



OFFICE *of* INSPECTOR GENERAL
SEMIANNUAL REPORT
to CONGRESS

OCTOBER 1, 2018 *to* MARCH 31, 2019



FOREWORD

I am pleased to present this Semiannual Report to Congress covering the oversight activities of the Office of Inspector General (OIG) for the National Archives and Records Administration (NARA) from October 1, 2018 to March 31, 2019. During this period the Government faced the longest shutdown in history, an unprecedented 35 days. Nonetheless, when the Government opened the OIG continued to produce products recommending improvements in the agency's programs and processes, and ferreting out fraud, waste, and abuse in NARA programs and operations.

As always, much of our work is focused on the top management and performance challenges facing the agency (defined on page 20 of this report) and on assisting the agency in meeting its mission and "Make Access Happen." The OIG continues to present timely, comprehensive, and insightful audit and investigative findings to help decision makers at NARA improve the agency. This report summarizes our efforts and the critical information we provided to management to make NARA a better organization.

In this period we completed an audit of NARA's Presidential Libraries' Analog Processing Efforts. Our audit disclosed multiple internal control weaknesses continued to exist in the processing program at the Presidential Libraries including failure to fully implement and apply NARA's Processing Policy, unsupported metrics, and a lack of standardized controls over monitoring and reporting of performance goals. These conditions occurred because of a lack of management control and sufficient oversight from management on the processing program. As a result, the Presidential Libraries' processing program was not administered consistently and effectively. Further, NARA lacked assurance progress toward its strategic processing goal was accurately measured and reported.

NARA's compliance with the Federal Information Security Management Act (FISMA) was also audited. This audit found NARA did not implement an effective information security program for many of the selected security controls for sampled information systems. NARA's implementation of a subset of selected controls was not fully effective to preserve the confidentiality, integrity, and availability of the agency's information and information systems, potentially exposing them to unauthorized access, use, disclosure, disruption, modification, or destruction.

Additionally, the Office of Investigations identified approximately 640 high-profile photographic prints determined to be valuable to NARA's collection, which were potentially stolen from NARA holdings. These prints were recovered during the execution of a Federal search warrant on a private residence and storage unit.

The OIG's accomplishments reflected in this Semiannual Report to the Congress are a credit to the talented and committed staff I have the privilege to lead. I also am extremely appreciative of management's efforts to assist the OIG in completion of our audit and investigative efforts.



James Springs
Inspector General

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

Executive Summary

This is the 60th Semiannual Report to Congress summarizing the activities and accomplishments of the National Archives and Records Administration (NARA) Office of Inspector General (OIG).

Audits and Reports

The OIG continued to assess the economy and efficiency of NARA's programs and operations, and to examine NARA's Information Technology (IT) systems, including the Electronic Records Archives (ERA). During the reporting period, the OIG issued the following audits and other non-audit reports.¹ The Office of Audits also identified \$131,816 in questioned costs and is tracking \$45,360,034 in funds to be put to better use for which no management decision has been made.

Audits of Programs and Operations

- **Audit of NARA's FY 2018 Financial Statements.** NARA received an unmodified opinion on its financial statements. There was one significant deficiency in internal control over financial reporting related to information technology controls. There were no material weaknesses in internal control over financial reporting and no instances of noncompliance with certain provisions of laws, regulations, contracts, and grant agreements. (OIG Audit Report No. 19-AUD-01, dated November 15, 2018. See page 13.)
- **Audit of NARA's Compliance with FISMA.** NARA did not implement an effective information security program for many of the selected security controls for selected information systems. NARA's implementation of a subset of selected controls was not fully effective to preserve the confidentiality, integrity, and availability of the agency's information and information systems, potentially exposing them to unauthorized access, use, disclosure, disruption, modification, or destruction. Consequently, we noted weaknesses in all eight Inspector General (IG) FISMA Metric Domains. (OIG Audit Report No. 19-AUD-02, dated December 21, 2018. See page 13.)
- **Audit of Presidential Libraries' Analog Processing.** Multiple internal control weaknesses continue to exist in the processing program at the Presidential Libraries including not fully implementing and applying NARA's Processing Policy, unsupported PMRS metrics, and a lack of standardized controls over monitoring and reporting of performance goals. These conditions occurred because of a lack of management control and sufficient oversight from management on the processing program. As a result, LP's processing program is not administered consistently and effectively. Further, NARA lacks assurance progress toward completion of its strategic processing goal is accurately measured and reported. Additionally, the OIG faced delays and difficulty in obtaining documentary and testimonial evidence throughout the audit process. This condition occurred as Presidential Libraries staff was unresponsive, unprepared, or unwilling to

¹ Each report portrays a snapshot in time at the end of the fieldwork, and may not reflect the current situation at the end of the reporting period. Only products labeled as audits are conducted in accordance with the Government Auditing Standards.

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fulfill OIG requests for information. As a result, the OIG could not fully execute its audit program to answer all audit objectives and assess all aspects of LP's analog processing program. (OIG Audit Report No. 19-AUD-03, dated December 20, 2018. See page 13.)

- **NARA's Purchase Card Program.** Although no purchase card transactions in our review appeared to be illegal or fraudulent, we determined NARA's internal controls over purchase card use needs improvement. We found instances of unsupported verification of statements, sales taxes improperly paid, split purchases, and transactions not properly approved. These conditions existed due to inadequate oversight at both the agency and program office levels. This was also due in part to cardholders and approving officials (AO) not adequately following NARA guidance, laws, and regulations. Without effective oversight controls over purchase card use, NARA risks erroneous charges that may lead to inaccurate financial reporting. We also found cardholders and AOs did not always obtain timely refresher training as required. The cardholders and AOs did not take seriously their responsibilities to get refresher training every three years and relied on Acquisitions to remind them of the required training. Without timely training, there is a risk cardholders and AOs are not up-to-date on current government card policies and changes to policies thereby increasing the risk of improper payments, misuse of the purchase card, and failure to comply with requirements of the Purchase Card Program. Additionally, purchase card policies and procedures are not up to date, policies and Internal Control Plans (ICP) are inconsistent and unclear, and monitoring of internal controls are ineffective. Lack of current and adequately documented procedures may result in inconsistent process operations, key person dependencies, overall process inefficiencies, and the loss of institutional knowledge about NARA's Purchase Card Program. Without effective management and monitoring of controls, managers are less likely to identify and correct internal control problems on a timely basis. (OIG Report No. 19-AUD- 07, dated March 29, 2019. See page 14.)

Other Reports Concerning NARA Programs and Operations

- **Compendium of Open Audit Recommendations to NARA.** In an effort to address long-standing open recommendations, in March 2018, the OIG alerted NARA Management about NARA's slow progress in addressing open recommendations. The OIG requested management review and document the implementation status, update any planned actions, and propose new target completion dates for each open recommendation. The majority of NARA offices responded to the OIG's request with useful information, while it appeared other offices did not. Between October and November 2018, the OIG also held meetings with NARA offices to discuss the documentation received and to agree to new target completion dates for open recommendations. It is apparent the importance of closing open recommendations varies among offices. Some offices have made it a priority while others have not. Additionally, there are offices that lack the understanding of what is required to close recommendations or how long it will take to implement agreed upon corrective actions. (OIG Report No. 18-R-04, dated March 21, 2019. See page 15.)

