



Smithsonian
Institution

Personnel Security: Actions Needed to Strengthen the Background Investigation Process

Office of the Inspector General

OIG-A-18-09

September 20, 2018



In Brief

Personnel Security: Actions Needed to Strengthen the Background Investigation Process

OIG-A-18-09, September 20, 2018

What OIG Did

The objective of this audit was to determine to what extent the Smithsonian ensures that required background investigations are conducted promptly on employees and certain affiliated individuals.

For this audit, OIG reviewed a sample of employees and a sample of affiliated individuals who joined the Smithsonian during 2015. OIG used the employee sample to evaluate if the required background investigations were scheduled promptly. OIG also used this sample to assess the offices of human resources' position designation process, which determines the required level of post-employment background investigation. OIG used the affiliated individual sample to determine if those individuals had pre-employment background investigations.

Background

The Smithsonian's personnel security program helps ensure that about 6,700 employees and an estimated 12,000 affiliated individuals are honest, reliable, and trustworthy. The program requires the four human resources offices to work with OPS and other units. OPM conducts pre-employment and post-employment background investigations for the Smithsonian.

What OIG Found

Pre-employment background investigations assess the suitability of potential employees and affiliated individuals. OIG analysis showed that all sampled Smithsonian employees and affiliated individuals who were hired or joined the Smithsonian in 2015 received a pre-employment background investigation as required.

Post-employment background investigations are generally only for employees. The offices of human resources use a position designation process to determine the required level of this more in-depth investigation (low, moderate, or high). However, OIG found that the Smithsonian has no assurance that most of its employees hired in 2015 obtained the required level of background investigation. Due to incorrect designations and missing documentation, OIG could determine that only 35 percent of the sampled employees had received the required level of post-employment background investigation.

In addition, OIG found that the Office of Protection Services (OPS) did not always schedule or promptly schedule post-employment background investigations with the U.S. Office of Personnel Management (OPM). For instance, OPS did not schedule post-employment background investigations for 12 percent of sampled employees.

OIG also found that the Smithsonian granted computer network access to more than 500 affiliated individuals, without background investigations, contrary to policy requirements. Furthermore, nearly a quarter were granted remote access. In addition, in accordance with its policy, the Smithsonian did not conduct background investigations on locally hired Panamanian employees at Smithsonian Tropical Research Institute.

OIG also estimated that the Smithsonian could realize about \$165,000 annually in savings if the Smithsonian Enterprises human resources office used OPM's Automated Tool to establish the required post-employment background investigation for its retail employees. According to this tool, these employees would require a low-level background investigation in contrast to the moderate level they now receive. In 2016, the difference in cost between the low-level and moderate-level background investigations was \$1,241. This potential annual savings is nearly one-third of the total amount the Smithsonian spent on all background investigations in fiscal year 2016.

What OIG Recommended

OIG made nine recommendations to improve the background investigation process, and management concurred with all nine recommendations.

For additional information or a copy of the full report, contact OIG at (202) 633-7050 or visit <http://www.si.edu/oig>.



Smithsonian Institution
Office of the Inspector General

Memo

Date: September 20, 2018

To: Albert Horvath, Chief Operating Officer and Under Secretary for Finance and Administration
John Davis, Provost and Undersecretary for Museums, Education and Research

Cc: Mike McCarthy, Deputy Under Secretary for Finance and Administration
Deron Burba, Chief Information Officer
Dennis Kelly, Acting President, Smithsonian Enterprises
Charles Alcock, Director, Smithsonian Astrophysical Observatory
Matthew Larsen, Director, Smithsonian Tropical Research Institute
Brenda Malone, Director, Office of Human Resources
Jeanne O'Toole, Director, Office of Protection Services

From: Cathy L. Helm, Inspector General *Cathy L. Helm*

Subject: Personnel Security: Actions Needed to Strengthen the Background Investigation Process (OIG A-18-09)

This memorandum transmits our final audit report on the Smithsonian's background investigation process. The objective of this audit was to determine to what extent the Smithsonian ensures that required background investigations are conducted promptly on employees and certain affiliated individuals.

We made nine recommendations for Smithsonian management to improve the background investigation process. Management concurred with all nine recommendations.

We appreciate the courtesy and cooperation of all Smithsonian management and staff during this audit. If you have any questions, please call me or Joan Mockeridge, Assistant Inspector General for Audits, at (202) 633-7050.

TABLE OF CONTENTS

INTRODUCTION 1

BACKGROUND 2

RESULTS OF THE AUDIT10

The Smithsonian Obtained Required Pre-Employment Background Investigations for Sampled Employees and Affiliates10

The Smithsonian Has No Assurance that Most Employees Received the Required Level of Post-Employment Background Investigation11

OPS Did Not Ensure Post-Employment Background Investigations Were Always Scheduled or Scheduled Promptly17

More Than 500 Affiliated Individuals with No Background Investigations Had Access to the Smithsonian’s Computer Network22

Local Hires at the Smithsonian Tropical Research Institute Do Not Undergo Background Investigations23

The Smithsonian Had No Record of a Background Investigation for More Than 300 Employees24

CONCLUSIONS.....25

RECOMMENDATIONS.....26

MANAGEMENT RESPONSE AND OIG EVALUATION27

APPENDIX I: OBJECTIVE, SCOPE, AND METHODOLOGY.....28

APPENDIX II: MANAGEMENT RESPONSE32

FIGURES

Figure 1. Organization Chart of Smithsonian's Human Resources Offices 3

Figure 2. Overview of Major Steps in the Smithsonian's Background Investigation Process 5

Figure 3. Percentage of Sampled Employees Hired in 2015 Who Did or Did Not Receive the Required Level of Post-Employment Background Investigation as of April 30, 2017...12

Figure 4. Status of Scheduling Post-Employment Background Investigations for 85 Sampled Employees Who Were Hired in 201518

Figure 5. Number of Days Taken to Schedule Post-Employment Background Investigations for 60 Sampled Employees as of April 30, 201720

TABLE

Table 1. Types of Background Investigations for Smithsonian Employees and Affiliated Individuals and Cost of Each in Fiscal Year 2018.....9

ABBREVIATIONS

e-QIP	Electronic Questionnaires for Investigations Processing
FAM	Foreign Affairs Manual
IDMS	Identity Management System
NIST	National Institute of Standards and Technology
OCIO	Office of the Chief Information Officer
OHR	Office of Human Resources
OIG	Office of the Inspector General
OPM	U.S. Office of Personnel Management
OPS	Office of Protection Services
Optional Form-306	Optional Form-306 <i>Declaration for Federal Employment</i>
PSIO	Personnel Security and Identification Office
SAO	Smithsonian Astrophysical Observatory
SAO-HR	Smithsonian Astrophysical Observatory Office of Human Resources
SE	Smithsonian Enterprises
SEEC	Smithsonian Early Enrichment Center
SE-HR	Smithsonian Enterprises Office of Human Resources
Smithsonian	Smithsonian Institution
SMS	Security Management System
SP	Special Publication
STRI	Smithsonian Tropical Research Institute
STRI-HR	Smithsonian Tropical Research Institute Office of Human Resources

INTRODUCTION

The Smithsonian Institution (Smithsonian) requires almost all employees to undergo a background investigation that the U.S. Office of Personnel Management (OPM) conducts.¹ The Smithsonian also requires that many affiliated individuals, who are not employees, undergo an OPM-conducted background investigation if their work with the Smithsonian lasts more than 30 days and they require unescorted access to staff-only areas.² OPM's background investigations identify and verify information about individuals, including character traits, such as reliability and integrity, and past conduct. In fiscal year 2016, the Smithsonian spent approximately \$538,000 for background investigations.

A comprehensive background investigation program helps ensure that individuals responsible for the Smithsonian's collections, information systems, financial assets, and reputation have the appropriate character and conduct to be associated with the Smithsonian. In addition, the Smithsonian can be better assured it has taken steps to mitigate the risk of an insider threat if it performs background investigations on its employees and affiliated individuals.³

The objective of this audit was to determine to what extent the Smithsonian ensures that required background investigations are conducted promptly on employees and certain affiliated individuals.

For this audit, the Smithsonian's Office of the Inspector General (OIG) reviewed employees and affiliated individuals who joined the Smithsonian during 2015 to determine if they had required background investigations and that the investigations were conducted in a timely manner. OIG selected two samples of individuals for this analysis. The first sample included Smithsonian employees hired in 2015, and the second sample included affiliated individuals who joined the Smithsonian in 2015.⁴ For the affiliated individuals, OIG sampled individuals from the Identity Management System, the Smithsonian's information system that generates official identification badges and includes all affiliated personnel who receive a background investigation.⁵ OIG also assessed whether affiliated individuals with access to the Smithsonian's information technology system had undergone background investigations. Furthermore, OIG analyzed whether all Smithsonian Federal and Trust employees regardless of hire date had a record of any background investigation in OPM's database, as of July 2016.⁶

¹ Smithsonian policy does not require locally hired Panamanian employees to undergo any type of background investigation.

² Affiliated individuals for this report are contractors, volunteers, research associates, interns, fellows, and parents of Smithsonian Early Enrichment Center students. Smithsonian policy does not require any type of background investigation for affiliated individuals at the Marine Station in Fort Pierce, Florida; the Smithsonian Astrophysical Observatory in Cambridge, Massachusetts; and the Smithsonian Tropical Research Institute in Panama.

³ An insider threat arises when a person with authorized access to an organization's information, networks, or systems uses that access to harm the organization.

⁴ Smithsonian Early Enrichment Center employees were not included in the affiliated individual sample.

⁵ The Smithsonian's term for official identification badge is "credential."

⁶ Federal positions are funded by federal appropriations, while Trust positions are funded by nonfederal sources such as donations or endowment payments.

OIG conducted this performance audit from October 2015 through September 2018 in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on its audit objective.

BACKGROUND

The Smithsonian is a museum, education, and research complex consisting of 19 museums (all but 3 in Washington, D.C.) and the National Zoological Park. The majority of Smithsonian locations are in Washington, D.C., but the Smithsonian also has facilities in Arizona, Florida, Hawaii, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Virginia, Panama, and Belize. In addition to federal appropriations, the Smithsonian receives private support, external grants and contracts, income from investments, and income from various business activities. Business activities include Smithsonian magazines and other publications; online catalogs; and theaters, shops, and food services.

The Smithsonian Relies on Employees and Affiliated Individuals to Fulfill Its Mission

The Smithsonian hires employees and relies on affiliated individuals with a variety of backgrounds and skills to fulfill its mission. The Smithsonian has about 6,700 employees and an estimated 12,000 affiliated individuals. Employees are hired by one of four Smithsonian human resources offices, and affiliated individuals can join the Smithsonian in a variety of ways such as volunteering or as a contractor.

