



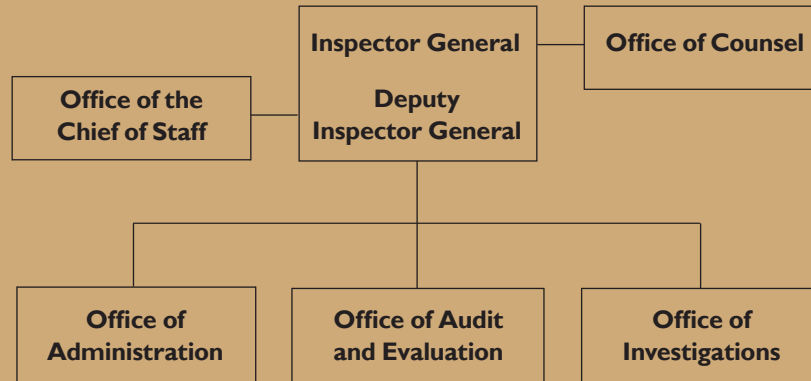
**U.S. Department of Commerce
Office of Inspector General**

Semiannual Report to Congress

September 2020



OFFICE OF INSPECTOR GENERAL



Oversight Areas

Office of the Secretary
Bureau of Economic Analysis
Bureau of Industry and Security
U.S. Census Bureau
U.S. Economic Development Administration
First Responder Network Authority
International Trade Administration
Minority Business Development Agency
National Institute of Standards and Technology
National Oceanic and Atmospheric Administration
National Technical Information Service
National Telecommunications and Information Administration
United States Patent and Trademark Office

OIG Main Number

Inspector General 202-482-4661

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FROM THE INSPECTOR GENERAL

I am pleased to present the U.S. Department of Commerce Office of Inspector General's (OIG's) *Semiannual Report to Congress* for the 6 months ending September 30, 2020.

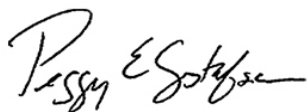
This report summarizes work that we initiated and completed during this semiannual period on a number of critical Departmental activities. Over the past 6 months, our office issued 30 products related to our audit, evaluation, and inspection work. These products addressed programs and personnel associated with the U.S. Census Bureau, International Trade Administration (ITA), National Oceanic and Atmospheric Administration (NOAA), United States Patent and Trademark Office (USPTO), and the Department itself. This report also describes our investigative activities addressing programs and personnel associated with the Bureau of Industry and Security (BIS), Census Bureau, NOAA, USPTO, and the Department itself.

The Constitutionally-mandated decennial census—which determines not only apportionment of Congressional seats, but also the distribution of trillions of dollars in federal funds—has been a major focus of our oversight efforts. Starting shortly after the conclusion of the last decennial census, our oversight of the 2020 Census has included a wide range of engagements, including audits, evaluations, investigations, and responses to Congressional inquiries. Our efforts have addressed the full breadth of decennial operations, including work on issues such as recruiting/hiring, background checks, testing, cybersecurity, budget, contracts, benchmarks, address lists, nonresponse followup (NRFU), schedule, and general operations.

The basic task of the decennial census—i.e., counting each person in the country, once and in the right place—has been complicated by the pandemic caused by the coronavirus known as COVID-19. The Census Bureau changed the timeline for decennial operations multiple times, starting with a delay announced in March 2020, and subsequent court rulings resulted in several date changes for the end of data collection. Ultimately, the Census Bureau concluded data collection on October 15, 2020.

Our oversight encompassed audits of major operations, including address canvassing and peak operations, and evaluations of the Census Bureau's information technology (IT) security. In addition, our office released a series of management alerts and census alerts: short reports designed to provide critical information in a timely fashion to the Census Bureau to allow for prompt corrective action. Our office has also bolstered technological and human resource allocations to ensure timely processing of the exponential increase in hotline complaints received by OIG during decennial census operations.

We thank Secretary Ross, senior officials throughout the Department, and members of Congress and their staffs for their support of our work and for their receptiveness to our recommendations to improve Departmental programs and operations.