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- **Management Alert - Classified Systems Lack Proper Authorization to Operate**
During the course of the Audit of Classified Systems, the Office of Inspector General identified an issue warranting immediate attention. The purpose of the alert was to bring this matter to management's attention to ensure further vulnerabilities are appropriately mitigated and secured. (OIG Report No. 19-MA-05, dated March 21, 2019. See page 15.)
- **Purchase Card Risk Assessment.** NARA's purchase card risks remain at a moderate level. In general, NARA's policies and procedures are designed to provide reasonable assurance for implementing and managing the NARA Charge Card Program and to mitigate the potential for fraud, misuse, and delinquency. However, NARA has yet to address two open recommendations from previous audits. (OIG Report No. 19-R-06, dated March 21, 2019. See page 15.)

Management Assistance and Other Work

In addition to audits and investigations, the OIG continued to assist NARA and others in various ways, including the following highlights from the period.

- Continued running the Whistleblower Protection Coordinator program, providing training and information to potential whistleblowers on various rules and protections available. This work included one-on-one consultations with individuals; and working with other IG offices in the Federal community to comment on, interpret, and implement new legislation.
- Responded to multiple requests for OIG records under the Freedom of Information Act (FOIA).
- Provided substantial suggestions for improving several draft NARA directives and policy documents, including documents covering time and attendance policies and grievances by agency personnel.
- Responded to 32 requests from NARA for reviews of proposed legislation, Office of Management and Budget (OMB) regulations, congressional testimony, and other items.



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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, such as missing and stolen records. Investigations showing violations of law, regulations, rules, or contract terms may result in administrative, civil, or criminal actions. These can include terminations, debarments, prison terms, probation, fines, restitution, and other actions. The OI may also conduct assessments of areas with the potential for fraud or issue management letters detailing specific issues or vulnerabilities we observe. Assessments are typically preliminary overviews of potential areas of agency vulnerabilities and are used to alert management to issues. Accordingly, they do not follow any set standards or procedures. In this period the OI received and reviewed 135 complaints and other intake actions, opened four new investigations, and closed seven existing investigations.

So far this fiscal year, cost savings calculations attributed to OI work product has totaled over \$88,000. Cost savings include recoveries made as a result of investigations, including the appraised value of NARA holdings. Additionally, they include any identified misused agency resources and time, theft, and other monetary calculations including the appraised value of NARA artifacts as identified during investigations. Additional funds are attributed to the salaries of employees that were not paid due to suspensions, terminations, and resignations. For actions where the employee no longer works for NARA as a result of the investigation, we calculated the savings as one year's worth of the offending employee's salary.

During this period the OI identified approximately 640 photographic prints determined to be high-profile and valuable to NARA's collection, which were potentially stolen from NARA holdings. They were recovered from a previously reported Federal search warrant on a private residence and storage unit.

Additionally, we continue to monitor misuse of NARA information technology resources and work closely with the agency to address identified issues.



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OIG Violation of 5 U.S.C. § 5946

For the last several years, the NARA OIG has been purchasing a group membership for some staff in a professional organization. However, upon further inspection it appears this membership is more akin to a group discount for individual memberships than to a membership solely in the name of the office, and these purchases appear to be violations of 5 U.S.C. § 5946. The current Administrative Assistant came to the OIG in Fiscal Year (FY) 2017, and has records of these expenses in FY 2017 and FY 2018, but prior year's files are incomplete. From the records located, memberships were purchased in FY 2013 and FY 2014, but discussions with staff indicate this practice has been ongoing for a number of years prior and in FY 2015 and FY 2016. From the records available, it appears the expenses for this membership would have been at most \$1400 per year for FY 2016 and before, but may have been less. Starting in FY 2017 this group membership and individual memberships in other professional organizations were purchased. In FY 2017 a total of \$2,290 was spent, and in FY 2018 a total of \$1,405 was spent. In FY 2018 a senior OIG staff member flagged purchasing memberships as a potential issue, and the IG was advised on the general rule prohibiting purchasing individual memberships but that they could be purchased if they are a necessary cost directly related to, or a condition precedent to attending, needed training. The question was again raised in FY 2019, and based upon the specifics of the training offered by the professional organization at that time, no new memberships were purchased. During no time in any of these FYs did the OIG make expenditures exceeding the totals of its annual appropriation amount. Currently no memberships are being purchased. The staff involved will receive training, and have been advised to ensure any requested membership expenses are a necessary cost directly related to, or a condition precedent to attending, needed training before approving payment, or to seek counsel.

This issue was discussed with the General Accountability Office (GAO) concerning whether or not it may constitute an Anti-Deficiency Act (ADA) violation. The GAO and the Department of Justice's Office of Legal Counsel have released opinions at odds with one another as to whether this type of issue also violates the ADA. As we fall within the Executive Branch of government, we followed the opinion issued by the Department of Justice.

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 records in its custody and control. Public access to these records strengthens democracy by allowing Americans to claim their rights of citizenship, hold their government accountable, and understand their history in order to participate more effectively in 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 more than five 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 hundreds of thousands of artifacts and hundreds of 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 fiscal year (FY) 2018, NARA had more than 39 million online visits in addition to hosting 4.4 million traditional visitors, all while responding to more than 1.1 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 14 Presidential libraries preserving the papers and other historical materials of all past Presidents since Herbert Hoover.

Resources

In FY 2019, NARA was appropriated \$391 million, including \$373 million for operating expenses, \$7.5 million for repairs and restoration of NARA-owned buildings, \$6 million for the National Historical Publications and Records Commission (NHPRC), and \$4.8 million for IG operations. With approximately 2,675 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 2019, Congress provided \$4.8 million for the OIG's appropriation, including authorization for 24 FTEs. During this period budget uncertainty prevented the OIG from hiring to replace all staff who have retired or moved to other agencies. At the close of the period the OIG had 18 FTEs on board, including an Inspector General, nine FTEs devoted to audits, six FTEs devoted to investigations, an administrative assistant, and a counsel to the Inspector General.

Activities

Involvement in the Inspector General Community

Council of Inspectors General on Integrity and Efficiency (CIGIE)

CIGIE is an independent entity within the executive branch created to address integrity, economy, and effectiveness issues that transcend individual agencies and aid in establishing a professional, well-trained, and highly skilled workforce in the Federal OIGs. The Inspector General is a CIGIE member, and regularly attends meetings discussing government-wide issues and congressional items affecting the Inspector General community.

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 remains involved in various aspects of the committee's work including assisting in creating CIGIE's legislative priorities, answering various data calls, monitoring legislation for developments of interest to the community, and developing input for proposed legislative actions.

