

**Follow-up Review of OIG Audit Report No. 08-01: Audit
of the Process of Safeguarding and Accounting for
Presidential Library Artifacts**

OIG Audit Report No. 12-10

September 13, 2012

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Executive Summary

In October 2007 the Office of Inspector General (OIG) issued OIG Audit Report 08-01 entitled *Audit of the Process of Safeguarding and Accounting for Presidential Library Artifacts*. The report identified material deficiencies in the cataloguing, storage and protection of artifacts held by the National Archives and Records Administration (NARA). NARA management concurred with all five audit recommendations and presented an Action Plan. In this follow-up audit we identified that while some improvements have occurred, gifts from foreign heads of state, luminaries and common citizens continue to be at risk of loss or theft. The cause of this condition is multi-faceted and can best be attributed to a lack of resources, failure to adopt and deploy a cross-library automated inventory system, and a lack of effective planning and setting of priorities to ensure all Presidential Libraries complete timely inventories of museum artifacts.

In addition, during the conduct of this follow-up audit we identified seven additional issues that warrant corrective action: (1) newly established time-lines for completing artifact inventories do not promote efficient or timely completion of the inventory process including prompt identification of missing or lost artifacts; (2) discrepancies between completed physical inventories and legacy documentation have not been adequately resolved; (3) Office of Presidential Libraries (LP) does not have sufficient controls to ensure an adequate separation of duties over the accounting for artifacts; (4) management controls over valuable and vulnerable (V/V) artifacts need to be strengthened; (5) controls to safeguard incumbent Presidential artifacts placed in courtesy storage need improvement; (6) physical security and other management controls need improvement at the five Presidential Libraries visited; and (7) museum policies need updating.

This report contains eight recommendations for action necessary to address the findings identified in this report and to assist management in improving program stewardship and mitigating the ongoing material weakness.

Background

The NARA Presidential Library system is comprised of a network of thirteen Presidential Libraries nationwide. This network of libraries is administered by the Office of Presidential Libraries (LP), under Legislative Archives, Presidential Libraries, and Museum Services (L) a part of NARA located in College Park, MD. These are not traditional libraries, but rather repositories for preserving and making available historical materials (e.g., papers, records, artifacts) of U.S. Presidents since Herbert Hoover. Presidential Libraries and Museums, and their holdings, belong to the American people. Among the holdings entrusted to these libraries are approximately 574,000 artifacts comprised of gifts from foreign heads of state, luminaries, and common citizens. The gifts range from high-value items including firearms, jewelry, works of art, coins and currency; to low-value items including t-shirts, trinkets and other curiosities. After the President leaves office, the Archivist of the United States assumes custody of the records and gifts¹ and LP museum staff is assigned responsibility for preserving and exhibiting the records and gifts to promote public understanding of the Presidential administration, the history of the period, and the career of the President.

OIG Audit Report 08-01 entitled *Audit of the Process of Safeguarding and Accounting for Presidential Library Artifacts* dated October 2007 was performed at the request of United States Senator Charles Grassley's office to determine whether the process of accounting for and safeguarding Presidential Library artifacts was adequate. The audit revealed that (a) NARA was not accounting for artifacts in a timely manner, (b) technical and management controls over the automated (collections database) used by NARA to manage its collections needed to be strengthened, (c) opportunities existed to de-accession items that did not warrant long-term retention and drain scarce resources from higher-priority artifacts, (d) some artifacts were not maintained in appropriate space, and (e) NARA did not have a comprehensive list identifying "at risk" artifacts in need of preservation. Additionally, the audit revealed that while control weaknesses varied by library, there was a near universal breakdown in controls at the Ronald Reagan Library which resulted in the library's inability to adequately account for and safeguard its museum collections.

OIG Audit Report 08-01 contained five recommendations, some containing sub-recommendations to help NARA better account for, safeguard, and preserve artifacts entrusted to NARA. The identified findings in OIG Audit report 08-01 resulted in the artifact collection program designation as a material weakness. Management concurred with the report findings and presented an Action Plan for OIG Report 08-01 in December 2007 to address the recommendations. The Fiscal Year (FY) 2010 Management Assurance Statement from LP reported significant progress on the Action Plan for OIG Report 08-01 and proposed closing the material weakness related to the artifact collections program at the end of FY2011. The FY 2010 Management Assurance Statement stated that LP made "significant progress during 2010 on the fourteen items outlined in the December 2007 Action Plan for the OIG Report 08-01" and that FY 2008 and 2009 was devoted to (1) implementing customized inventory projects at the

¹ The basic statutory authorities governing NARA's acceptance authority for presidential gifts and other artifact materials are 44 U.S.C. 2101, 44 U.S.C. 2111, 44 U.S.C. 2112, and 44 U.S.C. 2201.

libraries, and (2) developing comprehensive working guidance and standards. More detailed descriptions of LP's accomplishments were stated on their FY 2011 Management Assurance Statement including: (1) new staffing requirements associated with completion of the V/V inventories, (2) discussions on drafted guidelines for a library collections policy and artifact de-accession/disposal guidance are taking place working towards finalization of these policies, (3) purchase of a replacement collections management database, (4) policies for data standards and digital photography were issued in FY 2008, (5) needs for photography equipment, hardware, staffing and training were identified and purchased in FY 2008, and (6) strategies for a comprehensive artifact risk assessment program for rating preservation needs for library artifacts was completed in FY 2009.

Objectives, Scope, Methodology

The primary objective of the audit was to follow-up on NARA's efforts to implement the five recommendations contained in OIG Audit Report 08-01 entitled *Audit of the Process of Safeguarding and Accounting for Presidential Library Artifacts*, to determine whether actions taken by management resulted in a sufficient management control environment to safeguard and account for library artifacts. Additionally, as part of the review we sought to determine whether management controls over Presidential artifacts placed in temporary storage (pending permanent placement at the George W. Bush Presidential Library) and in courtesy storage for President Obama, the incumbent President, are sufficient. The review was conducted at Archives II in College Park, MD, and Archives I in Washington, D.C., with representatives of the Office of Presidential Libraries (LP), Preservation Programs (RX), and Security Management (BX). We visited five Presidential Libraries and museums—Ronald Reagan Library (LP-RR), George W. Bush Library (LPGWB), Richard Nixon Library (LP-RN), Dwight D. Eisenhower Library (LP-DDE), and Jimmy Carter Library (LP-JC). Additionally, we discussed procedures for courtesy storage² of Barack Obama Presidential gifts with the Presidential Materials (LM) at Archives I in Washington, D.C.

To accomplish our objectives we:

- Reviewed previous Audit Report 08-01, entitled *Audit of the Process of Safeguarding and Accounting for Presidential Library Artifacts*, and corresponding work paper files and Management Letter 08-12, entitled *Update on Conditions of the Museum Collection at the Ronald Reagan Presidential Library*, dated October 2007 and August 2008 respectively.
- Reviewed documentation prepared and submitted by LP of work completed in relation to the recommendations outlined in Audit Report 08-01.

² Courtesy storage procedures were not tested-- our review of processes and procedures was limited to personnel interviews and a mock White House pick-up.

- Reviewed applicable NARA policies, procedures, and other documents related to collections inventory controls including *Guidelines and Procedures for Inventory of Presidential Libraries Museum Artifacts* (Final version dated September 2010) and *Guidelines and Procedures for De-Accession and Disposal of Presidential Library Museum Artifacts* (Draft version dated September 2010).
- Performed limited tests of inventory records at the five libraries. This limited testing of inventory records was used to assess the adequacy of management controls over the inventory process.
- Interviewed personnel from Office of Presidential Libraries (LP), Presidential Materials (LM), Preservation Programs (RX), Security Management (BX), Ronald Reagan Library (LP-RR), George W. Bush Library (LPGWB), Richard Nixon Library (LP-RN), Dwight D. Eisenhower Library (LP-DDE), and Jimmy Carter Library (LP-JC).

Our audit was performed at Archives I, Archives II and at the Presidential Library locations identified above between January 2011 and August 2011. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results

1. Recommendations from Prior Audit have not been Completed

Actions necessary to correct the material weakness and fully address recommendations identified in OIG Report No. 08-01: *Audit of the Process of Safeguarding and Accounting for Presidential Library Artifacts* (October 2007), have not been completed. We found over half of our initial recommendations have not been remedied. This condition was caused by a lack of effective planning, other competing priorities, and a lack of sufficient resources. Government Accountability Office (GAO) Standards for Internal Control in the Federal Government state effective internal controls include the procedures used to provide reasonable assurance resources/assets are adequately safeguarded and efficiently used and ensure transactions and events are promptly and accurately recorded so as to maintain their relevance to management in controlling operations and making decisions. LP continues to be unable to adequately ensure Presidential artifacts are properly accounted for and safeguarded.

Four years after the issuance of our report, we found nine of the fourteen sub-recommendations have not been completed. Table 1 below documents the nine open recommendations, delineates why the recommendations are still open and describes actions necessary to close the open recommendations.

