

Statement of Management Opportunities & Performance Challenges

FISCAL YEAR 2021



ARCHITECT OF THE CAPITOL
OFFICE OF INSPECTOR GENERAL

OFFICE OF INSPECTOR GENERAL MISSION

The Office of Inspector General (OIG) promotes efficiency and effectiveness, and economy to deter and prevent fraud, waste, abuse and mismanagement in Architect of the Capitol (AOC) programs and operations. We do this through value-added, transparent, impactful, and independent audits, inspections and evaluations, and investigations. We strive to positively affect the AOC and benefit the taxpayer while keeping the AOC and Congress fully informed.

INTRODUCTION

The OIG submits this Statement of Management Opportunities and Performance Challenges (Statement) in support of the AOC's Performance and Accountability Report (PAR) for fiscal year (FY) 2021 under best practice guidance identified in the Reports Consolidation Act of 2000 and Office of Management and Budget Circular A-136. This statement includes the most significant management opportunities and performance challenges facing the AOC determined by the OIG and based upon OIG trend analysis and observations, as well as information uncovered during the performance of our oversight responsibilities.

DEVELOPMENTS IMPACTING THE AOC IN FY 2021

All AOC programs and operations conducted in FY 2021 were done so in the midst of the COVID-19 pandemic, which brought about multiple challenges and constraints to include functioning with reduced staffing levels and in a predominately telework environment where those positions could be performed safely, effectively and efficiently. In addition, the events at the Capitol on January 6, 2021, emphasized ongoing challenges and resulted in heightened security and impacts to some campus projects.

The OIG recognizes the AOC's accomplishments in performing its core mission amid these challenges and highlights the below management opportunities and performance challenges to support effectiveness and efficiencies within AOC programs and operations.



MANAGEMENT OPPORTUNITIES & PERFORMANCE CHALLENGES

The challenges listed below, in no particular order, illustrate the most significant areas the OIG believes need improvement for the AOC to effectively manage its resources and minimize the potential for fraud, waste and abuse occurring within its programs and operations. Addressing the issues related to these challenge areas will enable the AOC to increase operational efficiencies and improve mission effectiveness.

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|-------------------------------------|----------------------------------------------|
| 1) Human Capital Management | 5) Balancing Safety, Security & Preservation |
| 2) Auditability & Records Retention | 6) Working Capital Fund |
| 3) Cyber Security | 7) Waste & Accountability |
| 4) Whistleblower Protections | |

1) HUMAN CAPITAL MANAGEMENT

New, **Renewed**, or Closed for FY 2021

Years included: 2011-2014, 2019-2021



Key OIG Resources:

- [Suspected Violations of the Architect of the Capitol \(AOC\) “Government Ethics,” “Standards for Conduct,” “Authority and Responsibilities of the Office of Inspector General and Cooperation of AOC Employees” Policies and “Title 18, United States Code §1001 – Statements or Entries Generally” \(2021-0001-INVI-P\)](#)
- [Suspected Violations of the Architect of the Capitol \(AOC\) “Government Ethics” Policy; Violation of the AOC “Standards of Conduct” Policy \(2021-0002-INVI-P\)](#)
- [Suspected Violations of the Architect of the Capitol \(AOC\) “Government Ethics,” “Standards of Conduct,” “Absence and Leave” Policies and “Title 31, United States Code §3729 – False Claims” \(2021-0006-INVI-P\)](#)
- [Suspected Violations of the Architect of the Capitol \(AOC\) Government Ethics Policy; Violation of the AOC Standards of Conduct Policy \(2021-0009-INVI-P\)](#)
- [Suspected Violations of the Architect of the Capitol \(AOC\) Administrative Leave Uses and Update to the Administration of Leave During COVID-19; Suspected Violation of the AOC Standards of Conduct Policy \(2021-0015-INVI-P\)](#)

Why This Is a Challenge:

We closed this management challenge in FY 2015 due to the AOC addressing our concerns over a better integrated personnel management system and making policy updates to address drug and alcohol use in the workplace. However, in FY 2019, we introduced two human capital issues that were of concern: 1) Leadership Vacancies;

and 2) Recruitment and Retention of Skilled Labor Positions. These concerns have been addressed within the last year. However, we have noticed inconsistent application of AOC policies and orders among the varying jurisdictions as an additional human capital trend over the same duration. Specifically, we note that administrative leave has been

inconsistently applied during COVID-19 and managers and employees are inconsistently applying AOC Orders for outside employment.