CIGIE Audit Committee

The Audit Committee provides leadership to, and serves as a resource for, the Federal IG 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 gives advice to the Chairperson, Vice Chairperson, and Executive Director regarding CIGIE's contracts for audit services. The AIGA attends committee meetings for the Inspector General, who serves as a committee member.

CIGIE Investigations Committee

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

Council of Counsels to Inspectors General (CCIG)

The OIG counsel currently serves as the chair 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 from across the Federal community.

Activities

CIGIE Training Institute

The OIG counsel continued to work with the CIGIE Training Institute. In this period OIG counsel taught at the IG Investigator Training Program at the Federal Law Enforcement Training Center in Glynco, GA.

Whistleblower Ombudsman Working Group (WOWG)

In accordance with the spirit of the Whistleblower Protection Enhancement Act of 2013, the IG appointed the OIG counsel as the whistleblower ombudsman. Counsel meets with the WOWG to develop best practices, discuss community-wide issues, and learn about training programs.

CIGIE IT Committee Data Analytics Working Group (DAWG)

The OI and OA regularly attend and participate in the DAWG. The DAWG was created to assist IGs in acquiring tools and knowledge to better assess fraud, waste, and abuse within agency programs.

CIGIE Enterprise Risk Management Working Group (ERMWG)

The OA regularly attends and participates in the ERMWG. The ERMWG contributes to the promotion and implementation of ERM principles in accordance with OMB Circular A-123 within the offices of the Inspectors General (OIG) community. OA is also a member of a subgroup with the ERMWG responsible for implementing an ERM Risk Assessment Approach for audit planning purposes.

CIGIE Federal Audit Executive Council (FAEC)

The OA regularly attends and participates in the FAEC. The FAEC discusses and coordinates issues affecting the Federal audit community with special emphasis on audit policy and operations of common interest to FAEC members.

Oversight.gov Information Sharing

The OIG fully participates in oversight.gov, a CIGIE driven single source portal to search through reports of multiple OIGs.

FAEC Audit Peer Review Guide Revision Working Group (Peer Review WG)

The OA regularly attends and participates in the FAEC Peer Review WG. The Peer Review WG updates the Audit Peer Review Guide, including updates related to the updated Yellow Book.

Peer Review Information

Peer Review of NARA OIG's Audit Organization

The most recent peer review of the NARA OIG audit function was performed by the National Labor Relations Board (NRLB). In its report issued March 15, 2017, the NARA OIG received a peer review rating of pass for its system of quality control for FY 2016. The next peer review of the OIG's audit function is scheduled to be conducted by the Federal Trade Commission in FY 2019.

Activities

Peer Review of NARA OIG’s Office of Investigations

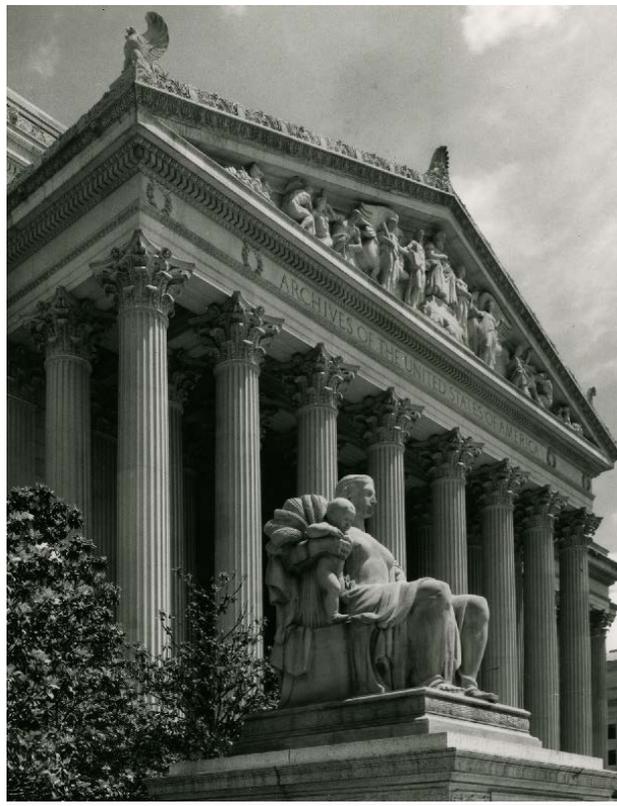
As previously reported, in January 2016 a team of special agents from the Treasury OIG conducted a comprehensive, multi-day review of the Office of Investigations’ operations in accordance with CIGIE’s current “Quality Standards for Investigations.” On February 1, 2016, Treasury’s team found our system of internal safeguards and management procedures for investigations to be in full compliance with all applicable guidelines and regulations. There are no outstanding recommendations from this review.

NARA OIG Peer Review of Other OIGs

The NARA OIG Office of Audits conducted a peer review of the Export-Import Bank (EXIM) of the United States for the period ending March 31, 2017. In this report, issued on September 8, 2017, the EXIM audit organization received a rating of pass for its system of quality control.

Response to Congressional Items

The OIG continues to keep Congress informed about agency and OIG activities. This period the OIG actively worked with the CIGIE Legislation Committee to develop legislative priorities, provide comments on various pieces of potential legislation, and help communicate the views of CIGIE to relevant Congressional committees.



Audits and Reports

Audit and Reports Overview

During this reporting period, the OIG issued four final audits, and three other reports. These other reports include such things as Special Reports (which are used to convey information or issues to management officials without the technicalities of an audit) and do not follow the Government Auditing Standards. The information below is based on results at the conclusion of field work, as depicted in the final reports. It is possible that NARA may have made improvements and/or addressed some of the issues after such time.

Additionally, we initiated or continued work on the following audits or other non-audit reports:

- Select NARA IT Contracts for Provisioned IT Services (Oversight and Management of Contracts), determining whether NARA provides effective oversight and management of certain contracts. This includes determining whether NARA can demonstrate monitoring contractor performance according to Federal requirements and guidance, NARA policies and procedures, and the terms of the contract.
- NARA's Oversight of Electronic Records Management in the Federal Government, determining whether weaknesses identified in the Audit of NARA's Oversight of Electronic Records Management in the Federal Government (OIG Audit Report 10-04, dated April 2, 2010) still exist and program/internal controls are adequate to meet the mission of electronic records management.
- NARA's Classified Systems, determining whether NARA's classified systems are properly managed and adequately secured. We will seek to determine whether the security of NARA's classified systems are compliant with Federal and NARA security policies and guidelines.
- Compliance with the Digital Accountability and Transparency Act (DATA Act), review and assess a sampling of spending data submitted under the DATA Act to assess the completeness, timeliness, utility, and accuracy of the data.
- Accessioning Expected Records, review of the National Archives and Records Administration's (NARA) performance in accessioning analog and electronic records as scheduled and controls for obtaining records the agency did not accession timely.