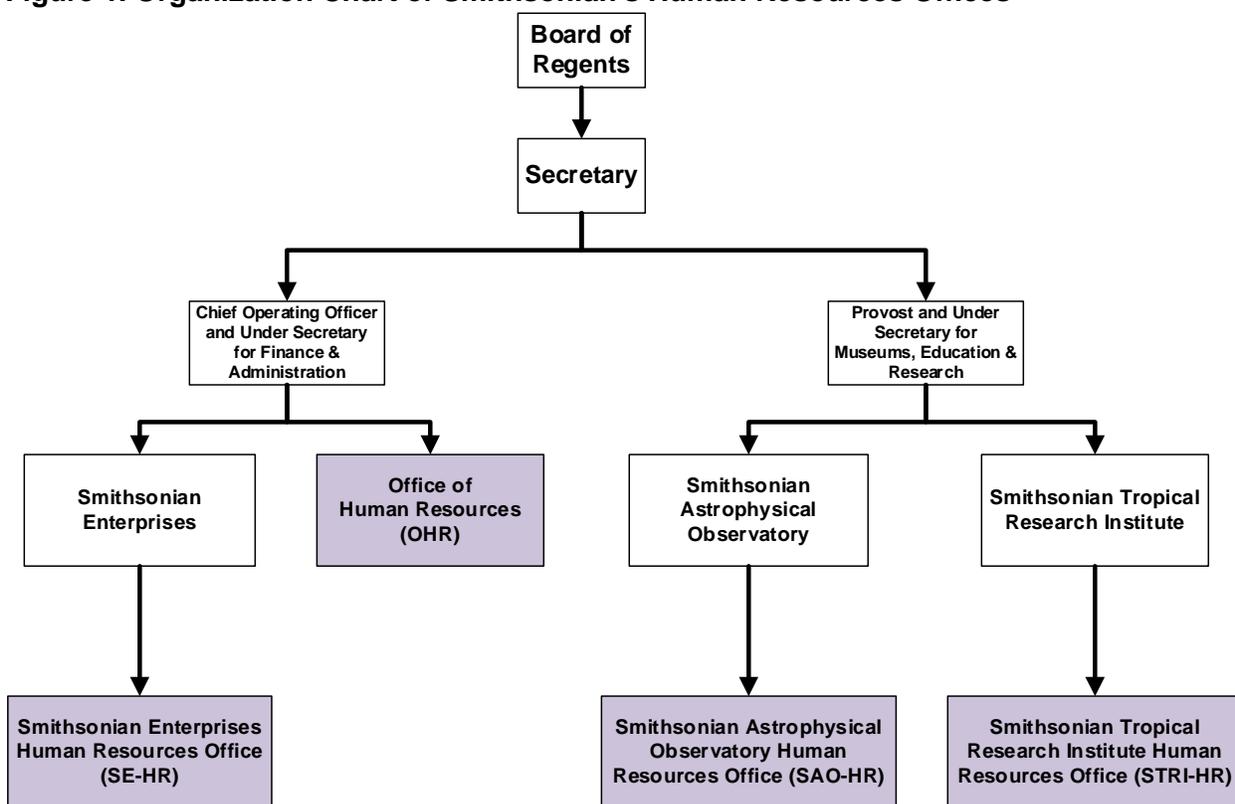
The purpose of the Smithsonian's personnel security program is to ensure that employees and affiliated individuals responsible for the care of the national collections, the safety and security of visitors and employees; information systems control; and administration are honest, reliable, and trustworthy. This program is intended to ensure that all persons appointed to positions are and remain suitable for employment or affiliation with the Smithsonian. Ultimately, the success of the Smithsonian depends largely on the character of its employees and affiliated individuals. Therefore, a successful and comprehensive personnel security and suitability program is essential. Implementing this program requires a close and cooperative working relationship on the part of the Smithsonian's human resources offices, the Office of Protection Services (OPS), and all other units.⁷

The Office of Human Resources (OHR) is responsible for implementing human resources policies throughout the Smithsonian. It has about 50 staff and provides support for most (about 5,200) of the Smithsonian's approximately 6,700 employees. Three other human resources offices support the following units: Smithsonian Astrophysical Observatory (SAO), Smithsonian Enterprises (SE), and the Smithsonian Tropical Research Institute (STRI).

⁷ Smithsonian Directive 212, *Federal Personnel Handbook*, Chapter 731, *Personnel Security* (November 3, 2010), and Smithsonian Directive 213, *Trust Personnel Handbook*, Chapter 731, *Personnel Security* (November 3, 2010).

- SAO is located in Cambridge, Massachusetts, and collaborates with Harvard University to conduct research on the nature and evolution of the universe. Its human resources office (SAO-HR) has about 10 staff and supports about 500 Federal and Trust employees.
- SE is the income generating unit for the Smithsonian. Its human resources office (SE-HR) has fewer than 5 staff and supports about 600 Trust employees.
- STRI, located in the Republic of Panama, conducts marine and tropical research. Its human resources office (STRI-HR) has fewer than 10 staff and primarily supports about 380 locally hired Panamanian employees.⁸ See Figure 1 for an organizational chart of the Smithsonian's four human resources offices.

Figure 1. Organization Chart of Smithsonian's Human Resources Offices



Source: Office of the Inspector General analysis of Smithsonian data.

Smithsonian employees from any unit can sponsor affiliated individuals. A sponsor is a Smithsonian employee who uses an affiliated individual to accomplish a particular Smithsonian-related task or project and who is responsible for oversight of that affiliated individual. The Smithsonian has several categories of affiliated individuals, such as volunteers, interns, fellows, research associates, and contractors. As described below, various offices assist the sponsors in coordinating the management of affiliated individuals.

⁸ STRI also has about 40 Federal and Trust employees on staff who are recruited and hired by OHR.

For volunteers, the Office of Visitor Services provides support and guidance on volunteering policies and procedures, offers training to staff supervising volunteers, and provides quarterly Smithsonian-wide volunteer orientation. In addition, the Office of Visitor Services has instructions on its website that describe how the sponsor of a volunteer should facilitate the background investigation process with OPS. The Smithsonian has about 6,900 on-site volunteers.

The Office of Fellowships and Internships has central management and administrative responsibility for the Smithsonian's academic appointments, which include interns, fellows, and research associates.⁹ This office, as well as unit-level coordinators, can sponsor these academic appointees. The Office of Fellowships and Internships' website references OPS policy and has detailed instructions for sponsors on the background investigation process for affiliated individuals. The Smithsonian has about 1,750 interns, 1,300 research associates, and 800 fellows.

The Office of Contracting and Personal Property Management does not have background investigation oversight responsibility for contractors. Rather, according to the Office of Contracting and Personal Property Management's procedures, it is the Contracting Officer's Technical Representative's responsibility to coordinate background investigations, if required.¹⁰ The procedures describe steps that Contracting Officer's Technical Representatives need to take to coordinate background investigations with OPS. While the number of contractors fluctuates, the Smithsonian may rely on more than 1,500 contractors at any given time.

In addition, two Smithsonian contractors sponsor their own employees. The Friends of the National Zoo sponsors about 400 of its employees, who were included in the affiliated individual sample. The Smithsonian Early Enrichment Center also sponsors about 50 of its employees, who were not included in the affiliated individual sample. However, OIG verified that OPM had a record of a background investigation for all Smithsonian Early Enrichment Center employees.

Background Investigation Process

The Smithsonian's background investigation process is managed by the Personnel Security and Identification Office (PSIO), which is within OPS. Since October 2016, OPS has reported directly to the Chief Operating Officer and Undersecretary for Finance and Administration.

The Smithsonian's background investigation process applies to Federal and Trust employees as well as affiliated individuals. The Smithsonian uses federal regulations as guidance in developing its policies and procedures for background investigations. Although federal regulations only apply to Smithsonian Federal employees, the Smithsonian's background investigation policies and procedures for Trust employees generally mirror the federal regulations. Locally hired Panamanian employees at STRI are not considered Federal or Trust employees and are not required to undergo background investigations.

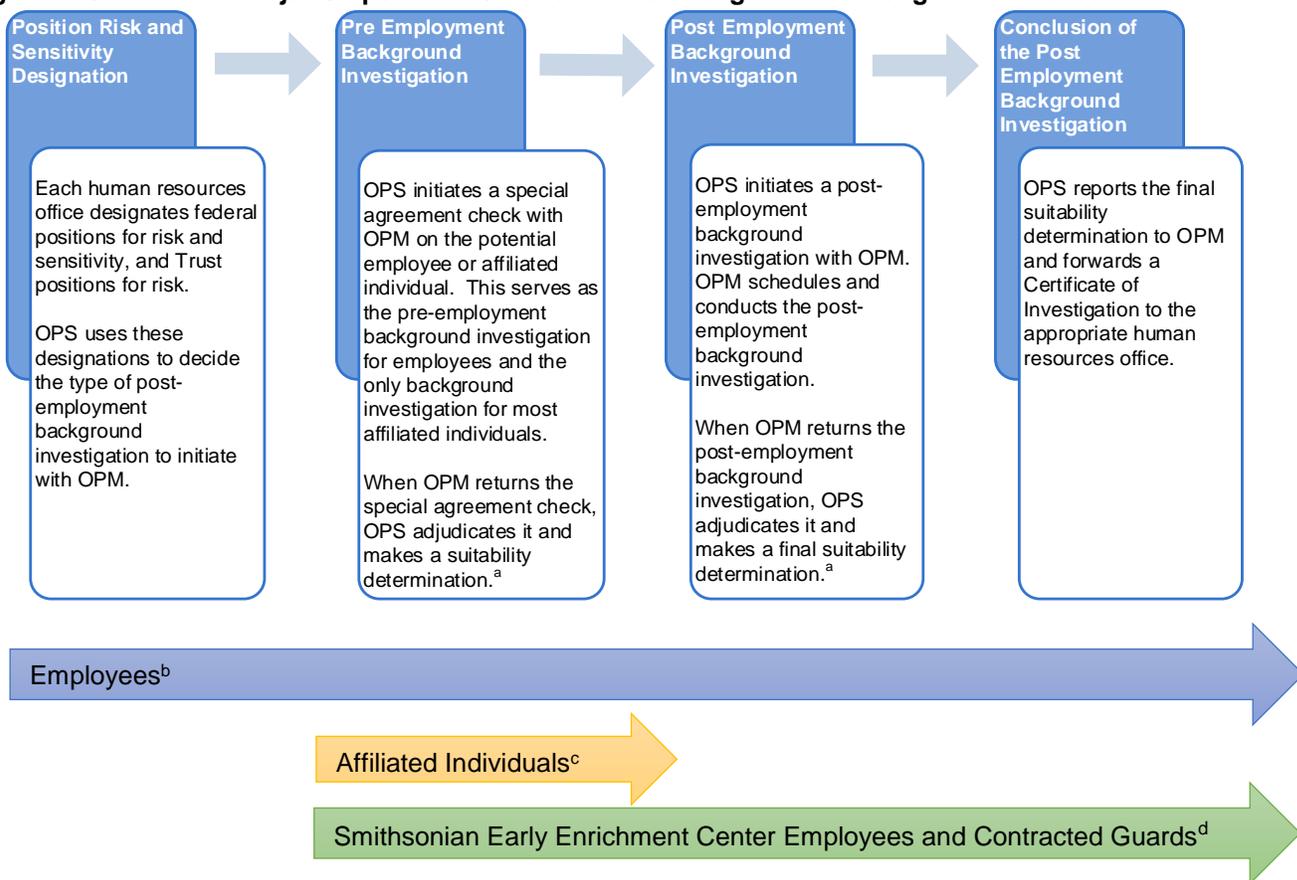
⁹ STRI and SAO academic appointees are managed locally and are not the responsibility of the Office of Fellowships and Internships.

¹⁰ *Background Investigations and Credentials for Contractors' Personnel*, OCon-520 (October 2009).