PEGGY E. GUSTAFSON

DEPARTMENT-WIDE MANAGEMENT

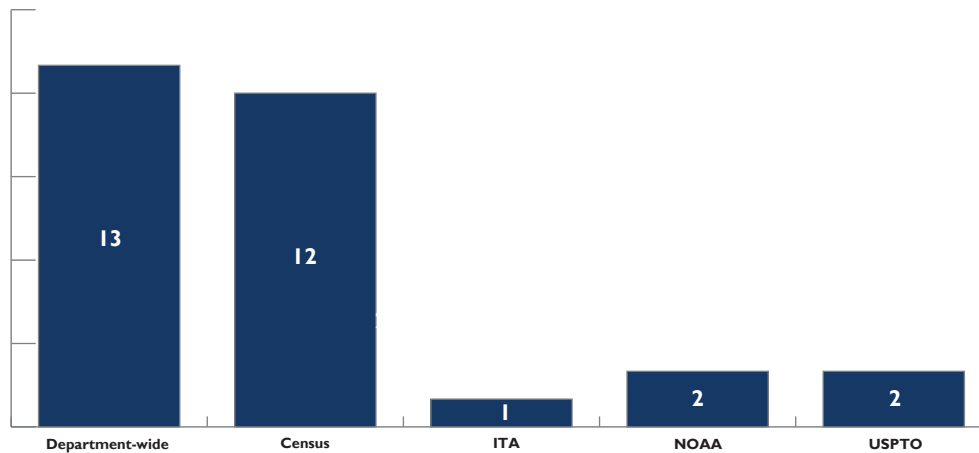


The **U.S. Department of Commerce's** mission is to create the conditions for economic growth and opportunity.

The Department promotes job creation and economic growth by ensuring fair and reciprocal trade, providing the data necessary to support commerce and Constitutional democracy, and fostering innovation by setting standards and conducting foundational research and development.

COMPLETED WORKS (BY OVERSIGHT AREA)

During this reporting period, our office completed 30 products related to our audit, evaluation, and inspection work.



REQUEST FOR INFORMATION TO DEPUTY SECRETARY KAREN DUNN KELLEY FROM THE INSPECTOR GENERAL (OIG-20-024-M)

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act,” Public Law No. 116-136. The CARES Act provides assistance for individuals, families, and businesses affected by the 2020 coronavirus pandemic.

On April 3, 2020, the Inspector General (the IG) issued a memorandum to the Deputy Secretary of Commerce about Department bureaus and their CARES Act-associated spending plans. It was our office’s understanding that Department bureaus receiving CARES Act funds were required to submit spending plans to the Department’s Chief Financial Officer by April 3, 2020. Those specific bureaus were the

- Minority Business Development Agency (MBDA),
- U.S. Economic Development Administration (EDA),
- National Institute of Standards and Technology (NIST), and
- NOAA.

To assist OIG in its oversight of the Department and, more specifically, spending associated with the CARES Act, the IG requested that the Department provide the spending plans for MBDA, EDA, NIST, and NOAA to our office by April 6, 2020.

The Department requested an extension to the April 6, 2020, deadline, and subsequently provided the requested documents on May 5, 2020. As of September 30, 2020, our examination and review of the Department’s spending plans was ongoing.

TOP OVERSIGHT CHALLENGES FACING THE DEPARTMENT OF COMMERCE TO ENSURING THAT PANDEMIC FUNDS ARE TIMELY AND APPROPRIATELY SPENT (OIG-20-026-M)

In this memorandum, we leveraged key insights from our longstanding body of work to bolster the Department’s oversight of CARES Act grantees and contractors. Our office has published several audit reports identifying areas for improvement and fraud prevention within the Department’s grant and contract programs. Based on these reports, we identified initial areas of concern that the Department should consider as it implements the provisions included in the CARES Act.

Specifically, the challenges facing the agencies at the Department include the following:

- Addressing ongoing disaster relief fund oversight challenges facing EDA and NOAA Fisheries
- Developing and maintaining a competent acquisition and grants workforce to support the implementation and oversight of CARES Act funds
- Improving processes to award and monitor contracts and grants
- Improving control of contract and grant file management
- Mitigating the risk of fraud, waste, and abuse created by the significant influx of funds that need to be distributed quickly

THE DEPARTMENT NEEDS TO IMPROVE OVERSIGHT PRACTICES TO CLOSE OUT CONTRACT FILES BY COMPLYING WITH FEDERAL REGULATIONS AND DEPARTMENTAL REQUIREMENTS (OIG-20-028-A)

This report combined and summarized separate audits of NIST, NOAA, and the U.S. Census Bureau (the Bureau). Our objective was to determine whether NIST, NOAA, and Bureau contracting personnel administered contract closeout procedures in accordance with federal and Departmental regulations.

