI activities were broadly divided into two groups: general investigations and archival recovery investigations. For investigations pertaining to archival materials, an in-house archivist would team with an investigator in a concept referred to as the Archival Recovery Team (ART). After years of reviewing ART operations, it became apparent a great deal of manpower was being spent on the initial screening of complaints to determine whether an item was ever accessioned into NARA's holdings (i.e., whether NARA ever had it). In general, this could only efficiently be done by NARA, and required the in-house archivist to coordinate heavily with agency experts. Over time it was discovered the majority of leads turned into non-criminal agency issues. During this period this screening function, along with some others, was transferred to the agency. This increased efficiency for both offices, and provides the agency the ability immediately to address archival issues such as misfiled records, while allowing the OI to focus on investigative priorities involving criminal violations.

During this reporting period, the OIG hired Assistant Inspector General for Investigations (AIGI) Jason J. Metrick to lead the OI. AIGI Metrick has over 15 years of law enforcement experience, including at the Department of Treasury OIG and the District of Columbia OIG. AIGI Metrick brings with him the experience to enhance OI operations and ensure the OI meets the rigorous standards required of OIGs with statutory law enforcement authority.



Significant Investigations

Recovery of Alienated NARA Recordings Identified in Theft Investigation

During an investigation, the former head of NARA's Motion Picture, Sound, and Video Branch admitted to stealing over 1,000 historic sound recordings from NARA's holdings and selling them on eBay. In this reporting period, the OI completed its efforts to locate and recover the remaining balance of sound recordings sold on eBay. While many of the sales occurred over a decade ago, the OI was successful in locating and contacting approximately half of the purchasers, leading to the recovery of an additional 494 NARA sound recordings. Several of the purchasers also confirmed they were in possession of additional NARA sound recordings. This

INVESTIGATIONS

information was provided to the agency for potential action to recover the remaining alienated recordings.

NARA Digitization Agreements

The OI investigated allegations some organizations violated digitization partnership agreements with NARA starting in 2007. We found NARA officials failed to identify specific costs borne by NARA, but which should have been invoiced to the organizations. Accordingly, NARA never charged these costs to the organizations. The amount of these costs varied among the agreements, but the total cost across all of them for the entire period was estimated at \$428,500. This was presented to the Office of the United States Attorney, which declined any prosecution. The findings were also presented to the organizations, which acknowledged the terms of their partnership agreements required them to cover these costs. However, they objected to paying the costs based on NARA's untimely request. NARA agreed to waive the past costs, but stated it would assess them in future projects. Further, the organizations were charged special, lower rates for certain supplies that NARA sells. It was explained these discounts were offered due to the organizations' bulk purchasing.

Theft of Funds from a Presidential Library

The OI worked jointly with the Atlanta Police Department to investigate and arrest a former NARA employee stealing funds from the Jimmy Carter Presidential Library and Museum gift shop. The subject was indicted on state felony theft charges through the Georgia State District Attorney's Office. On May 11, 2015, the former employee was sentenced to serve probation for 3 years and ordered to pay \$1,520 in restitution.

Partner Contractor Destroying Federal Records

Through a partnership with a private organization, the archival unit at the National Archives in St. Louis is in the process of digitizing World War II era Selective Service records including Draft Registration Cards and their attachments. A contractor hired by the organization had access to original World War II era Draft Registration Cards, and original attachments to those Draft Registration Cards, archived at St. Louis.

Instead of scanning and digitizing all of the attachments to individual Draft Registration Cards, the contractor mutilated and destroyed some of the attachments. The contractor tore up some of the attachments and stuffed the pieces into work gloves. These were then discarded in bins and trash cans in the work area. One day the contractor made an off-site call to a NARA archives technician who was working at the facility, and asked the technician to do him a "favor" and discard a glove, empty a bin on his desk, and empty a trash can near his work area. The glove, the bin and the trash can each contained archived records the contractor had previously mutilated and destroyed.

The United States Attorney's Office in the Eastern District of Missouri prosecuted the case, and the contractor pleaded guilty to destruction of federal records. He faces up to 3 years in prison and a \$250,000 fine. Sentencing is scheduled for December 2015.

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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 emails through the Hotline email system and an online referral form. 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 email**
oig.hotline@nara.gov
- **By facsimile**
(301) 837-0879
- **By online referral form**
<http://www.archives.gov/oig/referral-form/index.html>

The OI promptly and carefully reviews calls, letters, and email to the Hotline. We investigate allegations of suspected criminal activity or civil fraud and conduct preliminary inquiries on noncriminal matters to determine the proper disposition. Where appropriate, referrals are made to OIG audit staff, NARA management, or external authorities.

<u>Hotline Activity for the Reporting Period</u>	
Hotline and Complaints received	89
Hotline and Complaints referred to NARA or another entity	19

Contractor Self Reporting Hotline

As required by the Federal Acquisition Regulation, a web-based form allows NARA contractors to notify the OIG, in writing, whenever the contractor has credible evidence 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 or found directly at <http://www.archives.gov/oig/contractor-form/index.html>.

SIGNIFICANT DISAGREEMENTS

Disagreements with Significant Management Decisions

Under the IG Act, as amended, the OIG reports “information concerning any significant management decision with which the Inspector General is in disagreement.” The following disagreements have been reported previously, but as nothing has changed, they remain an issue.

In October 2014, we reviewed NARA’s FY 2014 Draft Federal Managers’ Financial Integrity Act (FMFIA) statement. We disagreed with the assurance statement for Section 2 of the FMFIA reporting requirements. We disagree because the current entity-wide Internal Control Program is not comprehensive nor developed enough to clearly reflect NARA’s internal control environment. Without a fully implemented Program that is able to identify, document, and test risks and controls for each function, the agency is not able to identify all its existing risks and potential weaknesses. The FY 2014 agency assurance statement currently underreports material weaknesses and does not accurately reflect the breadth of risks in NARA’s Holdings Protection, Processing, Electronic Records Management, and Information Security Programs.

NARA’s Holdings Protection Program

NARA’s FY 2014 assurance statement downgraded the Holdings Protection Program from a material weakness to a reportable condition. The agency based this decision on (1) the development and application of risk-ranking criteria for facilities and (2) a gap analysis of actions taken since the Program was declared a material weakness 13 years ago. According to the agency, the analysis identified no material control gaps.

Based on our assessment, the two actions presented by the agency are no basis for the downgrade. Specifically, based on our review of the analysis, a majority of the identified Holdings Protection internal controls have material gaps for internal threats, external threats, and specially protected records. We also noted none of the internal controls identified in the analysis were mapped to risks or risk-ranked (high, medium, low). There was limited supporting documentation provided to support both actions, including the review and testing of the controls.

Further, there is also confusion in the agency over the Holdings Protection Team’s real mission and how the Team will best execute the mission in the future. This is evident by the Team’s failure to perform proactive analyses aimed at strengthening protection of NARA’s holdings. These issues and continued concerns over the Program are driving the OIG to plan an entity-wide holdings protection audit.

NARA’s Processing Program

NARA’s FY 2012 assurance statement downgraded the Processing Program from a material weakness to a reportable condition. The agency made this decision based on the current state of Federal records processing, the strides the agency has made in the last six years, and the current focus on reengineering processing work. The agency also decided to remove the processing of electronic Presidential records from this weakness since the processes and requirements for processing these records are distinctly different from Federal textual records.