There are four major steps in the Smithsonian’s background investigation process: (1) position risk and position sensitivity designation; (2) special agreement check, which will be referred to as the pre-employment background investigation in this report; (3) post-employment background investigation; and (4) conclusion of the post-employment background investigation.

All federal positions are required to receive a position risk and sensitivity designation, while Trust positions are only required to receive a position risk designation. After accepting an offer of employment, Smithsonian employees go through the last three major steps, while most affiliated individuals only undergo the pre-employment background investigation. However, Smithsonian Early Enrichment Center employees and contract guards, although considered affiliated individuals, also receive post-employment background investigations. Figure 2 provides more detail on the background investigation process.

Figure 2. Overview of Major Steps in the Smithsonian's Background Investigation Process



Legend: OPM=U.S. Office of Personnel Management; OPS=Office of Protection Services

Source: Office of the Inspector General analysis of Smithsonian policies and procedures and interviews with Smithsonian Institution officials.

Notes:

^a If OPS discovers potentially disqualifying information from a pre- or post-employment background investigation, it will consult with human resources prior to making a suitability determination.

^b For employees, the applicable human resources office must designate their positions and OPS is responsible for the last three major steps of the background investigation process.

^c Affiliated individuals only go through the pre-employment background investigation step.

^d Smithsonian Early Enrichment Center employees and contract guards go through the last three major steps of the background investigation process.

Step 1: Position Risk and Sensitivity Designation

Position designation is a complex process that assesses duties and responsibilities of a position to determine the potential damage that could result from the misconduct of an individual occupying the position. Proper position designation is the foundation for an effective background investigation process.

For new Federal and Trust employees, three human resources offices (OHR, SAO-HR, and SE-HR) must establish position designations to determine the level of post-employment background investigation that will be required for the individual selected to fill the vacancy.¹¹ Affiliated individuals do not receive position designations or post-employment background investigations.

Federal regulations and Smithsonian policy require that covered federal positions are evaluated for both risk and sensitivity.¹² Smithsonian policy requires that Trust positions only be evaluated for risk.¹³ The employees' position risk and, if applicable, position sensitivity are recorded on a position description or an OPM Automated Tool printout.¹⁴

Position risk is defined as the effect a position has on the efficiency or integrity of the service. Positions are designated at one of the following three risk levels:

- Low-risk positions involve duties and responsibilities that have limited impact on the integrity and efficiency of the agency's mission or programs.
- Moderate-risk positions involve duties and responsibilities that may have moderate to serious impact on the integrity and efficiency of the agency's mission or programs. Employees in these positions may have responsibility for independent or semi-independent action.
- High-risk positions involve duties and responsibilities that may have an exceptionally serious impact on the integrity and efficiency of the agency's mission or programs. Employees in these positions may make policy decisions, have high-level management duties, or have the authority for independent action.

Position sensitivity is defined as the potential impact a position has on national security. Positions that do not have an impact on national security are defined as nonsensitive; positions that are considered sensitive fall into one of the following three categories:

¹¹ STRI-HR primarily handles locally hired Panamanian employees, who do not go through the OPM position designation or background investigation process.

¹² 5 C.F.R. 1400 §§ 102, 201 (2015), 5 C.F.R. 731 § 106 (2011), 5 C.F.R. 732 §§ 102, 201 (2001), and Smithsonian Directive 212, *Federal Personnel Handbook*, Chapter 731, *Personnel Security*, Exhibit A, *Criteria for Designating Positions* (November 3, 2010).

¹³ Smithsonian Directive 213, *Trust Personnel Handbook*, Chapter 731, *Personnel Security*, Exhibit A, *Criteria for Designating Positions* (November 3, 2010).

¹⁴ OPM's *Position Designation Automated Tool* is a web-based program that agencies can use to establish position risk and position sensitivity. OPM provides this tool in order to ensure a systematic, dependable, and uniform way of making position designations.

- Noncritical sensitive positions are those that have the potential to cause significant or serious damage to national security. Noncritical sensitive positions include those involving access to confidential or secret information.
- Critical sensitive positions are those that have the potential to cause exceptionally grave damage to national security. Critical sensitive positions include those involving access to top secret information.
- Special sensitive positions are those that have the potential to cause inestimable damage to national security.

The vast majority of positions at the Smithsonian do not have an impact on national security and are therefore deemed nonsensitive. The Smithsonian has only three federal and six Trust positions that are classified as noncritical sensitive and, under federal regulations, must also be designated as moderate or high-risk. Positions that do not carry a national security sensitivity designation can be designated as low-, moderate-, or high-risk.¹⁵

OHR, SAO-HR, and SE-HR evaluate the risk and, if required, sensitivity for federal and Trust positions prior to announcing a job opening.¹⁶ As part of the hiring process, the three human resources offices record the position risk designation on the potential employees' tentative offer letters. According to the supervisor of the Personnel Security and Identification Office, the human resources offices only include risk on the tentative offer letters because Smithsonian employees (except for nine) do not have sensitivity designations. The human resources offices send the tentative offer letters to the potential employees and OPS. These letters are the only official communication OPS receives to identify the required level of post-employment background investigation for the employees.

Once a prospective employee clears the pre-employment background investigation and is hired, the three human resources offices are supposed to file the position description in the employee's Official Personnel Folder. According to OHR officials, the risk and sensitivity designations in the Official Personnel Folder are the risk and sensitivity designations of record.

Step 2: Pre-Employment Background Investigation

OPS initiates a pre-employment background investigation through OPM on potential Federal or Trust employees and certain affiliated individuals.¹⁷ This investigation involves a review of previously conducted background investigations and a check of fingerprints in the criminal history records maintained by the Federal Bureau of Investigation.

¹⁵ 5 C.F.R. 731 § 106 (2011).

¹⁶ STRI-HR does not designate risk or sensitivity for its Panamanian local hires because those employees do not undergo background investigations.

¹⁷ Affiliated individuals who are associated with the Smithsonian for fewer than 30 days and who do not require unescorted access to staff-only areas of Smithsonian facilities are not required to have background investigations. This group consists mainly of volunteers, contractors, and academic appointees.

To begin the pre-employment background investigation, the potential employee or affiliated individual must complete the Optional Form-306 *Declaration for Federal Employment* (Optional Form-306), which includes questions relating to demographic information, Selective Service registration, military service, terminations, criminal conduct, and federal debt delinquency. OPS reviews the Optional Form-306 and initiates the pre-employment background investigation if there is no disqualifying information. However, if the potential employee or affiliated individual reports potentially disqualifying information on the Optional Form-306, OPS will interview the candidate prior to initiating the pre-employment background investigation to determine whether to go forward with the process.

Once OPM returns the pre-employment background investigation, OPS adjudicates the background investigation and makes a suitability determination using OPM criteria.¹⁸ If OPS discovers potentially disqualifying information from the pre-employment background investigation, it will consult with the hiring human resources office prior to making the final suitability determination. For Federal and Trust employees, OPM will conduct an additional post-employment background investigation. For most affiliated individuals, this is the only background investigation that is conducted. As previously mentioned, the Smithsonian does require an OPM-conducted post-employment background investigation for Smithsonian Early Enrichment Center employees and contract security guards.

Smithsonian policy requires that most employees hired by the Smithsonian, as well as affiliated individuals who are associated with the Smithsonian for more than 30 days and require unescorted access to staff-only areas, receive an official Smithsonian identification badge.¹⁹ After successfully clearing the pre-employment background investigation, PSIO will issue an identification badge for the employee or affiliated individual. The Smithsonian identification badge for employees and affiliated individuals is valid for up to 5 years or for the duration of the individual's association with the Smithsonian, whichever is less.

Step 3: Post-Employment Background Investigation

OPS initiates the post-employment background investigation through OPM for newly hired Federal and Trust employees and for certain affiliated individuals (Smithsonian Early Enrichment Center employees and contract guards).²⁰ For Federal and Trust employees, the level of post-employment background investigation that is conducted corresponds to the position risk designation found in the tentative offer letters. Contract guards and Smithsonian Early Enrichment Center employees receive the post-employment background investigation that

¹⁸ Adjudication is an examination of a person's character or conduct over time, resulting in a favorable or unfavorable determination of their employment suitability. A suitability determination is a decision by OPM or an agency with delegated authority that a person is suitable or not suitable for federal employment. Suitability is defined as a person's identifiable character traits and conduct sufficient to decide whether an individual's employment or continued employment would or would not protect the integrity or promote the efficiency of the service.

¹⁹ Employees and affiliated individuals at the Smithsonian Tropical Research Institute; Smithsonian Astrophysical Observatory; and Marine Station Fort Pierce, Florida, are not required by Smithsonian policy to receive an official Smithsonian identification badge.

²⁰ OPS does not request post-employment background investigations for temporary employees whose appointments do not exceed 180 days.

corresponds with a low-risk designation. Smithsonian Early Enrichment Center employees also receive additional checks for crimes against children in every state where they have lived. To initiate the post-employment background investigation, OPS sends an email to the new hire with instructions to fill out OPM's Electronic Questionnaires for Investigations Processing (e-QIP).²¹ In the email, OPS also explains that the individual's start date may be delayed if e-QIP is not completed within 5 business days after receipt of the email.

Once the individual fills out e-QIP, OPS reviews it for accuracy and completeness and transmits it to OPM to schedule a post-employment background investigation. If the information on the questionnaire meets OPM's quality standards, OPM will schedule the post-employment background investigation. Otherwise, OPM will reject the submission. If OPM rejects an e-QIP submission, OPS must contact the individual to correct e-QIP before it can be resubmitted to OPM.

The Smithsonian pays OPM to conduct the various background investigations and, as the risk level of the position increases, so does the cost of the investigation. OPM forwards the completed post-employment background investigation to OPS, and OPS adjudicates the post-employment background investigation and makes a final suitability determination.²² Table 1 describes the details and cost of each type of background investigation conducted by OPM.

Table 1. Types of Background Investigations for Smithsonian Employees and Affiliated Individuals and Cost of Each in Fiscal Year 2018

Type of Background Investigation	Description of Background Investigation	Cost in Fiscal Year 2018
Pre-employment Background Investigation		
Special Agreement Check	The special agreement check (referred to as a pre-employment background investigation in this report) consists of a review of U.S. Office of Personnel Management's (OPM) Security and Suitability Investigations Index to identify any prior investigative records. It also includes a check of the Federal Bureau of Investigation records for fingerprints.	\$20.00
Post-employment Background Investigations		
Low-Level Background Investigation	For low-risk positions and certain affiliated individuals such as contract guards, OPM performs a low-level background investigation. This type of investigation includes a review of military records; checks of local law enforcement agencies where the person has lived; and written inquiries to former employers and supervisors, personal references, and schools.	\$194.00
Low-Level Background Investigation with Childcare Responsibilities	For Smithsonian Early Enrichment Center employees, OPM performs a low-level background investigation and checks in every state where the person has lived.	\$194.00 + \$5.00 processing fee in addition to varying fees charged by each state
Moderate-Level Background Investigation	For moderate-risk positions, OPM performs a post-employment background investigation that is similar to the low-level background investigation but more thorough. It also includes an interview of the employee.	\$1,550.00
High-Level Background Investigation	For high-risk positions, OPM performs a background investigation that incorporates all the elements of the moderate-level investigation as well as interviews with current or prior employers, officials of schools, current or prior neighbors, and a review of any court actions for the past 5 years.	\$4,218.00

Source: Office of the Inspector General analysis of OPM and Office of Protection Services background investigation information.