Table 1: Status of Recommendations	
Recommendations from Audit Report #08-01	Reason Finding is Open/Action Necessary to Close
The Assistant Archivist for LP should ensure:	
#1a. Libraries perform an initial physical inventory of their entire collection within a reasonable time.	Five Presidential Libraries have not completed their base-line inventory. Three libraries estimate completion by 09/30/2013; the other two libraries may not be able to complete the inventory by 09/30/2013. This recommendation will remain open until all libraries have completed their base-line inventory. See finding #2 for further discussion.
#1b. Results of completed physical inventory are transmitted to LP and appropriately secured to serve as control or master copies establishing a reliable baseline for each library's museum collection.	Five libraries have not completed their base-line inventory and; thus, cannot transmit results to LP to serve as a master copy. While LP has developed a procedure to capture and secure inventory data on an annual basis this recommendation will remain open until all libraries have submitted the results of a completed base-line inventory.
#1c. Results of the completed physical inventory are compared against legacy documentation about the collection in order to identify any discrepancies, and undertake to satisfactorily resolve these discrepancies.	Five libraries have not compared a completed physical inventory against legacy documentation. Seven libraries have completed a comparison and identified discrepancies (anomalies) but have numerous unresolved anomalies. This recommendation will remain open until all libraries have completed legacy reconciliation and resolved the identified discrepancies. See finding #3 for further discussion.

Table 1 (cont.): Status of Recommendations

**Recommendations from
Audit Report #08-01**

Reason Finding is Open/Action Necessary to Close

#1d. Once an initial physical inventory has been completed, non-V/Vs³ are re-inventoried in a timelier manner than the current 5 percent or 1,000 items annually.

LP has submitted guidance whereby non-V/Vs are re-inventoried in a timelier manner; however, the new policy delays the re-inventory process seven to ten years for libraries with larger collections. Only three of thirteen libraries would be required to re-inventory every five years—a more appropriate time-line. This recommendation will remain open until all libraries are on a five year cycle or an analysis has been completed to indicate that the current guidance is appropriate. **See finding #2 for further discussion.**

#2a. Records deleted from the collections database are identified, reviewed, and verified by an individual not directly associated with the management of the collection; and, records of such actions are maintained and available for review.

LP's collections database does not have the capability to create audit logs for deleted records. LP management has approved funding for a replacement system. A Request for Quote (RFQ) was posted July 6, 2011 and LP anticipates the roll out to all library sites by January 2013. In the interim, LP has not developed processes to ensure artifact records deleted from the collections database are appropriately recorded. Thus, an intentional removal of an artifact record to conceal a theft is possible. An interim system can be developed by assigning deletion rights to someone other than museum staff—this will force use of a deletion request process that can be documented. The recommendation will remain open until an interim process to control record deletions is developed or the new artifact database is fully operational.

#2c. Policy and standards are developed for linking digital images of items to their record in the collections database, giving priority to photographing V/Vs and outgoing loan items.

Very little progress has been made to photograph Presidential Library artifacts. While LP has developed policies and standards for linking digital images of their collection only 26 percent of V/V artifacts⁴ have been digitally photographed. Only two of the twelve libraries have photographed their V/V artifact. This recommendation will remain open until all V/V artifacts and artifacts on loan have been photographed and plans to photograph the remaining collections have been developed.

#3. Develop detailed policy and procedures for de-accessioning artifacts, ensure collections are reviewed, and determine if digitization of de-accessioned items is warranted.

The draft de-accession policy entitled, *Guidelines and Procedures for De-Accession and Disposal of Presidential Library Museum Artifacts*, has not been finalized. The draft was completed September 2010 and submitted to LP and NGC for comment. Since the issuance of Audit Report #08-01, 12,017 (2%) de-accession candidates have been identified from a collection surpassing 574,000 items. This recommendation will remain open until the draft is issued in final.

#5b. The Reagan Library (LP-RR) compares the results of the physical inventory to the White House Gift Unit database, or similar index, to identify discrepancies and undertake to adequately resolve these discrepancies.

The Reagan Library has identified over 1,700 discrepancies (anomalies), but has not resolved these discrepancies. The recommendation will remain open until the Reagan Library has taken appropriate action to resolve the 1,700 anomalies. **See finding #3 below for further discussion.**

#5d. The Reagan Library procures storage hardware that is appropriate for both the type of artifact and the fact the library is in a seismic zone and better configure the museum storage area in order to minimize damage to the artifacts and improve the ease of access to them.

LP has not procured storage hardware for LP-RR that is appropriate for the type of artifact and to better configure the museum storage area in order to minimize damage to the artifacts and improve the ease of access to them. LP has installed seismic mitigation on existing museum storage equipment (shelves have been braced and netting has been installed over open shelves). A comprehensive storage study was completed in November 2010 with an estimated cost for re-configuration of the museum storage area and new storage hardware at \$2.8 million. This recommendation will remain open until storage hardware has been procured and installed for the Reagan Library.

³ Valuable/vulnerable artifacts merit additional care and are identified as artifacts with (1) high intrinsic and/or monetary value; (2) artifacts that are of high value and vulnerable; (3) firearms; and (4) artifacts confirmed as items under the Native American Graves Protection and Repatriation Act.

⁴ As of June 2012 44% of the V/V collection has been photographed (See Appendix A—Percent of V/V Collection Photographed).

To address the findings in the initial report LP management created an Action Plan containing a series of preliminary steps that needed to be accomplished before the recommendation could be addressed. While LP completed most preliminary steps identified in their work-plan, necessary action to correct the material weakness and satisfy the initial recommendations has not been completed. The Museum Collections Officer stated some work plan deadlines were missed because the deadlines were overly ambitious and there was a lack of understanding of the time and work involved.

In a response to a request by LP, NARA provided eleven two-year term appointments to support those libraries working on base-line inventories. After the two years, funding for these positions transferred to LP who maintained only eight of the eleven term positions. LP requested the term positions convert to permanent positions, but this request was denied. The library staff we interviewed during this audit stated they are unable to complete inventory work timely because they are working at full capacity to sustain the demands of operating a museum including duties such as interchanging exhibits, addressing loan requests, and managing incoming acquisitions. Further, the library directors we interviewed stated NARA has not fully recognized the staffing needs of museum operations and would like to see NARA conduct staffing assessments and assign more museum personnel so that inventories could be completed timely. Failure to adequately support staffing levels necessary to implement an adequate system of management controls increases the risk NARA will not be able to provide proper stewardship, which diminishes access to the collections and increases vulnerability to loss or theft.

Recommendation 1

To correct recommendations identified in OIG Report No. 08-01 we recommend the Executive for Legislative Archives, Presidential Libraries, and Museum Services (L) ensure:

- a. The remaining five libraries complete base-line inventories as expeditiously as possible with master copies forwarded to LP in order to complete Recommendations 1a and 1b from prior audit report OIG #08-01.
- b. The remaining five libraries performing base-line inventories complete legacy reconciliation to identify discrepancies as expeditiously as possible and all libraries with identified discrepancies take action to resolve the discrepancies in order to complete Recommendation 1c from prior audit report OIG #08-01.
- c. The Reagan Library (LP-RR) has taken all appropriate action to resolve the 1,700 identified anomalies in order to complete Recommendation 5b from prior audit report OIG #08-01.
- d. The time-lapse between inventory cycles is completed in a timelier manner than the current guide of seven to ten years for libraries with larger collections or an analysis has been completed to indicate that the current guidance is appropriate in order to complete Recommendation 1d from prior audit report OIG #08-01 (see Recommendation 2 below).

- e. Interim steps are developed to document and monitor deleted records from the current collections database system or a replacement database is implemented in order to complete Recommendation 2a from prior audit report OIG #08-01. Specifically, a manual system of recording deleted records should be developed and deletion rights to the collections database system should be assigned to personnel other than the museum staff.
- f. Photographs of all V/V artifacts and artifacts on loan are completed and all libraries establish plans to photograph their remaining collection in order to complete Recommendation 2c from prior audit report OIG #08-01.
- g. The detailed policies and procedures for de-accessioning artifacts are finalized in order to complete Recommendation 3 from prior audit report OIG #08-01.
- h. Appropriate storage hardware for the Reagan Library is procured and installed in order to complete Recommendation 5d from prior audit report OIG #08-01.

Management Response

Management concurred with the recommendation.

2. New Time-Guidance for Completing Artifact Inventories does not Ensure Timely Processing and Identification of Lost/Missing Artifacts

New time-lines for completing the base-line inventory and re-inventory⁵ of artifacts did not ensure (1) the inventory process was completed as timely as possible and (2) lost or missing artifacts are identified as soon as possible. This condition exists because management officials have not implemented effective management controls whereby timely completion of artifact inventories was made a top priority. The American Association of Museums (AAM) states: “First and foremost, an accurate inventory of a museum’s collections underpins its fiduciary imperative to hold its collections for the public trust.” Further, GAO Standards for Internal Control in the Federal Government state the internal controls used to safeguard assets should be designed to provide reasonable assurance there is prompt detection of unauthorized disposition of an agency’s assets. Delays in completing the inventory process increases the vulnerability of NARA’s Presidential artifact collections to loss and theft. Likewise, artifacts which are deteriorating may not be identified in a timely manner to allow remediation.

⁵ Re-inventories are ongoing, cyclical work processes maintained by all Presidential Libraries once a base-line inventory of the permanent artifact collection is completed. Re-inventories assure a periodic location and condition check of the entire collection. OIG Report 08-01 recommended (Recommendation #1d) once an initial base-line inventory has been completed, non-V/V artifacts should be re-inventoried more frequently than five percent or 1,000 items annually.

