

SEMIANNUAL REPORT TO CONGRESS

October 1, 2024 to March 31, 2025



Above: Smithsonian Castle and Enid A. Haupt Garden
Credit: Epin H. Christensen

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Abbreviations

Castro	Castro & Company LLC
CIGIE	Council of the Inspectors General on Integrity and Efficiency
GSA	General Services Administration
HMSG	Hirshhorn Museum and Sculpture Garden
KPMG	KPMG LLP
OIG	Office of the Inspector General
OPMB	Office of Planning, Management and Budget
Sikich	Sikich CPA LLC
The Smithsonian	Smithsonian Institution

Message from the Inspector General

On behalf of the Office of the Inspector General (OIG), I am pleased to submit this semiannual report to Congress. This report highlights the accomplishments achieved through our oversight and investigative activities for the 6-month period ending March 31, 2025. As described throughout this report, our oversight work during this reporting period continued to address high-risk programs and operations conducted by the Smithsonian Institution (the Smithsonian).

During this period, our office issued four audit reports and conducted work on seven ongoing audits. Our office also established an evaluations and inspections program and started two evaluations. In one of the reports we issued, OIG assessed the effectiveness of the Smithsonian's information security program in fiscal year 2024. OIG made six recommendations to strengthen configuration management. In another report, OIG found that the Office of the Regents complied with applicable policies and procedures for reimbursing travel and other expenses of the Regents in fiscal years 2023 and 2024.

OIG closed 27 recommendations during this reporting period, and 9 recommendations were unimplemented as of March 31. Four of these unimplemented recommendations were issued during this semiannual period. Five of these unimplemented recommendations were issued in a prior period and are aimed at improving the Smithsonian's programs and operations, such as by (1) developing and implementing monitoring procedures to identify trends in sole-source purchasing, and (2) evaluating and documenting the decision to address past rebate allocations to ensure that funds were appropriately allocated to the proper accounts. For more details on our oversight work, see the Audits, Inspections, and Evaluations section of this report.

Our investigative activities continued to focus on and hold accountable those individuals whose actions harmed the Smithsonian's programs and operations. During the reporting period, OIG received 46 new complaints, closed 60 complaints, converted 3 complaints to investigations, and completed 2 investigations. For more details on our investigative work, see the Investigations section of this report.

Our office will continue to conduct audits, inspections, evaluations, and investigations that help the Smithsonian Board of Regents and management meet their stewardship and fiduciary responsibilities, support congressional oversight, and provide information to the public.

In closing, I want to thank the entire Smithsonian OIG team for their dedication and hard work. Without these individuals, the achievements noted in this report would not be possible.



Nicole L. Angarella
Inspector General



Figure 1. The Smithsonian's National Air and Space Museum awarded its 2025 Michael Collins Trophy to Margaret Hamilton for Lifetime Achievement. Established in 1985, the award recognizes outstanding achievements in aerospace science and technology and their history. Over her career, software engineer Hamilton founded two companies, contributed substantively to key moments of 20th-century aerospace innovation, reshaped an entire academic discipline and saved the fate of a lunar mission with her programming code. Courtesy of the NASA/Smithsonian National Air and Space Museum.

Office of the Inspector General Profile

The Office of the Inspector General (OIG) is headed by the Inspector General, who is appointed by, reports to, and is under the general supervision of the Board of Regents. OIG is located in Washington, D.C. As of March 31, OIG consisted of 18 staff: the Inspector General; Assistant Inspector General for Audits, Inspections, and Evaluations; Assistant Inspector General for Investigations; Assistant Inspector General for Operations; Counsel to the Inspector General; Administrative Officer; 10 auditors; and 2 investigators.

The OIG's organizational structure is described below.

Audits, Inspections, and Evaluations

The Office of Audits, Inspections, and Evaluations conducts engagements to help improve the efficiency and effectiveness of the Smithsonian's existing and proposed programs and operations. To guide its work, the office develops a risk-based annual oversight plan. The office also actively monitors the external audits of the Smithsonian's financial statements.