Audits and Reports

Audit Summaries

Audit of NARA's FY 2018 Financial Statements

NARA received an unmodified opinion on NARA's financial statements. There was one significant deficiency in internal control over financial reporting related to information technology controls. The independent certified public accounting firm found NARA did not substantially address information technology control deficiencies that have existed since FY 2008. NARA not addressing these longstanding unresolved deficiencies impacts the effectiveness of NARA's information security program and internal controls over financial reporting. NARA did make some progress to mitigate these deficiencies, but more effort is needed.

There were no material weaknesses in internal control over financial reporting, and no instances of noncompliance with certain provisions of laws, regulations, contracts and grant agreements. The report contains one recommendation to ensure NARA's security control objectives are met. An attached management letter contains two additional recommendations. (OIG Audit Report No. 19-AUD-01, dated November 15, 2018)

Audit of NARA's Compliance with FISMA

NARA did not implement an effective information security program for many of the selected security controls for selected information systems. NARA's implementation of a subset of selected controls was not fully effective to preserve the confidentiality, integrity, and availability of the Agency's information and information systems, potentially exposing them to unauthorized access, use, disclosure, disruption, modification, or destruction. Consequently, the independent certified public accounting firm noted weaknesses in all eight Inspector General (IG) FISMA Metric Domains. These Domains are Risk Management, Configuration Management, Identity and Access Management, Data Protection and Privacy, Security Training, Information Security Continuous Monitoring, Incident Response, and Contingency Planning. The continued emphasis on communication of formalized policies and procedures resulted in many of the metrics receiving "Ad-hoc" maturity levels, which is the lowest of five maturity levels. The report contains 27 recommendations, which are intended to strengthen NARA's information security program. (OIG Audit Report No. 19-AUD-02, dated December 21, 2018).

Audit of Presidential Libraries' Analog Processing

Multiple internal control weaknesses continue to exist in the processing program at the Presidential Libraries (LP) including not fully implementing and applying NARA's Processing Policy, unsupported PMRS metrics, and a lack of standardized controls over monitoring and reporting of performance goals. These conditions occurred because of a lack of management control and sufficient oversight from management on the processing program. The Government Accountability Office's (GAO's) Standards for Internal Control in the Federal Government states management enforces accountability of individuals performing their internal control responsibilities. Accountability is driven by the tone at the top and supported by the commitment to integrity and ethical values, organizational structure, and expectations of

Audits and Reports

competence, which influence the control culture of the entity. As a result, LP's processing program is not administered consistently and effectively. Further, NARA lacks assurance progress toward completion of its strategic processing goal is accurately measured and reported. Additionally, the OIG faced delays and difficulty in obtaining documentary and testimonial evidence throughout the audit process. This condition occurred as Presidential Libraries staff was unresponsive, unprepared, or unwilling to fulfill OIG requests for information. The Inspector General Act of 1978, as amended, states each Inspector General is authorized to have timely access to all records available to the agency. As a result, the OIG could not fully execute its audit program to answer all audit objectives and assess all aspects of LP's analog processing program. The report contains six recommendations, which are intended to strengthen the Office of Presidential Libraries' internal control environment. (OIG Audit Report No. 18-AUD-03, dated December 20, 2018).

NARA's Purchase Card Program

Although no instances of purchase card transactions appeared to be illegal or fraudulent for the transactions included in our review, we determined NARA's internal controls over purchase card use needs improvement. We found instances of unsupported verification of statements, sales taxes improperly paid, split purchases, and transactions not properly approved. These conditions existed due to inadequate oversight at both the agency and program office levels. This was also due in part to cardholders and approving officials (AO) not adequately following NARA guidance, laws, and regulations. Without effective oversight controls over purchase card use, NARA risks erroneous charges that may lead to inaccurate financial reporting.

We also found cardholders and AOs did not always obtain timely refresher training as required. The cardholders and AOs did not take seriously their responsibilities to get refresher training every three years and relied on Acquisitions to remind them of the required training. Without timely training, there is a risk cardholders and AOs are not up-to-date on current government card policies and changes to policies thereby increasing the risk of improper payments, misuse of the purchase card, and failure to comply with requirements of the Purchase Card Program.

Additionally NARA lacks effective management and internal controls over its Purchase Card Program. Specifically, purchase card policies and procedures are not up to date, policies and Internal Control Plans (ICP) are inconsistent and unclear, and monitoring of internal controls are ineffective. Lack of current and adequately documented procedures may result in inconsistent process operations, key person dependencies, overall process inefficiencies, and the loss of institutional knowledge about NARA's Purchase Card Program. Without effective management and monitoring of controls, managers are less likely to identify and correct internal control problems on a timely basis. The report contains five recommendations, which are intended to strengthen controls over NARA's Purchase Card Program. (OIG Report No. 19-AUD-07, dated March 29, 2019).

Audits and Reports

Summaries of Other Major Reports

Compendium of Open Audit Recommendations to NARA

In an effort to address long-standing open recommendations, in March 2018, the OIG alerted NARA Management about NARA's slow progress in addressing open recommendations. The OIG requested management review and document the implementation status, update any planned actions, and propose new target completion dates for each open recommendation. The majority of NARA offices responded to the OIG's request with useful information, while it appeared other offices did not. Between October and November 2018, the OIG also held meetings with NARA offices to discuss the documentation received and to agree to new target completion dates for open recommendations. It is apparent the importance of closing open recommendations varies among offices. Some offices have made it a priority while others have not. Additionally, there are offices that lack the understanding of what is required to close recommendations or how long it will take to implement agreed upon corrective actions. Based on the documentation received and meetings held, the OIG noted the Office of Chief Information Officer (CIO) has not worked effectively to close open recommendations timely.

Based on documentation originally received and meetings held with the CIO, it did not appear the Office performed an adequate review of its recommendations. Specifically, there was minimal information on work performed since issuance of recommendations, work to be performed, or achievable target completion dates. While the CIO Office eventually provided updated information, this information still lacked details and showed little or no progress was made to implement corrective actions for open recommendations. Additionally, the CIO provided revised implementation dates, but according to staff in the CIO's Services and Compliance Division, those dates were random and not actually based on communication with CIO subject matter experts, work performed, or work to be performed. Based on information provided, this Office does not appear to have a clear understanding of some of its open recommendations and agreed upon corrective actions. The OIG will continue to meet its responsibilities as required for audit follow-up and looks forward to working with NARA management in its efforts to implement corrective actions that will help reduce the number of open recommendations. (OIG Report No. 18-R-04, dated March 21, 2019).

Management Alert - Classified Systems Lack Proper Authorization to Operate

During the course of an ongoing audit, *Classified Systems*, the Office of Inspector General identified an issue that warranted immediate attention. The purpose of the alert was to bring this matter to management's attention to ensure further vulnerabilities are appropriately mitigated and secured.

Purchase Card Risk Assessment

NARA's purchase card risks remain at a moderate level. In general, NARA's policies and procedures are designed to provide reasonable assurance for implementing and managing the NARA Charge Card Program and to mitigate the potential for fraud, misuse, and delinquency. However, NARA has yet to address two open recommendations from previous audits.