LP established the following time guidance regarding base-line and re-inventory processes after the issuance of OIG Report #08-01 mandating timely inventory completion: (1) Presidential Libraries that had not completed a base-line inventory were given an additional six years to complete the inventory, (2) newly established Presidential Libraries were allotted five years to complete base-line inventories instead of requiring an immediate inventory, and (3) Presidential Libraries with larger collections were allowed seven to ten years to complete a re-inventory process.

Currently, LP does not recognize an item as missing, lost, or possibly stolen in a timely manner. Using newly established inventory and re-inventory guidelines, it is possible for a stolen artifact to remain undetected or officially reported as lost for years. Thus, the process of looking for and investigating a missing or lost artifact is more difficult, and the likelihood of finding these items remote.

During the course of the audit we asked how the new timeline guidance was developed and what factors were considered. The Museum Collections Officer stated the former Deputy Archivist established the inventory time guidelines and she is unsure how the time guidance was derived, but that it was not based on any official study or staffing assessment. Without the completion of staffing assessments or inventory process time studies LP may not have appropriately researched the possibility that the inventory process could be completed more timely. We found several examples where libraries have been able to complete the inventory task in a much shorter time frame. Table 2 below shows that five of the seven libraries with completed inventories report the inventory process took three- and- a-half years or less.

For example, the Reagan Presidential Library (LP-RR) completed their base-line inventory in eighteen months⁶. With two teams of two, LP-RR completed the following: (1) a base-line inventory including a reconciliation of the completed inventory to White House legacy documents; (2) assessments and documentation of curatorial and preservation rankings⁷; (3) photography of all V/V artifacts; and (4) a final narrative inventory report that described the inventory process and findings. One of the key attributes to a successful and efficient inventory, according to the LP-RR Registrar, is to complete the task as a concentrated effort by avoiding continual starts and stops.

Table 2: Inventory Time Intervals for Libraries with Completed

⁶ The eighteen month time frame does not include pre-inventory planning phase of the base-line inventory project.

⁷ The artifact risk assessment process used by LP uses a decision matrix to determine preservation needs and to prioritize preservation work. The level of risk is determined by assessing and ranking both the condition (preservation ranking) of the artifact and the curatorial value (curatorial/use priority) of the artifact. See Appendix B Preservation and Curatorial Rankings.

Base-line Inventories⁸				
Library	Date Inventory Complete	Approximate # of Artifacts	Inventory Time Interval	# of Staff Dedicated to Inventory Project
Hoover	1996	15,321	approx. 3 years	Not known
Roosevelt	2008	34,439	3.5 years	Not known
Truman	1985	27,516	approx. 1 year	3-4 staff
Eisenhower	2006	50,515	20 yrs. at 5% per yr.	Not known
Kennedy	2004	27,899	approx. 1 year	Not known
Ford	2008	18,224	Not known	Not known
Reagan	2010	62,317	1.5 years	4 staff

The library directors we interviewed stated they did not have dedicated staff to apply solely to inventory work, and other duties associated with operating a museum interrupts and delays the inventory process. Further, library personnel we interviewed believe NARA senior officials have not fully recognized the resources needed to operate a museum and suggested (1) LP complete staffing assessments and request more resources for libraries with larger collections and (2) the use of volunteers and interns as a method for increasing staffing resources during inventory cycles. Additionally, the Eisenhower Curator stated they would like to see LP adopt a plan to fund college interns for the collection photography project. In addition to the use of temporary positions, interns, and volunteers, LP should consider developing a specialized inventory team that travels on a rotating basis to libraries working on artifact inventories.

Libraries were given an additional six years to complete their baseline inventories: OIG Report #08-01 identified seven Presidential libraries with incomplete base-line inventories. In response to OIG Report #08-01, dated October 2007, LP directed the seven libraries (see Table 3 below) to complete an inventory work plan by October 15, 2008 and then allotted five more years to complete the actual inventory process by establishing a deadline of 09/30/2013. Only two⁹ of the seven libraries have completed the base-line inventory since the issuance of OIG Report # 8-01. Of the five libraries still working on their inventory three libraries expect to complete their base-line inventory within LP's established six year time frame and two libraries (Nixon and Carter) may not be able to complete their base-line inventory by 09/30/2013. Library managers interviewed at the Nixon and Carter Libraries state a lack of resources and competing priorities have caused additional delays and they did not know when the base-line inventories would be completed.

⁸ The data was extracted from the Re-Inventory Plans submitted, not all libraries gave the same level of details.

⁹ OIG Report #08-01 disclosed that the Franklin D. Roosevelt Library (LP-FDR) anticipated completion of its base-line inventory in 2008 and LP-FDR did complete their base-line audit as projected. The Ronald Reagan Library also completed its base-line inventory since the issuance of OIG Report #08-01.

Table 3¹⁰: Progress to Date for the Seven Libraries Identified in Audit Report #08-01 Working on their Base-line Inventory

Library	Date Library Opened	Approximate # of Artifacts	% Complete with Base-line Inventory	Date of Completion or Projected Date of Completion	Years Taken to Complete Base-line Inventory
Roosevelt	1941	34,339	100%	2008	67 years ¹¹
Johnson	1971	54,917	Physical Inventory complete	Projected 09/30/2013	Approx. 42 years
Nixon	1975 ¹²	27,299	90%	Unlikely to meet 09/30/2013 deadline ¹³	Approx. 38-plus years
Carter	1986	48,000	77%	Unlikely to meet 09/30/2013 deadline ¹⁴	Approx. 27-plus years
Reagan	1991	62,317	100%	2010	19 years
Bush (41)	1997	58,000	79%	Projected 09/30/2013	Approx. 16 years
Clinton	2004	100,000	86%	Projected 09/30/2013	Approx. 9 years
TOTAL		384,972			

Newly established Presidential Libraries have five years to complete a base-line inventory: Rather than requiring an immediate base-line inventory for a newly established Presidential Library, LP has established a five year time frame for completion. The initial base-line is not completed in five years; rather, the initial base-line is completed in five years plus the time it takes to construct a Presidential Library. For example, (LP-GWB) will officially open to the public in 2013 and the base-line inventory is projected to be completed five years later in 2018; while, the Presidential artifacts have been in temporary storage since 2009. Therefore, any unauthorized disposition (lost or stolen artifacts) may not be detected for nine years.

Libraries with larger collections are allowed seven to ten years to complete their re-inventory cycle: The re-inventory cycles are based on the size of the libraries’ collection, whereby libraries with (1) over 50,000 items in their collection have ten years to complete a re-inventory; (2) collections greater than 25,000 but less than 50,000 have seven-eight years; and (3) collections under 25,000 are allotted five years. Thus, libraries with larger collections are at greater risk for

¹⁰ Table 3 was updated to reflect data received as of June 2012 which was outside the time parameters for fieldwork.

¹¹ During the prior audit a questionnaire completed by the LP-FDR Curator and Registrar reported that LP-FDR had not completed a 100% inventory; however, LP maintains that some semblance of inventory work was completed in 1978.

¹² The private Nixon Library opened July 19, 1990, with an addition added in August of 2004. Sometime in 1975 a repository began at the Pacific Southwest Regional Archives at Laguna Niguel—it included deeded and undeeded material. The Laguna Niguel collection was transferred to the Nixon Library under an interim operating agreement in August of 2006 in anticipation of the Nixon Library becoming a federal facility.

¹³ The Nixon Library updated their inventory plan (November 2011) and re-prioritized the task list to meet the September 2013 deadline. The Nixon Library will postpone the item-level inventory of its Yorba Linda artifacts (approximately 800 artifacts) until the next re-inventory cycle. The postponement is based on: (1) these artifacts have not yet been deeded to NARA and (2) Nixon Library personnel believe there is sufficient control over the box storage of these artifacts.

¹⁴ LP has re-funded term hire positions at the Carter Library and believes the Carter Library will be able to meet the September 2013 deadline.

the loss or theft of items because they are re-inventoried less frequently. Of the thirteen libraries, only three are required to re-inventory every five years (See Table 4 below). LP’s *FY 2012 FMFIA Material Weakness Action Plan for Presidential Libraries Artifacts Inventory* dated January 2012, states the American Association of Museums (AAM) recommends a best practice of 5-7 years for re-inventories of museum collections and recognizes that LP will be challenged to meet this criteria for larger libraries with ten year re-inventory cycles.

Table 4: Library Re-Inventory Cycle Schedule				
Library	Approximate # of Artifacts	Date Base-line Completed	# of Years to Complete Re-Inventory	Date Re-Inventory Cycle will be Complete
Hoover	15,321	1996	5 years	09/30/2013
Roosevelt	34,439	2008	7-8 years	09/30/2016
Truman	27,516	1985	7-8 years	09/30/2016
Eisenhower	50,515	2006	10 years	09/30/2018
Kennedy	27,899	2004	7-8 years	09/30/2016
Ford	18,224	2008	5 years	09/30/2013
Reagan	62,317	2010	10 years	09/30/2020
Johnson	54,809	Not Complete	10 years	Not scheduled
Nixon	27,171	Not Complete	7-8 years	Not scheduled
Carter	40,634	Not Complete	7-8 years	Not scheduled
Bush (41)	44,796	Not Complete	7-8 years	Not scheduled
Clinton	128,792	Not Complete	10 years	Not scheduled
Bush (43)	42,000	Not Complete	7-8 years	Not scheduled
TOTALS	574,433			

We acknowledge collections care must compete for scarce resources. Nonetheless, LP needs to strengthen its stewardship by careful planning, setting of priorities, targeting allocations of existing resources, and using contractors, interns, and other volunteers. LP, by allowing too much time to complete the inventory process, promotes inefficiency as the inventory process is constantly starting and stopping and cannot ensure Presidential artifacts are adequately protected from loss, theft, or deterioration.