Overall, we found that contracting personnel did not comply with at least one or more of the key Federal Acquisition Regulation (FAR), *Commerce Acquisition Manual (CAM)*, and Departmental contract closeout requirements. Based on our review, the total expended dollar value of contracts that did not fully comply with the closeout requirements was approximately \$391.3 million.

Specifically, we found the following:

- Contracts were not closed within required time frames.
- Contract files lacked evidence that key contract closeout steps were completed, resulting in approximately \$288.5 million that could not be verified.
- NOAA and Bureau contract files were not always properly retained.
- NIST improperly paid a contractor.
- NIST technical points of contact (TPOCs) were not trained, certified, and appointed.

We recommended that the

- Office of Acquisition Management Acquisition Policy and Oversight Division Director enforces the *CAM* contract closeout annual reporting requirements and implements an oversight process for monitoring compliance with federal and Departmental closeout requirements.
- NIST Director of Office of Acquisition and Agreements Management establishes a periodic control to ensure that contracts are being closed timely and that closeout procedures are in compliance with federal and Departmental regulations.
- NOAA Director of Acquisition and Grants Office establishes a periodic control to ensure that contracts are being closed timely and that closeout procedures are in compliance with federal and Departmental regulations.
- Census Bureau Chief of Acquisition Division establishes a periodic control to ensure that contracts are being closed timely and that closeout procedures are in compliance with federal and Departmental regulations.
- NIST Director of Office of Acquisition and Agreements Management, NOAA Director of Acquisition and Grants Office, and Census Bureau Chief of Acquisition Division issue additional guidance and training on the contract closeout process to include clearly defining the requirements for adequate contract closeout file documentation.

- NIST Acquisition Management Division Chief conducts research to determine why key personnel were replaced and supplemented without the proper approvals and ensures that the questioned labor costs are recovered in a timely manner. We also recommend that the Chief ensures that all contracting personnel enforce the contract terms and conditions for all labor hour contracts.
- NOAA Director of Acquisition and Grants Office and Census Bureau Chief of Acquisition Division establish a periodic control to ensure that contracting officials follow records management requirements for contract files including, but not limited to, record retention and dispositioning procedures.
- NIST Acquisition Management Division Chief conducts research to determine why the improper payment occurred and ensures that future improper payments are identified and recovered in a timely manner.
- NIST Director of Office of Acquisition and Agreements Management ensures that (a) contracting officers appoint in writing properly trained and certified contracting officer representatives (CORs)/TPOCs prior to awarding contracts, and (b) all CORs/TPOCs meet their continuous learning requirements and are certified at the appropriate levels.

FY 2019 COMPLIANCE WITH IMPROPER PAYMENT REQUIREMENTS (OIG-20-029-I)

Our review objective was to determine the Department's fiscal year (FY) 2019 compliance with the Improper Payments Information Act of 2002 (IPIA), as amended by the Improper Payments Elimination and Recovery Act of 2010 and the Improper Payments Elimination and Recovery Improvement Act of 2012. In determining compliance, we also evaluated the accuracy and completeness of the Department's improper payment reporting in the *FY 2019 Agency Financial Report (AFR)* and its performance in reducing and recapturing improper payments.

Based on our review, we concluded that the Department complied with IPIA compliance criteria. Additionally, our review did not identify any significant issues regarding the accuracy or completeness of the improper payment reporting data described in the *FY 2019 AFR* or the Department's performance in reducing or recapturing improper payments. However, Departmental management informed us of three items that were not included in the data presented in the *FY 2019 AFR*, and identified corrective actions taken to prevent this type of oversight in the future. We will review these corrective actions as part of our FY 2020 compliance review.