Audits and Reports

NARA's purchase card issuer has been Citibank from November 2009 to present. As of September 30, 2018, NARA had 167 Purchase cardholders at its headquarters and regional Offices. We noticed FY 2018 purchase card amounts were over \$2 million higher from FY 2017. We are waiting for an explanation from NARA and will follow-up on the increase. (OIG Report No. 19-R- 06, dated March 21, 2019).



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, such as missing and stolen records. 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, restitution, and other actions. The OI may alert management to potential problems or vulnerabilities through Management Letters or other products if a full investigation is not warranted or appropriate. The OI may also conduct assessments of areas with the potential for fraud. Assessments are typically designed to proactively review limited aspects of NARA's programs and operations such as contract compliance and telework adherence. They are intended to be quick reviews of potential issues, and are not designed to be in-depth, detailed accounts. Accordingly, they do not follow any set standards or procedures. The purpose is to alert management to issues. While they may offer suggestions, they generally do not make recommendations for corrective action.

Significant Investigations and Updates

Contractor Transportation Company Violated Terms of Bill of Lading

In 2017, a Federal Records Center contracted with a transportation company to ship records to another Federal Records Center. The original company completed at least four dozen deliveries without incident. However, during the 2018 holiday season, the company outsourced the contract down through multiple levels of subcontractor. The investigation determined that this practice was permissible, but the subcontractor violated the *Bill of Lading* in its transport and delivery of two shipment of records as a result of outsourcing. Specifically, the records arrived late, in different vehicles, with different drivers, with the NARA seals either broken or missing, and with the *Bill of Lading* altered so that the seal number of the missing NARA seal was not visible. Although the investigation determined that none of the records had been taken or otherwise tampered with, it did determine that several of the terms of the *Bill of Lading* were violated and that the shipping company failed to comply with mandatory notification requirements. The matter was presented to a United States Attorney's Office, which declined criminal prosecution. The report has been forwarded to NARA administration for review and appropriate action.

NARA Employee Viewing Pornography at Work

Previously the OI reported on a NARA employee whose at-work computer usage indicated potential violations of NARA's policy against viewing pornography in the workplace. The investigation substantiated that for at least one year, the employee spent more than an hour a day viewing pornographic images on the internet on their workplace computer during official work hours. Moreover, the employee frequently requested and was approved to work extra credit-hours. During these extra hours the employee either viewed more pornography, or caught-up on work skipped earlier in the day while viewing pornography. In this reporting period, after being presented with a proposal for termination, the employee retired.

Investigations

Theft of Accountable Property

Previously the OI reported on a Property Accountability Officer who took home surplus office furniture for personal use. The employee acknowledged taking the property in ignorance of its classification as Government accountable property, and returned them. In this reporting period, the employee received a Letter of Counseling.

Newly-Discovered Trove of Historical Materials To Be Donated to NARA

A private citizen contacted the OI to offer historical materials that were recently discovered in a family residence. The citizen's relative, a U.S. Army interrogator, had kept records of his interviews of German officials after the end of World War II. The records include original German transcripts, English translations, and photographs. The Office of Investigations obtained the documents, and turned the materials over to agency subject matter experts for review; the experts found the materials to be significantly historically valuable. NARA is in the process of formally accepting custody of these records.

Investigations of Senior Government Employees²

None were finalized during this period.

Significant Referrals

30-Day Suspension for False Work Claims

On dozens of occasions over a period of approximately two months, an employee submitted false documentation claiming that undone work had been completed. This included false claims of work performed during overtime hours. The employee confessed when confronted with the evidence, and received a 30-day suspension.

Leave Balance Adjusted for Unauthorized Workplace Departures

A NARA employee attended a local, high-profile criminal court proceeding, leaving work for several hours on several days without authorization, and while claiming to be working. The employee acknowledged having left the office several times without authorization to attend the trial as a spectator. The employee was issued a Letter of Reprimand and charged leave to compensate for the work hours lost.

Payments made for Outstanding Debt to a Government Travel Card

A NARA employee's Government travel card was canceled due to a delinquent debt incurred after official Government travel, despite the employee having been reimbursed by the agency. It was determined that the employee had other delinquent federal debts and the Treasury Bureau of Fiscal Services applied the employee's travel reimbursement towards those debts. The employee was unaware the Government garnished these funds, has made two payments to the Government travel card, and is entering a payment plan to fulfill their entire debt.

² A senior government employee is defined as anyone occupying a position classified at or above GS-15, or for those not on the General Schedule, whose rate of basic pay is equal to or greater than 120% of the GS-15 minimum.

Investigations

Oversight

Assessment of Long-Distance Telework and Locality Pay

Previously the OI reported on a limited assessment of long-distance telework employees to determine whether, as required under the policy in effect at that time, they were reporting to their assigned duty stations twice per pay-period in order to earn that duty station's associated locality pay. The assessment focused on six NARA employees who earned locality pay for duty stations that were not associated with their telework locations. For the period under review, three of the six employees met the requirement of in-person reporting and three of the six employees appeared to fail to meet that requirement. In this reporting period, the agency responded to the assessment noting that the first of the three employees who were highlighted in the assessment now works from a NARA facility and will be charged for the difference received in mis-assigned locality pay; the second employee was counseled and will have to report to a NARA facility to work in the future or resign; and a comprehensive review of the third employee's records established that there were no demonstrable violations of policy and no corrective or disciplinary action was required. The agency response also revealed that all long-distance telework agreements are discontinued under new policy, effective January 2019, in favor either of working at the employee's official duty station or of entering into a 100% telework agreement by which the employee's official duty station will reflect their actual physical working location.



Investigations

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. Hotline intakes may be processed as preliminary inquiries to determine whether they should be investigated as numbered investigations. Some Hotline intakes may not warrant further action by the OI. Where appropriate, referrals may be made to OIG audit staff, NARA management, or external authorities.

<u>Hotline Activity for the Reporting Period</u>	
Hotline and Complaints received	135
Hotline and Complaints referred to NARA or another entity	50

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 www.archives.gov/oig/contractor-form/index.html.

Top Ten Management Challenges

Overview

We conduct and supervise independent audits, investigations, and other reviews in order to make NARA a better agency, hold people accountable, and prevent problems before they happen. To fulfill this mission, we focus on areas we believe represent the agency's most significant challenges. Here are NARA's top ten management challenges.

1. Electronic Records Archives

Electronic records are the future of government archiving, and the vast volumes of electronic records that will need to be preserved are simply staggering. NARA's plan to tackle this mission critical issue is the Electronic Records Archives (ERA) system. Initially billed as a solution for storing files in any format for indefinite future access, the program has been fraught with delays, cost overruns, funding shortfalls, and technical short-comings virtually since inception. As a result, many core requirements from initial plans have never been addressed, and the ERA lacks the capabilities originally envisioned.