Recommendation 2

We recommend the Executive of Legislative Archives, Presidential Libraries, and Museum Services (L):

- a) Develop and identify an appropriate staffing plan for museum operations. The staffing plan should (1) align with collection sizes, and life cycles, and (2) should include temporary staff or other staffing alternatives to support collection inventories and other

core collection work, and (3) should identify the planned inclusive time periods devoted to the collection inventory.

- b) Review and revise current time-guidance policy, as appropriate, for base-line inventories for newly established Presidential Libraries (see Recommendation 1c for re-inventory cycles).

Management Response

Management concurred with the recommendation.

3. Process for Resolving Discrepancies (Anomalies) Need Improvement

While processes are in place to identify and document discrepancies, improvements to promptly and systematically resolve anomalies needs to be addressed. This condition exists because LP does not have clear, uniform guidance for identifying, mitigating, and monitoring the anomaly process. GAO Standards for Internal Control in the Federal Government state effective internal controls should ensure transactions and events are promptly and accurately recorded so as to maintain their relevance to management in controlling operations and making decisions. As a result of this condition NARA cannot ensure controls are adequate to identify and report missing artifacts to ensure recovery/investigative efforts are initiated in a timely manner.

In response to OIG Report #08-01, LP requested the libraries prepare plans for reconciling legacy records to the actual inventory for the purpose of identifying and documenting any discrepancies (anomalies). Currently, the Presidential Libraries report 5,298 (see Table 5 below) anomalies when comparing actual inventory records against legacy documentation. LP identifies two sub-categories of anomalies: ‘not found’ anomalies¹⁵ (2,810 or 53%) and ‘found in collection’ (FIC) anomalies¹⁶ (2,488 or 47%)—See Table 5 below. Objects with legacy records, not found during the inventory process, are recorded as ‘not found’ or ‘found incomplete’¹⁷ and represent anomalies in an interim status pending completion of research needed to either locate the object or make a more definitive classification as either ‘missing’ or ‘partially missing.’

While LP has recently established guidance on how to manage anomalies, LP has not issued appropriate guidance requiring prompt attention to resolve anomalies at the conclusion of an inventory cycle. Rather, Presidential Libraries are encouraged to delay resolution over subsequent inventory cycles. The *Guidelines and Procedures for Inventory of Presidential*

¹⁵ ‘Not found’ anomalies where legacy records indicate the object is in the library’s custody, but no object can be found to match.

¹⁶ ‘Found in collection’ (FIC) anomalies where an object is found for which there is no matching legacy records.

¹⁷ ‘Found incomplete’ describes an object where some components are found, but not all components. For example: an object record describing a painting or photograph encased in a frame whereby the painting or photograph is located, but the frame is not.

Libraries Museum Artifacts dated September 2010 states “anomalies should be allowed to remain on the books for one additional inventory cycle, at which time de-accessioning may be pursued” and the loss of the item recognized. The Museum Collections Officer stated that some items not found at the conclusion of an inventory cycle are found in subsequent inventory cycles and as a result LP is hesitant to declare the loss of the missing item until a second inventory cycle is completed. While libraries have reported finding missing items during a subsequent inventory cycle, not all items have been found. Since many libraries are not directed to complete the second re-inventory for another ten years many anomalies are not declared a loss timely.

Further, LP has not established clear policies for monitoring the progress for resolving anomalies including establishment of reporting missing artifacts to the OIG and Holdings Protection Team at the conclusion of an inventory cycle. The *Guidelines and Procedures for Inventory of Presidential Libraries Museum Artifacts* dated September 2010 states “at the close of the inventory cycle, LP will review all ‘not found’ and ‘missing’ items with the staff.” However, we found LP had not completed or documented these reviews for those libraries with completed base-line inventories and that these guidelines did not clarify governing oversight procedures such as: (1) how or when these reviews will be conducted, (2) how the reviews will be documented, (3) standard report formats whereby libraries are directed to report listed anomalies in a useful and standardized manner to assist the review process including delineation of curatorial values so that decisions regarding recovery efforts can be made, and (4) specific reporting protocols whereby the OIG or Holdings Protection Team receive a listing of LP’s missing artifacts at the conclusion of an inventory cycle.

While LP does monitor statistical data for anomalies, we found the statistical data did not sufficiently provide adequate detail to ensure LP had necessary information to oversee the progress on resolving anomalies. On a quarterly basis each Presidential Library reports to LP the number of new anomalies discovered and the number of anomalies resolved. However, LP does not request listings of outstanding anomalies including details delineating the curatorial value¹⁸ or documentation of actions taken to resolve anomalies as an oversight measure.

¹⁸ LP has six curatorial priority designations used to delineate the value of an artifact: (0) artifact needs more research before a ranking can be assigned; (1) de-accession candidate; (2) low priority; (3) medium priority; (4) high priority; and (5) highest priority. Curatorial ranking are based on values such as historic, cultural, monetary, informational, intrinsic, and/or display value.

Table 5: Summary of Current Anomalies

Library	Total Anomalies Reported	Not Found Anomaly	FIC Anomaly	Anomalies Identified During Current Inventory Cycle¹⁹	Long-Standing Anomalies²⁰
Hoover	59	59	0	2	57
Roosevelt	267	267	0	0	267
Truman	133	133	0	4	129
Eisenhower	183	180	3	20	163
Kennedy	127	127	0	16	111
Johnson	20	18	2	12	8
Nixon	1,262	814	448	1,262	0
Ford	57	57	0	0	57
Carter ²¹	n/a	n/a	n/a	n/a	n/a
Reagan	1,789	727	1,062	1,789	0
Bush (41)	963	0	963	963	0
Clinton	438	428	10	438	0
TOTALS	5,298	2,810	2,488	4,506	792
Percentage	100%	53%	47%	85%	15%

As part of this audit we requested each library provide a detailed listing of all anomalies including a description of efforts taken to resolve the list of anomalies. Below are examples we found which warrant better guidance for identifying, mitigating, and monitoring the anomaly process.

- We found 792 (15%) long-standing anomalies (See Table Five above). Most of the 792 artifacts have been identified as anomalies for years with the Hoover’s dating back to 1962. The Museum Collections Officer stated she was aware some of the older libraries were ready for a formal review of their anomaly list, but competing priorities hampered the progress. We found LP has not established detailed guidelines requiring an immediate review process after the completion of an inventory cycle. As a result, these long-standing anomalies represent potentially missing items that have not been investigated—the recovery of any of these items may now be remote.
- The Reagan Library completed their base-line inventory (February 2010) and reported 1,789 anomalies. Both the Reagan Registrar and museum Curator stated they would prefer to resolve as many of the 1,789 anomalies now rather than waiting for the second cycle of inventory—a process that will take another ten years. The museum Curator

¹⁹ Statistics for the Current Inventory Cycle reflect inventories and reconciliations projects still in progress.

²⁰ Long-standing Anomalies reflect anomalies held over from previous inventories that are still under review.

²¹ The Carter museum staff has not started the White House legacy documentation process concurrent with their base-line inventory process and, thus, do not have any anomalies to report.

stated the base-line inventory performed at the Reagan Library was thorough and he doubted if any of the identified 1,789 anomalies would be resolved during the re-inventory cycle.

Nearly sixty percent of the reported anomalies (1,062) are FIC anomalies that include very few items the Reagan Curator and Registrar were interested in adding to the Reagan Presidential artifact collection to include a George Foreman Grill box, ribbon, duplicate books, cards from citizens, and miscellaneous and unidentified pieces of plastic. Of the remaining 727 possible missing artifacts, 515 have been characterized as ‘partially missing’, ‘probably never received’, ‘vague records’, or ‘possibly disposed of’ and are comprised of low-value artifacts such as duplicate books, cards, newspaper articles, scrap books, or storage containers and would not be worthy of an intensive investigation or recovery program.

The balance of 212 artifacts have been characterized as ‘missing’ because the Reagan Library has evidentiary documentation the items were received. The LP-RR Registrar identified at least three missing items²² with high value whereby initiation of an investigation may be appropriate, but had not initiated an investigation because she was unsure of the process and had been instructed to conduct additional searching over the course of the next inventory cycle. LP has not developed guidance whereby an immediate review (following the completion of the Reagan inventory cycle) of all 212 missing items was conducted to determine which artifacts warranted additional search efforts and at what level (i.e. investigation, immediate searching efforts, or no effort). Further, LP has not established procedures to forward a list of all identified missing objects to the OIG and Holdings Protection Team.

- Per NARA practice a monetary value was not associated with the listed anomalies as the White House did not collect or record this data at the time the gift was received²³ and the libraries do not have a policy to solicit appraisals for Presidential artifacts. However, the John F. Kennedy Library (LP-JFK) provided the curatorial ranking on all anomalies²⁴ which provided valuable information management needs to assess whether there are any artifacts that need immediate attention. We found all other lists submitted by the libraries difficult to review because the descriptions of the artifacts do not always clearly indicate whether an artifact would have significant value warranting attention by the OIG Investigations or other immediate recovery efforts by library museum staff. The curatorial values will aid management in their ability to monitor where to focus resources necessary for recovering missing artifacts.

