



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

March 24, 2025

**MEMORANDUM FOR VENTRIS C. GIBSON, DIRECTOR  
UNITED STATES MINT**

FROM: Pauletta P. Battle /s/  
Acting Assistant Inspector General for Audit

SUBJECT: Complaint Referral Memorandum – United States Mint’s  
Congressional Award Medal Loss (OIG-CA-25-038)

In December 2022, the Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Audit received a referral from Treasury OIG Office of Investigations regarding a complaint made on the loss of 120 Congressional Award Program (CAP) medals.<sup>1</sup> This loss was incurred by the United States Mint’s (Mint) plating contractor. Following this, my office began an inquiry to develop an understanding of the events surrounding this loss. The scope of our inquiry was limited to the review of the Mint’s processes and controls over the security and protection of CAP medals in its contract with the plating contractor.

We interviewed Mint officials from both its headquarters in Washington, DC and its Philadelphia, Pennsylvania facility (Philadelphia Mint) procurement and protection departments. We performed our work during December 2022 and January 2023 in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Federal Offices of Inspector General* standards of independence, due professional care, and quality assurance. Issuance of this memorandum was delayed due to competing priorities during the Coronavirus Disease 2019 pandemic.

## Background

The Mint has been the supplier of medals to the CAP since its inception in 1979 and annually provides the program with approximately 1,200 medals from the Philadelphia Mint. Each medal has a standard cost of approximately \$177, and is finished in either a bronze, silver, or gold likeness. The Philadelphia Mint produces the bronze medal in-

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<sup>1</sup> P.L.96-114, (November 16, 1979) established the CAP, which was designed to encourage initiative and achievements through reward in such areas as voluntary public service, personal development, and physical fitness among American youth aged 14 through 23. Participants may register at the age of 13 and a half and complete their activities by their 24<sup>th</sup> birthday. The program is administered by the Congressional Award Board as a private-public sector partnership and receives all funding from the private sector.

house, while the silver and gold likeness medals are completed by a plating contractor. The Mint has used this plating contractor as the sole source for plating the medals for over 20 years.

In the case of the 120 lost medals, the Mint used a Temporary Asset Transfer form to convey the unfinished medals, per Mint policy, to the plating contractor for the medals to be plated with silver or gold likeness.<sup>2</sup> Philadelphia Mint personnel were designated to both deliver and retrieve the medals from the plating contractor for expediency and protection.

The Mint's contract with its plating contractor includes provisions designed to provide adequate security over the Mint's assets in the contractor's possession, such as the CAP medals. These provisions include the Mint's right to inspect the contractor's facilities to determine protection adequacy as well as prohibiting the contractor from removing or relocating the Mint's assets from the contractor's approved location to any other location without the Mint's approval.

## **Inquiry Results**

On September 29, 2022, Philadelphia Mint personnel delivered 360 program medals to its sole source contractor to be plated.<sup>3</sup> On November 8, 2022, after multiple inquiries by a Philadelphia Mint official on the medals' overdue status, the contractor informed the Mint that because of equipment problems 120 of the medals had been subcontracted out to a company located in Rhode Island to be silver-plated and these medals were lost in return shipping.

By the time that the Mint was made aware of the loss, the shipping company had already processed and paid the claim on the loss of \$1,200 to the subcontractor. The Mint's standard cost of the 120 medals is approximately \$21,000. Also, according to a Mint Protection official who made a preliminary review of documentation related to the incident, it appeared that there was a total of three shipments of medals, instead of the one shipment reported, from the subcontractor to the contractor. Two shipments were received and the other containing 120 medals was lost. Consequently, there is a possibility that prior Congressional medal orders have been fulfilled by the subcontractor without the Mint's knowledge. At the time of our inquiry, the Mint had not addressed this issue with the contractor, and Mint Protection officials had not begun an official investigation into the matter.