During FY 2021, many senior leadership positions across the AOC have been filled and this particular challenge component has been adequately addressed and closed. Likewise, the recruitment and retention of a skilled workforce for the AOC has been addressed through creative, ongoing recruitment strategies and realignment of staff through the Architect's organizational transformation. This challenge component has also been adequately addressed and closed.

We do note, however, that AOC jurisdictions have inconsistently applied COVID-19 Administrative Leave across the

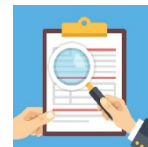
agency leaving many employees confused on their roles, rights and responsibilities. We do understand that these jurisdictions have dynamic missions and may handle cases differently depending on their needs; however, AOC orders should be communicated and applied consistently across all jurisdictions to avoid potential fraud and mismanagement.

Similarly, jurisdictions should apply AOC Orders involving outside employment in a consistent manner to avoid potential fraud, waste, abuse and mismanagement. To this end, some jurisdictions comply explicitly with orders whilst others are more lax on this requirement. The OIG's concern is that lacking consistency, potential conflicts of interest arise and there is a greater risk for employee exhaustion, safety issues, and possible exposure to COVID-19.

2) AUDITABILITY & RECORDS RETENTION

New, **Renewed**, or Closed for FY 2021

Years included: 2017-2021



Key OIG Resources:

- Evaluation of the Architect of the Capitol's Fleet Management Program (2021-0001-IE-P)
- [Audit of the Architect of the Capitol's Unliquidated Obligations](#) (OIG-AUD-2021-06)
- [Audit of Cannon House Office Building Renewal Project's Subcontractors Bids and Awards](#) (OIG-AUD-2021-05)
- [Audit of Cannon House Office Building Renewal Project's Reimbursable Costs](#) (OIG-AUD-2021-04)
- [Flash Report Series – Independent Assessment of the Architect of the Capitol's Role in Securing the Capitol Campus for Large Public Gatherings](#) (OIG-AUD-2021-03)
- [Audit of the Russell Senate House Office Building Exterior Envelope Repair and Restoration, Seq. II \(Phases 2 and 4\) Contract Modifications](#) (OIG-AUD-2020-07)
- [Audit of Senate Underground Garage Renovations and Landscape Restoration Project's Contract Modifications](#) (OIG-AUD-2020-06)
- [Audit of the Cannon House Office Building Renewal Project's Contract Modifications](#) (OIG-AUD-2020-04)

- [Audit of FY 2019 Financial Statements Audit Management Letter](#) (OIG-AUD-2020-02)
- [Audit of the Architect of the Capitol's Capitol Power Plant \(CPP\) Cogeneration Facility](#) (OIG-AUD-2019-05)
- [Audit of the Architect of the Capitol's Data Center](#) (OIG-AUD-2019-04)
- [Audit of the Architect of the Capitol's Information Technology Division Contracting Services Blanket Purchase Agreement AOC16A3000](#) (OIG-AUD-2019-03)

Why This Is a Challenge:

We continue to recognize the AOC's challenge with executing standardized procedures for recording all transactions, communications and significant events in a manner that allows documentation to be readily available for examination. Our request for documentation has continued to take the AOC and its contractors a sizeable amount of time to gather and provide. At times, we also found that the requested information provided is either incomplete or not provided.

The AOC's procedures on documentation do not promote a fully standardized process; therefore, documentation maintained varies amongst staff and from jurisdiction to jurisdiction. Documentation should be appropriately detailed and organized, and contain sufficient information to support transactions, events and management decisions. Effective documentation will provide a means to:

- Retain historical information of the transaction or event;
- Mitigate the risk of having the information limited to a few staff; and
- Communicate and make available in a timely manner the information to external parties such as external auditors.

All transactions and events should be promptly recorded and documented to maintain relevance and value to AOC management and third party stakeholders. The documentation should apply to the entire process or life cycle of a transaction or event from its initiation and authorization through its final status in summary records. Properly managed and maintained documentation with identified points of contact would better support management decisions and allow for improved management reviews and auditability.

Our audits and various reviews conducted over the last few years have consistently identified these deficiencies – documentation not being ready and available for examination. We have made several recommendations for improvements and the AOC has concurred with our recommendations. The AOC has implemented or is in the process of implementing our recommendations, which supports progress in managing this challenge.