The primary purpose of reconciling legacy records against actual inventory of artifacts is to identify missing items at the conclusion of the inventory process so appropriate action can be

²² The three items identified by the LP-RR Registrar include: (1) Saddle Whip; (2) Signed Football; and a (3) Jade Sculpture.

²³ The White House Gift Office started providing monetary values for gifts received some time during the Clinton Presidency.

²⁴ LP-JFK reported 127 anomalies—112 (88%) are de-accession candidates or low priority artifacts, fourteen medium priority artifacts and only one high priority artifact. LP-JFK did not report any highest priority artifacts as potentially missing.

initiated to recover or find these items. As it stands, LP does not have an effective missing artifact program and cannot assure missing artifacts are identified and reported so that timely recovery efforts and write-offs of missing artifacts take place.

Recommendation 3

We recommend the Executive for Legislative Archives, Presidential Libraries, and Museum Services (L):

- a) Clarify/develop guidance regarding the process for resolving and managing outstanding anomalies at the completion of the base-line inventory including procedures to report all missing artifacts to the OIG and Holdings Protection Team.
- b) Develop a format for reporting anomalies that includes a curatorial ranking or other characterization of open anomalies.

Management Response

Management concurred with the recommendation.

4. Library Registrar Duties Need to be Properly Controlled

Library Registrars have complete access and total control over the artifacts they manage; thus, adequate separation of duties over museum collections does not exist. This condition exists because of a lack of resources and a decision made by management to not institute internal controls that segregate duties of the Library Registrar position. GAO Standards for Internal Control in the Federal Government states key duties and responsibilities need to be divided or segregated among different people to reduce the risk of error or fraud. Separating key duties minimizes the risk of records being adjusted to mask theft or loss. Without proper separation of duties over library collections, it is possible for an employee to take an artifact from the collection and delete all records pertaining to the object.

As a function of their duties and limited staffing, Library Registrars have full access and control over the physical artifacts in their facilities. Likewise, the Registrars have the capacity to unilaterally edit/delete information in the automated collections database system that records/tracks these holdings without an audit trail being established to record the action. Thus, if a Registrar opted to take an artifact from the collection, they could simply cover up their action by deleting the record of its existence. While there is no indication that this has occurred, appropriate internal controls should be implemented to address this risk as would be expected for any Federal institution which holds assets of high value. The current offsetting internal control of having two independent library staffers conducting the physical inventory is an insufficient measure to address and mitigate the risk defined above. While we recognize the challenges

faced by LP in separating duties we believe management controls such as independent inventories, digitized holdings, placement of cameras in the V/V vault, requiring at least two people in the V/V vault, and a reliable record keeping system that identifies deleted records can compensate for LP's inability to fully segregate museum artifact responsibilities. Further, LP can identify different levels of separation of duties based on the value of the collections whereby higher value collections may need full separation of duties and lower value collections may only need an audit trail to track changes.

Recommendation 4

We recommend the Executive for Legislative Archives, Presidential Libraries, and Museum Services (L) develop management controls to minimize the risks associated with a lack of separations of duty over the safeguarding of Presidential artifacts.

Management Response

Management concurred with the recommendation.

5. Management Controls for Valuable and Vulnerable Artifacts Need to be Further Strengthened

LP may not be adequately accounting for the most valued Presidential artifacts (valuable and vulnerable (V/V)). Specifically, we found (1) policy changes made to the definition of what constitutes a V/V artifact were not clear and caused confusion, (2) LP has not provided guidance on required documentation needed to support reported V/V inventory counts, and (3) LP has not developed a defined monitoring program over the V/V inventory process to ensure the annual V/V inventory counts are accurate. This condition existed because management did not implement effective internal controls over the V/V artifacts. GAO Standards for Internal Control in the Federal Government state effective internal controls include the procedures used to provide reasonable assurance resources and assets are adequately safeguarded. As a result, NARA's most treasured artifacts are not properly accounted for increasing the vulnerability of these valued artifacts to loss or theft.

Confusion Over Recent Policy Changes: Artifacts defined as V/Vs are to be afforded additional levels of security and care. However, recent policy changes to the Presidential Libraries' V/V artifacts classification process caused confusion in one of the five libraries visited during the audit over the determination of what artifacts are valuable and vulnerable and are provided additional security and care. The purpose of the policy change was to narrow the definition by which artifacts are ranked valuable and vulnerable in an effort to conserve resources devoted to the protection of V/V artifacts. In a memo dated September 26, 2008 the former Assistant Archivist of LP states substantial changes in policy regarding how the V/V artifacts are defined will "(1) foster a more narrow, concentrated approach as to what artifacts are to be considered

‘valuable/vulnerable’ and afforded extra resources, and (2) give library staff the maximum leeway in determining what items in their own collections should be included.” However, we found the extra resources associated with the annual inventory process were not significant (see Table 6 below). For example, the Roosevelt Presidential Library stated they were able to inventory 1,153 V/V artifacts in 4.5 hours. Other libraries indicate the annual V/V inventory takes only a few days to complete with an inventory team of two. Thus, it is not necessary for LP to direct the libraries to cull their list of V/V artifacts to conserve resources associated with the annual inventory process.

As a result of this guidance, at least one Presidential Library reduced their V/V listing of artifacts significantly. The Carter Presidential Library went from a list of 273 V/V items to a listing of only 23. The Carter Library Curator and Registrar stated they misunderstood the guidance and thought they were instructed to remove all museum exhibit artifacts from the V/V list because the new guidance stated an item’s V/V status was not dependent on its home location or temporary location. They believed museum exhibit artifacts did not require an annual inventory because any artifacts stolen while on public display would be noticed immediately. Both the Carter Library Curator and Registrar stated they would like LP to clarify details on what qualifies as a V/V artifact.

Table 6: V/V Data Including Time to Complete a V/V Inventory

Library	Approximate # of Artifacts	Reported # of V/V Artifacts	Percent of Total	Time to Complete Inventory	# of Staff Used during Inventory
Hoover	15,321	273	2%	Data not provided	Two
Roosevelt	34,439	1,153	3%	4.5 hours	Three
Truman	27,516	Missing	Not able to determine	Missing report	
Eisenhower	50,515	772	1.5%	Completed in two days	Two
Kennedy	27,899	182	Less than 1%	Completed in three days	Two
Ford	18,224	228	1%	Data not provided	Two
Reagan ²⁵	62,317	495	Less than 1%	Completed as part of base-line inventory	Five
Johnson	54,809	382	Less than 1%	Completed in seven days	Three
Nixon	27,171	Missing	Not able to determine	Missing report	
Carter	40,634	23	Less than 1%	Data not provided	Data not provided
Bush (41)	44,796	391	Less than 1%	Completed in eight days	Two
Clinton	128,792	194	Less than 1%	Completed in three days	Three
Bush (43)	42,000	94	Less than 1%	Completed in one day	Three
TOTALS	574,433	4,187	Less than 1%		

²⁵ The FY 2009 Annual V/V report was used as the FY 2010 was not available.

LP Lacks Guidance on Required Documentation to Support V/V Inventory Reports: During our audit visit to the Eisenhower Presidential Library (LP-DDE) we were unable to verify the accuracy of the V/V Annual Inventory Report. This condition existed because LP-DDE did not have sufficient documentation to verify the accuracy of their Annual V/V Inventory Report. Specifically, we could not verify how the V/V total assets were counted because the support listing of V/V assets was not numbered. Numbering the counting of an inventoried item is important because some artifacts are composed of several items (for example a tea set). While standardized counting practices have been identified, this does not guarantee that inventory is counted correctly. The recently appointed Curator of the Eisenhower Presidential Library and the acting Registrar were unsure how the prior annual inventory was counted—based on the number of database records, artifact count, or calculated as an object count.

LP has not Fully Developed a Monitoring Program over the V/V Inventory Process: LP does not periodically verify V/V inventory reports for accuracy or to ensure all requested data has been provided. While LP requires the annual reports to be submitted to LP, control procedures to review these reports have not been established. LP has outlined criteria to be included in the Annual V/V Inventory Report including the following data: (1) point of contact; (2) names of the staff completing the inventory; (3) inclusive dates of the inventory; (4) summary of inventory findings including the number of objects inventoried, any unresolved anomalies, V/V items on loan, of changes to the V/V list; and (5) signatures of senior museum staff and of the Deputy Director indicating they have reviewed the inventory report. However, only two libraries submitted all the requested information. The other eleven libraries neglected to mention, provide, or clearly indicate the status of the requested data. Most importantly, some annual statements of inventory were missing signatures of those completing the inventory or the person charged with reviewing the data. Finally, we could not locate two FY 2010 Annual V/V Reports because they were missing from LP's files.

Without appropriate management control processes assigned to NARA's V/V program NARA risks the loss of its most valued Presidential artifacts.