The ERA is a "system of systems," with the ERA Base System the main point for receiving and storing records from Federal agencies. NARA has recognized problems with the ERA Base System's reliability, scalability, usability, and costs have prevented it from being adequate for NARA's current and expected future workload. These problems, combined with advances in technology (particularly cloud computing), led NARA to determine it is essential to evolve the ERA Base System. This will allow NARA to fix and re-factor current capabilities, as well as adapt and expand new capabilities to meet the expected demands of a rapidly growing backlog of digital material. Named ERA 2.0, this is an on-going development effort with initial, limited implementation in 2018 and estimated lifecycle costs of \$86 million. The ERA 2.0 Project Plan also includes subsuming some of NARA's legacy IT systems and deploying a classified ERA 2.0 in FY 2020. However, until ERA 2.0's functionality is put into full production, the current ERA's longstanding deficiencies may continue to impact NARA.

ERA faces many challenges going forward, including the predicted massive growth in the amount and diversity of digital materials NARA will have to preserve. This is coming at the same time stakeholders expect expanded capabilities, such as online access and searching, that drive openness and cultivate public participation.

2. Improving Records Management

While the ERA system is intended to handle electronic records received by NARA, the agency needs to ensure the proper electronic and traditional records are in fact preserved and sent to NARA in the first place. NARA must work with Federal agencies to ensure proper appraisal, scheduling, and transfer of permanent records in all formats. The major challenge is how best to accomplish this in a rapidly changing technological environment.

The Office of Management and Budget (OMB) requires agencies to eliminate paper and use electronic recordkeeping to the fullest extent possible. Agencies were required to manage both permanent and temporary email records in an accessible electronic format by December 31,

Top Ten Management Challenges

2016, and must manage all permanent electronic records in an electronic format by December 31, 2019. NARA and the rest of the government is challenged with meeting these deadlines while determining how best to manage electronic records and make e-Government work more effectively.

To illustrate, a 2015 GAO study found NARA's plan to move agencies toward automated records management left out required metadata requirements. While NARA did subsequently issue metadata guidance, that is only one example of a complicated issue.

3. Information Technology Security

NARA's challenges in IT Security have been recognized for over a decade, and every year more risks are identified. Annual Federal Information Security Modernization Act (FISMA) assessments consistently identify areas in need of significant improvement. NARA labeled IT Security a "material weakness" under the Federal Managers' Financial Integrity Act (FMFIA) from 2007 to 2018 with exceptions of 2013 and 2014, when it was considered a "reportable issue." While management has developed an action plan to resolve its control deficiencies, NARA does not expect to fully implement it until FY 2020.

Many of NARA's issues stem from the Chief Information Officer (CIO)'s lack of insight into NARA's overall IT architecture and security. This is compounded by NARA's reliance on contractors to manage both its in-house and externally hosted systems, and a lack of properly qualified Contracting Officer's Representatives overseeing the contractors. Adding to the challenge, the CIO does not report directly to the agency head. These conditions cause current security and performance problems, and inhibit NARA from effectively establishing a strategy for the next generation of NARA's network.

While NARA has introduced initiatives to promote a mature program, real progress will not be made until NARA establishes an effective system of internal control for information security. NARA's mission relies on the confidentiality, integrity, and availability of our electronic records and IT systems. NARA must ensure the security of its data and systems, or risk undermining the agency's credibility and ability to carry out its mission.

4. Expanding Public Access to Records

Records that cannot be accessed have little use, and the public expects more and more records to be online. NARA's strategic goal to "Make Access Happen" affirms public access as NARA's core purpose, and NARA has committed to digitize the nation's archives and make them available online. This is a massive undertaking involving billions of pages, films and photographic media, and other records. However, NARA's historic digitization approaches were not large enough to make significant progress. Other attempts have had issues as well. For example, poor planning and system limitations kept millions of records digitized by NARA partners from being 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 an effective digitization strategy and expand public access to records.

Top Ten Management Challenges

At a basic level, in order to “Make Access Happen” NARA must gain physical and intellectual control over its holdings. That is, NARA must physically control the records and know what they are. This initial step is referred to as archival processing. However, approximately 21 percent of NARA’s textual holdings have not been processed, so the public does not have efficient and effective access to them. Thus, the agency has begun an initiative to accelerate archival processing to increase the records available for research. 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. This includes standardizing processing procedures across the agency, strengthening internal controls, and monitoring performance.

5. Meeting Storage Needs of Growing Quantities of Records

NARA is running out of room and is challenged in acquiring sufficient archival space to store its ever-increasing volume of textual records. Even with the rise of electronic records, there are decades worth of paper records still scheduled to come to NARA. Thus, every year for the foreseeable future NARA will need more and more space. Currently space limitations affect NARA’s accessioning, processing, preservation, and other internal efforts. By law, the Archivist is responsible for the custody, control, operation, and protection of buildings used for the storage of Federal records. NARA regulations require these facilities to meet certain physical and environmental requirements. Without additional space, NARA may have to house historical records in space not meeting its own requirements. The challenge is to ensure NARA’s and other agencies’ facilities comply with NARA regulations or to effectively mitigate risks to records stored in sub-standard facilities.

Additionally, the agency is also challenged to meet data storage requirements for electronic records. NARA’s in-house data storage is reaching capacity, impacting the agency’s digitization efforts and other IT programs. Increasing amounts of electronic data storage are necessary for NARA to meet its mission. Without adequate storage, NARA cannot continue accepting, storing, and processing electronic records or make them available to the public. NARA is challenged to develop an enduring enterprise-wide data storage management solution appropriate for handling the nation’s history while complying with OMB’s Federal Data Center Consolidation Initiative, which focuses on reducing the energy and real estate footprint.

6. Preservation Needs of Records

Every day NARA’s holdings age and slowly degrade. This is true for all records, not just paper, as time affects the physical media electronic and audiovisual records are stored as well. Further, as computer programs become obsolete, the records stored in those formats may become impossible to use. 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. According to management, NARA does not have the resources to adequately address the growth in holdings needing preservation action. This has created a backlog of records needing preservation, and the backlog remains steady. NARA is challenged to address this backlog and future preservation needs, including the data integrity of electronic records. Complicating this, the ERA system is NARA’s primary tool for preserving electronic records, but it does not have the ability to address record formats when the programs they were

Top Ten Management Challenges

saved in become obsolete (see OIG Challenge #1). The challenge of ensuring storage facilities meet environmental standards for preserving records (see OIG Challenge #5) also plays a critical role in preserving records. Without action, pieces of the unique history of America will be lost.

7. Improving Project and Contract Management

NARA faces significant challenges concerning project and contract management. For example, there have been cost and schedule overruns, contract requirements are not always well defined, large dollar IT contracts have lacked adequate oversight, contractor performance is not consistently evaluated and reported, and IT projects are not always carried out in accordance with guidelines. This affects whether or not NARA obtains the right goods and services at the right price. NARA is challenged with instilling the proper management structure, function, coordination, and visibility to adequately align acquisition functions with NARA's mission and needs. A significant part of this challenge is NARA's acquisition workforce. Strengthening the acquisition workforce is essential to improving contractor management and oversight. However, NARA does not effectively identify and track the agency's acquisition workforce, or coordinate with program areas when designating CORs. This has led to using CORs without proper certifications. NARA is challenged to strengthen internal controls over acquisition functions and provide better oversight and management of its procurement activities to ensure it effectively and efficiently adheres to Federal and internal guidance.

