

Office of the Inspector General
U.S. Government Accountability Office

SEMIANNUAL REPORT

April 1, 2011 –
September 30, 2011



Serving the Congress and the Nation



Memorandum

Date: December 15, 2011

To: Comptroller General Gene L. Dodaro

From: Inspector General Frances Garcia 

Subject: *Semiannual Report—April 1, 2011, through September 30, 2011*

In accordance with Section 5 of the Government Accountability Office Act of 2008¹ (GAO Act), I am pleased to present my semiannual report for the 6-month period ending September 30, 2011, for your comments and its transmission to the Congress.

We've made significant progress during this reporting period in our efforts to complete our transition to a statutory Office of Inspector General (OIG). For example, we (1) issued GAO Order 0130.1.23, Office of the Inspector General, which incorporates our new statutory authorities in describing the organization, mission, authorities, and responsibilities of our office; (2) updated our policies and procedures manual for audits and nonaudit services; and (3) standardized our engagement processes, procedures, and documentation requirements to help ensure full compliance with government auditing standards and other applicable professional standards. We also continued our efforts to strengthen our quality control system by updating our investigation policies and procedures. We recognize that other changes to our quality assurance framework may be needed as we complete our transition to the role of a statutory OIG. As a result, we do not anticipate participating in a peer review until we have completed this transition and have conducted and fully addressed any recommendations resulting from at least two additional internal inspections.

In addition, we continued to participate in the activities of the broader inspector general community, including the Council of the Inspectors General on Integrity and Efficiency and the quarterly meetings of Legislative Branch Inspectors General.

Audits and Inspections

During this reporting period, we completed our planning survey to identify potential risks in GAO's procurement activities and areas for future work. Following the survey, we initiated an audit of Contracting Officer Representative (COR) training. Two other engagements were also initiated during this reporting period: (1) an audit of GAO's use of recruiting, relocation, and retention incentives, and (2) our

¹Pub. L. No. 110-323, 122 Stat. 3539 (Sept. 22, 2008).

independent evaluation of the effectiveness of GAO’s information security program and practices for fiscal year 2011 (as prescribed by the Federal Information Security Management Act of 2002, with which GAO voluntarily complies).

We also responded to a congressional inquiry to provide (1) updated information about our open and unimplemented recommendations and (2) the number of recommendations the OIG deems accepted and implemented by GAO since April 15, 2010. We provided these responses only to the requester and do not anticipate their public release unless made public by the requester.

Investigations and Hotline Activities

Regarding our efforts to identify potential fraud, waste, and abuse, the OIG’s hotline is our primary source of complaints. The OIG receives hotline complaints through a variety of sources, such as through its toll-free hotline number and e-mail. As shown in table 1, we had a total of 164 complaints, 11 of which were open at the start of this 6-month reporting period and 153 were new complaints received during the period.

Table 1: Summary of OIG Hotline and Investigative Activity, April 1, 2011, through September 30, 2011

Complaints						
Open at start of period	Received	Referred to FraudNet	Closed, insufficient information/ no basis	Referred to other GAO units or other agencies	Closed investigations	Open at end of period
11	153	79	64	10	7	4

Source: GAO OIG.

The 11 open cases from the prior semiannual reporting period covered a wide range of subjects, such as issues related to telework, transit benefits, access to GAO’s computer network, management of a computer data center, a former employee volunteering to work, and the loss of GAO records management functions. Of these 11 cases, we closed 7—3 because of no basis for further action and 4 after conducting investigations. As a result of our investigations, we made recommendations to improve GAO’s monitoring of the telework program and to strengthen internal controls over transit benefits, and GAO has initiated corrective actions.

During the current reporting period, we received 153 new complaints. Seventy-nine of the 153 complaints concerned matters related to other federal agencies and were referred to GAO’s FraudNet—a governmentwide hotline operated by GAO staff that receives complaints of fraud, waste, and abuse of federal funds. Of the remaining 74 complaints received during the reporting period, we

- closed 3 complaints after we conducted investigations. We assisted another OIG in reviewing transit benefits that were improperly paid to a GAO

employee after he left the federal agency. The other closed investigations included issues relating to a GAO employee's prior employment and a contractor employee making unauthorized international phone calls. The case involving the unauthorized phone calls led to the recovery of \$11,266 in funds for phone calls (\$3,549) and lost labor time (\$7,717). In addition, GAO strengthened controls to prevent unauthorized long-distance phone calls.