According to Mint officials, they were unaware a subcontractor was being used. As identified above, the Mint's contract prohibited the plating contractor from relocating Mint assets to any other location without Mint's approval. Additionally, the contractor informed the Mint that both its gold and silver-plating lines were down and had no

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<sup>2</sup> Department of the Treasury United States Mint MF 601 (Revised June 2013)

<sup>3</sup> 240 medals were to be plated to resemble silver and 120 were to be plated to resemble gold.

plans to bring the plating lines back up because it was not cost effective. Mint officials told us that they believe the contractor will reimburse the Mint for the loss on the 120 medals. The Mint anticipated exhausting its silver medal inventory for CAP in January 2023 and its gold medal inventory in February 2023. In January 2023, to meet medal shipments for CAP, the Mint modified its contract with the sole source plating contractor, allowing the use of a subcontractor because it would take 5 months to solicit and get a new contractor in place. According to the Mint, the contract modifications included language to ensure the subcontractor has insurance and security protection.

### Recommendations

We recommend that the Mint Director ensures that the Mint:

1. Recovers its costs on the lost 120 CAP medals from the sole source contractor.
2. Engages its Protection officials to complete the Mint's investigation of the lost CAP medals and conducts a lessons-learned review of this incident to implement process improvements for future contracts.
3. Conducts a fully competitive solicitation for a source that can provide plating for the CAP medals.

We plan to include a future audit on the adequacy of the Mint's contracting and controls over the security and protection of the CAP medals as part of our annual plan to assess the implementation of the above recommendations.

### Management Response

As part of our reporting process, we provided a draft of this memorandum to the Mint to obtain management's views and comments. Management's written response, in its entirety, is included in the appendix to this memorandum.

In response to our first recommendation, Mint management stated that the Mint is working with its Chief Counsel's Office to determine the best course of legal action to take to recoup the funds.

With regard to our second recommendation, Mint management stated that the Mint will continue to work with Protection and Legal to ensure lessons learned and any improvements identified are included in future contracts.

Concerning our third recommendation, Mint management stated that the Mint is no longer using the contractor at issue and has identified several other companies that can provide plating services. Management stated that the Mint sent out a competitive solicitation in January 2025.

OIG Comment

Mint Management's response and planned corrective actions meet the intent of our recommendations. Mint management will need to track the implementation of its corrective actions. Management should include specific corrective actions and timeframes for completion in Treasury's Joint Audit Management Enterprise System (JAMES).

We appreciate the courtesies and cooperation provided to our staff during our inquiry. If you have any questions or require further information, please contact me at (202) 927-5400 or Mark Ossinger, Acting Audit Director, at (857) 241-6088.

cc: Angela Brice, Mint Audit Liaison

## Management Response



DEPARTMENT OF THE TREASURY  
UNITED STATES MINT  
WASHINGTON, D.C. 20220

March 10, 2025

**TO:** PAULETTA BATTLE  
Assistant Inspector General for Audit

**FROM:** VENTRIS C. GIBSON  
Director, United State Mint

Kristie L. McNally  
Digitally signed by  
Kristie L. McNally  
Date: 2025.03.12  
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**SUBJECT:** U.S. Lost Congressional Medals

### BACKGROUND

In December 2022, the Department of the Treasury, Office of Inspector General (OIG), Office of Audit received a referral from Treasury OIG Office of Investigations regarding a complaint made on the loss of 120 Congressional Award Program (CAP) medals. This loss was incurred by the United States Mint's (Mint) plating contractor. Following this, the OIG began an inquiry to develop an understanding of the events surrounding this loss. The scope of the inquiry was limited to the review of the Mint's processes and controls over the security and protection of CAP medals in its contract with the plating contractor.

The OIG report included the following three recommendations:

**Recommendation #1.** Mint recover its costs on the lost 120 CAP medals from the sole source contractor.

**Recommendation #2.** Mint engage its Protection officials to complete the Mint's investigation of the lost CAP medals and conduct a lessons-learned review of this incident to implement process improvements for future contracts.

**Recommendation #3.** Mint conduct a fully competitive solicitation for a source that can provide plating for the CAP medals.

### MINT MANAGEMENT RESPONSE

In response to recovering the costs of the lost Medals, the Mint has pursued recouping the loss since 2023. The most recent action was a Demand for payment letter sent in December 2024. Since the initial discovery of the loss of the medals, the contractor has been purchased and ownership has changed. The contractor responded by directing the Mint to the previous owner. The Mint is working with Chief Counsels Office to determine the best course of legal action to take in order to recoup the funds.

The Mint is no longer using this contractor and has identified several other companies that can provide plating services. The Mint sent out a competitive solicitation in January 2025. We will continue to work with Protection and Legal to ensure lessons learned and any improvements identified are included in future contracts.