The OIG has encountered multiple examples of project management issues. NARA relied on end-of-life servers, hindering IT modernization efforts. NARA did not document briefings to its senior management oversight group during the development of NARA's largest IT project, the ERA system, and there is little evidence the group identified or took appropriate corrective actions. However, NARA spent more than \$23 million and 3.5 years developing solutions to correct deficiencies in the ERA Base System. Its successor, the ERA 2.0 project, continued to experience challenges including funding and aligning with NARA's System Development Life Cycle (SDLC) policy. Despite spending approximately \$2.8 million over the past 12 years, NARA has not fully implemented all of the requirements in Homeland Security Presidential Directive-12. Further, the lapsed Information System Security Officer (ISSO) contract left many of NARA's systems without a designated ISSO for over a year, putting the security of the systems and their data at risk. The GAO also reported NARA inconsistently used 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 disciplines like EVM limits NARA's ability to effectively manage projects and accurately report on their progress.

8. Physical and Holdings Security

People continue to steal documents and artifacts from NARA for their monetary and historical value. Further, the priceless history represented in these records is threatened by fire and other man-made and natural disasters. Yet the threats do not stop there as NARA holds troves of national security information as well. NARA must ensure the safety and security of people and records in our facilities. NARA's security posture has improved with the implementation of the Holdings Protection Team and stricter access controls. However, NARA's challenge is to run an

Top Ten Management Challenges

effective Holdings Protection Program in an environment where new threats emerge and adversaries are continuously adapting.

9. Human Resources Management

NARA's employees are the backbone of the agency, and one of NARA's strategic goals is to "build our future through our people." However, the agency has no comprehensive and cohesive approach to human capital management. NARA's ability to attract, recruit, and retain employees is critical to many of the other top management challenges, but NARA lacks adequate policies and procedures making it difficult to manage human capital effectively and efficiently. NARA has announced a plan to migrate their human resources services to a shared service provider, the Department of Treasury, Bureau of the Fiscal Service, Administrative Resource Center (BFS/ARC). NARA expects this move to improve the timeliness of the hiring process and provide better human capital services.

10. Enterprise Risk Management

OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control is designed to ensure Federal managers effectively manage risks. It does this by implementing Enterprise Risk Management (ERM) practices and internal controls. An effective ERM capability:

- creates and protects value;
- is an integral part of organizational processes and decision making;
- is dynamic, iterative, and responsive to change; and
- facilitates continual improvement of the organization.

However, NARA management has not made ERM a strategic priority and has yet to implement an ERM program that clearly identifies, prioritizes, and manages risks. As a result, management's internal control activities and assurance statements continue to be based on work at the individual function, program, and office level. Without an effective ERM process in place that clearly identifies, categorizes, and assesses the effectiveness of controls related to key risks, the Archivist's annual assurance statement to the President and Congress might not clearly reflect NARA's current internal control environment, including risks. NARA's challenge is to ensure the agency complies with the requirements of OMB Circular A-123, and develops and fully implements an ERM capability to effectively identify, manage, and mitigate critical agency risks.

Reporting Requirements

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

IG Act § or Law	Subject	Page(s)
§ 4(a)(2)	Review of legislation and regulations	4, 9, 11
§ 5(a)(1)	Significant problems, abuses, and deficiencies discovered during the reporting period	2–4, 13–16, 17–19
§ 5(a)(2)	Significant recommendations for corrective action	2–4, 13–16
§ 5(a)(3)	Prior significant recommendations on which corrective action has not been completed	31–33
§ 5(a)(4)	Summary of prosecutorial referrals and convictions	17–18, 27
§ 5(a)(5)	Information or assistance refused and reported to agency head	30
§ 5(a)(6)	List of audit, inspection, and evaluation reports issued	28
§ 5(a)(7)	Summaries of significant reports	2–4, 13–16, 17–19
§ 5(a)(8)	Questioned costs in audits, inspections, and evaluations	28
§ 5(a)(9)	Funds put to better use in audits, inspections, and evaluations	29
§ 5(a)(10)	Prior audit, inspection, and evaluation reports with no management decision, no management comment, or unimplemented recommendations	30–33
§ 5(a)(11)	Significant revised management decisions	30
§ 5(a)(12)	Significant management decisions with which the OIG disagreed	30
§§ 5(a)(14), (15), (16)	Reporting on OIG peer review	10–11
§ 5(a)(17)	Statistical table on investigations and referrals	27
§ 5(a)(18)	Description of metrics used in § 5(a)(17) table	27
§ 5(a)(19)	Reporting on substantiated investigations of senior government employees	18
§ 5(a)(20)	Reporting on substantiated whistleblower retaliations	30
§ 5(a)(21)	Reporting on agency attempts to interfere with OIG independence	30
§ 5(a)(22)(A)	Closed inspections, evaluations, and audits not disclosed to the public	3–4, 15–16, 17–19
§ 5(a)(22)(B)	Closed investigations of senior government employees not disclosed to the public	18–19
P.L. 110-181	Annex on completed contract audit reports	30
P.L. 104-106	Open audit recommendations	31–33

Reporting Requirements

SUMMARY OF INVESTIGATIONS AND PROSECUTORIAL REFERRALS Requirement 5(a)(4), (17), and (18)

<i>Investigative Workload</i>	
Hotline and complaints received and opened this reporting period	135
Hotline and complaints referred to other parties during this reporting period	50
Investigations opened this reporting period	4
Investigations closed this reporting period	7
Investigative reports issued this reporting period	7
<i>Investigative Results</i>	
Total individuals referred to DOJ for prosecution	7
Individuals referred to DOJ – accepted for prosecution	0
Individuals referred to DOJ – declined for prosecution	4
Individuals referred DOJ – pending prosecution decision	3
Total individuals referred to state and local authorities for prosecution	0
Individuals referred to state and local authorities – accepted for prosecution	0
Individuals referred to state and local authorities – declined for prosecution	0
Individuals referred state and local authorities – pending prosecution decision	0
Arrest	0
Indictments and information	0
Convictions	0
Fines, restitutions, judgments, and other civil and administrative recoveries	\$3,000
<i>Administrative Remedies</i>	
Employee(s) terminated	0
Employee(s) resigned	1
Employee(s) suspended	1
Employee(s) given letter of reprimand or warnings/counseled	6
Employee(s) taking a reduction in grade in lieu of administrative action	0
Contractor (s) removed	0
Individual(s) barred from NARA facilities	0

The numbers in the table above were compiled by our electronic case management system, and only reference actions that happened within the reporting period. If the case was a joint case worked with another investigative office, the statistics above show the total numbers for the case and do not apportion numbers to each office. Investigative reports include only Reports of Investigation for numbered investigations.