Recommendation 5

We recommend the Executive for Legislative Archives, Presidential Libraries, and Museum Services (L) ensure policies associated with Presidential V/V artifacts classification on annual inventory processes are strengthened by:

- a) Clarifying policy concerning what should be classified as a V/V artifact. The policy should not attempt to "narrow the focus" of this classification because of additional resource needs. Rather, an appropriate list needs to be developed to ensure those artifacts requiring additional stewardship measures are included.
- b) Developing documentation guidelines that identify the importance of supporting the conclusions reported on the annual V/V reports. When counting objects, the support documentation should show the same count.

- c) Developing an annual V/V report format that prompts the preparer of the report to include the requested data.

Management Response

Management concurred with the recommendation.

6. Controls to Safeguard Incumbent Presidential Artifacts Placed in Courtesy Storage Would Benefit from Improvements

Our audit revealed opportunities exist to strengthen accountability and control over incumbent White House gifts held in courtesy storage.²⁶ Competing priorities and a lack of management oversight prevented LP from ensuring these artifacts are properly safeguarded and accounted for. GAO Standards for Internal Control in the Federal Government state effective internal controls include the procedures used to provide reasonable assurance resources/assets are adequately safeguarded and efficiently used and ensure transactions and events are promptly and accurately recorded so as to maintain their relevance to management in controlling operations and making decisions. As a result of these conditions, White House gifts entrusted to NARA are at risk of loss due to the lack of a sound internal control environment.

We found (a) the LM Registrar has multiple functional roles over the handling of White House gifts and that these duties needed to be segregated; (b) email documentation from the White House records used to populate the LM collections database are not maintained; and (c) policies and procedures for security escort of high-value gift pick-ups have not been established.

The LM Registrar Duties Need to be Segregated: The LM Registrar has multiple functional roles over the handling of White House gifts which presents her with the opportunity to remove artifacts without detection. The LM Registrar stated she had the opportunity to remove items in her care without detection and that more could be done to improve controls to prevent an in-house theft. The LM Registrar position (1) has undeterred physical access to the museum artifacts—LM lacks security cameras in the vault and does not have a policy requiring two people in the vault at all time, (2) maintains the recordkeeping for all incumbent Presidential artifacts, (3) and one other LM staff member participate in the inventory process, and (4) has the ability to delete an object record from the artifact database—a system that cannot provide an audit trail detailing who and when an object record was removed from the system. We discussed this with the Museum Collections Officer and the Director of LM and; as a result, LM developed policy changes to mitigate some of the risk associated with the lack of segregated duties. LM has developed procedures to conduct random spot inventories by archival staff. However, this mitigating control cannot fully identify an unauthorized removal of an artifact because the LM Registrar can remove an artifact and its corresponding database record. Until LM re-assigns

²⁶ During the incumbent Presidential term, Presidential gifts are picked up from the White House by NARA's Presidential Material Staff unit (LM) and placed in courtesy storage at Archives I.

deletion rights to someone other than the Registrar or the new database system is operational, the spot inventories will not sufficiently mitigate the risk associated with a lack of segregated duties. We do applaud LP and LM management for prompt action and believe it is a good control practice when coupled with an appropriate database system.

Another compensating control LP should consider is an independent reconciliation of LM and White House records by library personnel charged with the permanent care of the collection. This compensating control procedure should be considered during the period LM does not have appropriate management controls segregating the LM Registrar's duties and would be applicable to the Bush (43) Presidential (LP-GWB) artifact collection. Senior officials at LP-GWB stated they were not aware of the segregation of duties risk with the LM process for developing the collections database records and were under the impression that reconciling White House legacy records to their completed base-line inventory was not necessary. The LP-GWB Assistant Deputy Director and Curator agreed the process of reconciling the two sets of records is one way an unauthorized removal of an incumbent Presidential artifact can be detected and stated they would complete this reconciliation as a part of their base-line inventory process.

White House Gift Unit (WHGU) transmittal emails used to populate the LM collections database were not maintained. The LM Registrar electronically receives WHGU records for all gifts transferred to LM for import into the collections database. After importing the WHGU data, the LM Registrar reconciles the recently imported WHGU records to LM's Gift Pick-Up Log and communicates any noted discrepancies to the WHGU. However, LM does not maintain this documentation including the electronic WHGU records and the emails documenting noted discrepancies to the WHGU. The Director of LM stated she was not aware that this documentation was not retained and agreed that procedures needed to be developed to ensure all documentation pertaining to WHGU reconciliations to the LM artifact database are maintained. Prior to the conclusion of our audit, LM presented updated policy changes that included procedures to ensure documentation of the accounting for transferring Presidential gifts are maintained. This documentation will provide the subsequent Presidential Library museum staff with necessary information to ensure Presidential artifacts intended for transfer to NARA was received.

LM does not use a security escort when picking up high value objects (HVO) White House gifts. LM does not have procedures in place to use security escort for a HVO and does not use a security escort for gift pick-up, in general. The LM Director stated if the White House requested a security escort for a HVO, LM would be able to accommodate the request. Further, the LM Registrar stated picking up White House gifts without security fanfare is in itself a form of security as nobody is aware anything valuable is being transported. However, it is our opinion that HVO White House gifts should have a security escort to ensure the safety of LM staff and to adequately safeguard the artifact. We discussed this with LP and LM management and they agreed to meet with the Holdings Protection Team to discuss how to coordinate security escorts for White House gift pick-ups of HVOs.

Recommendation 6

We recommend the Executive for Legislative Archives, Presidential Libraries, and Museum Services (L) ensure:

- a) Separation of duty policies are developed and efforts to minimize the possible unauthorized removal of Presidential gifts from courtesy storage with compensating controls such as (1) adding security camera in the storage vault; (2) setting policy for two-person minimum in the vault at all times; and (3) re-assignment of deletion rights to someone that does not have access to Presidential gifts.
- b) Reconciliation procedures between the completed inventories and White House legacy documentations for both Bush (43) and Obama Administrations as a compensating management control until the separation of duties issues at LM are mitigated.
- c) Policy is developed for a security escort when picking up HVO gifts from the White House for courtesy storage at NARA.

Management Response

Management concurred with sub-recommendations (a) and (c) but did not concur with sub-recommendation (b). Management stated that an alternate solution will be covered in their action plan.

OIG Response

The OIG will review management's alternative solution when the action plan is submitted and determine if it meets the intent of recommendation 6b above.

7. Audit Visits to Five Presidential Libraries Reveal Opportunities to Improve Stewardship over Presidential Artifacts

Our audit revealed opportunities exist to strengthen safeguards over Presidential artifacts. We found (a) controls to limit physical access to Presidential artifacts and prevent theft need reinforcement; (b) procedures over long-term loans need improvement; and (c) back-up copies of key inventory documentation are not maintained. These conditions exist because LP has not established and maintained a proper internal control environment. GAO Standards for Internal Control in the Federal Government state effective internal controls include the procedures used to provide reasonable assurance resources/assets are adequately safeguarded. Without appropriate controls LP cannot ensure Presidential artifacts are properly safeguarded.

The Presidential Libraries we visited were able to account for artifacts listed in the collections database, and museum personnel we worked with were dedicated to their profession and to the

Presidential artifacts entrusted to their care. However, we found the following areas where improvements are needed:

Controls over the physical access to Presidential artifacts need to be reinforced: According to NARA guidelines, physical access to Presidential artifacts not on exhibit is limited to authorized personnel and sufficient controls to deter theft must be in place. We found the following instances where controls to ensure only authorized staff have access to Presidential artifacts and to deter theft need improvement:

- LP-JC is storing Presidential artifacts in an area accessible by staff other than authorized museum personnel. The Carter Library temporarily moved artifacts to an unrestricted storage area to install compact shelving. The installation of compact shelving addressed a long-standing storage issue. Space limitations within the museum collection area necessitated moving the artifacts to another space while the shelving was being installed. Additionally, the temporary location was used as a staging area to more effectively inventory and assesses the preservation needs of these objects. To minimize risk, the artifacts were moved in two phases and the most vulnerable objects moved back first. However, the second phase of artifacts placed in the temporary archival area has not been fully inventoried and moved back to the secured museum collections area. Senior officials at the Carter Library stated they did not like storing the artifacts in an accessible area, but did not have any other viable options. The Director of the Carter Presidential Library stated it is a top priority to move these remaining items back to a permanent location within the designated museum storage where access is appropriately limited to museum staff.
- Three libraries we visited do not have procedures to periodically review access log reports and security camera tapes. While security personnel report that they periodically review these reports, library personnel at three Presidential Libraries stated they did not review these reports to ensure any unauthorized access by security personnel. Security personnel do have access to museum storage areas during closing hours and if these reports go unchecked unauthorized access by security personnel can occur. One senior official stated that in the past they did have a procedure to periodically review the access log reports and security camera tapes, but this procedure lapsed when a newly appointed Administrative Officer was not informed of this procedure. Senior library officials we spoke to during the audit agreed that it is important for library personnel to periodically review access log reports and security tapes and agreed to develop procedures to do so.
- We found NARA facility key control programs need reinforcement. During our audit visits to five Presidential Libraries we found instances where (1) the listed key custodian was not the current key custodian, (2) the latest key inventory was not documented, (3) door locks, cabinet combinations, and security access badges were not changed or privileges deleted when staff terminated their employment, and (4) issued access badge privileges were not always appropriate—i.e. 24/7 access or the level of access was not appropriate. Maintaining key control is necessary to ensure access is denied to unauthorized persons and theft is deterred. During the audit library personnel corrected several of the identified problems prior to the conclusion of the audit visit. Senior

officials agreed they should pay closer attention to security controls aimed at controlling access to Presidential artifacts and stated corrective action would take place.