Counsel

The Counsel to the Inspector General provides independent legal advice to the Inspector General and OIG staff.

Investigations

The Office of Investigations pursues allegations of waste, fraud, abuse, and gross mismanagement; misconduct by employees, contractors, and others who affect the Smithsonian; and criminal violations of law that impact the Smithsonian's programs and operations. It refers matters to federal, state, and local prosecutors for action whenever the Inspector General has reasonable grounds to believe there has been a violation of criminal law. The Office of Investigations also presents any administrative misconduct to management for possible disciplinary action.

Operations

The Office of Operations provides technical and administrative support. It is responsible for OIG administrative matters, such as budgeting, procurement, human resources, information technology, and measuring organizational performance.

OIG's vision, mission, and values are described below.¹

Vision

OIG's vision is to be a highly effective and trusted organization that promotes positive change in the Smithsonian.

Mission

OIG's mission is to promote the efficiency, effectiveness, and integrity of the Smithsonian's programs and operations through independent and objective oversight. We achieve our mission by conducting independent investigations, audits, and evaluations and by reporting our findings of fraud, waste, abuse, and mismanagement, along with recommendations for improvement.

Values

Consistent with its mission and responsibilities, OIG's efforts are guided by four core values: integrity, objectivity, impact, and innovation. These core values reflect the most important qualities needed for success and are reflected in all of OIG's work:

Integrity. We demonstrate our integrity by acting with honesty and professionalism. We treat people with dignity and respect. We hold ourselves to the highest ethical and professional standards.

Objectivity. Objectivity is the foundation of our work. We maintain independence, gather all relevant facts, and base our findings on supportable evidence. We conduct our work without bias or undue influence.

Impact. Our work provides decision-makers with information they can use to improve Smithsonian programs and operations. We are committed to achieving the highest quality in everything we do. We communicate and share knowledge openly, consistently, and constructively, building mutual trust with associates and stakeholders.

Innovation. We think creatively and encourage sharing new ideas and solutions to existing challenges. We anticipate changing conditions and adjust our priorities and work accordingly. We embrace continuous improvement in our own organization and the Smithsonian.

¹ The OIG vision, mission, and values are part of the *OIG Strategic Plan, Fiscal Years 2025–2029*, available on the OIG website at <https://oig.si.edu/about/office-inspector-general>

Audits, Inspections, and Evaluations

Our oversight work focuses on improving the efficiency and effectiveness of the Smithsonian's programs and operations. During this semiannual period, OIG issued 4 reports, conducted work on 7 ongoing audits, and closed 27 recommendations.

Summary of Issued Reports

Below is a summary of the reports issued during this reporting period and links to the reports.

[Independent Auditor's Report on the Smithsonian Institution's Fiscal Year 2024 Financial Statements \(OIG-A-25-01, January 17, 2025\)](#)

An independent public accounting firm, KPMG LLP (KPMG), issued a report on the statement of the Smithsonian's financial position as of September 30, 2024, and the related statements of financial activity and cash flows. KPMG expressed an unmodified opinion, concluding that the financial statements were presented fairly in all material respects, and in accordance with the applicable financial reporting standards. An OIG auditor was the Contracting Officer's Technical Representative to monitor this audit.

[Independent Accountant's Report on the Smithsonian Enterprises Net Gain for Fiscal Year 2024 \(OIG-A-25-02, January 22, 2025\)](#)

KPMG issued its independent accountant's report on the Smithsonian Enterprises Statement of Net Gain as of September 28, 2024. KPMG concluded that no material modifications needed to be made to the Statement of Net Gain to be in accordance with U.S. Generally Accepted Accounting Principles. An OIG auditor was the Contracting Officer's Technical Representative to monitor this audit.

[Information Security: Fiscal Year 2024 Independent Evaluation of the Smithsonian Institution's Information Security Program \(OIG-A-25-03, February 6, 2025\)](#)

OIG contracted with Castro & Company, LLC (Castro), to evaluate the effectiveness of the Smithsonian's information security program in fiscal year 2024. Castro reviewed three major applications.