²¹ e-QIP is a web-based automated system that was designed to facilitate the processing of standard investigative forms used when conducting background investigations for federal security, suitability, fitness, and credentialing purposes.

²² The Personnel Security and Identification Office within OPS manages the background investigation and badging process for the Smithsonian.

Step 4: Conclusion of the Post-Employment Background Investigation

To conclude the post-employment background investigation process, OPS reports the final suitability determination to OPM and forwards a Certificate of Investigation to the appropriate human resources office to be filed in the employee's Official Personnel Folder. Administrative action based on disqualifying information found in the background investigations may include withdrawal of an offer of employment, denial of assignment to a different position, or removal from employment.

RESULTS OF THE AUDIT

The Smithsonian Obtained Required Pre-Employment Background Investigations for Sampled Employees and Affiliates

To assess their suitability for employment or affiliation, the Smithsonian requires potential Federal and Trust employees and certain affiliated individuals to receive pre-employment background investigations. OIG analysis showed that all sampled Smithsonian employees and affiliated individuals who were hired or joined the Smithsonian in 2015 received a pre-employment background investigation as required.

To determine whether employees received pre-employment background investigations, OIG analyzed a statistical sample of 85 of 731 employees (Federal and Trust) hired in 2015. The analysis showed that all 85 sampled employees received a pre-employment background investigation as required.²³ The Federal and Trust employee sample included the following:

- 24 Federal and 38 Trust employees hired by OHR who have a wide range of duties such as maintenance, administration, and security;
- 16 Trust employees hired by SE-HR who are mostly retail cashiers; and
- 7 Trust employees hired by SAO-HR who are astrophysicists or provide support functions.

To assess if affiliated individuals obtained the required pre-employment background investigations, OIG analyzed a statistical sample of 92 of 4,049 affiliated individuals who joined the Smithsonian and had an Identity Management System record in 2015. The analysis showed that all 92 affiliated individuals had received pre-employment background investigations.²⁴ The affiliate sample included 37 contractors, 32 volunteers, 17 interns, 5 research associates, and 1 parent of a Smithsonian Early Enrichment Center student.²⁵ OIG selected the affiliate sample

²³ STRI local hires are not required to receive any background investigations. Therefore, OIG did not include STRI local hires in the employee sample.

²⁴ The affiliate sample did not include Smithsonian Early Enrichment Center employees because OIG determined that all Smithsonian Early Enrichment Center employees received a background investigation by checking OPM's records.

²⁵ The Smithsonian considers parents of Smithsonian Early Enrichment Center students to be affiliated individuals who require a background investigation because they have access to staff-only areas when they drop off and pick up their children before and after school.

from the Smithsonian's badging system. However, because the Smithsonian does not have a central registry of all affiliated individuals, OIG could not ensure that the sampled population included all affiliated individuals who were required to undergo a pre-employment background investigation.

The Smithsonian Has No Assurance that Most Employees Received the Required Level of Post-Employment Background Investigation

In a sample of 85 employees that the Smithsonian hired in 2015, OIG found definitive evidence that only 30 (35 percent) had received the required level of post-employment background investigation. OIG also determined that 5 employees in the sample had received the wrong level of background investigation, and 10 had received no post-employment background investigation at all. However, OIG could not determine whether nearly half of the sample (40 employees) had received the required level of post-employment background investigations. Although the Smithsonian has general policies to govern the position designation process, the human resources offices have no written procedures to implement these policies to uniformly designate position risk and sensitivity for Federal and Trust employees. The mistakes come at a cost. OIG found that the use of an automated tool to establish risk designation for new SE retail employees alone could save an estimated \$165,000 a year in background investigation expenses, almost one-third of what was spent for background investigations in fiscal year 2016.

OIG Could Determine That Only 35 Percent of the Sampled Employees Received the Required Level of Post-Employment Background Investigation

Position risk and sensitivity designations for an employee's position establish the level of post-employment background investigation that is conducted for new Federal and Trust employees. To determine whether 85 sampled employees received the required level of background investigation, OIG reviewed the employees' Official Personnel Folders, where such designations are to be recorded, as well as the tentative offer letters that OHR uses to inform OPS of a position's risk designation. The risk designation is important because it determines whether a low-, moderate-, or high-level post-employment background investigation is conducted.²⁶

OIG was able to find definitive evidence that only 30 (35 percent) of the 85 sampled employees hired in 2015 had received the required level of post-employment background investigation.

For the remaining 55 employees, OIG found the following:

- 5 employees (6 percent) had received the wrong level of post-employment background investigation because their tentative offer letters were either missing position risk designations or had incorrect position risk designations.
- 10 employees (12 percent) had received no post-employment background investigations at all as of April 30, 2017, meaning they had been on staff for at least 6 months -- or

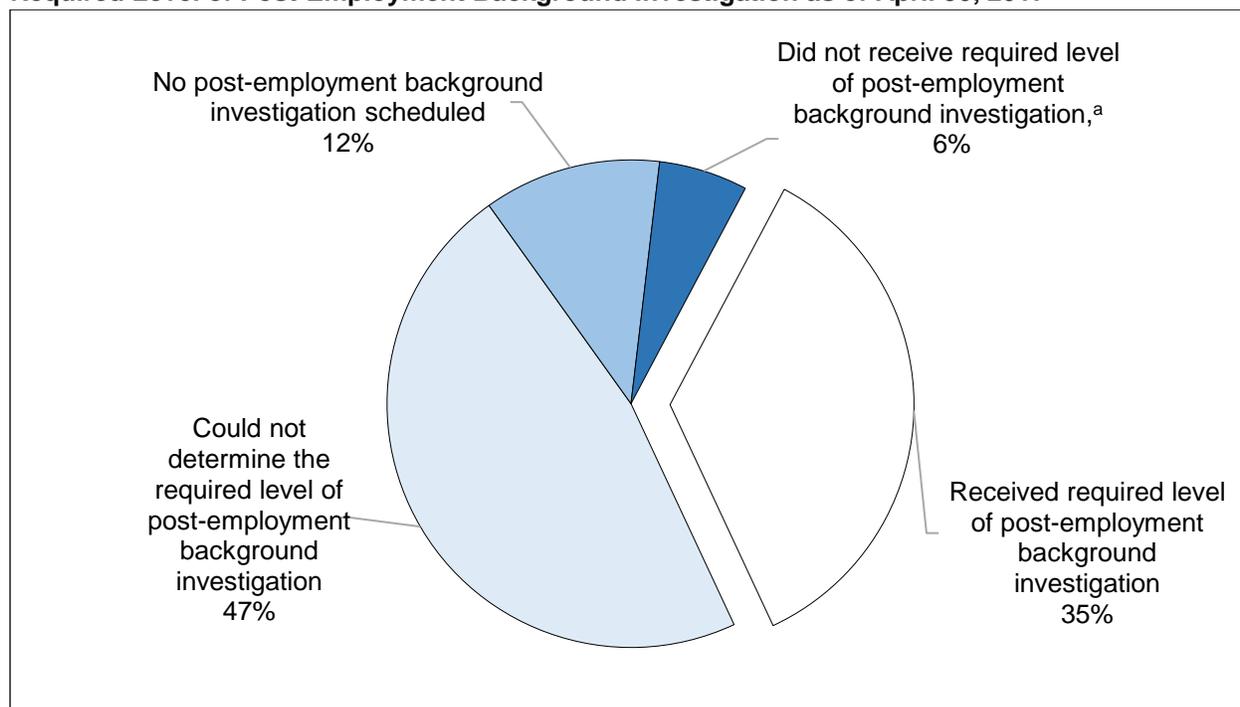
²⁶ According to the supervisor of the Personnel Security and Identification Office, the human resources offices only include risk on the tentative offer letters because Smithsonian employees (except for nine) do not have national security sensitivity designations.

longer -- without the required post-employment background investigations to ensure that they had the appropriate character and conduct to be associated with the Smithsonian.

- 40 employees (47 percent) had undergone post-employment background investigations of some sort, but there was no way for OIG to determine whether those investigations were at the proper level because the human resources offices inaccurately designated or did not document the position risk in the Official Personnel Folder.

See Figure 3 for a summary of OIG's analysis of post-employment background investigations.

Figure 3. Percentage of Sampled Employees Hired in 2015 Who Did or Did Not Receive the Required Level of Post-Employment Background Investigation as of April 30, 2017



Source: Office of the Inspector General analysis of position designations and background investigations for 85 sampled employees as of April 30, 2017.

Notes:

^a One of the five employees initially did not receive the required level of post-employment background investigation. However this was corrected on April 16, 2016, after Office of Protection Services discovered the error.

All five employees who received a lower-level post-employment background investigation than required fell under the jurisdiction of OHR.²⁷ They received an incorrect level of background investigation because OHR either included the wrong risk level or no risk level in their tentative offer letters. (OPS relies on the offer letters to initiate the background investigations.) As a result, four of the five employees received a low-level post-employment background investigation rather than the required moderate level. The employees in this group were two fundraising assistants, a security guard, and a zoological veterinary medical resident. The fifth

²⁷ For one of these employees, a security guard, OPS discovered the mistake and corrected it during OIG's audit.

employee, a supervisory information technology specialist, received a moderate-level investigation rather than the required high-level investigation.

Of the 10 employees (12 percent) who had received no post-employment background investigation as of April 2017, 6 were the responsibility of SE-HR, 2 were the responsibility of OHR, and 2 were the responsibility of SAO-HR. The employees held the following positions: accounts payable coordinator, library technician, market place coordinator, museum aid, parking or retail associate (5), and purchasing agent. As of June 2018, 6 of these employees no longer worked for the Smithsonian, 2 had undergone a post-employment background investigation, and 2 still had not had a post-employment background investigation scheduled.

Mistakes by all three human resources offices made it impossible for OIG to determine, from Official Personnel Folder documentation, whether or not 40 employees in the sample (47 percent) had received the required level of post-employment background investigation. The mistakes that led to this finding are discussed in the next section.

Based on the results of the 85-employee sample, OIG estimates that the required level of post-employment background investigation may have been conducted for only 258 (35 percent) of the 731 employees hired in 2015.²⁸

OIG Could Not Determine Whether 40 Sampled Employees Had Received the Required Level of Post-Employment Background Investigations

The three human resources offices responsible for establishing the required level of post-employment background investigations for new employees (OHR, SE-HR, and SAO-HR) made numerous incorrect designations and often lacked complete and accurate records for the position designations. As a result, OIG could not determine whether nearly half of the sampled employees (40 of the 85 or 47 percent) received the required level of background investigation.

OHR Made Position Designation Mistakes in 25 Cases

OIG was unable to determine whether 25 sampled employees under the jurisdiction of OHR had the required level of post-employment background investigation because 23 did not have risk designations for their positions, and 2 had conflicting risk designations in their Official Personnel Folders. Risk designation establishes the required level of investigation.

In addition to risk designation mistakes, OHR made sensitivity designation mistakes for six of these employees. For three Federal employees, OHR did not make a position sensitivity designation at all, as required by federal regulations and Smithsonian policy. These employees held the following positions: animal keeper, electrician, and painter.

²⁸ This estimate is at the 95-percent confidence level and has a margin of error of plus or minus 11 percent or less.