- closed an additional 61 complaints when we determined there was no basis for additional action.
- referred 8 complaints—7 to other GAO units and 1 to another agency—for action that involved such issues as travel card misuse, security of GAO's electronic financial disclosure process, excessive requests for top secret clearances, and abuse of GAO's room booking system.

We are continuing efforts on the remaining 2 open complaints.

Agency Actions on Recommendations Made in Prior OIG Reports

GAO took action on recommendations made in six previous OIG reports. First, in response to an IG recommendation that GAO consider the adoption of suspension and debarment procedures, GAO took the following actions. On September 30, 2011, GAO published in the *Federal Register* a notice of a proposed policy statement regarding new suspension and debarment procedures. These procedures will be adopted as part of GAO's procurement rules and will closely track the procedures established in governmentwide procurement regulations, the Federal Acquisition Regulation. The period for comments by interested parties closed on November 14, 2011.

Second, in response to recommendations to help ensure that the agency's information security program is consistent with the Federal Information Security Management Act and other federal requirements and guidance, GAO took the following actions, among others:

- changed its annual systems inventory process to (1) document the chief information officer's approval of inventory changes and (2) identify interfaces between GAO systems and those operated for GAO by other agencies and contractors;
- obtained additional assurances that contractor-operated systems meet federal information security requirements; and
- established a capability to determine the extent to which security controls for GAO notebook computers and workstations are configured in accordance with federal requirements.

Third, in response to recommendations intended to improve the effectiveness of GAO's policies and procedures in preventing and detecting travel charge card misuse and delinquencies, GAO completed all actions. For example, GAO

implemented procedures to limit credit card issuance and to deactivate individual travel cards for users who travel less than twice a year. GAO also implemented policies and procedures for reviewing travel card spending limits and automated teller machine advances and making recommendations to management regarding the appropriateness of the spending and advance limits based on data trends. Further, GAO took actions to use OMB Circular A-123, Appendix B, *Improving the Management of Government Charge Card Programs*, dated January 15, 2009, as a guide in its annual assessment of the effectiveness of internal controls over its travel card program.

Fourth, in response to recommendations intended to provide oversight of and controls over GAO's contractor parking policies and practices, GAO completed all remaining actions.

Fifth, in response to our recommendation that GAO re-examine its management challenges to determine whether (1) significant actions had been taken in the areas of physical security, information security, or human capital to justify removal of any of these management challenges and (2) other risks have emerged that may also warrant designation as GAO management challenges, GAO took further action. Following a series of meetings involving GAO's Managing Directors, the Comptroller General recently announced his intention to introduce a new Management Challenge for fiscal year 2012 focusing on the efficiency of GAO operations. This initiative will involve examining opportunities to streamline and standardize agency business processes and will include an "end-to-end" review of GAO's engagement management process.

Finally, in response to our recommendation that GAO consider the desirability and feasibility of expanding its oversight of Tiny Findings Inc. in a manner similar to the oversight provided by the General Services Administration (GSA) for child-care facilities in other federal office buildings, GAO took the following actions. GAO agreed to convene a team of Tiny Findings officials and GAO officials to review GSA's guidance and assess the desirability of expanding GAO's oversight role. A plan of action is to be completed by December 31, 2011.

I provided GAO with a draft of this report for review and comment. The agency provided technical comments that we incorporated, as appropriate.

Finally, I want to thank GAO's Executive Committee, managers, and staff for their cooperation during our reviews.

cc: Patricia A. Dalton, Chief Operating Officer, GAO
David M. Fisher, Chief Administrative Officer/Chief Financial Officer, GAO
Lynn H. Gibson, General Counsel, GAO
GAO's Audit Advisory Committee

(999810)

Reporting Fraud, Waste, and Abuse in GAO's Internal Operations

To report fraud, waste, and abuse in GAO's internal operations, do one of the following. (You may do so anonymously.)

- Call toll-free (866) 680-7963 to speak with a hotline specialist, available 24 hours a day, 7 days a week.
- Online at: <https://OIG.alertline.com>.

Obtaining Copies of OIG Reports and Testimony

To obtain copies of OIG reports and testimony, go to GAO's Web site: www.gao.gov/about/workforce/ig.html.

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149, Washington, DC 20548

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