SIGNIFICANT DISAGREEMENTS

Based on our assessment, NARA's Processing Program should still be carried as a material weakness. Approximately 28% of NARA's textual holdings have not been processed, which will not allow efficient and effective access to these records. Further, in our FY 2013 audit² we reported the strategic direction of processing needs to include an overall agency policy and definition, adequate backlog reduction plans for Research Services field locations, plans for increased processing progress in the Presidential libraries, improved processing staff utilization, and a realistic and attainable processing goal. Some of the actions planned by the agency to address the critical recommendations were scheduled to be completed in FY 2015, but have been rescheduled to be completed in FY 2016. Therefore, the risks identified in the audit report still exist. As a result, a processing backlog continues placing records at risk, increasing the time for reference requests, impairing the agency's ability to describe the records online, and limiting access to records.

NARA's Information Systems and Technology Security (IS&TS)

Since our last review of this issue NARA has reassessed its IS&TS, and has declared a material weakness in IT security in five areas. This admission is an encouraging start and our office looks forward to NARA's efforts to correct this situation. However, as stated before, our reviews have found critical functions, controls, and risks for IS&TS have not been adequately identified, making it difficult to assess the control environment for IS&TS. Our previous audits (e.g., Network Discovery and Assessment, Network Vulnerability Assessment and Penetration Testing, Wireless Access, and Assessment of Cable Infrastructure³) and NARA's internally contracted studies continue to point to internal control weaknesses, including the potential for NARA's network to be hacked. These may extend beyond the five areas NARA has identified. Findings from the OIG's FY 2013 Federal Information Security Management Act (FISMA) assessment⁴ where we reported the agency did not have an established program in any of the 11 assessment areas, should help guide NARA's efforts.

NARA's Electronic Records Management Program

NARA reported the Electronic Records Management program as a reportable condition instead of a material weakness. According to NARA, this was based on the fact the President issued a memorandum and subsequently NARA and OMB jointly issued Memorandum 12-18, *Managing Government Records Directive*. These documents represent an executive branch-wide effort to reform records management policies and practices and to develop a 21st-century framework for the management of government records. Management is using Memorandum 12-18 to guide the development of the Chief Records Officer operational plans for years to come and serve as an action plan against which NARA can monitor and assess progress. However, the directive does not mitigate the existing risks outlined in our 2010 audit report, OIG 10-04, *NARA's Oversight of*

² Audit Report No. 13-14, Audit of Processing Textual Records, dated September 18, 2013.

³ Audit Report No. 12-11, IMRI Network Discovery and Assessment Report dated August 27, 2012, Audit Report No. 11-05, Clifton Gunderson LLP Network Vulnerability Assessment and Penetration Testing dated November 8, 2010, Audit Report No. 14-10, Cotton & Company's Audit of NARA's Enterprise Wireless Access dated May 9, 2014, and Audit Report No. 15-15, Cotton & Company's Assessment of NARA's Cable Infrastructure, dated September 30, 2015.

⁴ Audit Report No. 15-01, NARA's Information Security Program, dated October 27, 2014.

SIGNIFICANT DISAGREEMENTS

Electronic Records Management in the Federal Government. The report found NARA did not have adequate controls in place to protect permanent Federal electronic records from loss. Specifically, we reported NARA could not reasonably ensure permanent electronic records are being adequately identified, maintained, and transferred to NARA in accordance with Federal regulations. Until sufficient controls have been implemented to minimize these risks, NARA should classify this program as a material weakness.

GAO conducted a review to assess Federal agencies implementation of Memorandum 12-18, including actions taken by NARA to assist agencies in using electronic recordkeeping and ensuring agencies comply with Federal records management statutes and regulations. We reviewed GAO's audit and do not believe the material weakness can be downgraded.



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.

1. Electronic Records Archives

The Electronic Records Archives (ERA) system is a repository for electronic Presidential, Congressional, and Federal agency records that stores files in any format for future access. The ERA system is NARA's primary strategy for addressing the challenge of storing, preserving, transferring and providing public access to electronic records. However, virtually since inception the program has been fraught with delays, cost overruns, and technical short comings and deficiencies identified by our office and the Government Accountability Office (GAO). As a result, many core requirements were not fully addressed, and ERA lacks the originally envisioned functionality.

The ERA Base System for Federal electronic records has had many problems with its reliability, scalability, usability, and cost, which have prevented it from being adequate for both NARA's current and expected future workload. Given the limitations of the system in managing the transfer, processing and storage of large deliveries of digital materials, and advances in technology (particularly cloud computing), NARA has determined it is essential to evolve the current ERA Base System. This will entail the correction and re-factoring of current capabilities, as well as the adaptation and expansion of capabilities in order to fulfill the agency's mission to meet the expected demands of a rapidly growing backlog of digital and digitized materials.

ERA faces many challenges going forward. These include the growth in the amount and diversity of digital materials produced by government agencies; and the need for expanded capabilities to achieve the mission of driving openness, cultivating public participation, and strengthening the nation's democracy through access to high-value government records. In addition, NARA is planning for a significant number of electronic records from the Executive Office of the President, as the next election in November 2016, will result in a change of administration.

2. Improving Records Management

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 while reacting and adapting to a rapidly changing technological environment in which electronic records, particularly email, 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.

TOP TEN MANAGEMENT CHALLENGES

In August 2012, the Office of Management and Budget (OMB) and NARA jointly issued Memorandum 12-18, *Managing Government Records Directive*, creating a robust records management framework. This directive requires agencies, to the fullest extent possible, to eliminate paper and use electronic recordkeeping. It is applicable to all executive branch agencies and to all records, without regard to security classification or any other restriction. This directive also identifies specific actions to be taken by NARA, OMB, and the Office of Personnel Management (OPM) to support agency records management programs. Agencies must manage all permanent electronic records in an electronic format by December 31, 2019, and must manage both permanent and temporary email records in an accessible electronic format by December 31, 2016. NARA, its government partners, and Federal agencies are challenged with meeting these deadlines, determining how best to manage electronic records in accordance with this guidance, and how to make electronic records management and e-Government work more effectively.

In May 2015, GAO completed a study evaluating federal agencies' implementation of the directive. They found NARA's plan to move agencies toward greater automation of records management did not include metadata requirements in its guidance, as required. Further, until agencies, OMB, and NARA fully implement the directive's requirements, GAO indicated the Federal government may be hindered in its efforts to improve performance and promote openness and accountability through the reform of records management. Subsequently, NARA did issue metadata guidance in September 2015. However, that is only one aspect of a complicated issue. Until sufficient controls have been implemented to protect permanent Federal electronic records from loss, NARA should classify electronic records management as a material weakness.

3. Information Technology Security

Each year, risks and challenges to IT security continue to be identified. Many of these deficiencies stem from the lack of strategic planning with regard to the redundancy, resiliency, and overall design of NARA's network. These issues not only allow for security and performance problems, but they inhibit NARA IT management from effectively establishing a tactical and innovative strategy for the next generation of NARA's network. NARA must ensure the security of its data and systems or risk undermining the agency's credibility and ability to carry out its mission.

The Archivist identified IT Security as a material weakness under the Federal Managers' Financial Integrity Act reporting process from FY 2007 to FY 2012. In 2013, NARA reclassified and downgraded the material weakness in IT security to a reportable issue. However, in January 2015, NARA decided to again reclassify IT security from a reportable issue back up to a material weakness. We have been informed this material weakness focuses on specific aspects, and does not encompass the entire IT security program. This is concerning as audits and assessments continually identify that significant improvements and focused efforts are needed to establish a mature information security program. Further, there are identified vulnerabilities which still present elevated risk to the agency and its sensitive data.