For three other employees, OHR incorrectly designated their positions as noncritical sensitive. That designation indicates that the position has an impact on national security and could require access to classified information. These employees held the following positions: attorney-adviser, exhibit specialist, and museum aid, none of which had national security responsibilities.

SE-HR Made Incorrect Sensitivity Designations Rather than Required Risk Designations in 10 Cases

OIG was unable to determine whether 10 sampled employees under the jurisdiction of SE-HR received the required level of post-employment background investigation because they did not have risk designations in their Official Personnel Folders. Instead, SE-HR incorrectly designated these positions as noncritical sensitive, indicating that the position has an impact on national security and could require access to classified information. There are only nine employees with security clearances in the entire Smithsonian workforce, and none of them works for SE.

Although OIG found a few incorrect noncritical sensitive designations by OHR and SAO-HR, SE-HR wrongly used the noncritical sensitive designation for all of its sampled employees. The SE-HR director told OIG that the PSIO supervisor had requested that SE-HR use low-, moderate-, and high-risk designations rather than a sensitivity designation to comply with a Smithsonian policy that has been in place since 2010. However, SE-HR continued to designate the positions as noncritical sensitive rather than using a risk designation. The SE-HR director said the position designations had not been updated due to staffing shortages.

Even though no risk designation was specified for the 10 sampled SE employees, OPS initiated moderate-level post-employment background investigations for them. Based on discussions with the supervisor of PSIO and SE-HR, OIG confirmed that OPS and SE-HR had a mutual understanding that these employees were to receive moderate-level post-employment background investigations. However, without a risk designation, SE-HR has no evidence to support whether the moderate-level post-employment background investigation was the correct level. In fact, OIG found evidence to suggest that low-level, rather than moderate-level investigations, should have been initiated.

SAO-HR Made Position Designation Mistakes in Five Cases

OIG was unable to determine if five sampled employees under the jurisdiction of SAO-HR received the required background investigations because they did not have a risk designation in either their Official Personnel Folders or tentative offer letters. These five employees included four astrophysicists and one accounting technician.

Despite having no position risk designation in the Official Personnel Folders or tentative offer letters, all five SAO employees received low-level post-employment background investigations, which may or may not have been correct.

The Human Resources Offices Did Not Have Procedures to Consistently Establish the Required Level of Background Investigation

Although the Smithsonian has general policies to govern the position designation process, the human resources offices do not have written procedures to implement these policies or to uniformly designate position risk and sensitivity for Federal and Trust employees. There also is no effective management oversight of the process.

Smithsonian policies designate OHR as the office responsible for implementing human resources policies throughout the Smithsonian. OHR, SAO-HR, and SE-HR are responsible for designating positions for risk and, if required, for sensitivity for the employees who fall under their jurisdiction. However, OIG found no written procedures or guidance that would help ensure that the three offices correctly and consistently implemented the process.

For example, federal regulations require that agencies use a specific methodology to establish position risk and sensitivity designations for federal positions.²⁹ OPM has developed an Automated Tool that can be used to ensure that designations are correct.³⁰ OHR officials said their staff should use the tool for both Federal and Trust employees, but OIG found it was not being consistently used for the sampled employees under OHR's jurisdiction. In addition, OIG found no written policy or procedure requiring the three human resources offices to use OPM's Automated Tool to determine the level of post-employment background investigations.

There also is no requirement for sensitivity designations for Trust positions. In August 2015, six Trust positions were designated as noncritical sensitive, meaning the positions have an impact on national security and may require access to classified information. However, Smithsonian policy does not require the human resources offices to designate sensitivity for Trust positions, so it is possible there may be other Trust positions with an impact on national security that have not been identified.

OHR has no written guidance or procedures on how its staff or the other two human resources offices should communicate position risk designations to OPS, although the practice was to use the tentative offer letters. This lack of guidance or communication is a factor that likely contributed to the three human resources offices providing no risk levels or inaccurate risk levels in some tentative offer letters and to post-employment background investigations being conducted without any evidence of the position risk being communicated to OPS.

OIG also found that the three human resources offices were inconsistent in the locations where they recorded position risk and sensitivity designations. OIG found that the three offices recorded position risk and sensitivity designations in numerous locations, including position description cover sheets, position descriptions, letters, and printouts from OPM's *Position Designation Automated Tool*.

²⁹ 5 C.F.R. 731 §§§ 102 (2008), 103 (2008), 106 (2011).

³⁰ OPM's *Position Designation Automated Tool* is a web-based program that agencies can use to assess position risk and sensitivity. OPM provides this tool in order to ensure a systematic, dependable, and uniform way of making position designations.

In addition, OIG found no OHR oversight and monitoring that would have revealed significant shortcomings in the position designation process. Effective oversight and monitoring would help identify missing or incorrect position designations, lack of documentation, and inconsistent operations of the three human resources offices. When there is no documentation in the Official Personnel Folder, there is no way to determine whether a risk and sensitivity designation was ever made for that employee. Also, if there is no position risk designation information in the tentative offer letter, OPS lacks the information about the required level of post-employment background investigation that it needs to initiate.

Furthermore, when the human resources offices incorrectly designate an employee as noncritical sensitive, it wrongly indicates that the position has national security duties. If that were the case, the individual holding that position typically would need a security clearance. However, the Smithsonian has only three federal and six Trust positions that currently fall into this category. The 33 of 85 sampled employees who were assigned a noncritical sensitive designation suggests that the human resources offices do not understand position risk and sensitivity designation – a fundamental concept in this process.

Policies and procedures are important tools for establishing and communicating controls to staff. They help ensure that processes are properly executed, consistently applied, and appropriately documented. Oversight of the process helps identify instances when the policies and procedures are not being properly or consistently applied and appropriately documented.

Use of OPM's Automated Tool to Determine Risk Designation Could Save an Estimated \$165,000 or More Annually

To assess the impact of more consistent procedures in designating position risk, OIG and SE-HR used OPM's Automated Tool to determine the required risk designation for all SE employees. The tool determined that all of the SE positions should be designated as low risk as opposed to the moderate-risk designation that was routinely being used by SE-HR.

SE-HR officials agreed that it may be reasonable for its more than 300 retail positions to be designated as low risk, although they said that designation was not appropriate for all SE employees.

Regardless of whether the designation applies to all SE employees or just the retail positions, there is a substantial cost implication because a moderate-level investigation is significantly more expensive than a low-level investigation. OIG estimated that the Smithsonian could have saved about \$165,000 annually if SE-HR had used the lower level of background investigation reflected in OPM's Automated Tool just for its new retail employees.

OIG arrived at this figure by using the 133 retail employees that SE hires on average each year who would have received moderate-level post-employment background investigations.³¹ The charge for a moderate-level background investigation was \$1,423 in 2016, compared with \$182 for a low-level background investigation, a difference of \$1,241 per investigation.

That figure is nearly one-third of the total amount the Smithsonian spent on all background investigations in fiscal year 2016. The potential savings could be even greater if the Automated Tool were used to designate position risk and sensitivity for all SE and Smithsonian positions.

OPS Did Not Ensure Post-Employment Background Investigations Were Always Scheduled or Scheduled Promptly

To ensure that post-employment background investigations are conducted, OPS must schedule them with OPM. However, OIG found that required post-employment background investigations were not always scheduled or scheduled promptly. In addition, OPS did not have procedures to monitor the post-employment background investigation process.

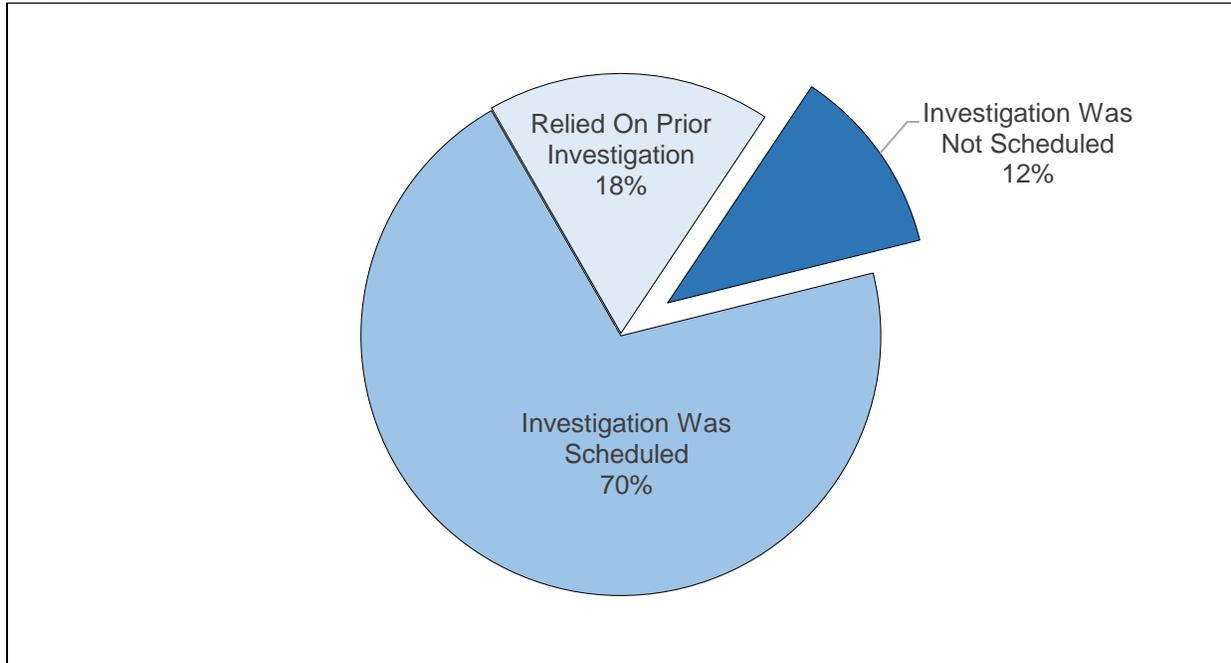
OPS Did Not Schedule Post-Employment Background Investigations for 12 Percent of Sampled Employees

Smithsonian policy requires that post-employment background investigations be conducted on all Smithsonian Federal and Trust employees.³² OIG found that OPS scheduled these investigations or correctly relied on prior post-employment background investigations for 88 percent of sampled employees, but 12 percent of sampled employees did not receive a post-employment background investigation. The status of post-employment background investigations, as of April 30, 2017, for the 85 sampled employees hired in 2015 is shown in Figure 4.

³¹ This average is based on OIG's analysis of SE retail division hiring data for calendar years 2015 and 2016. In those 2 years, 265 of the 401 new retail employees hired by SE required a post-employment background investigation – an average of 133 per year. The new retail employees who required a post-employment background investigation included those with permanent appointments and those with temporary appointments whose employment exceeded 180 days.

³² Smithsonian Directive 212 *Federal Personnel Handbook*, Chapter 731, *Personnel Security* (November 3, 2010), and Smithsonian Directive 213 *Trust Personnel Handbook*, Chapter 731, *Personnel Security* (November 3, 2010).

Figure 4. Status of Scheduling Post-Employment Background Investigations for 85 Sampled Employees Who Were Hired in 2015



Source: Office of the Inspector General analysis of U.S. Office of Personnel Management and Smithsonian Institution records as of April 30, 2017.