Reporting Requirements

LIST OF AUDIT, INSPECTION, AND EVALUATION REPORTS ISSUED Requirement 5(a)(6)

Report No.	Title	Date	Questioned Costs	Unsupported Costs	Funds Put to Better Use
19-AUD-01	Audit of NARA's FY 2018 Financial Statements	11/15/2018	\$0	\$0	\$0
19-AUD-02	Audit of the NARA's Compliance with FISMA	12/21/2018	\$0	\$0	\$0
19-AUD-03	Audit of Presidential Libraries Analog Processing	12/20/2018	\$0	\$0	\$0
19-AUD-07	NARA's Purchase Card Program	03/29/2019	\$131,816	\$0	\$0

LIST OF OTHER REPORTS ISSUED

Report No.	Title	Date
19-R-04	Compendium of Open Audit Recommendations to NARA	03/21/2019
19-MA-05	Management Alert - Classified Systems Lack Proper Authorization to Operate	03/21/2019
19-R-06	Purchase Card Risk Assessment	03/29/2019

AUDIT, INSPECTION, AND EVALUATION REPORTS WITH QUESTIONED COSTS Requirement 5(a)(8)

Category	Number of Reports	DOLLAR VALUE	
		Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period	0	\$0	\$0
B. Which were issued during the reporting period	1	\$131,816	\$0
Subtotals (A + B)	1	\$131,816	\$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	1	\$131,816	\$0
E. For which no management decision was made within 6 months	1	\$131,816	\$0

Reporting Requirements

AUDIT, INSPECTION, AND EVALUATION 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 (see note below)	5	\$45,454,136
B. Which were issued during the reporting period	0	\$0
Subtotals (A + B)	5	\$45,454,136
C. For which a management decision has been made during the reporting period	0	\$0
(i) dollar value of recommendations that were agreed to by management	0	\$0
Based on proposed management action	3	\$94,102
Based on proposed legislative action	0	\$0
(ii) dollar value of recommendations that were not agreed to by management	0	\$0
D. For which no management decision has been made by the end of the reporting period	2	\$45,360,034
E. For which no management decision was made within 6 months of issuance	2	\$45,360,034



Reporting Requirements

OTHER REQUIRED INFORMATION

REQUIREMENT	CATEGORY	SUMMARY
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	None.
5(a)(20)	Detailed description of instances of whistleblower retaliation, including consequences for the offender	No closed investigations this period substantiated whistleblower retaliation.
5(a)(21)(A)	Agency attempts to interfere with OIG independence with budget constraints designed to limit the OIG's capabilities	None concluding in this period.
5(a)(21)(B)	Agency attempts to interfere with OIG independence by resisting or objecting to oversight activities, or restricting or significantly delaying access to information	None rising to this level.



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 conducted audit work involving the ERA and other contracts during this period, they were generally program audits as opposed to contract audits.

Reporting Requirements

SUMMARY OF OPEN AUDIT RECOMMENDATIONS

An important responsibility of the OIG is to follow-up on previous issued reports with outstanding recommendations. The OIG, in concert with the agency, has continued working to close recommendations. During this period, 31 audit recommendations were closed and 17 were subsumed into other recommendations. At the close of the period, there were 349 total open recommendations.

Report Number	Date Issued	Title	Number of Open Recommendations
09-15	9/29/2009	Work at Home System	1
10-04	4/2/2010	Oversight of Electronic Records Management in the Federal Government	2
11-02	11/8/2010	Network Vulnerability and Penetration Testing	8
11-15	7/7/2011	Drug Testing Program	2
11-20	9/30/2011	Telework Program	2
12-09	5/10/2012	Data Center Consolidation Initiative	5
12-10	9/13/2012	Follow-up Review of OIG Audit Report 08-01: Audit of the Process of Safeguarding and Accounting for Presidential Library Artifacts	5
12-11	8/27/2012	Network Discovery and Assessment	8
12-15	7/23/2012	Classified Systems	4
13-01	12/10/2012	Internal Controls Program	1
13-08	7/9/2013	Preservation Program (Textual)	11
13-10	7/9/2013	Archival Facilities	5
13-11	9/19/2013	Base ERA's Ability to Ingest Records	2
13-14	9/18/2013	Processing of Textual Records	2
14-01	1/30/2014	Management and Oversight of NARA's Energy Savings Performance Contracts (ESPCs)	1
14-08	4/17/2014	Capital Planning and Investment Control (CPIC) Process	7

Reporting Requirements

Report Number	Date Issued	Title	Number of Open Recommendations
14-09	5/1/2014	Conference-Related Activities and Expenses	3
14-10	5/9/2014	Enterprise Wireless Access	9
15-01	10/24/2014	Information Security Program	1
15-02	11/12/2014	Mobile Device Management <i>Funds Put to Better Use - \$10,034</i>	6
15-03	2/6/2015	Specially Protected Holdings	18
15-10	3/30/2015	Digitization Partnerships	2
15-11	5/5/2015	Digitization Storage and Transfer Capabilities	1
15-13	8/24/2015	Human Resources Systems and Data Accuracy	3
15-14	9/29/2015	Space Management (Textual)	1
15-15	9/30/2015	Assessment of Cable Infrastructure	8
16-01	10/19/2015	Web Hosting Environment	21
16-02	1/16/2016	Compliance with FISMA, As Amended	8
16-05	3/25/2016	Publicly-Accessible Websites	16
16-07	5/17/2016	Refile Processes at Selected Federal Records Centers	9
17-AUD-01	10/28/2016	Enterprise-Wide Risk Assessment of NARA's Internal Controls	7
17-AUD-02	11/4/2016	Information System Inventory	8
17-AUD-03	11/4/2016	Compliance with the Federal Managers Financial Integrity Act for FY15	10
17-AUD-04	11/18/2016	Management Control over Microsoft Access Applications and Databases	4
17-AUD-06	11/15/2016	Procurement Program	19
17-AUD-07	2/19/2017	Compliance with Homeland Security Presidential Directive 12	3
17-AUD-08	3/15/2017	Adoption and Management of Cloud Computing	10

Reporting Requirements

Report Number	Date Issued	Title	Number of Open Recommendations
17-AUD-12	6/19/2017	Online Access to Digitized Holdings	1
17-AUD-16	9/27/2017	FOIA Program	11
18-AUD-02	11/8/2017	Compliance under the Digital Accountability and Transparency Act of 2014	2
18-AUD-04	2/26/2018	Office of the Federal Register's Administration of the Electoral College Process	3
18-AUD-06	3/29/2018	Legacy Systems <i>Funds Put to Better Use - \$45,350,000</i>	13
18-AUD-09	6/4/2018	Human Capital Practices	5
18-AUD-11	8/6/2018	Research Services' Analog Processing	6
18-AUD-14	8/20/2018	Continuity of Operations (COOP) Readiness	25
19-AUD-01	11/15/2018	FY 2018 Consolidated Financial Statements	9
19-AUD-02	12/21/2018	Oversight of FY 2018 FISMA Assessment	26
19-AUD-03	12/20/2018	Presidential Libraries' Analog Processing	6
19-AUD-07	3/29/2019	Purchase Card Program <i>Funds Put to Better Use - \$131,816</i>	9