MANAGEMENT ALERT: TOP OVERSIGHT CHALLENGES FACING THE DEPARTMENT OF COMMERCE TO ENSURING THAT PANDEMIC FUNDS ARE TIMELY AND APPROPRIATELY SPENT (OIG-20-031-M)

On June 18, 2020, we issued a management alert to the Deputy Secretary of Commerce regarding "Top Oversight Challenges Facing the Department of Commerce to Ensuring That Pandemic Funds Are Timely and Appropriately Spent." This management alert reflected information that was provided in our May 11, 2020, response to a request from the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

In our management alert, we leveraged key insights from our longstanding body of work to bolster the Department's oversight of CARES Act grantees and contractors. Our office has published several audit reports identifying areas for improvement and fraud prevention within the Department's grant and contract programs. Based on these reports, we identified initial areas of concern that the Department should consider as it implements the provisions included in the CARES Act.

We found that challenges facing the agencies at the Department included the following:

- Addressing ongoing disaster relief fund oversight challenges facing EDA and NOAA Fisheries.
- Developing and maintaining a competent acquisition and grants workforce to support the implementation and oversight of CARES Act funds.

- Improving processes to award and monitor contracts and grants.
- Improving control of contract and grant file management.
- Mitigating the risk of fraud, waste, and abuse created by the significant influx of funds that need to be distributed quickly.

THE DEPARTMENT IS ACTIVELY PREVENTING OIG FROM COMPLETING AN EVALUATION (OIG-20-033-M)

On July 1, 2020, the IG issued a memorandum to Secretary Wilbur Ross expressing her deep concern that the Department was failing to identify specific privileges and provide privilege markings to one of our evaluations, while claiming amorphous and generalized privileges, which effectively prevented us from publicly releasing an evaluation that was otherwise ready for release.

On September 6, 2019, NOAA issued an unsigned statement (Statement) that rebuked the NOAA National Weather Service's (NWS's) Birmingham, Alabama, office (NWS Birmingham) for a September 1, 2019, tweet about Hurricane Dorian. On September 7, 2019, the IG issued a memorandum to the acting head of NOAA to notify him that our office was examining the circumstances surrounding the unsigned Statement and instituting a preservation hold on relevant documents.

To conclude this work, on June 26, 2020, our office issued to Secretary Ross our final report *Evaluation of NOAA's September 6, 2019, Statement About Hurricane Dorian Forecasts (OIG-20-032-I)*. When we transmitted the final report to Secretary Ross, we understood, based on our October 30, 2019, agreement with NOAA, that the Department and its interagency stakeholders would identify potentially privileged material in the report, as the Department acknowledged that it would do within 48 hours. If specific privilege claims were timely made, it would be foreseeable that some limited information should be redacted from the final report prior to being posted on OIG's public website.

As a result of subsequent actions and refusal by Departmental staff to identify specific privilege claims, our office's oversight mission and ability to post the full evaluation report on our public website—as required by Section 8M of the Inspector General Act of 1978, as amended (IG Act)—had been halted.

In order to address this impasse, the IG requested in this July 1, 2020, memorandum that Secretary Ross direct his staff to provide formal privilege markings to the report and its appendixes; that is, if the Department or any equity holder in the matter intended on asserting such privilege. In the alternative, the IG requested that Secretary Ross confirm that the Department sought no privilege redactions and consequentially acknowledge that the report would be posted without redaction for privilege, without objection from the Department. The IG requested to receive this information no later than 3:00 p.m. (EST) on July 9, 2020.

REQUEST FOR INFORMATION TO DEPUTY SECRETARY KAREN DUNN KELLEY FROM THE INSPECTOR GENERAL RE: PHASED REOPENING OF DEPARTMENT OFFICES (OIG-20-035-M)

On July 14, 2020, the IG issued a memorandum to the Deputy Secretary of Commerce about the Department's initiation of Phase I of the three-phased framework set forth in *Guidelines for Opening Up America Again*, promulgated by the White House and the Centers for Disease Control and Prevention (CDC), and referenced in Office of Management and Budget (OMB) Memorandum M-20-23, 'Aligning Federal Agency Operations with the National Guidelines for *Opening Up America Again*.'

To assist in our oversight of the Department, the IG requested that the following information be transmitted to our office by July 28, 2020:

- Baseline metrics used and methodology supporting those metrics to inform decisions regarding office and facility reopenings, including the number of employees who contract the coronavirus.