As of April 30, 2017, for the 85 sampled employees hired in 2015, OPS

- had scheduled 60 employees' post-employment background investigations (70 percent);
- did not need to schedule 15 employees' post-employment background investigations (18 percent) because of correctly relying on a prior background investigation; and
- did not schedule 10 employees' post-employment background investigations (12 percent) when they were hired or when their temporary appointments were extended.³³

Based on the results of this sample, OIG estimates that OPS did not schedule post-employment background investigations for 86 of the 731 employees hired in 2015.³⁴

³³ These individuals should have had post-employment background investigations scheduled between September 5, 2015, and June 4, 2016, reflecting the dates when they were hired or when their temporary appointments were extended.

³⁴ This estimate is at the 95-percent confidence level and has a margin of error of plus or minus 8 percent or less.

OPS Did Not Always Schedule Post-Employment Background Investigations Promptly

There is no specific time requirement for scheduling post-employment background investigations in either Smithsonian policy or federal regulations.³⁵ However, OPS asks prospective employees to fill out the e-QIP form within 5 business days so their post-employment background investigations can be scheduled, suggesting the intent of prompt scheduling. OIG found that more than one-third (23 of 60) of the post-employment background investigations from the sample were scheduled prior to the employees' first day of work. This means the employees had completed e-QIP and that OPS had reviewed it and had submitted it to OPM.

As shown in Figure 5, OPS scheduled post-employment background investigations for 13 sampled employees within 30 days of their first day of work but took longer than 30 days to schedule post-employment background investigations for 24 employees. Of these, OPS took longer than 180 days to schedule post-employment background investigations for six employees. The longest time for scheduling a post-employment background investigation was 428 days. These delays in scheduling do not include the background investigations that were never scheduled.

³⁵ While there is no specific time requirement to schedule a post-employment background investigation, 5 C.F.R. 731 § 106 (2011) states that investigations should be initiated before appointment but no later than 14 calendar days after placement in the position. OPS initiates a post-employment background investigation when it sends e-QIP to the new-hire.

Figure 5. Number of Days Taken to Schedule Post-Employment Background Investigations for 60 Sampled Employees as of April 30, 2017



Source: Office of the Inspector General analysis of U.S. Office of Personnel Management and Smithsonian Institution records as of April 30, 2017.

Note: Figure 5 does not include post-employment background investigations for 25 of 85 sampled employees because Office of Protection Services (OPS) relied on a prior post-employment background investigation for 15 of them, and OPS did not schedule 10 of them.

OPS Did Not Have Procedures to Monitor the Post-Employment Background Investigation Process

OPS did not have procedures to monitor the post-employment background investigation process. Specifically, OPS did not have procedures to track the status of post-employment background investigations or identify temporary employees whose employment was extended beyond 180 days and who therefore required post-employment background investigations. Further, because there is no monitoring, OPS was not aware that post-employment background investigations for 10 employees in the sample were never scheduled.

Of those 10 employees who, as of April 30, 2017, did not have a post-employment background investigation scheduled, OPS had sent e-QIP forms to 7, but they did not complete the forms. Without accurate and complete e-QIP forms, OPM cannot schedule the post-employment background investigations.

The three other employees had been hired under temporary appointments, which did not initially require a post-employment background investigation.³⁶ However, all three of these employees'

³⁶ Smithsonian Directive 213, *Trust Personnel Handbook*, Chapter 731, *Personnel Security* (November 3, 2010).

appointments were extended beyond 180 days, and OPS should have initiated post-employment background investigations for them at that time. OIG analysis showed that OPS did not initiate the post-employment background investigation for these employees when they were extended because there was no record of OPS sending e-QIP to them when their appointments were extended. OIG determined that two of the three received renewed identification badges when their original badge expired and, when that occurred, they should have undergone post-employment background investigations. The third employee who had no background investigation did not receive an updated identification badge when the first appointment ended and the original badge expired.

Federal internal control guidance emphasizes that management should establish procedures to ensure its objectives are met and to monitor the quality of its performance.³⁷ OPS did not monitor the post-employment background investigation process.

OPS has access to two information systems, the *Identity Management System* (IDMS) and OPM's e-QIP system, that could be used to track the status of background investigations. However, there are no instructions on how to use these systems for that purpose.

According to the IDMS System Security Plan, the system is intended to be used to track the status of background investigations.³⁸ The system includes fields for recording the initiation and completion dates of background investigations, as well as the type of background investigations that are conducted. However, OIG found that the data that IDMS contained were not always accurate.

For example, OIG's analysis showed that OPS had not recorded the completion of the post-employment background investigations or that OPS recorded the wrong levels of post-employment background investigations for 18 of 85 (21 percent) sampled employees. The supervisor of PSIO said that there had been a practice to review the accuracy of data entered into the IDMS system; however, due to staffing shortages, this practice was discontinued. IDMS's data reliability issues reduced its effectiveness as a monitoring system.

OPS uses OPM's e-QIP system to schedule the post-employment background investigations. By logging into the e-QIP system, OPS could tell who had been sent a form and whether or not that employee had filled out the form and returned it. While OPS has written procedures to review e-QIP questionnaires for accuracy, its procedures do not have instructions on handling rejected e-QIP submissions.

By not monitoring the post-employment background investigation process, OPS cannot ensure that all employees receive the required post-employment background investigation and that the investigation is scheduled promptly. As a result, the Smithsonian is at risk that all employees do not have the appropriate character and conduct to be associated with the Smithsonian.

³⁷ GAO, *Standards for Internal Control in the Federal Government*, GAO-14-740G (Washington, D.C.: September 2014).

³⁸ A System Security Plan provides an overview of a system's security requirements and describes the controls implemented to meet those requirements.

More Than 500 Affiliated Individuals with No Background Investigations Had Access to the Smithsonian's Computer Network

OIG determined that as of February 29, 2016, the Office of the Chief Information Officer (OCIO) had granted on-site computer network access to 528 of 2,475 affiliated individuals (21 percent) without required background investigations. This was determined by comparing all affiliated individuals who had computer network access with background investigation records in IDMS, OPS's information system for recording background investigations.³⁹ These computer network users may have had access to Smithsonian email accounts and other sensitive data.

In addition, OCIO also granted remote access to 129 individuals in this group. One was an off-site contractor who had access to sensitive personally identifiable information.⁴⁰ Remote access allows individuals to log into the Smithsonian's computer network from off-site locations where there is less supervision and an increased risk of improper use of the computer network.

Until January 2017, OCIO policy required all computer network users, including affiliated individuals, to undergo at least a pre-employment OPM background investigation.⁴¹ This policy aligned with the National Institute of Standards and Technology (NIST) standards that require organizations to screen individuals prior to granting them computer network access.⁴² These NIST standards are considered to be a minimum requirement for federal information systems.

While OCIO policy required all computer network users to undergo a pre-employment background investigation, OCIO's computer network access form allowed the affiliated individual's supervisor or manager to waive that requirement.⁴³ In addition, OCIO's procedures do not require OCIO to independently verify that a background investigation has been completed prior to granting computer network access. Rather, OCIO relied on the approving official to certify either that a background investigation was conducted or state that a background investigation was not necessary. Specifically, the form stated, "The Approving Official must be a Smithsonian employee and, in the case where a background check has not been completed for a new staff member, the official must be a supervisor or manager." OCIO continues to use an automated version of this form.

On January 1, 2017, OCIO removed the background investigation requirement for computer network users from its policy and replaced it with a reference to Smithsonian Directive 224, *Identity Management Program*, that addresses identity and documentation validation,

³⁹ Although OIG found data reliability errors within IDMS, these errors (dates of investigations and levels of post-employment investigations) were not related to whether or not the individual had a pre-employment background investigation. Therefore, OIG relied on IDMS for this comparison.

⁴⁰ Sensitive personally identifiable information is defined as data elements that, if disclosed or used in combination with other data, could lead to harm of an individual (i.e., identity theft with the intention to do financial harm).

⁴¹ Information Technology Technical Standards and Guidelines IT-930-02, *Security Controls Manual* (January 2014).

⁴² NIST Special Publication (SP) 800-53 Revision 4, *Security and Privacy Controls for Federal Information Systems and Organizations* (April 2013).

⁴³ *Network/E-mail Account Request – New/Change* form revised January 17, 2017, and May 30, 2012.

background investigation, credentialing, and physical access to Smithsonian facilities.⁴⁴ However, that directive does not address background investigation requirements for computer network access, so at the time this report was issued, there was no requirement for background investigations for computer network access. Based on interviews with OCIO management, this appears to have been an unintended consequence of the updated OCIO policy. By not ensuring that all computer network users have background investigations, the Smithsonian increases the risk that its information technology network could be compromised.

Local Hires at the Smithsonian Tropical Research Institute Do Not Undergo Background Investigations

Smithsonian policy does not require the approximately 380 local hires at STRI in Panama to undergo any background investigations. These individuals represent an estimated 90 percent of STRI's employees.⁴⁵ STRI's local hires are covered by STRI human resources policies and Panamanian labor laws, but these policies and laws do not require the Smithsonian to perform any type of background investigation on locally hired Panamanian employees.⁴⁶

STRI's local hires work in a variety of jobs, including senior leadership positions in STRI's finance, human resources, legal, and information technology operations.

According to the director of OHR and STRI's Human Resources supervisor, STRI local hires are not included in the Smithsonian's *Federal and Trust Personnel Handbooks*, which require all Federal and Trust Smithsonian employees to undergo background investigations.⁴⁷ In addition, the Smithsonian's *Identity Management Handbook*, which outlines background investigation procedures for the Smithsonian, specifically excludes STRI from its provisions.⁴⁸

OPS officials said that they did consider background investigations for STRI, but they did not require them because of concerns about conflicts with Panamanian labor laws. However, STRI's legal counsel could not identify any legal constraints that would prevent the Smithsonian from implementing a background investigation program for STRI local hires.

The State Department requires background investigations for its employees who are foreign nationals (local hires).⁴⁹ The State Department's guidance states that heads of overseas

⁴⁴ Smithsonian Directive 224, *Identity Management Program* (October 13, 2016, and September 16, 2009).

⁴⁵ STRI is a Smithsonian research center based in the Republic of Panama that is dedicated to understanding biological diversity. STRI is the only Smithsonian unit headquartered in a foreign country that hires local employees.

⁴⁶ The remaining 10 percent are Federal and Trust employees hired through OHR and undergo background investigations according to Smithsonian policy.

⁴⁷ Smithsonian Directive 212, *Federal Personnel Handbook*, Chapter 731, *Personnel Security* (November 3, 2010), and Smithsonian Directive 213, *Trust Personnel Handbook*, Chapter 731, *Personnel Security* (November 3, 2010).

⁴⁸ *Identity Management Handbook* (February 2016 and September 2012).

⁴⁹ The State Department's Foreign Affairs Manual (FAM), 3 FAM 7222 Security and Suitability Investigation states that heads of overseas establishments may appoint foreign service national employees only after a personal interview has been conducted, an application for employment has been reviewed, and all appropriate host government and post records have been checked.

establishments may appoint foreign service national employees only after a personal interview has been conducted, an application for employment has been reviewed, and all appropriate host government and post records have been checked. This is a standard used for background investigations for other U.S. agencies that hire local employees in foreign countries.

The vast majority of STRI's local hires also have access to the Smithsonian's computer systems. OCIO policy prior to January 2017 required all computer system users to undergo a pre-employment background investigation that would include matching fingerprints against Federal Bureau of Investigation records.⁵⁰ However, OPS and STRI had no background investigation program for Panamanian local hires.

