

Office of the Inspector General  
U.S. Government Accountability Office

# SEMIANNUAL REPORT

October 1, 2012 –  
March 31, 2013



*Serving the Congress and the Nation*



O I G

Office of the Inspector General

United States Government Accountability Office

## Memorandum

**Date:** April 26, 2013

**To:** Comptroller General Gene L. Dodaro

**From:** Inspector General Adam Trzeciak

**Subject:** *Semiannual Report—October 1, 2012, through March 31, 2013*

I am submitting this report in accordance with Section 5 of the Government Accountability Office Act of 2008 (GAO Act).<sup>1</sup> The report summarizes the activities of the Office of the Inspector General (OIG) for the first reporting period of fiscal year 2013.

The act requires that you transmit the report to Congress within 30 days after receipt. Your transmittal should also include any comments you consider appropriate.

I appreciate management's support and want to thank GAO's management and staff for their cooperation during our reviews. The OIG's team of dedicated professionals remains committed to helping GAO improve the services it provides for American taxpayers. The accomplishments reported in this letter are the direct result of their efforts.

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<sup>1</sup>31 U.S.C. § 705 (2012).

## **INTRODUCTION**

### THE UNITED STATES GOVERNMENT ACCOUNTABILITY OFFICE

GAO is the audit, evaluation, and investigative arm of the Congress. It supports congressional oversight by (1) auditing agency operations to determine whether federal funds are being spent efficiently and effectively; (2) investigating allegations of illegal and improper activities; (3) reporting on how well government programs and policies are meeting their objectives; (4) performing policy analyses and outlining options for congressional consideration; and (5) issuing legal decisions and opinions, such as bid protest rulings and reports on agency rules.

### THE OFFICE OF THE INSPECTOR GENERAL

Established as a statutory office by the GAO Act of 2008,<sup>2</sup> The OIG independently conducts audits, evaluations, and other reviews of GAO programs and operations and makes recommendations to promote the agency's economy, efficiency, and effectiveness. We also investigate allegations of fraud, waste, abuse, mismanagement or other serious problems in GAO's programs and operations, including the possible violation of law or regulation.

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<sup>2</sup>31 U.S.C. § 705 (2012).

## ACTIVITIES OF THE OFFICE OF THE INSPECTOR GENERAL

### AUDITS AND EVALUATIONS

We issued a report evaluating GAO's information security program and practices for fiscal year 2012. (See the attachment for a report summary.) In addition, we began fieldwork to assess the extent to which GAO has implemented an effective process for reviewing and validating security clearance requirements and initiated an audit of GAO's purchase card program.

### COMPLAINTS AND INVESTIGATIONS

The OIG hotline continues to be our primary source of complaints or information for identifying suspected fraud and other serious problems, abuses, and deficiencies relating to the administration of GAO's programs and operations. As shown in table 1, we processed a total of 212 complaints during the period.

**Table 1: Summary of OIG Hotline Complaint Activities, October 1, 2012, through March 31, 2013**

Hotline complaints open at the start of the reporting period	3
New hotline complaints received this reporting period	212
<b>Total hotline complaints</b>	<b>215</b>
Complaints closed (referred to GAO, or external agency components)	4
Complaints closed (referred to FraudNet <sup>a</sup> )	11
Complaints closed (insufficient information/no basis)	171
Complaints closed (no jurisdiction and referred to appropriate agency OIG or other law enforcement offices)	12
Complaints closed (converted to investigations)	10
<b>Total hotline complaints open at the end of the reporting period</b>	<b>7</b>

Source: OIG.

<sup>a</sup>FraudNet is a government-wide hotline operated by GAO staff that receives complaints of fraud, waste, and abuse of federal funds spent by other federal agencies.

Table 1 identifies 171 complaints that were closed due to insufficient information or no basis upon which to open an investigation. Virtually all of these complaints involved other federal and state programs, not GAO programs and operations. We report them here because the OIG expends considerable effort responding to the complaints and providing them with contact information at other federal, state, and local agencies with appropriate jurisdiction. Often, it is difficult to pinpoint the complainant's concerns so we've determined to guide the complainant rather than refer these matters ourselves.

As shown in table 2, we opened 10 new investigations and closed 11 investigations that were opened in the current and prior periods. At the end of the reporting period, 16 investigations remained open.

**Table 2: Summary of OIG Investigative Activity, October 1, 2012, through March 31, 2013**

Investigations open at the start of the reporting period	17
New investigations initiated this reporting period	10
<b>Total investigations</b>	<b>27</b>
Investigations closed this reporting period	11
<b>Total investigations open at the end of the reporting period</b>	<b>16</b>

Source: OIG.

One of the investigations we closed involved a GAO employee who submitted travel vouchers over a three-year period that allegedly contained false claims. The matter was declined by the Department of Justice for criminal prosecution. It was then referred to the GAO Human Capital Office for consideration of administrative action. We reported in our previous Semiannual Report to Congress that the employee was suspended for a period of 60 days without pay.<sup>3</sup> In this reporting period, the employee agreed to reimburse GAO \$2,569 as restitution.

### OTHER ACTIVITIES

In addition to our audit and investigative activities, we processed two Freedom of Information Act requests in accordance with procedures set forth in 4 C.F.R. Part 81; responded to a congressional request for information on open recommendations more than 1 year old; and issued the OIG's annual audit plan. We also actively participated in the Council of Inspectors General on Integrity and Efficiency activities.