- Compliance framework for phased reopening—for example, how the Department will assess adherence to occupancy limits, mask wearing, social distancing, disinfecting, and other measures described in the *Handbook for Reopening the Herbert C. Hoover Building (HCHB)*.
- Actions the Department has taken to ensure employee access to appropriate resources, including reliable coronavirus tests, personal protective equipment, hand sanitizer, soap and warm water, workplace dividers, and disinfectant.
- Departmental protocols for when an employee tests positive for coronavirus.
- A description of inter-agency and inter-Department cooperation—for example, with the CDC and the Occupational Safety and Health Administration to ensure that reopening plans are consistent with public health and worker safety guidelines.

IG LETTERS TO CHAIRMAN GERALD CONNOLLY RE: THE RETURN OF EMPLOYEES TO FEDERAL OFFICES IN THE WAKE OF THE CORONAVIRUS PANDEMIC (OIG-20-036-M, OIG-20-043-M)

On July 15, 2020, the IG responded to a letter from Chairman Gerald E. Connolly of the House Committee on Oversight and Reform, Subcommittee on Government Operations, requesting that the IG examine the plans and procedures of the Department for returning employees to federal offices in the wake of the COVID-19 pandemic, and Chairman Connolly's staff's follow-up communication of July 9, 2020, requesting acknowledgment of receipt and a timeframe for response.

In response to Chairman Connolly, our office sent a memorandum to the Department on July 14, 2020, requesting information on its approach to managing the workforce during the COVID-19 pandemic. (See previously summarized memorandum OIG-20-035-M on pages 6–7 for additional details regarding this request to the Department.) The IG requested that the Department respond to our memorandum by July 28, 2020, and stated that the response would be forwarded to Chairman Connolly. In addition, the IG stated that our office would evaluate the Department's response and determine any appropriate follow-up action, including requesting clarification or additional information.

On August 21, 2020, the IG sent a follow-up letter to Chairman Connolly, which included the Department's July 28, 2020, response. In reviewing the Department's response, we believed that our questions were adequately addressed. Our follow-up letter to Chairman Connolly noted that we will continue to monitor the Department's ongoing planning and actions, including monitoring hotline intake, observing Departmental planning meetings, and the regular meetings the IG conducts with the Deputy Secretary of Commerce.

FLEET PROGRAM IS NOT MANAGED IN ACCORDANCE WITH FLEET MANAGEMENT REQUIREMENTS (OIG-20-037-A)

The objective of our audit was to determine whether the Department's fleet program operates in accordance with applicable federal fleet requirements for vehicle operations, acquisitions, and utilization.

We found that the Department is not operating its fleet program in accordance with federal fleet requirements. Specifically, we identified issues in the following areas:

- *Operations*—The Department's fleet inventory data is unreliable due to inaccuracies and incompleteness.
- *Acquisitions*—The Department's *Personal Property Management Manual (PPMM)* lacks commercial lease guidance for the Office of the Secretary, which did not document justifications for vehicle specifications or upgrades.
- *Utilization*—The Department does not consistently document vehicle usage, conduct comprehensive utilization reviews, and determine its optimal fleet inventory.

In addition, we discussed an issue with data errors in the Federal Government Motor Vehicle Registration System.

We recommended that the Chief Financial Officer and Assistant Secretary for Administration do the following:

- Periodically review and ensure all bureau vehicle information is complete and accurate in the Department's fleet management information system.
- Update the *PPMM* to include guidance for Office of the Secretary commercial leasing. The Department should ensure other *PPMM* requirements do not similarly exclude the Office of the Secretary.
- Document justifications for mission-essential vehicle specifications when not obtaining leased vehicles through the U.S. General Services Administration (GSA).
- Update policies and procedures to include requirements for bureaus to maintain adequate documentation of vehicle usage.
- Provide refresher training to fleet managers to ensure they are aware of all federal and updated Departmental fleet management requirements.
- Direct Departmental/bureau fleet managers to perform and document an annual analysis of fleet utilization in accordance with Departmental policy and Congressional direction.
- Perform a vehicle allocation methodology (VAM) study at least every 5 years, to produce a profile of its optimal fleet inventory, and periodically monitor results between VAM studies.