For fiscal year 2024, Castro found that the Smithsonian's information security program was effective overall because it was operating at a managed and measurable level (Level 4) in all five cybersecurity functions (Identify, Protect, Detect, Respond, and Recover).

Castro made six recommendations, which management concurred with. An OIG auditor was the Contracting Officer's Technical Representative to monitor this audit.

[Regents' Reimbursed Expenses for Fiscal Years 2023 and 2024 \(OIG-A-25-04, March 31, 2025\)](#)

The Executive Committee of the Board of Regents has a statutory responsibility to audit the Regents' travel expenses. Since 2008, at the request of this committee, OIG has conducted annual and now biannual audits of the Regents' travel expenses. In this report, OIG found that the Office of the Regents complied with applicable policies and procedures for reimbursing Regents \$19,438 for travel expenses in fiscal years 2023 and 2024.

Work in Progress

At the end of the period, OIG had seven audits and two evaluations in progress, as described below.

[Assessment of Detection and Response Capabilities for Information Security Incidents](#)

OIG auditors are evaluating the Smithsonian's capabilities to prevent, detect, and respond to information security incidents.

[Cash Management Operations at Smithsonian Enterprises](#)

OIG auditors are determining the extent to which Smithsonian Enterprises has effective controls over cash management in its retail operations.

[Collections Care and Preservation Fund](#)

OIG auditors are determining the extent to which the Smithsonian has effective controls over the process to award money from the Collections Care and Preservation Fund to collecting units and ensure that the funds are spent for their intended purposes.

[Contract Billing Process for HMSG's Sculpture Garden Revitalization Project](#)

An OIG auditor is monitoring Sikich CPA LLC (Sikich), which is conducting an audit of contract billings for the Hirshhorn Museum and Sculpture Garden's (HMSG) Sculpture Garden Revitalization Project. Sikich is to determine whether contract billings for the Sculpture Garden Revitalization Project were allowable, reasonable, and supportable in accordance with the terms and conditions in the contract through an effective oversight process.

Contract Modification Process for Pod 6 at the Smithsonian Institution's Museum Support Center

An OIG auditor is monitoring Sikich, which is conducting an audit of contract modifications on the construction contract for Pod 6 at the Museum Support Center. Sikich is to determine whether the contract modifications were reasonable, necessary, within the scope of the contract, and effectively awarded and administered.

Fiscal Year 2024 Financial Statements Audits

An OIG auditor is monitoring KPMG in conducting the Smithsonian's annual financial statements audit, which includes the final work on the compliance audit of federal awards.

Smithsonian's Management of Sponsored Projects

OIG auditors are determining the extent to which the Office of Sponsored Projects and recipient units have complied with the following: (1) the terms and conditions of awards received from external sources and (2) Smithsonian policies and procedures concerning the administration and oversight of awards.

Smithsonian's Workplace Harassment and Violence Program

OIG evaluators are reviewing the extent to which the Smithsonian has established and implemented processes for reporting and investigating alleged incidents of workplace harassment and violence. As part of this evaluation, the evaluators will conduct a survey of Smithsonian employees and affiliated individuals with a Smithsonian email address.

Smithsonian's Collections Storage Space

OIG evaluators are determining the extent to which the Smithsonian has effectively done the following: 1) addressed unacceptable environmental conditions of collections storage spaces from the 2015 Smithsonian Collections Space Framework Plan and 2) anticipated collections space requirements for future growth.

Other Activities

Status of Recommendations

Smithsonian management made progress implementing the recommendations from reports OIG issued in prior semiannual reporting periods. As a result, OIG closed a total of 27 recommendations during the past 6 months. Table 1 on the following page provides summary statistics for OIG recommendations during this semiannual reporting period, as of March 31, 2025.

Table 1. Summary of audit recommendation activity during the semiannual reporting period, as of March 31, 2025

Status of Recommendations	Number of Recommendations
Open at the beginning of the period	30
Issued during the period	6
<i>Subtotal</i>	36
Closed during the period	27
Open at the end of the period	9

Source: OIG assessment as of March 31, 2025.