The Records Retention and Access component to this challenge, first identified in FY 2020, is a distinct and continuing issue within this auditability challenge. We have combined these challenges for FY 2021 given their topic similarity.

The AOC’s retention of and access to records is a matter of efficiency for the OIG and other jurisdictional operations, and is necessary for effective preservation and safeguarding of institutional knowledge. Retention of and access to records, to specifically include historic and cataloged AOC orders and policies, is a challenge for total knowledge management.

Through the course of its work, the OIG has identified instances when the AOC has not retained specific records, which creates inefficiencies and diminishes integrity in the preservation of AOC historical records. The AOC makes the most recent orders and policies transparent by posting them to their intranet; however, preceding policies are more difficult to ascertain. The OIG makes

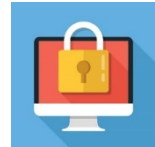
reasonable effort to consider the most current orders and policies in place for all audits, inspections and evaluations, and investigations, though some events occur prior to the most recent or published order or policy and, thus, the preceding order or policy must be consulted. The AOC does not adequately maintain or provide accessible, cataloged preceding orders or policies for consultation, which leads to gaps in OIG activities, and inconsistencies in AOC operations and internal controls.

Our 2017 challenge of A Single Source AOC Liaison Managing Concurrent Projects is also a related component of this challenge and has been adequately addressed by the AOC through the establishment of a liaison to the OIG within both the Architect’s front office and the Office of Chief Engineer.

3) CYBER SECURITY

New, **Renewed**, or Closed for FY 2021

Years included: 2017-2021



Key OIG Resources:

- [Supervisory Employee 1: Suspected Violations of the Architect of the Capitol \(AOC\) “Standards of Conduct” and “Information Technology \(IT\) Resources and De Minimis Use” Policies and the “Information Technology Division Rules of Behavior” Policies. Supervisory Employee 2: Suspected Violations of the AOC “Standards of Conduct” and “IT Resources and De Minimis Use” Policies \(2021-0005-INVI-P\)](#)
- [Suspected Violations of the Architect of the Capitol \(AOC\) “Standards of Conduct” and “Information Technology \(IT\) Resources and De Minimis Use” Policies and the “Information Technology Division Rules of Behavior” \(2021-0004-INVI-P\)](#)
- [Evaluation of the Architect of the Capitol’s Capitol Power Plant Cogeneration Facility Cybersecurity Posture \(2019-0002-IE-P\)](#)
- [Evaluation of the Architect of the Capitol’s Cybersecurity Program \(2018-0001-IE-P\)](#)

Why This Is a Challenge:

The AOC is responsible for the maintenance, operations, development and preservation of the U.S. Capitol campus.

Additionally, it is responsible for effectively managing the information technology (IT) used in AOC programs and operations.

Information and communications technology is increasingly integral to most facets of AOC programs and operations. The result is that IT devices and components are generally interdependent with disruption in one node impacting others.

Recent and well publicized data breaches and ransomware attacks on government and private industry underscore the importance of securing sensitive data, and clearly demonstrate that the AOC is also vulnerable. Sophisticated attacks can result in significant releases of information and potential damage to the AOC's IT infrastructure, as well as the security of the Capitol campus.

To this end, the OIG has noted ongoing

4) WHISTLEBLOWER PROTECTIONS

New, **Renewed**, or Closed for FY 2021

Years included: 2017-2021

Key OIG Resources:

- See [Office of Congressional Workplace Rights Recommendations for Improvements to the Congressional Accountability Act](#)

Why This Is a Challenge:

Our independent hotline continues to be our greatest source of tips and complaints regarding fraud, waste and abuse within AOC programs and operations. We continue to treat all allegations with the utmost concern and consideration. We also continue to treat all complainants with the utmost respect and give their claims full consideration. We emphasize that they need not fear that the OIG will release their identity without their permission. We continue to receive complaints from persons who wish to remain confidential due

policy gaps allowing for the use of personal social media and other application on government-issued devices, thus potentially providing opportunity to breach networks. To this end, the AOC should strengthen its de Minimis use policies and consider updates to affected orders.