- The LP-JC had several broken security cameras and the Richard Nixon Presidential Library (LP-RMN) security cameras could not pan to exhibit areas where highly valued artifacts were on display. The Deputy Director at LP-JC stated the library currently does not have service a contract in place to fix the cameras and was aware the cameras needed repair. Broken or non-functioning cameras impede the ability of security personnel to ensure the Presidential artifacts are safeguarded or useful images of security incidents are captured to aid any subsequent investigations.
- LP-DDE does not have a procedure to monitor off-hours night security staff to ensure they are roving through-out the building. The recently hired Facility Manager stated it would not be possible for him to periodically drop-in to monitor whether or not the security staff was roving, but consideration of an electronic key pad system that records the security guards roving time would be an option. An investigation into a recent break-in at the Carter Library revealed that security staff was not roving and this allowed the thief to penetrate further into the library before detection by the Carter security guard staff. Security guard roving patrols is an essential security practice that deters theft. However, without periodic random checks or electronic key pads that record roving times LP management cannot be assured roving patrols take place.

Procedures over long-term loans need improvement: We found: (1) several expired artifact loan agreements; (2) artifacts on long-term loan without current condition assessments—one long-term loan has been outstanding since 1977²⁷; and (3) artifacts on loan without current photos on file. NARA 1612 guidance states loan periods greater than one year are “allowed provided the Custodial Unit reviews the loan annually” which includes updates on the condition of the artifact and recently drafted policy on photo standards identified “outgoing loans must be photographed sufficiently to record details and distinguishing features and marks for confident comparison with future/past images.”

In all cases, LP museum staff had requested an annual update of the loan agreement, but had not received the signed agreement from the borrowing institution. Updated agreements are legal documents intended to protect both parties by specifying the terms and conditions of the agreement. Without an updated agreement, LP cannot be assured the conditions for lending have been met including such issues as insurance and current condition of the artifact. Further, without a photo on file representing the artifact, it will be difficult to determine whether the item loaned is the item returned.

Both the Museum Collections Officer and the Curator at the Eisenhower Library stated long-term loans (1) establish collaborative efforts with other museums, (2) creates an opportunity for the public to access artifacts that otherwise would be in storage, and (3) allows LP to maintain legal ownership which ensures future generations will have access to the item. However, LP cannot ensure the items on long-term loan for decades have been adequately cared for. Thus, LP needs to consider establishment of time caps on long-term loans or periodically request

²⁷ LP-DDE has a long-term loan of golf clubs to the Culzean Castle in Scotland since 1977.

temporary return of the item to allow for condition assessment. The Curator at the Eisenhower Library agreed that LP should periodically request return of the item for proper care.

Back-up copies of inventory documents are not maintained: We found two instances where key inventory documentation is not adequately maintained in duplicate to ensure the data is not permanently lost. Both old White House legacy documentation at LP-DWE and handwritten logs for recent artifact acquisitions received from the Carters at LP-JC are not maintained in duplicate.

The Curator at the Eisenhower Library stated he was concerned about the possibility of losing the White House legacy documentation composed of several hand-written ledger books and would like to see the data copied to ensure against permanent deterioration. The handwritten inventory records for recent artifact acquisitions at the Carter Library are not maintained in duplicate and are not secured from unauthorized access. These handwritten logs are placed on a shelf next to the artifacts listed. Both the artifacts and the lists are located in a temporary storage area where access has not been restricted to museum personnel only. The Carter Registrar stated that if someone took an item and the list there would be no way to account for the missing item. Records documenting artifact inventory need to be maintained in duplicate and secured to ensure irreplaceable data is not lost. Senior officials we interviewed during the course of the audit agreed that measures should be taken to duplicate these documents to ensure they are not permanently lost.

Recommendation 7

We recommend the Executive for Legislative Archives, Presidential Libraries, and Museum Services (L) ensure:

- a) Policies and procedures are clarified and re-iterated to library personnel concerning (1) sequestration of museum artifacts from library personnel other than museum personnel; (2) procedures to periodically review access logs and security camera tapes to ensure the museum collections storage areas from unauthorized access by security personnel or other persons; (3) key control programs are appropriately maintained; (4) security cameras are operational and are appropriately focused on high-value object; and (5) procedures to monitor off-hours night security guard staff to ensure roving patrols are being completed according to the security contract.
- b) Policies and procedures for Presidential Library artifacts on long-term loan are re-iterated and disseminated to library personnel concerning (1) the annual update of loan agreements and (2) requirements for long-term loans including photo requirements and annual condition assessments. Further, LP should either establish time caps on long-term loans or periodically request temporary return of the item for condition assessments.
- c) Re-iteration of NARA policy to adequately back-up inventory-related collection documentation.

Management Response

Management concurred with the recommendation.

8. Museum Policies and Procedures need Comprehensive Update

LP does not have a current comprehensive set of policies and procedures to address collections management for Presidential artifacts. The Museum Collections Officer stated she is “acutely aware” of the need to update LP’s policy regarding museum collections, but competing priorities have impeded progress necessary to initiate and complete revisions. GAO Standards for Internal Control in the Federal Government require the development of detailed policies, procedures, and practices to fit their agency’s operations necessary to achieve the desired results that support effective stewardship of public resources. Without a current set of comprehensive collection management policies and procedures NARA cannot be assured LP personnel are providing adequate stewardship over Presidential artifacts.

While Libraries 1401²⁸ does set forth policy guidelines for the operation of Presidential Libraries it does not (1) adequately delineate specific policies designed to address the complex and unique processes associated with museum operations and activities and (2) include accompanying procedures—the detailed instructions that specify how museum staff should apply the policy in their museum related day-to-day activities. Further, Libraries 1401 is not current and has not been officially updated since 1998. The American Association of Museums (AAM)²⁹ states a comprehensive collections management policy (1) ensures that the museum fulfills its obligations to protect, manage, provide access to, and maintain intellectual control over its collections and their associated records; (2) must be reviewed and revised on a regular basis; and (3) is useless if it is outdated and ignored.

We do acknowledge the efforts LP has put forth to correct this deficiency, but would direct senior officials to appropriately prioritize and provide resources to accomplish a timely policy and procedure update. A current comprehensive set of collections management policies and procedures will demonstrate NARA’s commitment to professional standards and practices necessary for adequate stewardship over Presidential artifacts.

²⁸ Libraries 1401 are LP’s policy guidelines for the operation of Presidential libraries in terms of administrative, professional, and technical matters.

²⁹ The AAM organization is a non-profit association with a mission to strengthen museums through leadership, advocacy, collaboration and service by developing standards and best practices, gathering and sharing knowledge, and advocating on issues of concern to the museum community. The AAM Accreditation program is a widely recognized seal of approval that brings national recognition.

Recommendation 8

We recommend the Executive for Legislative Archives, Presidential Libraries, and Museum Services (L) ensure:

- a) An updated comprehensive set of museum collection management policies and procedures are developed.
- b) Establish procedures to periodically review, and if necessary, revise said policies and procedures.

Management Response

Management concurred with the recommendation.

Appendix A – Percent of V/V Collection Photographed

Table 8³⁰: Percent of V/V Collection Photographed by Library			
Library	# of V/V Artifacts	# of V/V Artifacts Photographed	Percent of V/V Artifacts Photographed
Hoover	265	265	100%
Roosevelt	1,195	150	12%
Truman	140	12	8%
Eisenhower	795	35	4%
Kennedy	192	0	0%
Johnson	361	87	27%
Nixon	185	185	100%
Ford	231	190	82%
Carter	73	47	64%
Reagan	427	427	100%
Bush (41)	285	285	100%
Clinton	255	150	74%
Bush (43)	196	196	100%
TOTALS	4,600	2,029	44%

³⁰ Table 8 reflects data received as of June 2012.

Appendix B – Exhibit 1: Preservation and Curatorial Ranking

Artifact Risk Assessment Definitions and Decision Matrix Presidential Library Holdings

1) Background

The artifact risk assessment used by the Presidential Libraries allows NARA to determine preservation needs and prioritize preservation work. The risk assessment process provides a standardized procedure to identify those artifacts requiring preservation actions such as re-housing and conservation treatment. The “iO” computerized management system used to inventory, document and track the LP artifact holdings is also used to collect the information necessary for risk assessment. The level of risk will be determined based on a matrix external to iO that links the artifact curatorial/ use priority with the preservation needs of the artifact.

2) Artifact Condition

Within “iO”, the current condition of an artifact is documented using both the “New Condition” field and the “Summary” field. The “New Condition” Field uses the terms **excellent**, **good**, **fair**, **poor**, and **unstable** to document the current condition of the artifact. These terms are defined as follows:

- **Excellent:** Like new condition. For some medals, coins and other artifacts, the object may show an even patination from age.
- **Good:** Structurally and aesthetically intact with only minor signs of wear, use or natural aging and deterioration. No physical damage.
- **Fair:** Structurally intact but with visible evidence of use and/or some accumulated damages. The damages do not significantly alter the object’s structural stability or appearance. The object may benefit from minor treatment before exhibit, loan or research.
- **Poor:** Object shows structural insecurity, loss of elements, or significant alteration in appearance due to use, age, or inherent vice. Treatment is generally required before the object can be used for exhibit, loan or research. Required treatment is often extensive. For some objects, no action is available to reverse the damage or loss.
- **Unstable:** Object is actively deteriorating and is at risk for additional damage or loss of material without conservation treatment.