REQUEST FOR INFORMATION AND NOTICE OF INTERVIEW TO SECRETARY WILBUR ROSS FROM THE INSPECTOR GENERAL RE: 2020 CENSUS SCHEDULE (OIG-20-038-M)

On August 13, 2020, the IG issued a memorandum to Secretary Wilbur Ross about the potential impact that 2020 Census schedule changes could have on the completeness and accuracy of the 2020 Census.

On August 3, 2020, the Census Bureau released a statement from Director Dillingham noting that the Bureau would "accelerate the completion of data collection and apportionment counts" for the 2020 Census, ending field data collection and self-response options by September 30, 2020. Prior to that, and due to the COVID-19 pandemic, Secretary Ross and Director Dillingham issued a joint statement on April 13, 2020, declaring that as part of a statutory relief plan, "[t]he Census Bureau would extend the window for field data collection and self-response to October 31, 2020" and requested a 120-day delay in the deadline set by statute for reporting apportionment and redistricting counts to no later than April 30, 2021, and July 31, 2021, respectively. Prior to any impact caused by COVID-19, field data collection and self-response options were originally scheduled to end on July 31, 2020.

To assist our ongoing oversight of the 2020 Census, the IG requested that Secretary Ross provide all of the following documents or communications, including but not limited to email, instant messages, and text messages:

- Discussing or referring in any manner to the decision to accelerate the 2020 Census schedule as described in the August 3, 2020, press release.
- Detailing the persons involved, and their respective involvement, in the decision to accelerate the 2020 Census schedule.
- Detailing the reasons for the decision to accelerate the 2020 Census schedule.

Additionally, our office notified Secretary Ross that OIG would like to interview him concerning these and other matters relevant to the 2020 Census. Such other matters could include any threats to the integrity of Census IT systems, and any interactions with the Bureau's or the Department's staff.

NOTICE OF INTERVIEW TO DEPUTY SECRETARY KAREN DUNN KELLEY FROM THE OFFICE OF INSPECTOR GENERAL RE: 2020 CENSUS SCHEDULE (OIG-20-049-M)

On September 18, 2020, the Counsel to the IG issued a notice of interview memorandum to the Deputy Secretary of Commerce regarding our office's inquiry into several matters relevant to the 2020 Census, including, but not limited to, the acceleration of the 2020 Census schedule announced on August 3, 2020. Our office stated that we would like to interview the Deputy Secretary concerning these and other matters relevant to the 2020 Census.

MANAGEMENT ALERT: ENTERPRISE SERVICES DID NOT PERFORM ADEQUATE CONTRACT OVERSIGHT TO PREVENT DELAYS AND ERRORS IN PROCESSING OF EMPLOYEES' PAY, PARS, AND BENEFITS (OIG-20-051-M)

On September 24, 2020, we issued a management alert to the Department's Chief Financial Officer and Assistant Secretary for Administration regarding the Office of the Secretary's Enterprise Services (ES) contract oversight of the Accenture Federal Services, LLC (Accenture), blanket purchase agreement DOCSS130116BU0004 and subsequent call orders. The contract is for providing human resources (HR) support through the ES HR Service Center program. Our audit objective was to determine whether ES effectively and efficiently managed contractor performance in accordance with federal regulations and Department policy. The audit was conducted, in part, in response to multiple allegations made to the OIG Hotline.

We found that the Office of the Secretary's ES had not provided effective oversight of the processing of employees' pay, personnel action requests (PARs), and benefits performed by Accenture, under blanket purchase agreement DOCSS130116BU0004. We reviewed 12 hotline complaints that were filed about ES in 2019, and we determined that Accenture did not resolve delays and errors in processing of employees' pay, PARs, and benefits in a timely manner.

In our management alert, we emphasized that preventing delays and errors in the processing of payroll, PARs, and benefits is crucial to minimize the risk that employees will experience loss of pay and benefits, delayed personnel actions, or other financial hardships. To address these issues, ES should do the following:

- Enforce the contractual requirements outlined in the service-level agreement on the timely resolution of incidents and service requests.
- Enforce the contractual requirements outlined in the statement of work to require Accenture to provide qualified and trained staff to timely and adequately process employees' pay, PARs, and benefits.
- Utilize an issue tracking system that accurately tracks and monitors service and support tickets issued in response to delays and errors with the processing of employees' pay, PARs, and benefits.