In an era of ever-increasing cyber threats, the major challenges the AOC faces are the effective application of security policies and practices and the implementation of cyber security. The AOC must continue to emphasize protection of its own data and IT systems while marshaling the necessary resources and tools to protect privacy and defend AOC IT systems from intrusion, attacks and unauthorized access for the foreseeable future.



to their fear of repercussions for reporting concerns. While it is encouraging to see a willingness to report fraud, waste and abuse, AOC leadership has the responsibility to ensure employee confidence in reporting programs. Likewise, AOC leadership has a responsibility to provide a safe work environment free from reprisals against those who do report. In order to do this, the AOC should reward integrity and emphasize to management that employees who “see something and say something” are not subject to reprisal.

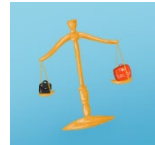
Employees should not be in fear of retribution or retaliation after reporting a crime or violation to the OIG or their own management. A single instance of reprisal could cause a chilling effect on the reporting of information.

We recognize that legislation is required to fully address this issue for the Legislative Branch as a whole and that the AOC does maintain a policy guarding against retaliation. However, the AOC may consider strengthening its policies and/or working with Congress to include full whistleblower protections.

5) BALANCING SAFETY, SECURITY & PRESERVATION

New, **Renewed**, or Closed for FY 2021

Years included: 2019-2021



Key OIG Resources:

- [Flash Report Series – Independent Assessment of the Architect of the Capitol’s Role in Securing the Capitol Campus for Large Public Gatherings](#) (OIG-AUD-2021-03)
- [Flash Report Series – Architect of the Capitol’s Emergency Preparedness Ahead of the January 6, 2021 U.S. Capitol Event](#) (2021-0002-IE-P)
- [Evaluation of the Architect of the Capitol’s Emergency Preparedness Posture](#) (2020-0002-IE-P)

Why This Is a Challenge:

The AOC’s mission of “Serve, Preserve, Inspire” recognizes the desire that all construction and renewal projects maintain the historical heritage of the Capitol campus. This is done, in part, through the use of historically accurate, custom-designed and manufactured pieces such as plasterwork and moldings, security bollards and barricades, security systems and devices, and ironwork which can add substantial cost and time to these projects. For example, some security projects or project components could include modified commercial-off-the-shelf solutions versus specific, engineered or tailored elements. Projects of this nature should give due consideration of alternatives to include materials and designs used while accounting for planning and cost schedules that maintain the balance between safety and

security risks in addition to vulnerabilities with preservation and heritage.

Emergency preparedness is also a key component of balancing safety and security with preservation and heritage. The events at the U.S. Capitol on January 6, 2021, and other persistent threats against the Capitol campus, highlight the need for sustained emergency preparedness. It is critical to ensure that AOC employees, contractors and visitors know their roles and responsibilities during an emergency. Additionally, recent OIG reports have identified deferred security-related maintenance issues that should be addressed to promote effective and efficient safety and security across the Capitol campus. The AOC should consider dialog with other Capitol campus stakeholders to develop a comprehensive antiterrorism/force protection program.

6) WORKING CAPITAL FUND

New, **Renewed**, or Closed for FY 2021

Years included: 2019-2021



Key OIG Resources:

- Evaluation of the Architect of the Capitol’s Fleet Management Program (2021-0001-IE-P)

Why This Is a Challenge:

The management of large construction projects and other programs that cross multiple funding streams pose challenges and risks to the AOC that are not typical to other agencies. Though adequate planning and design can mitigate some of these challenges, unforeseen circumstances can increase the risks and vulnerabilities to the AOC. To offset these risks, the AOC establishes program operating practices and

procedures, with some overarching across the agency and many, specific to the jurisdiction. There are many integral AOC jurisdictional redundancies due to the lack of a working capital fund. This issue creates inefficiencies, waste, and duplication of effort that could be mitigated through centralization efforts.