In addition to the initial entry in the New Condition field, new entries are made when:

- The original condition has changed, or the object has been damaged. (If there is disagreement with the initial entry, dated comments are entered into the initial entry; a new entry is not created.)
- When a conservator examines that object.
- When the object is condition-reported prior to loan or exhibit.
- If there is a change to the item’s condition post-loan or post-exhibit.
- When an object is treated.

The “Condition Summary” field is a comment box that provides specificity to the “New Condition” field. A brief description of the current damage or an apparent vulnerability can be described in this field.

3) Preservation Actions/Priorities

The preservation action(s) required to address any damage or vulnerability noted in the Condition field is documented using the "Treatment Priority" field. Note that more than one preservation action may be entered for an artifact; an object may require storage re-housing as well as conservation treatment.

- **Urgent (Immediate Risk of Loss):** The object is in immediate danger of additional damage and cannot be used until conservation treatment has been carried out. Examples of urgent conditions may include flaking surfaces, active metal deterioration, active mold or infestation, or active effervescence. This code can be used with either minor or major treatment, to highlight urgency.
- **Major Treatment:** Significant treatment requiring a conservator and often requiring transporting the object to a conservation lab. The treatment is required to repair damage and possibly to prevent future damage. Examples might include a torn painting canvas, a vessel broken into multiple pieces with parts missing, or and shredding textile.
- **Minor Treatment:** Treatment to repair an object that requires limited time to complete. A conservator may be able to undertake the work on-site. Example might include a ceramic with a simple break or minor surface disfiguration that requires in-painting or toning. Certain actions such as surface cleaning or sculpture maintenance may be carried out by collection care staff after they receive training by a conservator.
- **Storage/ Exhibit Improvements:** New custom housing, storage containerization, or furniture is required to safely house the object. A new exhibit mount, lighting upgrades or other improvements in environmental conditions are required to display the object safely.
- **Examination:** Additional in-depth examination is required by a conservator.
- **No Preservation Action:** No Preservation Action is required at this time.

4) Curatorial Priority:

The curatorial priority takes into account the current or anticipated level of use for an artifact as well as its historical, cultural and/or monetary value. The six Curatorial Priority designations are defined as follows.

• **Highest Priority:** Artifacts of exceptional historical, cultural and/or monetary value, or possessing extraordinary uniqueness. Very likely to be used exhibits, loans, or research. A national treasure and/or so valuable it cannot be replaced. High value items explicitly identified with the President, his administration, a key figure or event, or explicitly associated with the Library. Examples may include:

- 1) High value items associated with the President, his family, his administration or a particularly significant or meaningful person or event.
- 2) High profile items directly associated with the President or his administration.
- 3) Head of State and other gifts which bear special association with an extraordinary event.

• **High Priority:** Artifacts of significant historical, cultural and/or monetary value. Good potential for use in exhibits, loans or research. Usually directly associated with the President, first family or associates, or with a key figure or event in his life or administration. Examples may include:

- 1) Items directly associated with the President but not necessarily also of high monetary value.
- 2) Artifacts representing a significant event during the President's life or administration.
- 3) Artifacts associated with the First Lady or other close family members or associates.
- 4) Items not directly associated with the President but which are significant to the Library, such as special collections.
- 5) Selected items from the gifts of the American people displaying exceptional craftsmanship, uniqueness or presentational impact.

• **Medium Priority.** Artifacts of some historical, cultural and/or informational significance and/or moderate monetary value (if a value can be defined). Potential for use in exhibits, loans, or research. Examples may include:

- 1) Items believed to have some association with the President, his family or administration, but without documentation.

- 2) Gifts from significant individuals.
- 3) Items typifying the time period of the President.
- 4) Artifacts representing an important national or international event not directly related to the President.
- 5) Gifts displaying notable craftsmanship, uniqueness, or presentational impact.

• **Low Priority.** Artifacts of low intrinsic and/ or monetary value, but with some potential for use for research purposes, education/demonstration purposes, or as backups for heavily used parts of the collection or a number of similar artifacts from which a sample may be retained. Examples may include:

- 1) Duplicate mass produced items

• **De-accession Candidate.** No potential for use. Object appears to meet one or more criteria for disposal established by the Draft LP Disposal Guidance on Presidential Gifts, 1998, III.1. In summary:

- 1) Artifact lacks sufficient significance or usefulness to merit retention in the collection.
- 2) Artifact lacks physical integrity, and/or the expense of conservation is not warranted by the significance of the item, and/or it presents a physical hazard to the rest of the collection.
- 3) Artifact is redundant or a duplicate that does not add to the value of a series.
- 4) The Library does not hold a lawful possession of the object.

Examples may include:

- Unsolicited gifts without any association to the holdings.
- Incomplete or badly damaged items with poor provenance, or prone to rapid deterioration.
- Repeat items, where retention of a sample is sufficient.
- Legal council has determined the object should be returned to its lawful owner.

• **Unknown.** Additional research is required to assign a curatorial priority code.

5) LP Artifact Risk Ranking Matrix

The risk status for Presidential library artifacts will be determined based on the Preservation Action (Treatment Priority) Code(s) and the Curatorial Priority Code. As indicated under the definitions, both the Preservation Actions and the Curatorial Priority have been given a number code ranging from 5 to 0. These number codes are assigned as follows.

Preservation Actions Numerical Codes	
5	Urgent
4	Major Treatment
3	Minor Treatment
2	Storage/Exhibit Improvements
1	Examine
0	No Preservation Action
Curatorial Priority Numerical Codes	
5	Highest Priority
4	High Priority
3	Medium Priority
2	Low Priority
1	De-accession Candidate
0	More Research Needed

The Matrix for assigning the risk ranking follows, using the codes for ease of execution. Artifacts risk for immediate loss or accelerated deterioration will be flagged for "immediate loss" if they are of Highest, High, Medium, or Low Curatorial Priority. Candidates for de-accession will not be flagged at risk for immediate loss.

LP Artifact Risk Ranking Matrix		
Risk Level	Preservation Action	Curatorial Prioritization
Immediate Risk of Loss	5, or 5 combined with any other value	5,4,3,2,
High Risk	4,3,2,1 or any combination thereof	5,4
Medium Risk	4,3,2,1 or any combination thereof	3
Low Risk	,4,3,2,1 or any combination thereof	2
No Preservation Action Needed At This Time	5,4,3,2,1 or any combination thereof	1
	0	5,4,3,2,1,0
Assessment not complete	5,4,3,2,1 or any combination thereof	0

Preservation work on medium and low risk records may occur prior to work on high-risk artifacts. Examples of reasons for persevering preservation actions on medium or low risk artifacts in advance of artifacts with a higher risk level may include, but are not limited to:

- Part of Inventory Project
- Exhibition or Loan
- Available Resources
- Researcher Request
- Special Project

C – Acronyms and Abbreviations

AAM	American Association of Museums
BX	Security Management
FIC	Found In Collection
FY	Fiscal Year
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
HVO	High Value Object
NARA	National Archives and Records Administration
L	Legislative Archives, Presidential Libraries, and Museum Services
LP	Office of Presidential Libraries
LM	Presidential Materials Staff
LP-DDE	Dwight D. Eisenhower Library
LP-FDR	Franklin D. Roosevelt Library
LP-GB	George Bush Library
LP-GRF	Gerald R. Ford Library & Museum
LP-HH	Herbert Hoover Library
LP-HST	Harry S. Truman Library
LP-JC	Jimmy Carter Library
LP-JFK	John F. Kennedy Library
LP-LBJ	Lyndon Baines Johnson Library
LP-RMN	Richard M. Nixon Library
LP-RR	Ronald Reagan Library
LP-WJC	William J. Clinton Library
OIG	Office of Inspector General
PLA	Presidential Libraries Act
RX	Preservation Programs
V/V	Valuable and Vulnerable Artifact
WHGU	White House Gift Unit

Appendix D – Management’s Response to the Report




Date: AUG 16 2012
To: Paul Brachfeld, Inspector General
From: David S. Ferriero, Archivist of the United States
Subject: OIG Report 12-10, Follow-up Review of Audit Report 08-01, Audit of the Process of Safeguarding and Accounting for Presidential Artifacts

Thank you for the opportunity to comment on this revised draft audit report. We appreciate the efforts of the auditors throughout this process and the willingness of OIG staff to meet and work with us to clarify portions of this draft report.

We concur with all but one of the recommendations and have already begun to implement several recommendations. We are also writing an action plan containing more specifics about how we will implement these and will continue to enhance accountability and control of artifacts in the Presidential Libraries.

We do not concur with *Recommendation 6.b.* While a valuable historic reference, the Gift Office database is not a reliable, complete, or legally binding record of what is finally received into NARA's legal custody at the end of a President's term. Thus, it is not among the legacy records that are reconciled with NARA inventory results. Alternate solutions will be covered in our action plan.

If you have any questions about this response, please contact Mary Drak at 301-837-1668 or at mary.drak@nara.gov.



DAVID S. FERRIERO
Archivist of the United States

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Appendix E - Report Distribution List

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