TOP TEN MANAGEMENT CHALLENGES

Annual assessments of NARA's compliance with the Federal Information Security Management Act have consistently identified program areas in need of significant improvement. While initiatives have been introduced to promote a mature information security program for the agency, real progress will not be made until NARA establishes an effective system of internal control for information security. The confidentiality, integrity, and availability of our electronic records and information technology systems are only as good as NARA's IT security program infrastructure.

4. Expanding Public Access to Records

NARA's FY 2014-2018 Strategic Plan emphasizes public access to records by including the strategic goal: "Make Access Happen." This goal establishes public access as NARA's core purpose and includes an initiative to digitize all analog archival records to make them available online. Although NARA recently updated the agency's digitization strategy, historically the digitization approaches implemented were not large enough to make significant progress in meeting this goal. Further, due to poor planning and public access system limitations, millions of records digitized through NARA's partnership agreements were not made accessible to the public in an efficient and timely manner. NARA must ensure the appropriate management, controls, and resources are in place to successfully implement its digitization strategy and expand public access to records.

Another challenge for NARA, given society's growing expectation for easy and near-immediate access to information online, will be to provide access to records created digitally ("born digital") and to identify those textual records most in demand so they can be digitized and made available electronically. NARA's system for providing public online access to its electronic records was performing below accepted industry averages for response times, and as designed, this performance will decrease in direct proportion to the amount of content available in the system. This lack of scalability necessitated a new system, referred to as the National Archives Catalog (NAC), which was launched in December 2014. This was the first phase of a multi-year project, with additional functionality planned. The implementation of the NAC's functionality will greatly impact NARA's ability to meet its "Make Access Happen" strategic goal.

Approximately 30 percent of NARA's textual holdings have not been processed to allow efficient and effective access to them. 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. However, NARA's FY 2012 assurance statement downgraded the Processing Program from a material weakness to a reportable condition. This is concerning as audits have identified multiple issues with the program, including the fact NARA lacks a strategic direction. Further, NARA reports the amount of unprocessed records by giving the percentage of records which have been processed. However, this can lead to un-intuitive results, such as when the physical volume of unprocessed records increases, but the percentage of records processed increases as well since the total collection is growing. Thus an "improving" percentage figure can at times also represent a physically growing backlog of unprocessed records.

TOP TEN MANAGEMENT CHALLENGES

5. Meeting Storage Needs of Growing Quantities of Records

NARA is approaching its overall archival storage capacity. Space limitations are affecting NARA's accessioning, processing, preservation, and other internal efforts. NARA is challenged in acquiring sufficient archival space to store its ever-increasing volume of textual records. Without obtaining additional archival space, NARA may face challenges in meeting its mission and may have to house accessioned textual records in space not meeting its physical and environmental requirements. NARA-promulgated regulation 36 CFR Part 1234, "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. NARA's challenge is to ensure NARA's own facilities, as well as those used by other Federal agencies, are in compliance with these regulations; and to effectively mitigate risks to records which are stored in facilities not meeting these standards.

In addition to NARA's physical storage needs, the agency is also challenged in meeting its requirements for electronic data storage. NARA's in-house data storage is reaching capacity, impacting the agency's digitization efforts and other IT programs dependent on scalable, secure, and readily available data storage. Increasing amounts of electronic data storage are necessary for NARA to meet its mission. Without adequate storage NARA cannot continue accepting, storing, and processing records, or make electronic records available to the public. NARA is challenged to develop an enterprise-wide data storage management solution compliant with the Office of Management and Budget's Federal Data Center Consolidation Initiative, which focuses on reducing the energy and real estate footprint of government data centers.

6. Preservation Needs of Records

Preservation continues to be a material weakness for the agency. NARA holdings grow older daily and face degradation associated with time. This affects both traditional paper records and the physical media electronic records and audiovisual records are stored on. According to management, preservation resources have not adequately addressed the growth in holdings needing preservation action. Preserving records is a fundamental element of NARA's duties to the country, as NARA cannot provide access to records unless it can preserve them for as long as needed. The backlog of records needing preservation remains steady. NARA is challenged to address this backlog and future preservation needs, including the data integrity of electronic records. Further, NARA's primary tool for preserving electronic records, the ERA system, has not delivered the functionality necessary to address record format obsolescence (see OIG Challenge #1). 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 and Contract Management

Effective project and contract 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

TOP TEN MANAGEMENT CHALLENGES

testing to support system acquisition and deployment, and providing oversight to ensure effective or efficient results within contracted costs. Currently, IT systems are not always developed in accordance with established NARA guidelines. These projects must be better managed and tracked to ensure budget, scheduling, and performance goals are met.

As an example, GAO reported NARA did not document the results of briefings to its senior management oversight group during the development of NARA's largest IT project, the ERA system. There is 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 projects are implemented at acceptable costs and within reasonable time frames. GAO also 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. Inconsistent use of key project management disciplines like EVM limits NARA's ability to effectively manage projects and accurately report on their progress. In another example, our office found issues in the process of implementing a Homeland Security Presidential Directive (HSPD-12) compliant logical access control system. The HSPD-12 implementation is a long overdue project. Inadequate planning may not only result in delayed completion, but may also hinder the agency from complying with federal laws and regulations.

Further, 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 laws, regulations, and best practices.

8. Physical and Holdings Security

Holdings security continues to be a material weakness for the agency. 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. Not only do NARA's holdings have immense historical and financial value, but we hold troves of national security information as well. NARA's implementation of the Holdings Protection Team and stricter access controls within the past five years has increased NARA's security posture. However, without adequate oversight and accountability, NARA continues to be challenged in implementing an effective Holdings Protection Program.

TOP TEN MANAGEMENT CHALLENGES

9. Human Resources Management

NARA's ability to attract, recruit, and retain employees while improving workforce morale is critical to many of the other top management challenges. Human capital is integral to NARA's future as the agency continues to build a modern and engaged workforce, develop the next generation of leaders, and encourage employees to collaborate, innovate, and learn. One of the agency's strategic goals is to "*build our future through our people.*" However, the agency has not developed a comprehensive and cohesive approach to human capital management. Adequate policies and procedures have not been developed, updated, and communicated which make it difficult to manage human capital effectively and efficiently. Further, NARA does not have one authoritative source providing the latest data to role-based users on all types of workers (federal employee, contractor, and volunteer). The numerous existing systems make it difficult to manage the workforce, as NARA is challenged to maintain security, data reliability and accuracy, and manage personnel data and system access for individuals other than federal employees.

10. Management of Internal Controls

Under OMB Circular A-123, *Management's Responsibility for Internal Control*, management is responsible for establishing and maintaining internal controls to achieve effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. GAO has reported NARA has not established an enterprise risk management capability, thus reducing its ability to anticipate future challenges and avoid potential crises. Currently, the agency has not established an effective internal control program. Thus, NARA is vulnerable to risks that may not be foreseen or mitigated, and does not have the ability to self-identify and appropriately manage or mitigate significant deficiencies. Establishment of an effective internal control program is critical as it provides several benefits, including:

- improved decision making;
- risk identification, management, and mitigation;
- opportunities for process improvement;
- effective use of budgeted resources; and
- strategic planning.