GAO's OIG is also the Inspector General for the United States Commission on Civil Rights as directed by the Consolidated and Continuing Appropriations Act of 2012 (Pub. L. No. 112-55, 125 Stat. 552, 628). Those activities are reported to Congress under separate cover.

### GAO ACTIONS ON RECOMMENDATIONS MADE IN PRIOR OIG REPORTS

Timely resolution of outstanding audit recommendations continues to be a priority for both our office and the agency. During the period, we closed 13 recommendations made in prior reporting periods and GAO made substantive progress on the remaining three open

<sup>3</sup>GAO, Office of the Inspector General, *Semiannual Report: April 1, 2012–September 30, 2012*, [OIG-13-1](#) (Washington, D.C.: Nov. 7, 2012).

recommendations. These three recommendations, and their implementation status, are presented below:

**Table 3: GAO Actions on Recommendations Made in Prior OIG Reports, October 1, 2012, through March 31, 2013**

OIG audit and other reports	Recommendation	Status of actions planned and taken by GAO in response to the recommendation
<i>Information Security: Evaluation of GAO's Information Security Program and Practices for Fiscal Year 2009</i> , OIG-10-3 (Jan. 4, 2010)	1. Continue efforts to implement additional requirements for the agency's privacy program.	<b>Recommendation open</b> GAO is in the final phase of requiring the establishment of a privacy program for protecting the privacy of all personally identifiable information under the agency's control or authority.
<i>Human Capital: Opportunities Exist to Strengthen Controls over Recruitment, Relocation, and Retention Incentives</i> , OIG-12-5 (Aug. 28, 2012)	2. Update GAO's recruitment, relocation, and retention incentive policy contained in GAO Order 2575.1 to <ul style="list-style-type: none"> <li>a. strengthen justification factors for the continuation of retention incentive payments by requiring a timeline or strategy for eliminating, as appropriate, the need for future payments, and</li> <li>b. include a requirement for periodically reporting to GAO management and executives on the agency's use of these incentives.</li> </ul>	<b>Recommendation open</b> GAO is in the final phase of revising its policy to strengthen justification factors for requesting and approving a retention incentive. Among the updated justification factors is a requirement to identify a timeline or strategy for minimizing, as appropriate, the likelihood that a retention incentive would be paid to an individual over an extended period. Periodic reporting to agency executives and management on the use of these incentives was also added as a policy requirement.
	3. <i>Incorporate the use of recruitment, relocation, and retention incentives into GAO's strategic human capital planning to specify a plan for their use, the results GAO expects to achieve, and the measures that will be used to assess their effectiveness.</i>	<b>Recommendation open</b> GAO continues efforts to update its strategic human capital plans to incorporate the use of recruitment, relocation, and retention incentives and to identify specific measures for assessing their effectiveness in supporting human capital goals and objectives.

Source: OIG.

**Summary of OIG Reports and GAO Actions  
Reports Issued October 1, 2012, through March 31, 2013**

*Information Security: Evaluation of GAO's Program and Practices for Fiscal Year 2012, OIG-13-2, (Feb. 13, 2013).*

*Findings:* The Federal Information Security Management Act of 2002 (FISMA) requires that many federal agencies establish an agency-wide information security management program for the information and information systems that support the agency's operations and assets. GAO is not obligated by law to comply with FISMA or Executive Branch information policies, but has adopted them to help ensure physical and information system security. Our prior year evaluations have shown that GAO has established an overall information security program that is generally consistent with the requirements of FISMA, OMB implementing guidance, and standards and guidance issued by the National Institute of Standards and Technology. For example, GAO has well defined operational and technical controls for remote access to its network. Its telecommunications policy requires users to comply with rules of behavior and user agreements that acknowledge their responsibility and accountability. GAO also has procedures in place to report and disable lost or stolen devices to prevent unauthorized access. In addition, GAO has continued its focus on closing prior-year security-related recommendations.

Our fiscal year 2012 limited evaluation reinforced our prior conclusion. However, using 18 new FISMA reporting metrics for federal inspectors general, we identified areas for improvement in the contingency planning process. We also identified resource challenges that affect GAO's ability to implement security upgrades and strategies identified by GAO managers and the OIG.

*Recommendations and GAO actions:* To help strengthen GAO's overall information security program, we recommend that the Chief Information Officer take the following two actions: (1) implement measures to increase the redundancy and availability of GAO mission-essential applications and (2) develop and provide, for GAO senior management consideration, a proposed strategy to ensure power redundancy for GAO servers and provide a long-term alternate power supply. GAO concurred with these recommendations.

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## Reporting Fraud, Waste, and Abuse in GAO's Internal Operations

To report fraud, waste, and abuse in GAO's internal operations, do one of the following. (You may do so anonymously.)

- Call toll-free (866) 680-7963 to speak with a hotline specialist, available 24 hours a day, 7 days a week.
- Online at: <https://OIG.alertline.com>.

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## Obtaining Copies of OIG Reports and Testimony

To obtain copies of OIG reports and testimony, go to GAO's Web site: [www.gao.gov/about/workforce/ig.html](http://www.gao.gov/about/workforce/ig.html).

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## Congressional Relations

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## Public Affairs

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