7) WASTE & ACCOUNTABILITY (combined)

New, **Renewed**, or Closed for FY 2021

Years included: 2018-2021



Key OIG Resources:

- [Audit of the Architect of the Capitol’s Unliquidated Obligations](#) (OIG-AUD-2021-06)
- [Suspected Violations of the Architect of the Capitol \(AOC\) Administrative Leave Uses and Update to the Administration of Leave During COVID-19; Suspected Violation of the AOC Standards of Conduct Policy](#) (2021-0015-INVI-P)
- [Suspected Violations of the Architect of the Capitol \(AOC\) “Standards of Conduct” and “Authority and Responsibilities of the Office of Inspector General and Cooperation of AOC Employees” Policies](#) (2021-0014-INVI-P)
- [Theft of AOC Property](#) (2021-0012-INVI-P)
- [Supervisory Employee 1: Suspected Violations of the Architect of the Capitol \(AOC\) “Standards of Conduct” and “Information Technology \(IT\) Resources and De Minimis Use” Policies and the “Information Technology Division Rules of Behavior” Policies.](#)
- [Supervisory Employee 2: Suspected Violations of the AOC “Standards of Conduct” and “IT Resources and De Minimis Use” Policies](#) (2021-0005-INVI-P)
- [Suspected Violations of the Architect of the Capitol \(AOC\) “Standards of Conduct” and “Information Technology \(IT\) Resources and De Minimis Use” Policies and the](#)

[“Information Technology Division Rules of Behavior”](#) (2021-0004-INVI-P)

- [Missing Laptop Computers](#) (2021-0003-INVI-P)
- [Evaluation of the Architect of the Capitol’s Inventory Accountability and Controls](#) (2018-0002-IE-P)

Why This Is a Challenge:

In our FY 2014 Statement, we reported significant risks regarding the accountability of government property valued at under \$1,500, particularly risks related to easily pilfered items such as hand and power tools and IT equipment. We noted that although the AOC had developed improved property controls and published a new Personal Property Manual for the accountability of government property valued at over \$1,500, these items were still subject to insufficient inventory or property accountability controls. Further, we also identified serious concerns with the appropriate disposition of surplus property.

In our FY 2015 Statement, we closed both of these components citing the improvements made to the AOC’s internal control processes and guidance documents, although, at that time, we also stated that we would continue to monitor the AOC’s progress in controlling risks associated with hand and power tools. In the past few years, these concerns have reemerged as evidenced by evaluation and investigations efforts related to IT inventory issues and reports of missing equipment. Although the AOC’s efforts to improve inventory and internal control processes are laudable, we again raise this issue for needed improvement.

In the course of our work during this and previous FYs, the OIG has identified ambiguous language and directives in AOC orders and policies. The ambiguities reflect

a vague definition of waste, a lack of well-defined or required roles and responsibilities, and inconsistent record keeping practices. The AOC orders and policies also lack comprehensive accountability standards pertaining to the wasteful use of government resources. In multiple instances, the OIG has identified substantiated cases of wasteful actions and behaviors that occur without the appropriate consequence according to AOC policy.

The OIG has regularly observed inconsistencies in holding staff accountable for their actions that have the potential to create an agency culture where recurrent instances of waste of government resources could become commonplace. Some recent examples the OIG has encountered include actions that have gone without consequence such as the expenditure of end-of-year funds on unnecessary or unusable supplies that do not meet office requirements and ordering equipment when a contract is already in place for that equipment instead of renegotiating the original contract. These examples give the appearance of unnecessary stock piling, hoarding and waste, and positions the AOC for increased risk and financial loss if not properly addressed through policy, internal controls and setting the tone at the top with AOC senior leaders acknowledging and addressing waste.

To this end, the OIG has identified nearly

one million dollars in finance-related findings in questioned costs or funds put to better use with some issues dating back over a decade as highlighted within the unliquidated obligations audit.

In our FY 2020 Statement, we noted that the AOC did not routinely hold employees

CONCLUSION

All federal agencies have areas in which improvements are needed. This Statement, is written from the OIG's perspective and should be taken in that context. The AOC has much to be proud of as it has worked to reduce or eliminate elements of the previous years' challenges. The progress made on these opportunities is very encouraging and the management challenges included above will serve to improve the AOC's efforts to prevent and detect fraud, waste and abuse, as well as improve the effectiveness and

accountable for waste and we continue to note this as a challenge. Multiple OIG investigations have revealed that the AOC does not always properly document employee infractions, which results in issues with human resources retention and increases the opportunity for fraud by creating a perception of allowability.

efficiency of its programs and operations. As the OIG finds additional, specific challenges, we will inform management with findings and recommendations via audits, inspections and evaluations, investigations, and management advisories. The intent of these findings and recommendations is to improve the AOC's operations to meet its overall mission to "Serve, Preserve and Inspire" and to support the AOC by decreasing the potential for fraud, waste, abuse and mismanagement.



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