NARA's challenge is to ensure the agency is in compliance with OMB Circular A-123, and to develop and fully implement an internal control program.

REPORTING REQUIREMENTS

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

<u>REQUIREMENT</u>	<u>SUBJECT</u>	<u>PAGE(S)</u>
Section 4(a)(2)	Review of legislation and regulations	4, 7
Section 5(a)(1)	Significant problems, abuses, and deficiencies	2–3, 11–13, 14–16
Section 5(a)(2)	Significant recommendations for corrective action	2–3, 11–13
Section 5(a)(3)	Prior significant recommendations unimplemented	30–42
Section 5(a)(4)	Summary of prosecutorial referrals	14-16, 27
Section 5(a)(5)	Information or assistance refused	28
Section 5(a)(6)	List of reports issued	27
Section 5(a)(7)	Summaries of significant reports	2–3, 11–13
Section 5(a)(8)	Audit Reports—Questioned costs	28
Section 5(a)(9)	Audits Reports—Funds put to better use	29
Section 5(a)(10)	Prior audit reports with no management decision	28
Section 5(a)(11)	Significant revised management decisions	28
Section 5(a)(12)	Significant management decisions with which the OIG disagreed	17–19
Section 5(a)(14)	Reporting on OIG peer review	8
P.L. 110-181	Annex on completed contract audit reports	29
P.L. 104-106	Prior fiscal years’ open audit recommendations	30–42

REPORTING REQUIREMENTS

SUMMARY OF INVESTIGATIONS AND PROSECUTORIAL REFERRALS

Requirement 5(a)(4)

<i>Investigative Workload</i>	
Hotline and complaints received this reporting period	89
Investigations opened this reporting period	7
Investigations closed this reporting period	14
<i>Investigative Results</i>	
Individuals referred – accepted for prosecution	1
Individuals referred – declined for prosecution	4
Individuals referred – pending prosecution decision	0
Arrest	1
Indictments and informations	1
Convictions	1
Fines, restitutions, judgments, and other civil and administrative recoveries	\$1,520
<i>Administrative Remedies</i>	
Employee(s) terminated	0
Employee(s) resigned	0
Employee(s) suspended	0
Employee(s) given letter of reprimand or warnings/counseled	0
Employee(s) taking a reduction in grade in lieu of administrative action	0
Contractor (s) removed	1
Individual(s) barred from NARA facilities	2

LIST OF AUDIT REPORTS ISSUED

Requirement 5(a)(6)

Report No.	Title	Date	Questioned Costs	Unsupported Costs	Funds Put to Better Use
15-11	Audit of NARA's Digitization Storage and Transfer Capabilities	05/05/2015	\$0	\$0	\$0
15-12	Audit of NARA's Online Public Access Development Effort	05/26/2015	\$0	\$0	\$0
15-13	Audit of NARA's Human Resources Systems and Data	08/24/2015	\$0	\$0	\$0
15-14	Audit of NARA's Space Management	09/29/2015	\$0	\$0	\$0
15-15	Cotton & Company's Assessment of NARA's Cable Infrastructure	09/30/2015	\$0	\$0	\$0

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	0	\$0	\$0
Subtotals (A + B)	0	\$0	\$0
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	0	\$0	\$0
E. For which no management decision was made within 6 months	0	\$0	\$0

OTHER REQUIRED REPORTS

REQUIREMENT	CATEGORY	SUMMARY
5(a)(3)	Prior significant recommendations unimplemented	See pages 30-42.
5(a)(5)	Information or assistance refused	None
5(a)(10)	Prior audit reports with no management decision	Management has concurred or disagreed with all issued reports.
5(a)(11)	Significant revised management decisions	None
5(a)(12)	Significant management decisions with which the OIG disagreed	See pages 17-19.

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	5	\$10,119,313
B. Which were issued during the reporting period	0	\$0
Subtotals (A + B)	5	\$10,119,313
C. For which a management decision has been made during the reporting period	2	\$1,045,471
(i) dollar value of recommendations that were agreed to by management	1	\$625,471
Based on proposed management action	1	\$625,471
Based on proposed legislative action	0	\$0
(ii) dollar value of recommendations that were not agreed to by management	1	\$420,000
D. For which no management decision has been made by the end of the reporting period	3	\$9,073,842
E. For which no management decision was made within 6 months of issuance	3	\$9,073,842

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 audited the ERA and other contracts during this period, they were generally program audits as opposed to contract audits.

REPORTING REQUIREMENTS

Prior Fiscal Years' Open Audit Recommendations⁵

<u>Report</u>	<u>Title</u>	<u>Recommendation</u>
06-09	Review of NARA's Information Security Program	2a The Assistant Archivist NH should document policies and procedures for ensuring that software products running on NARANet are current versions, still supported by the software vendors.
06-10	Evaluation of NARA's Affiliated Archives Program	3 The Archivist should take appropriate measures to revise MOUs between NARA and affiliates to incorporate current standards for housing NARA records. 4 The Archivist should ensure that there is a mechanism to update the MOUs. Specifically, a procedure should be established to update the MOUs on an interim basis, or when new standards are implemented at NARA. 5 The Archivist should ensure that all MOUs contain the required clause for the use of the NARA seal. 6 The Archivist should ensure that all affiliates meet the current storage standards or provide waivers and time frames to have the affiliates become compliant with the NARA 1571 standards.
06-11	Audit of System Adm. Rights and Controls	5 Ensure that Access Control lists are produced for all IT systems and used as a basis for access validation.
07-10	Review of Selected Security Aspects of NARA's Computer Network Environment	1a Direct the CISO to perform a more comprehensive survey of computer network devices, to identify any other unauthorized devices not identified by the earlier survey conducted in response to RFC 1120. 1b When the recommended survey is completed, direct the FOSAs to immediately remove any unauthorized devices connected to the computer network. 1d Require NARANet system administrators to periodically scan the network using automated software tools to ensure that only approved devices are connected to the network.
08-01	Audit of NARA Artifacts	1b The Assistant Archivist for Presidential Libraries (NL) should ensure that the results of the completed physical inventory are transmitted to NL and appropriately secured to serve as control or master copies establishing a reliable baseline for each library's museum collection. 1d The Assistant Archivist for Presidential Libraries (NL) should ensure once an initial physical inventory has been completed, non-High Value Objects are reinventoried/verified in a timelier manner than the current 5% or 1,000 items annually. 2c The Assistant Archivist for Presidential Libraries (NL) should ensure policies and standards are developed for linking digital images of items to their record in i/O, giving priority to photographing HVOs and outgoing loan items. 5d Procure storage hardware appropriate for both the type of artifact and seismic zone; and better configure the museum storage area in order to minimize damage to the artifacts and improve the ease of access to them.

⁵The OIG is currently reviewing documentation submitted by NARA for multiple recommendations listed in this section in order to determine whether the recommendations can be closed.

REPORTING REQUIREMENTS

08-02 Audit of NARA's Purchase Card Program

- 13 The Assistant Archivist of Administration should direct the Director NAA to establish written policies and procedures to evaluate the effectiveness of cardholder reconciliations and approving officials' certifying duties.