According to STRI officials, prior to January 2017, STRI conducted interviews and performed reference checks, but it did not check Panamanian government records. STRI officials said it would be reasonable to implement a background investigation program with the support of OPS. Furthermore, STRI's human resources supervisor said that, starting in January 2017, STRI began reviewing Panamanian police records provided by the local hires prior to being hired. However, this practice has not yet been included in the Smithsonian's or STRI's policies or procedures.

By not performing background investigations on STRI's local hires, the Smithsonian risks employing individuals who do not have the appropriate character and conduct to work at the Smithsonian or whose histories suggest the potential for inappropriate behavior that could pose a risk to its visitors, collections, information systems, financial assets, or reputation.

The Smithsonian Had No Record of a Background Investigation for More Than 300 Employees

In a 2016 review of the Smithsonian's Personnel Security and Suitability Program, OPM compared a 2014 Smithsonian Federal employee roster with OPM's background investigation database. That review found no record of background investigations for 308 of 3,766 Smithsonian Federal employees (about 8 percent) in OPM's database.⁵¹

In a February 23, 2016, letter responding to OPM, the OPS and OHR directors estimated that the Smithsonian would complete background investigations for the Federal employees identified in the 2016 OPM review by the second quarter of 2017, contingent on obtaining additional resources. However, in June 2018, OPS acknowledged that none of these background investigations had been scheduled.

At OIG's request, OPM compared the employee roster with the OPM database again, and this time added Trust employees. The result showed that as of July 26, 2016, OPM did not have a record of background investigation for 384 of 6,235 Federal and Trust employees (about 6 percent). According to OPM, data is stored in the database for 16 years. For the 384

⁵⁰ Information Technology Technical Standards and Guidelines IT-930-02, *Security Controls Manual* (January 2014).

⁵¹ U.S. Office of Personnel Management Federal Investigative Services Operational Policy Agency Oversight, *Review of the Smithsonian Institution Personnel Security and Suitability Program* (April 2016).

employees without a record of a background investigation in OPM's database, 91 percent were hired prior to 2001. This means they could have had a background investigation, but their records were purged from OPM's background investigation database. However, it is also possible that the Smithsonian never requested a background investigation on these employees since their Official Personnel Folders did not have records indicating that a background investigation had been conducted. In July 2018, the PSIO supervisor said that one-third of the 384 employees were no longer employed by the Smithsonian or had a record of a background investigation in their files.

CONCLUSIONS

The Smithsonian's background investigation process is intended to ensure that employees and affiliated individuals have the demonstrated character and conduct to be associated with the Smithsonian. However, OIG found that the three human resources offices charged with designating risk and sensitivity for job positions – OHR, SE-HR and SAO-HR – were not following the same procedures and that post-employment background investigations were not being conducted as required by federal regulation and Smithsonian policy. The human resources offices regularly made mistakes in designating position risk and sensitivity that determine the required level of post-employment background investigation and in communicating these designations to OPS.

OHR is responsible for implementing human resources policies throughout the Smithsonian, but OIG found no written procedures or guidance that would ensure that the three offices consistently implement the complex position designation process. In addition, OHR is not always using OPM's Automated Tool for risk and sensitivity designations for the employee positions it oversees. Use of the Automated Tool would not only add consistency to the position designation process, it could also result in substantial savings for the Smithsonian by ensuring that the proper level of background investigations are being conducted. Use of the tool for SE retail employees alone could have saved an estimated \$165,000 a year— almost one-third of what was spent for background investigations in fiscal year 2016. In addition, there is no requirement that the human resources offices review Trust positions to determine whether they may have an impact on national security and need a sensitivity designation. OHR and OPS also have no procedures for oversight or monitoring of the background investigation process to ensure that the three human resources offices are complying with Smithsonian policy and that post-employment background investigations are being scheduled at all or scheduled promptly for new employees and temporary employees whose appointments last more than 180 days. Although a system exists to monitor the background investigation process, data errors make it unreliable at the present time.

Comparing the Smithsonian's employee roster with OPM's background investigation database also showed there is no record of background investigations being conducted for more than 300 individuals. Although the OPS and OHR directors estimated more than 2 years ago that background investigations would be conducted by 2017 for those individuals, as of June 2018, none of those investigations has been scheduled. OIG also found that more than 500 affiliated individuals who had not received background investigations were using the Smithsonian's computer systems, meaning they may have had access to email accounts and other sensitive information in violation of OCIO policy. And in January 2017, apparently by mistake, OCIO

removed the previous requirement that computer users have background investigations, so there now is no requirement whatsoever in place. Finally, Smithsonian policy does not require that STRI's locally hired Panamanian employees undergo any background investigations. As a result, STRI could be hiring inappropriate individuals and could be vulnerable to internal threats due to lack of background investigation requirements.

RECOMMENDATIONS

To help ensure that employees receive the required level of background investigation, OIG recommends that the Director of Human Resources develop and implement policies and procedures to do the following:

1. Designate and document position risk and sensitivity for all human resources offices.
2. Include a requirement that Trust positions receive a sensitivity designation.
3. Monitor compliance of position risk and sensitivity designations conducted by all human resources offices.

To strengthen the post-employment background investigations process, OIG recommends that the Director of the Office of Protection Services do the following:

4. Develop and implement procedures to
 - a. establish time frames to schedule post-employment background investigations,
 - b. monitor compliance with the newly established scheduling time frames,
 - c. provide post-employment background investigations for temporary employees whose appointment extends past 180 days, and
 - d. review data in IDMS to ensure that it is accurate and complete.
5. Conduct the required level of background investigations for the sampled employees who did not have a post-employment background investigation scheduled.
6. Conduct the required level of background investigations for those employees without a record of one.

To strengthen compliance with NIST standards that require the screening of individuals before granting them computer system access, the Chief Operating Officer and Under Secretary for Finance and Administration should do the following:

7. Develop and implement a policy to require
 - a. all employees and affiliated individuals to undergo a background investigation prior to being granted computer system access, and
 - b. OCIO to independently verify with OPS that an investigation was completed.

8. Identify all employees and affiliated individuals who have computer system access but have not received background investigations and ensure that they receive background investigations.

To better ensure the suitability of STRI's workforce, the directors of the Office of Protection Services and the Smithsonian Tropical Research Institute should:

9. Develop and implement background investigation policies and procedures for all Smithsonian Tropical Research Institute's locally hired Panamanian employees.

MANAGEMENT RESPONSE AND OIG EVALUATION

OIG provided a draft of this report to Smithsonian management for review and comment. In its written comments, which are reproduced in their entirety in Appendix II, management concurred with all nine recommendations and outlined efforts underway or planned to address them.

In its comments, OPS said OIG did not provide the information on the sampled employees who did not receive a post-employment background investigation. Therefore, OPS said it may need to change the estimated completion date for recommendation 5, which was to conduct post-employment background investigations for the sampled employees who did not receive them. During the audit, OIG did provide OPS information on the 10 sampled employees without post-employment background investigations. OIG did not provide information on the estimated 86 employees who did not receive post-employment background investigations. This number (86) represents an estimate based upon statistical sampling.

Appendix I

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this audit was to determine to what extent the Smithsonian Institution (Smithsonian) ensures that required background investigations are conducted promptly on employees and certain affiliated individuals. The audit focused on the Smithsonian's compliance with federal regulations and its own policies and procedures relating to four major background investigation steps: designation of position risk and sensitivity; pre-employment background investigation (special agreement check); post-employment background investigation; and conclusion of the post-employment background investigation.

To obtain an understanding of the Smithsonian's background investigation program and establish criteria for recommendations, the Office of the Inspector General (OIG) identified and reviewed federal regulations, guidance, and standards, as well as Smithsonian policies and procedures, including the

- Code of Federal Regulations;⁵²
- U.S. Office of Personnel Management (OPM) guidance;⁵³
- Government Accountability Office *Standards for Internal Control in the Federal Government*;⁵⁴
- National Institute of Standards and Technology (NIST) standards and guidelines;⁵⁵
- Department of State *Foreign Affairs Manual*;⁵⁶ and
- Smithsonian Directives, Handbooks, Manuals, and Guidelines.⁵⁷

⁵² 5 C.F.R. 1400 §§ 102, 201 (2015), 5 C.F.R. 731 §§ 102 (2008), 103 (2008), 106 (2011), 5 C.F.R. 732 §§ 102, 201 (2001).

⁵³ *Suitability Processing Handbook*, (September 2008), and *The Guide to Personnel Recordkeeping* (June 1, 2011).

⁵⁴ GAO, *Standards for Internal Control in the Federal Government*, GAO-14-740G (Washington, D.C.: September 2014).

⁵⁵ NIST Special Publication (SP) 800-53 Revision 4, *Security and Privacy Controls for Federal Information Systems and Organizations* (April 2013).

⁵⁶ 3 Foreign Affairs Manual (FAM) 7222, *Security and Suitability Investigation* (September 8, 2015).

⁵⁷ Smithsonian Directive 212, *Federal Personnel Handbook*, Chapter 731, *Personnel Security* (November 3, 2010); Smithsonian Directive 213, *Trust Personnel Handbook*, Chapter 731, *Personnel Security* (November 3, 2010); Smithsonian Directive 224, *Identity Management Program* (October 13, 2016 and September 16, 2009); *Identity Management Handbook* (February 2016 and September 2012); Smithsonian Directive 118, *Privacy Program Handbook* (June 16, 2014); Information Technology Technical Standards and Guidelines IT-930-02, *Security Controls Manual* (January 1, 2017, and January 2014); Office of [Protection] Services (OPS) System Security Plan, *Security Management System (SMS) and ID Management System (IDMS)*, Versions 6.5 and 6.4 (May 2016 and August 2015); and the Personnel Security Identification Office's Standard Operating Procedures (October 2015).

Although federal regulations only apply to Smithsonian Federal employees, the Smithsonian has established background investigation policies and procedures for its Trust employees that are similar to the federal regulations.

OIG also interviewed management and staff in the following Smithsonian units: the Office of Protection Services (OPS), the Office of Human Resources (OHR), the Office of the Chief Information Officer, Smithsonian Enterprises, the Smithsonian Astrophysical Observatory, the Smithsonian Tropical Research Institute (STRI), the Office of Fellowships and Internships, and the Office of Visitor Services. OIG also interviewed officials from the Friends of the National Zoo, the Smithsonian Early Enrichment Center (SEEC), OPM, and the State Department.

Through interviews and walkthroughs, OIG identified, documented, and assessed the key controls of the background investigation process.

To test the key controls and evaluate the effectiveness of the background investigation process, OIG used a statistical sampling software to select two samples: the first consisted of Smithsonian Federal and Trust employees,⁵⁸ and the second consisted of affiliated individuals.⁵⁹ OIG excluded SEEC employees from its affiliate sample because OIG evaluated them separately.