Table 2 summarizes the reports issued with questioned costs.

Table 2. Reports issued with questioned costs

Reports	Number	Questioned	Unsupported
Reports for which no management decision has been made by the commencement of the reporting period	0	\$0	\$0
Reports issued during the semiannual period	0	\$0	\$0
<i>Subtotal</i>		\$0	\$0
Reports for which a management decision was made during the reporting period			
• Dollar value of disallowed costs	0	\$0	\$0
• Dollar value of costs not disallowed	1	\$148,905	\$0
Reports for which no management decision has been made by the end of the reporting period	0	\$0	\$0
Reports for which no management decision was made within six months of issuance	0	\$0	\$0

Source: OIG assessment as of March 31, 2025.

Table 3 summarizes the reports from previous periods with five unimplemented recommendations and their target completion dates, as of March 31, 2025. None of these recommendations involve cost savings.

Table 3. Reports from previous periods with unimplemented recommendations, as of March 31, 2025

Report Summary	Unimplemented Recommendations
<p><u><i>Information Security: Fiscal Year 2023 Independent Evaluation of the Smithsonian Institution's Information Security Program (OIG-A-24-03, February 12, 2024)</i></u></p> <p>This audit evaluated the effectiveness of the Smithsonian's information security program in fiscal year 2023.</p>	<p>The Chief Information Officer should implement multifactor authentication for all Tier 1 privileged accounts.</p> <p>Target completion date: September 30, 2025</p>

Report Summary	Unimplemented Recommendations
<p>Castro made three recommendations to strengthen the Protect cybersecurity function. Management concurred with all three recommendations, and one remains unimplemented.</p>	
<p><u><i>Acquisition Management: Controls and Monitoring for Sole-source Purchase Orders Need to Be Strengthened (OIG-A-24-06, March 12, 2024)</i></u></p> <p>This audit determined the extent to which the Smithsonian had effective controls and monitoring over sole-source purchase orders created under Simplified Acquisition Procedures that were entered into the Enterprise Resource Planning Financials System in fiscal year 2021.</p> <p>OIG made six recommendations to strengthen controls and monitoring of sole-source procurements. Management concurred with the recommendations, and one remains unimplemented.</p>	<p>5) Develop and implement monitoring procedures to identify trends in sole-source purchasing. This could include the following: (a) determining the specific reports that will be used for monitoring sole-source purchase orders, (b) establishing the frequency of the reports, (c) identifying a list of individual directors and management officials who will receive reports, and (d) developing clear guidelines on what constitutes discrepancies and how they are identified, addressed, documented, and retained for future reference.</p> <p>Target completion date: August 29, 2025</p>
<p><u><i>Acquisition Management: Smithsonian Needs to Improve Its Management and Allocation of the Rebates Received from the GSA SmartPay Program (OIG-24-10, September 30, 2024)</i></u></p> <p>This audit assessed (1) the extent to which the Smithsonian had developed and implemented written policies, procedures, or guidance for rebates received from the GSA SmartPay program and (2) the extent to which these funds are spent in accordance with applicable laws, regulations, and guidance for the rebate payments and determine how the Smithsonian managed rebates.</p> <p>OIG made two recommendations to strengthen the control environment for the Smithsonian rebates. Management concurred with both of the recommendations, and one remains unimplemented.</p>	<p>OPMB Directors of Federal Resources and Trust Resources should evaluate and document the decision to address past rebate allocations to ensure that funds were appropriately allocated to the proper accounts.</p> <p>Target completion date: April 30, 2025</p>
<p><u><i>Information Security: SI Needs to Improve...Prevention, Detection, and Response Capabilities (OIG-A-24-09, February 12, 2024)</i></u></p> <p>This audit assessed the effectiveness of the Smithsonian Institution's information technology security capability in preventing, detecting, and responding to an attack. Management concurred with all three recommendations, and two remain unimplemented.</p>	<p>Because of the sensitivity of these recommendations, OIG is not able to show them here.</p> <p>Target completion date: August 31, 2025</p>

Source: OIG assessment as of March 31, 2025.