08-05 FY 07 FISMA Review

- 7 The Assistant Archivist for Information Services should add security vulnerabilities identified during the server audits to the system's plan of action and milestones to ensure proper tracking and visibility.
- 8 The Assistant Archivist for Information Services should conduct "lessons learned" meetings in accordance with the guidance in NIST SP 800-61 when a major incident occurs and periodically for lesser incidents, and develop and implement a control mechanism to verify compliance.
- 12 The Assistant Archivist for Information Services should develop and implement management controls to monitor and enforce compliance with NIST SP 800-37 and NARA C&A policy.
- 14 The Assistant Archivist for Information Services should develop and implement a mechanism to monitor system accreditations for NARA's National Security Systems to ensure the systems are re-certified and accredited at least every three years.
- 15b The Archivist along with NARA Senior Management and Information Owners should develop recovery strategies for at least those systems identified as critical based on the outcome of the Business Impact Analysis.
- 16b The Assistant Archivist for Information Services should implement management controls to verify contingency plans are reviewed and updated at least annually as required by NIST SP 800-34
- 16c The Assistant Archivist for Information Services should update the contingency plans, if needed, and record any changes made in the Record of Changes section of the plans.
- 17 The Assistant Archivist for Information Services, along with the system owners, should develop tests of the system contingency plans to evaluate the viability of the plan procedures and determine the ability of recovery staff to implement the recovery strategy identified.
- 18 The Assistant Archivist for Information Services should develop a plan of action and milestone process that provides visibility over all IT security weaknesses and issue written procedures regarding that process.
- 19 The Assistant Archivist for Information Services should develop a process to identify employees with significant security responsibilities.
- 20 The Assistant Archivist for Information Services should require all individuals with significant security responsibilities, including contractor employees, to complete training based on the risk provided by their activities and develop a process to monitor compliance.

08-07 Audit of the Researcher ID Card Program

- 1 Evaluate the enhanced security and customer service benefits that would accrue to NARA and consider implementing an automated integrated researcher registration system at all NARA facilities with research rooms.
- 3 Require periodic monitoring of the Archives I and Archives II database. A log recording the date of the review and corrective action taken should be maintained.

09-15 Audit of NARA's Work at Home System

- 7 We recommend the CIO ensures that the WAHS meets OMB and NIST requirements prior to full implementation.

09-16 Audit of Processing and Safeguarding Veterans Requests

- 1 The Assistant Archivist for Regional Records Services should direct the Director, NPRC, to export data for the "record of disclosure file" and follow the approved Records Disposition Schedule and limit the amount of record requests stored online.

REPORTING REQUIREMENTS

- 3 The Assistant Archivist for Regional Records Services should direct the Director, NPRC, to establish controls to restrict users to only those rights and views needed to perform their job.
- 6 This audit recommendation contains information concerning an ongoing weakness which could be used to compromise veterans' information; or to exploit NARA programs, operations, and systems if made public. Contact the OIG if you need more information.
- 7 The Assistant Archivist for Information Services should encrypt backup tapes containing PII as required by OMB Memorandum 06-16.

10-04 Audit of NARA's Oversight of Electronic Records Management in the Federal Government

- 2 The Archivist should consider using the authority given under title 44 of the US Code to direct Federal agencies to perform assessments of their electronic records management programs based on requirements contained in 36 CFR Part 1236.
- 3 The Archivist should ensure NARA establishes a strategy for consistently and systematically monitoring compliance with electronic records regulations and guidance throughout the Federal Government.
- 4 The Assistant Archivist for Records Services, Washington DC (NW) should ensure NARA's strategy for monitoring and evaluating Federal agency compliance with electronic records management regulations and guidance results in adequate identification and mitigation of risks to permanent electronic records.
- 5 The Assistant Archivist for Records Services, Washington DC (NW) should ensure development of controls to adequately monitor agency scheduling of electronic records in an effort to reasonably ensure electronic records/systems are scheduled in timely manner, and therefore provide a reasonably accurate reflection of the universe of electronic records.
- 6 The Assistant Archivist for Records Services, Washington DC (NW) should ensure a methodology for verifying the accuracy/completeness of Federal agency responses to electronic records scheduling requirements resulting from the E-Government Act of 2002.
- 7 The Assistant Archivist for Records Services, Washington DC (NW) should ensure development and application of a methodology for adequately identifying gaps in electronic record accessions. This methodology should reasonably ensure permanent electronic records are identified, scheduled, and ultimately obtained by NARA.

10-05 Audit of NARA's Contract for IT and Telecommunications Support Services

- 2 The Director, Acquisitions Services Division (NAA) should, for future procurements involving a T&M contract, ensure that contracting personnel comply with the FAR requirement that a "Determination and Findings" be prepared.

10-07 Audit of NARA's Network Infrastructure

- 10a The CIO should implement multifactor authentication for network access to infrastructure devices.
- 14 The Archivist should direct the Assistant Archivist for Information Services, Assistant Archivist for Regional Records Services, and the Assistant Archivist for Presidential Libraries to coordinate with the Assistant Archivist for Administration to develop a mechanism to track access reviews and key inventories for computer rooms and other locations where IT network infrastructure equipment is stored at the field sites.

10-14 Audit of the Process for Providing and Accounting for Information Provided to Researchers

- 1 The Assistant Archivist for NW should establish formal written policies and procedures to improve NW monitoring of the pull and refile process.
- 2 The Assistant Archivist for NW should implement a centralized database for all of the NW divisions involved in the processing of researchers' requests for records and determine the necessary information that should be included in the database.

REPORTING REQUIREMENTS

- 11-02 Network and Penetration Testing Oversight**
- 1 NARA management should apply the appropriate hot fix referenced in the vendor advisory on the affected machines.
 - 2a This recommendation contains information about IT deficiencies which, if made public, could endanger NARA systems. Please contact the OIG if you need further information.
 - 2b This recommendation contains information about IT deficiencies which, if made public, could endanger NARA systems. Please contact the OIG if you need further information.
 - 2c This recommendation contains information about IT deficiencies which, if made public, could endanger NARA systems. Please contact the OIG if you need further information.
 - 3a This recommendation contains information about IT deficiencies which, if made public, could endanger NARA systems. Please contact the OIG if you need further information.
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 - 3d This recommendation contains information about IT deficiencies which, if made public, could endanger NARA systems. Please contact the OIG if you need further information.
 - 6a NARA management should immediately address corrective action for all vulnerabilities identified as “high” and “critical” risk.
 - 6b NARA Management should evaluate the identified risks and corrective actions to address those identified as “medium” and “low” risk vulnerabilities.
- 11-05 Audit of Archives I & II Guard Service Contract**
- 6 The Assistant Archivist for Administration should develop a new fitness standard to test the physical fitness of the security officers that more closely resembles the requirements of the contract.
- 11-14 Audit of NARA's Foreign and Premium Travel**
- 2a Develop and implement a mandatory specialized training course for travelers and authorizing officials reiterating their roles and responsibilities. Refresher courses should be provided on a periodic basis.
 - 2d Develop and implement procedures to follow up on travel vouchers not submitted within five working days. Take appropriate action for people who do not comply within five working days.
 - 6a Review and update policy and procedures for issuing travel cards to employees. Include additional restrictions as outlined in OMB Circular A-123 on cardholders with credit scores less than 660.
 - 6b Enhance procedures to perform timely periodic reviews of the appropriateness of individually and centrally billed travel cards to help ensure the effectiveness of travel card expenditures controls. Specifically, as outlined in OMB Circular A-123 review ATM cash withdrawals for reasonableness and association with official travel.
- 11-15 Audit of NARA's Drug Testing Program**
- 2 Amend NARA TDPs to ensure compliance with the SAMHSA’s Interagency Coordinating Group Executive Committee Guidelines for the Selection of Testing Designated Positions and establish a mechanism to periodically review and update TDPs as necessary.
 - 3 Develop a training course for all supervisors that will aid them in recognizing and addressing illegal drug use by agency employees. This training should be mandatory for all supervisors. Also evaluate the current drug awareness training for employees.
 - 4 Develop a retention plan for all drug testing-related documentation consistent with the guidance issued by SAMHSA.
 - 5 Review NARA's Drug Free Workplace Plan and update it as necessary. In addition, a plan for periodic reviews and updates of the plan document should be developed.