For the first sample, OIG sampled 85 of 731 Smithsonian Federal and Trust employees who were hired in 2015. OIG excluded STRI's locally hired Panamanian employees from its sample because they are not required to receive and do not receive background investigations. For each of the sampled employees, OIG tested the following four major steps of the background investigation process:

1. Designation of position risk and sensitivity – The human resources offices are required to designate position risk and sensitivity and to document that designation in the candidate's tentative offer letter and the employee's Official Personnel Folder.
2. Pre-employment background investigation (special agreement check) – OPS reviews the candidate's Optional Form-306 *Declaration for Federal Employment* for completeness and any possible disqualifying information, then initiates a pre-employment background

⁵⁸ OIG randomly selected its first probability sample from the population of Smithsonian employees hired in 2015. With this probability sample, each member of the study population had a nonzero chance of being selected. This sample is only one of a large number of samples that OIG might have drawn. Since each sample could have provided different estimates, OIG expresses its confidence in the precision of this particular sample's precision estimates as 95-percent confidence intervals (e.g., plus or minus 11 percentage points.) This is the interval that would contain the actual population value for 95 percent of the samples OIG could have drawn. As a result, OIG is 95-percent confident that the confidence intervals in this report will include the true values in the study population. All percentage estimates from the sample of employees have sampling errors (confidence interval widths) of plus or minus 11 percentage points or less.

⁵⁹ OIG randomly selected its second probability sample from affiliated individuals who joined the Smithsonian in 2015 except for Smithsonian Early Enrichment Center employees. Because OIG analysis showed all sampled affiliated individuals received a pre-employment background investigation, OIG did not project the results of this sample to the population.

investigation through OPM. After OPM returns the completed investigation, OPS makes a suitability determination.

3. Post-employment background investigation – OPS initiates a low-, moderate-, or high-level post-employment background investigation using OPM's Electronic Questionnaires for Investigations Processing (e-QIP), based on the position risk designated by the human resources offices. After OPM returns the completed investigation, OPS makes a suitability determination.
4. Conclusion of the post-employment background investigation - OPS forwards the completed Certificate of Investigation to the appropriate Smithsonian human resources office to be filed in the employee's Official Personnel Folder, and OPS reports the suitability determination to OPM within the required 90-day time frame.

In addition, to determine if all Smithsonian Federal and Trust employees and SEEC employees had a record of any background investigation, OIG had OPS compare the human resources rosters for all Smithsonian Federal and Trust employees and SEEC employees with OPM's database of completed background investigations.

In the second sample, OIG sampled 92 of 4,049 affiliated individuals that the Smithsonian relied on in 2015 with records in the Identity Management System. For each of the 92 affiliated individuals, OIG tested their pre-employment background investigations (special agreement check).

In addition, to determine whether all affiliated individuals with access to the Smithsonian's computer network had undergone a background investigation, OIG compared all affiliated individuals who had on-site and remote Smithsonian computer system access with the background investigation records in the Identity Management System as of February 29, 2016. Because there were no unique identifiers in the Smithsonian's computer system such as Social Security numbers, OIG's comparison was based on first and last name. Due to multiple variations in names and spellings, a precise match was not always possible.

OIG also identified potential cost savings that could be realized if Smithsonian Enterprises (SE) used OPM's Position Designation Automated Tool to establish the required level of post-employment background investigation for its retail employees.⁶⁰ OIG calculated the average annual number of retail employees who would have required a post-employment background investigation by using SE's retail division hiring data for calendar years 2015 and 2016. OIG applied OPM's billing rates for post-employment background investigations to estimate the annual cost savings of performing low-level investigations, which was the result when the OPM tool was used, versus the moderate-level post-employment background investigations routinely being conducted on SE retail employees.

⁶⁰ OPM's *Position Designation Automated Tool* is a web-based program that agencies can use to assess position risk and sensitivity. OPM provides this tool in order to ensure a systematic, dependable, and uniform way of making position designations.

OIG assessed the reliability of data from the Identity Management System, Personnel Security Case Management System, and the Human Resources Management System by interviewing system administrators; evaluating information technology access and configuration management security controls; testing the accuracy of the data to source documents and other systems; and obtaining and reviewing information from the 2015 *Financial Statement* and *Federal Information Security Management Act* audits.

OIG conducted this performance audit in Washington, D.C., from October 2015 through September 2018 in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on its audit objective.

MANAGEMENT RESPONSE



Smithsonian Institution

Memo

Date: August 10, 2018

To: Cathy L. Helm, Inspector General

From: Deron Burba, Chief Information Officer, Office of Chief Information Officer
Brenda Malone, Director, Office of Human Resources
Jeanne O'Toole, Director, Office of Protection Services

Cc: Al Horvath, John Davis, Stacy Cavanagh, Michael McCarthy, Cindy Zarate, Greg Bettwy, Tracey Fraser, Matthew Larson, Judith Leonard, Porter Wilkinson, Brian Lowe, Teena Probst, Joan Mockridge, Douglas Hall, Dee Walker, Hugh Meehan, Karen Perry, Dennis Kelly, Dana Moreland, Charles Alcock, Laura Conway, Wendy Jimenez, Jay Sharp, Rodrigo Ramirez, Juliette Sheppard, Kate Forester, Joseph Benham, Corina Guardia.

Subject: Management Response to Office of Inspector General Formal Draft. *A-16-01, Personnel Security: Actions Needed to Strengthen the Background Investigation Process*

This response is submitted on behalf of the Office of Protection Services (OPS), the Office of Human Resources (OHR), and the Office of the Chief Information Officer (OCIO). Thank you for the opportunity to provide additional context. The background investigation is one of the most important security measures that we employ and the final step taken by the Smithsonian Institution (SI) to help ensure a sound hiring decision and protect the SI from a number of potential risks. As such, we are committed to continuing to make Personnel Security for our staff and affiliates a priority.

The governing policy Smithsonian Directive 212/213, Chapter 731, Personnel Security, and its companion Smithsonian Directive 224, Identity Management, will incorporate most of the items identified in your recommendations. To implement these recommendations new policies and procedures will need to be developed and incorporated into these directives. Most of the deadlines identified below include the time necessary for the collaborative policy and directive revision process of the Smithsonian.

Response to Recommendations:

To help ensure that employees and individual affiliates promptly receive the appropriate background investigation, OIG recommends that:

The Director of Human Resources develop and implement policies and procedures to:

1. Designate and document position risk and sensitivity for all human resources offices.
2. Include a requirement that Trust positions receive a sensitivity designation.

OHR Response: Concur with comment: In coordination with OPS and the other affected human resource offices (SE-HR, STRI-HR, and SAO-HR), OHR will revise SD 212 and 213 (Chapter 731) to reflect the appropriate federal and trust position risk and sensitivity designations for all human resource offices. The revised SD will also clarify that the Office of Human Resources shall be responsible for ensuring oversight for these designations across all human resource offices.

Estimated date to complete: 03/31/20

3. Monitor compliance of position risk and sensitivity designations conducted by all human

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Page 2

resources offices.

OHR Response: Concur with comment: OHR and the other affected human resources offices will update the Smithsonian Institution Accountability Guide (SIAG) to include the review of position risk and sensitivity designations as part of the internal review/accountability review process. Additionally, OHR will create a separate Standard Operating Procedure (SOP) that will address this recommendation.

Estimated date to complete: 03/31/20

To strengthen the post-employment background investigations process, OIG recommends that the Director of the Office of Protection Services:

4. Develop and implement procedures to:
 - a. Establish timeframes to schedule post-employment background investigations;
 - b. Monitor compliance with the newly established scheduling timeframes;
 - c. Provide post-employment background investigations for temporary employees whose appointment extends past 180 days; and
 - d. Review data in IDMS to ensure that it is accurate and complete.

OPS Response: Concur with comment. Recommendations 4a-b are addressed as follows:

- a. OPS will revise and include procedures for conducting pre and post-employment background investigations and the coordination required between OHR and the other human resources offices. The revised procedures will include the recent establishment of performance metrics to measure the timeliness of investigative submissions to the National Bureau of Background Investigations (NBIB) for new and existing staff, as appropriate. OPS' goal is to initiate investigative requests to NBIB prior to the appointment of new hires, but no later than 14 calendar days after notification from one of the human resource offices in the Smithsonian.
- b. As defined in paragraph a, OPS will continue to monitor compliance to these new timelines.
- c. OPS and OHR have collaborated and established a notification procedure for staff whose appointments extend past 180 days. OPS will revise the SI-4008, *Application for a SI Credential*, to accommodate renewals for temporary employees, which will assist in generating the requirement for a post-employment background investigation.
- d. OPS will develop and document a quality control program that will provide oversight of day-to-day operations, to include performance metrics and quality assurance checks of IDMS entries, as well as the timely distribution of Certificates of Investigations to the appropriate human resources offices.

Estimated date to complete: 10/01/19

5. Conduct the appropriate background investigation for the sampled employees who did not have a post-appointment background investigation scheduled.

OPS Response: Concur with comment. In the finding referencing post-appointment background investigations, the OIG suggests that OPS did not schedule post-employment background investigations for 86 of the 731 employees hired in 2015. OPS requested the names of the employees that were sampled in order to verify the findings of the OIG, but was not provided with the information.

OPS will continue to coordinate with OHR (and the other human resources offices) to ensure a position designation is recorded for each impacted employee and will initiate the appropriate investigation in

Page 3

accordance with NBIB investigative requirements, if necessary, after being provided the names of the employees.

Estimated date to complete: 10/01/19. However, this date may be modified upon receipt of the names of the affected (86) employees.

6. Conduct the appropriate background investigations for those employees without a record of one.

OPS and OHR Response: Concur with comment: In 2016, OPS began collecting e-QIP security forms from employees for background investigation initiation for the 308 employees identified in the OPM report; however, OPS was unable to move forward because it did not have the position risk or sensitivity designation for the positions. It should be noted that, through employee retirements and separations, the number of affected employees has been reduced to approximately 200. OHR has now distributed the list of those employees who do not have an appropriate background investigation (BI) to the appropriate office, e.g. OHR classifiers, SAO and executive resources. Position descriptions for the affected employees will need to be entered into OPM's Position Designation Tool to determine the appropriate BI required. Once this step has been completed, OPS will initiate the appropriate investigation, if required.

Estimated date to complete: 01/31/20

The Chief Operating Officer and Under Secretary for Finance and Administration:

7. Develop and implement a policy to require:

- a. All employees and affiliated individuals undergo a background investigation prior to being granted computer system access, and
- b. OCIO to independently verify with OPS that an investigation was completed.

OCIO Response: Concur with comment: OCIO will work with OPS to document and implement a policy to require and verify completion of a Special Agency Check (SAC) and/or another appropriate background investigation as part of the process to grant computer network accounts.

Estimated date to complete: 11/30/19

8. Identify all employees and affiliated individuals who have computer system access but have not received background investigations and ensure that they receive background investigations.

OCIO Response: Concur with comment: OCIO and OPS will work together to identify the individuals who have computer network access, but have not received a background investigation. OPS will then complete a SAC and/or another appropriate investigation for those individuals in accordance with new Smithsonian policy.

Estimated date to complete: 03/31/20

The Directors of the office of Protection Services and the Smithsonian Tropical Research Institute (STRI):

9. Develop and implement background investigation policies and procedures for all STRI's locally hired employees.

Page 4

STRI Response: Concur with comment: OPS and STRI are working to develop and implement specific policy requirements and procedures for STRI's background investigations of all locally hired employees and appropriate affiliated staff, which will be included in the revised Smithsonian Directive 213 (Chapter 731) and 224, Identity Management. In the interim, STRI is reviewing the criminal history of all locally hired employees with the local police.

Estimated date to complete: 03/31/20



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