Audit Peer Review

Government Auditing Standards require audit organizations to do the following:

- Establish and maintain a system of quality control designed to provide the audit organization with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements.
- Undergo external peer reviews by independent reviewers every three years. On September 8, 2023, the Library of Congress OIG completed the most recent peer review, which is posted on our website. Smithsonian OIG received the highest peer review rating of “pass.” As a result, our office has reasonable assurance that our audits complied with professional standards in all material respects. OIG remains committed to maintaining an effective system of quality controls and improving our operations.

Investigations

At the start of the reporting period, OIG had 29 open complaints and 11 ongoing investigations. During the reporting period, OIG received 46 new complaints, closed 60 complaints, converted 3 complaints to investigations, and completed 2 investigations. At the end of the reporting period, there were 12 open complaints and 12 ongoing investigations.

OIG received 395 complaints from 58 complainants that were unrelated to Smithsonian programs and operations. These complaints were consolidated and reported as one of the 46 complaints received in this period.

Highlights of Investigative Actions

Travel Irregularities by Senior Official

OIG investigated an allegation that a senior employee did not properly account for personal travel taken during a business trip. OIG determined that the senior employee violated Smithsonian Directive 312, Travel, by not annotating personal travel in the travel authorization and using their government travel card for unauthorized purchases related to personal travel. The senior employee left the Smithsonian on a scheduled resignation before OIG concluded its investigation. The senior employee did not claim reimbursement for any part of their personal travel so the Smithsonian did not suffer a monetary loss.

Other Investigative Activities

Investigative Peer Review

The Office of Investigations complies with guidelines established by the U.S. Attorney General. On March 19, 2025, the Corporation for Public Broadcasting OIG completed a peer review of the Smithsonian OIG investigative program based on the *Quality Assessment Review Guidelines for Investigative Operations of Federal Offices of Inspector General*. The Smithsonian received the highest peer review rating.

For a statistical summary of OIG's investigative results during the semiannual reporting period, see Table 4 on the following page.

Table 4. Statistical summary of the OIG's investigative results during the semiannual reporting period ending March 31, 2025

Investigative Activity or Result	Number or Amount
Caseload	
Investigations pending at beginning of reporting period	11
Investigations opened during the reporting period	3
<i>Subtotal</i>	14
Investigations closed during the reporting period	2
Investigative reports issued	0
Investigations carried forward	12
Referrals for prosecution	
Referrals to the Department of Justice	2
Referrals to state and local prosecuting authorities	0
Indictments and criminal information from current period referrals	0
Indictments and criminal information from prior period referrals	0
Successful prosecutions	
Convictions	0
Fines	0
Probation	0
Confinement	0
Monetary restitutions	0
Forfeiture of assets and seized evidence	0
Administrative actions	
Terminations	0
Resignations	0
Reprimands or admonishments	0
Suspensions	0
Monetary loss prevented	0
Value of items recovered	0

Source: OIG investigative activity statistics as of March 31, 2025.

Other OIG Activities

Legislative and Regulatory Review

In accordance with the *Inspector General Act of 1978*, as amended, OIG monitored and reviewed legislative and regulatory proposals for their impact on the Smithsonian's programs and operations. Additionally, the Counsel to the Inspector General monitored congressional bills and issues relating to the inspector general community. OIG also reviewed draft Smithsonian policies for their impact on OIG operations.

Other Activities

OIG remained actively involved with the Council of the Inspectors General on Integrity and Efficiency (CIGIE), a statutory council of federal inspectors general that promotes collaboration on issues of integrity, economy, and efficiency that transcend individual agencies. The Inspector General is a member of the CIGIE Inspections & Evaluations Committee and two working groups (Inspectors General Reporting to Boards/Commissions and Small OIG). The Counsel to the Inspector General leads the Small OIG Counsel working group, attends Legislation Committee meetings on behalf of the office, and participates in the OIG Freedom of Information Act Working Group. The Assistant Inspector General for Operations is chair of the CIGIE Technology Committee Small OIG working group. OIG staff also serve on the following:

- Council of Counsels to Inspectors General
- CIGIE I&E Expansion Working Group
- CIGIE Connect, Collaborate, and Learn
- CIGIE Technology Committee
- CIGIE Training Institute
- CIGIE Forensics Subcommittee
- CIGIE Mentoring Committee
- Shared Services Working Group
- CIGIE Policy Developers Working Group
- CIGIE Investigations Policy Working Group

OIG staff also participated in the Association of Certified Fraud Examiners, the American Institute of Certified Public Accountants, and ISACA.²

² ISACA is an international professional association focused on IT governance.

Table 5. Semiannual reporting requirements of the *Inspector General Act*, as amended

Public Law Section	Reporting Requirement	Page
Section 4(a)(2)	Review of legislation and regulations	13
Section 5(a)(1)	Significant problems, abuses, and deficiencies	None
Section 5(a)(2)	Significant recommendations for corrective action	8
Section 5(a)(3)	Reports with corrective action not completed	8
Section 5(a)(4)	Matters referred to prosecutive authorities	12
Section 5(a)(5)	Information or assistance refused	None
Section 5(a)(6)	List of reports issued with dollar value of questioned costs and recommendations that funds be put to better use	8
Section 5(a)(7)	Summaries of significant reports	5
Section 5(a)(8)	Audit, inspection, and evaluation reports—questioned costs	8
Section 5(a)(9)	Audit, inspection, and evaluation reports—funds to be put to better use	None
Section 5(a)(10)(A)	Audit, inspection, and evaluation reports issued before the commencement of the reporting period with no management decision	None
Section 5(a)(10)(B)	Audit, inspection, and evaluation reports issued before the commencement of the reporting period with no management comment within 60 days	None
Section 5(a)(10)(C)	Audit, inspection, and evaluation reports issued before the commencement of the reporting period with unimplemented recommendations	8
Section 5(a)(11)	Significant revised management decisions	None
Section 5(a)(12)	Significant management decisions with which the Office of the Inspector General disagreed	None
Section 5(a)(13)	Information described under section 804(b) of the Federal Financial Management Improvement Act of 1996	None
Section 5(a)(14–16)	Peer reviews	10,11
Section 5(a)(17–18)	Investigative tables	12
Section 5(a)(19)	Reports on investigations with substantiated allegations involving senior employees	None
Section 5(a)(20)	Whistleblower retaliation	None
Section 5(a)(21)	Attempts to interfere with OIG independence	None
Section 5(a)(22)(A)	Inspections, evaluations, and audits that were closed and not disclosed to the public	None
Section 5(a)(22)(B)	Investigations involving senior employees that were closed and not disclosed to the public	11

Source: OIG assessment as of March 31, 2025.

OFFICE OF THE INSPECTOR GENERAL



OIG's Mission

Our mission is to promote the efficiency, effectiveness, and integrity of the Smithsonian Institution's programs and operations through independent and objective audits and investigations and to keep stakeholders fully and currently informed.

Reporting Fraud, Waste, and Abuse to OIG Hotline

OIG investigates allegations of waste, fraud, abuse, gross mismanagement, employee and contractor misconduct, and criminal and civil violations of law that have an impact on Smithsonian Institution programs and operations.

If requested, anonymity is assured to the extent permitted by law. Although you may remain anonymous, we encourage you to provide us with your contact information. The ability to gather additional information from you may be the key to effectively pursuing your allegation.

To report fraud and other serious problems, abuses, and deficiencies, you can do one of the following:

Send an email to: oighotline@oig.si.edu.

Visit OIG's website: <https://oig.si.edu>.

Write to:

Office of the Inspector General

Smithsonian Institution

P.O. Box 37012, MRC 524

Washington, D.C. 20013-7012.

Obtaining Copies of Reports

To obtain copies of Smithsonian Institution OIG reports, go to OIG's website: <https://oig.si.edu> or the Council of the Inspectors General on Integrity and Efficiency's website: <https://oversight.gov>.