REPORTING REQUIREMENTS

11-20 Audit of NARA's Telework Program

- 1d Develop a method and common criteria for tracking telework participation.
- 3a The Executive for Information Systems, CIO, and Executive for Business Support Services should ensure all deferred and failed security tests have been reassessed and the results documented.
- 3e Review Citrix security configurations for adequacy.

12-02 Audit of the Management of Records at the Washington National Records Center

- 12b This audit recommendation contains information concerning security deficiencies in NARA's handling of national security classified materials, and has not yet been made publicly available.
- 14b This audit recommendation contains information concerning security deficiencies in NARA's handling of national security classified materials, and has not yet been made publicly available.

12-05 Audit of the Management of Records at the Washington National Records Center

- 3a 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.
- 3b A mechanism to facilitate the problem tracking and resolution process is implemented.
- 4c The Executive of Agency Services should ensure the disposal review process is streamlined.
- 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.
- 6b A detailed review of the record storage areas is performed to assess the conditions of records stored at WNRC. Problems identified should be corrected.
- 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.
- 8 The Executive of Agency Services should ensure management designs and implements monitoring activities for records processed at WNRC including weekly, monthly, and quarterly reports.
- 9c A monitoring process is implemented for ensuring classified operations are performed as written in the Classified SOP.
- 9d The Classified SOP is reviewed on an annual basis and updated when necessary.
- 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's Customer Portal.
- 12a Procedures for all WNRC processes are documented. Review existing procedures and update as necessary.
- 12b Procedures between unclassified and classified processes are consistent where possible.

12-09 Audit of NARA's Data Center Consolidation Initiative

- 1b The CIO should update the Master System List and/or Enterprise Architecture to incorporate energy usage calculations.
- 1c The CIO should update the Master System List and/or the Enterprise Architecture to incorporate realistic estimates of funding needed or savings to be realized from implementing NARA's data center consolidation goals.
- 1d The CIO should update the Master System List and/or the Enterprise Architecture to incorporate annual savings metrics such as rack count reduction, server count reduction, energy usage reduction, and energy cost reduction to monitor progress.

REPORTING REQUIREMENTS

- 3 The CIO should conduct the consolidation/virtualization analysis to investigate the impact of consolidating or virtualizing two major application domains (NISP and ERA) and the General Support System (NARANET) as planned, or evaluate other alternatives to increase the average server utilization rate.
- 4 The Executive for Business Support Services should evaluate the current organization of rack space and determine whether servers can be consolidated into fewer racks when considering space optimization, power consumption, operations management, and component failure/recovery perspectives.
- 5 The CIO should review and approve the annual Enterprise Architecture update to ensure that the agency is considering OMB's cloud-first policy and guidance on virtualization and consolidation.

12-10 Follow up Audit of Artifacts

- 1a The remaining five libraries complete baseline inventories as expeditiously as possible with master copies forwarded to LP.
- 1b The remaining five libraries performing baseline inventories complete legacy reconciliation to identify discrepancies as expeditiously as possible and all libraries with identified discrepancies take action to resolve the discrepancies.
- 1c Ensure the Reagan Library has taken all appropriate actions to resolve the 1,700 identified anomalies.
- 1d The time-lapse between inventory cycles is completed in a timelier manner than the current guide of seven to ten years for libraries with larger collections, or an analysis has been completed to indicate that the current guidance is appropriate.
- 1e Interim steps are developed to document and monitor deleted records from the current collections database system or a replacement database is implemented.
- 1f Photographs of all valuable and vulnerable (V/V) artifacts and artifacts on loan are completed, and all libraries establish plans to photograph their remaining collection.
- 1h Appropriate storage hardware for the Reagan Library is procured and installed.
- 2a Develop and identify an appropriate staffing plan for museum operations. The plan should 1) align with collection sizes and life cycles, (2) include temporary staff or other staffing alternatives to support collection inventories and other core collection work, and (3) identify the planned inclusive time periods devoted to the collection inventory.
- 2b Review and revise current time-guidance policy, as appropriate, for baseline inventories for newly established Presidential libraries.
- 4 Develop management controls to minimize the risks associated with a lack of separation of duty over the safeguarding of Presidential artifacts.
- 5a Clarify policy concerning what should be classified as a V/V artifact. An appropriate lists needs to be developed to ensure those artifacts requiring additional stewardship measures are included.
- 5b Develop documentation guidelines that identify the importance of supporting the conclusion reported on the annual V/V reports. When counting objects, the support documentation should show the same count.
- 5c Develop an annual V/V report format the prompts the preparer of the report to include the requested data.
- 6a Separation of duty policies are developed, along with policies on efforts to minimize possible unauthorized removal of Presidential gifts from courtesy storage with compensating controls.
- 6b Reconciliation procedures between the completed inventories and White House legacy documentations for both Bush 43 and Obama administrations should be used as a compensating management control until the separation for duties issue at LM is mitigated.
- 6c Policy is developed for a security escort when picking up HVO gifts from the White House for courtesy storage at NARA.

REPORTING REQUIREMENTS

- 7a Policies and procedures are clarified and reiterated to library personnel concerning 1) sequestration of museum artifacts from library personnel other than museum personnel, and 2) procedures to periodically review access logs and security camera tapes.
- 7b Policies and procedures for artifacts on long-term loan are re-iterated and disseminated concerning 1) the annual update of loan agreements and 2) requirements for long-term loans including photo requirements. LP should establish time caps on loans or periodically request temporary return of items for condition assessments.
- 7c Reiterate NARA policy to adequately backup inventory-related collection documentation.
- 8a Update comprehensive set of museum collection management policies and procedures and ensure their development.
- 8b Establish procedures to periodically review and, if necessary, revise said policies and procedures.

12-11 NARA's Network Assessment Audit

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12-15 Audit of NARA's Classified Systems

- 1 The Executive for Information Services/CIO (I), in coordination with the Chief Operating Officer (C), should ensure all classified system authorization packages are updated in accordance with NARA policy.
- 2 I, in coordination with C, should establish a timeframe for review and approval of authorization documents.
- 3 I, in coordination with C, should develop a continuous monitoring strategy for classified systems requiring system owners on at least a quarterly basis to assess security controls and inform authorizing officials when changes occur that may impact the security of the system.
- 4 I, in coordination with C, should obtain authorizations to operate for each of the classified systems or disallow them in accordance with NARA and Federal policy.
- 7a I, in coordination with C, should provide appointment letters for the SOs and ISSOs.
- 7c I, in coordination with C, should provide a sample of reading and record copies of signed appointment letters.
- 8 I, in coordination with C, should ensure all contingency plans are updated, completed, reviewed, and tested in accordance with NARA policy.

13-01 Audit of NARA's Internal Controls Program for FY 2010

- 1d Resources are employed to develop and implement the ICP including, but not limited to, a Chief Risk Officer, additional employees or contractors, and the purchase of appropriate ICP software.
- 1e Risk management responsibilities are included in the performance plans for program and function owners.
- 1f Prior recommendations from previous OIG and GAO reports are closed.
- 1g A Risk Management Policy is created to communicate NARA's commitment to enterprise risk management.
- 1i A training plan is developed that encompasses educating the agency on risks and internal control. Additional training is provided to all individuals responsible for executing the ICP, including program owners, function owners, and MCOC members.

13-03 Audit of ERA Preservation Efforts

- 4 The CIO should conduct and document a thorough assessment of the production version of the ERA system's preservation framework capabilities.

REPORTING REQUIREMENTS

13-08 Audit of NARA's Preservation Program (Textual)

- 1a The Archivist should ensure an overarching preservation strategy is developed. Additionally, a risk-based approach to holistically assess the agency's preservation needs and design the agency's preservation plan should be implemented.
- 1b The Archivist should ensure an analysis is conducted of the organizational structure and responsibilities of each office involved in preservation. This should include a determination whether the preservation strategy can be effectively implemented with a decentralized structure, or if one NARA office should have authority over the entire Preservation Program.
- 2 The Chief Innovation Officer and Executives for Research Services and Legislative Archives, Presidential Libraries and Museum Services, should ensure comprehensive preservation policies and procedures for each of their organizations are developed and/or updated.
- 3a The Chief Innovation Officer and Executives for Research Services and Legislative Archives, Presidential Libraries and Museum Services should completely identify the resources necessary to adequately accomplish NARA's preservation mission.
- 3b Develop a plan to identify the complete universe of textual and non-textual records that require preservation.
- 4 The Executive for Research Services should ensure a detailed analysis is performed and communicate about the risks versus the benefits associated with not using the existing risk assessment data to calculate the backlog for the Washington area Archives.
- 5a The Executive for Research Services should ensure an analysis is performed to determine if additional risk assessments for the Washington area Archives and Presidential Libraries including older holdings should be completed. Identify the risks for not completing the assessments.
- 5b The Executive for Research Service should ensure additional measurable performance metrics are developed and implemented to track the progress within the Preservation Program.
- 5c The Executive for Research Services should ensure a cost benefit analysis for the HMS circulation Module is completed. Request required resources if the cost benefit analysis identifies benefits to the agency.
- 5d The Executive for Research Services should ensure Denver, St. Louis, and Special Media implement HMS to record risk assessments.
- 6 The Executive for Legislative Archives, Presidential Libraries and Museum Services should ensure an analysis is performed to identify whether HMS should be implemented across the Libraries. If it is decided HMS will be implemented, a timeline should be established. If it is decided HMS will not be implemented, identify (1) how the existing system will meet the agency's preservation needs and (2) obstacles and risks for not implementing HMS.

13-09 NARA's Data Backup Operations

- 2 The CIO should encrypt backup tapes containing sensitive PII or devise another method of protecting the data that provides a similar level of security.
- 3 The CIO should include the restoration of files from backups as part of the annual contingency plan testing for at least high-impact systems such as ERA and CMRS.
- 4 The CIO should develop a process to regularly test data backups to verify information integrity.
- 10 The CIO, the Director of Acquisition Services, and NARA's Office of General Counsel should review purchases made for offsite storage costs to determine whether NARA's procurement process and Federal appropriations laws were violated and if so take appropriate corrective action.

13-10 NARA Archival Facilities

- 1a The COO should ensure a comprehensive review of the Standards is completed. Additionally, roles and responsibilities for offices involved in the execution of the directive are clearly defined.

REPORTING REQUIREMENTS

- 1b The COO should ensure a plan is developed including a timeline for when the archival storage facility reviews will be completed.
- 1c The COO should ensure an accurate listing of facilities currently compliant with the Standards along with the area of deficiencies is identified and communicated.
- 1d The COO should ensure resources needed to make all archival storage facilities compliant by 2016 are identified. If the facility cannot be brought into conformance with the Standards, determine and document what mitigating actions have been implemented.
- 1e The COO ensure PMRS is updated to accurately reflect percentage of archival holdings in appropriate space.

13-11 Audit of ERA Ingest Efforts

- 1 The COO assess Federal agency usage of Base ERA and implement a process to improve the records management workload and records management practices that exist between NARA and Federal agencies to ensure electronic records are being properly transferred.
- 2 The COO identify the most efficient and effective method of ingest and require Federal agencies to follow this method when transferring electronic records into base ERA. In addition this information should be properly disseminated to Federal agencies.

13-12 Audit of the NARA IDS

- 12 The CIO should ensure the preliminary reporting of all incidents and events reportable to US-CERT is made within the specified timeframes. Further details on the incident or event gathered after the original reporting should be communicated to US-Cert as an update.
- 14 The CIO should ensure incident response tabletop exercises are conducted for staff performing and/or supporting computer security incidents on at least an annual basis, and practical and relevant topics to NARA's computing environment are covered within the exercises.
- 15 The CIO should develop a policy for CIRT members to take training at least on an annual basis to ensure they remain up to date with current patterns/types of cyber attacks and effective, efficient incident remediation methodologies.

13-14 Audit of the Processing of Textual and Electronic Records

- 2a The Executive of Research Services should coordinate with the Executive for Legislative Archives, Presidential Libraries and Museums to develop a processing policy and agency definitions. This policy and definition should highlight the difference between Federal records processing and processing of Presidential records.
- 2b The Executive of Research Services should ensure the San Bruno, St. Louis, and Chicago field locations have a current processing backlog reduction plan. These plans should be developed yearly and updated periodically during the year as necessary.
- 2c The Executive of Research Services should ensure the cost-benefit analysis study on serving unprocessed records is completed, and that it outlines the risks and benefits of serving unprocessed records with an appropriate strategy consistent across the agency.
- 2d The Executive of Research Services should conduct a workload analysis to determine if resource allocation between AI and AII is appropriate.
- 3 The Executive for Legislative Archives, Presidential Libraries and Museums should (a) analyze the backlogs at the pre-PRA libraries and create processing plans for reducing the backlogs at these libraries on a more accelerated basis; (b) assess if there are additional ways to accelerate processing at the PRA libraries; (c) work with the Performance and Accountability Office to update the PMRS metadata to require an ARC entry prior to considering Presidential records processed.
- 4 The Executive for Research Services and the Executive for Legislative Archives, Presidential Libraries and Museums, should work with the Performance and Accountability Office to reassess current processing goals and make changes to the goals.

REPORTING REQUIREMENTS

- 5a The Executive for Legislative Archives, Presidential Libraries and Museums should work with the Performance and Accountability Office to develop a performance measure for tracking the process of electronic presidential records.
- 5b Determine the true backlog of electronic presidential records and determine if additional resources are needed and can be obtained to handle the increased workload.
- 6 The Executive for Legislative Archives, Presidential Libraries and Museums and the Executive for Research Services should ensure a review is performed to validate the accuracy of processing data supplied to the Performance and Accountability Office.
- 7 The Executive of Research Services should ensure procedures for all field locations are documented. Review existing procedures and update as necessary.
- 8 The Executive for Legislative Archives, Presidential Libraries and Museums should ensure procedures for all Presidential libraries are documented, and review existing procedures and update them as necessary.

14-01 Oversight of NARA's Energy Savings Performance Contracts (ESPCs)

- 8 NARA should establish formal assessment criteria and future savings analysis for use in determining whether to cancel ESPCs.

14-04 Audit of the Use of Presidential Libraries by Outside Organizations

- 4 Presidential libraries should work with NARA's general counsel to institute general counsel review program of a sample of applications for use (16011 forms) from all Presidential libraries to ensure the forms meet the requirements of 36 CFR 1280.94.
- 5 We recommend all Presidential libraries create and maintain rental guidelines that help to ensure compliance with 36 CFR 1280.94.

14-05 Audit of NARA's Field Offices Acquisition Activity

- 1a NARA should establish and implement a tracking system to document and monitor training for all contracting officers ensuring compliance with the Federal Acquisition Certification in Contracting policy memorandum.
- 1b NARA should consider terminating field office contracting officers' warrants until all initial training requirements are met.
- 2 NARA should ensure all field office contracting officers and buyers are adequately trained on how and when to close out NARA contracts. Additionally, periodic monitoring and testing of closeout procedures should be conducted to ensure contracts are closed out in a timely manner.
- 3 NARA should establish and implement a formal documented process for informing the field office support team of field office contracts requiring review prior to award.
- 4 Update NARA policies to ensure the guidance for approval of small and small disadvantaged business utilization exceptions is consistent.

14-07 Audit of NARA's Payments to Federal Agencies (excluding GSA)

- 4 Update NARA Interim Guidance 402010, Reimbursable Work Authorizations and Security Work Authorizations to provide guidance on what controls are needed over procurement vehicles, such as an SWA covering multiple events, and what supporting documentation is needed.

14-08 Audit of NARA's Capital Planning and Investment Control (CPIC) Process

- 1a The CIO should ensure any changes to NARA's CPIC policy are promulgated in the form of a NARA notice and published on the NARA@Work Intranet site.
- 1b The CIO should ensure all required CPIC related documentation is completed for all NARA IT investments going through the CPIC process.
- 1c The CIO should require the creation and use of a checklist outlining the IT governance related documentation required to be completed for all IT investments going through the CPIC process.

REPORTING REQUIREMENTS

- 2 The CIO should require NARA's updated CPIC policies and procedures meet the CPIC process requirements detailed in the Clinger Cohen Act.
- 3 The Chief Operating Officer (COO) should ensure NARA IT investments do not bypass NARA's CPIC process.
- 5 The COO should ensure I-P maintains documentation of its approval of IT investments in PRISM and I-P's PRISM approval of IT investments is tested on an annual basis with all documentation of this testing sent to NARA's internal controls group.
- 6 The COO should ensure the training guide for purchase card holders is updated to include a discussion of the requirements of NARA's CPIC Process.
- 7 The CIO should distribute a NARA notice annually to remind employees of their CPIC responsibilities related to the acquisition of IT investments.
- 8 The CIO should ensure NARA's IT governance process, which includes CPIC, incorporates the lessons learned when Directive 801 was followed to create a more user-friendly, streamlined, and transparent policy where CPIC requirements align closely with the costs of IT investments.
- 9 The COO should consider including an enforcement mechanism in any updates to NARA's CPIC policy.

14-09 Audit of Conference-Related Activities and Expenses

- 2a The CFO should ensure communication is provided to offices regarding adherence to conference policies, including penalties for non-compliance.
- 2b The CFO should ensure interim guidance 165-1, Conference-Related Activities and Expenses, is updated to incorporate statutory requirements for reporting to the OIG any conferences where expenses exceed \$20,000.
- 2c The CFO should ensure methodology is developed for gathering and reporting post-conference details, including details of all expenses and justification when total costs increase by a threshold established by management. This should include a time frame for reporting.

14-10 Audit of NARA's Enterprise Wireless Access

- 1d NARA should assess the security controls using appropriate assessment procedures to determine the extent to which the controls are implemented correctly, operating as intended, and producing the desired outcome with respect to meeting the security requirements.
- 1e NARA should authorize network operation based on a determination of the risk to organizational operations and assets, individuals, other organizations, and the nation resulting from the operation of the information system and the decision that this risk is acceptable.
- 1f NARA should monitor the security controls in the network on an ongoing basis, including assessing control effectiveness, documenting changes to the system or its environment of operation, conducting security impact analysis of the associated changes, and reporting the security state of the system to designated officials.
- 2c This recommendation contains information about IT deficiencies which, if made public, could endanger NARA systems. Please contact the OIG if you need further information.
- 2e This recommendation contains information about IT deficiencies which, if made public, could endanger NARA systems. Please contact the OIG if you need further information.
- 2g This recommendation contains information about IT deficiencies which, if made public, could endanger NARA systems. Please contact the OIG if you need further information.
- 3 NARA should develop, document, review, update, and implement wireless policies and procedures on at least an annual basis in accordance with internal NARA and NIST requirements.

REPORTING REQUIREMENTS

- 4a NARA should utilize existing WLC and WAP baseline configurations or develop its own baseline configurations.
- 4b NARA should implement a process to monitor the WLC and WAP settings for compliance with the established baseline configurations.
- 4c NARA should document and approve any deviations from the WLC and WAP baseline configurations.
- 4d NARA should maintain older versions of the baseline configurations as necessary.
- 5a NARA should implement a process to conduct vulnerability scans that identify weaknesses related to NARA's wireless environment.
- 5b NARA should develop procedures to analyze and remediate the vulnerabilities identified.

14-11 Audit of Special Telework Arrangements at NARA

- 1 The Chief Human Capital Officer (CHCO) should develop controls and relevant control activities to ensure telework agreements are in place, reviewed, and renewed by the employee and the supervisor annually, and a copy of the approved, disapproved, or terminated telework agreement is provided to the NARA Telework Managing Officer.
- 2 The CHCO should provide clarifying guidance to supervisors as to which arrangements require executive or staff director approval.
- 3 The CHCO should establish an oversight mechanism to ensure employees' duty station assignments are reviewed and validated periodically.
- 4 The CHCO should seek reimbursement of the \$4,447 overpayment, or grant a waiver in accordance with 5 U.S.C. 5584.
- 5 The CHCO should issue additional guidance for long-distance telework arrangements to require supervisors to conduct a cost/benefit analysis of the proposed arrangement and document this analysis. For those arrangements resulting in additional costs to NARA, supervisors should be required to justify how the arrangement is in the best interest of NARA.
- 8 The CHCO should revise the Telework Agreement (form 3040) or issue additional guidance for full-time and long-distance telework to require supervisors and employees to estimate timeframe for the arrangement, while still subject to the annual renewal.
- 9 The CHCO should revise NARA 332 to include a requirement that new telework agreements be prepared and signed when a new employee/supervisory relationship is established.
- 11 The CHCO should communicate best practices for monitoring telework employees and best practices in establishing special telework arrangements across the agency.

14-12 Audit of Selected Aspects of NARA's Digitization Program

- 4 The Chief Innovation Officer should track and report progress on each of NARA's digitization strategies.
- 5 The Chief Innovation Officer should establish performance goals specific to NARA's in-house digitization efforts.
- 9 The Chief Innovation Officer should develop a reporting methodology that tracks total traditional records made available through NARA's public access system.
- 10 The Chief Innovation Officer should distinguish in reporting what quantity of records is available online through NARA, and what quantity is accessible online through partnership websites.
- 11 The Chief Innovation Officer should ensure future Annual Performance Plans accurately reflect current data regarding traditional records availability.