REVIEWS OF SINGLE AUDITS

Uniform Guidance (2 C.F.R. Part 200) requires colleges, universities, and non-profit organizations that expend \$750,000 or more a year in federal awards to obtain an annual independent financial audit, referred to as a "single audit." We conduct desk reviews on a judgmental sample of single audit reporting packages for which the Department is the oversight agency. During a desk review, we examine the audit reporting package, which includes financial statements, federal award expenditures, and auditors' reports, but not the underlying auditors' audit documentation, to determine whether it meets *Uniform Guidance*, *Generally Accepted Government Auditing Standards* (GAGAS), and American Institute of Certified Public Accountants (AICPA) audit standards.

During this period, we conducted desk reviews of 14 single audit reporting packages. The audits were conducted by 14 different independent public accounting firms and covered \$32 million in total federal expenditures, including \$14 million in Department direct expenditures. Twelve audit reporting packages (86 percent) fully met federal reporting requirements.

Two audit packages did not meet all of those requirements. Deficiencies included a Standard Form - Single Audit Collection (SF-SAC) that did not accurately show expenditures as direct funding; and in another instance neither the audit *Schedule of Expenditures of Federal Awards* nor the SF-SAC included the correct Catalog of Federal Domestic Assistance number disclosing that the Department did not provide funds to the entity so was not the oversight agency. For errors that potentially impacted the reliability of the audit reporting packages, we contacted the auditors and awardees for explanations of each of the potential errors. The auditors and awardees provided adequate explanations or additional information to demonstrate compliance with federal reporting requirements. We issued a letter to each auditor and awardee informing them of the results of our review and the actions needed to improve the quality and reliability of future audits. We also provided copies of the letters to each awardee's other federal funding agencies for their use in monitoring and oversight.

UNIVERSITY OF VIRGINIA SETTLED CLAIMS RELATING TO FAILURE TO PROPERLY CREDIT SAVINGS FROM REBATES AND DISCOUNTS OBTAINED WHEN USING FEDERAL FUNDS

Between 2010 and 2017, multiple Department bureaus awarded approximately \$6.9 million in grants and assistance to the University of Virginia (UVA). Federal regulations require that, on an annual basis, rebates and discounts obtained when making purchases using federal funds must be accounted for and subtracted from claims made by a university against federal award funds (2 C.F.R. Part 220 (*Cost Principles for Educational Institutions*)). During this time period, UVA was alleged to have failed to account for and credit or repay these savings to the Department and other U.S. government agencies. To settle the allegations that UVA's failure to properly credit such savings violated the False Claims Act (31 U.S.C. §§ 3729–3733), on June 26, 2020, UVA entered into a settlement agreement with the U.S. government. As part of the settlement agreement, UVA agreed to pay \$1 million to the U.S. government in exchange for release from any civil or administrative monetary claims relating to the covered conduct.

Our office investigated this matter jointly with the U.S. Army Criminal Investigation Command, Major Procurement Fraud Unit, and the OIGs for the U.S. Department of Health and Human Services, National Aeronautics and Space Administration (NASA), National Science Foundation, U.S. Department of Education, and the U.S. Department of Energy. Settlement funds were disbursed as a global settlement to the U.S. Department of the Treasury rather than to individual agencies in this case.

FIRST ANTITRUST CHARGES FILED AGAINST SENIOR LEADERS AT MAJOR CHICKEN PRODUCERS

Four executives were indicted on June 3, 2020, by a federal grand jury in the U.S. District Court in Denver, Colorado, for their role in a conspiracy to fix prices and rig bids for broiler chickens. A fifth individual was charged by criminal complaint on September 23, 2020. Each individual was charged with one count of 15 U.S.C. § 1, the Sherman Act. The offense charged carries a statutory maximum penalty of 10 years in prison and a \$1 million fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by victims if either amount is greater than \$1 million. The investigation is ongoing and additional indictments were expected as of the end of the semiannual report period.

BUREAU OF INDUSTRY AND SECURITY

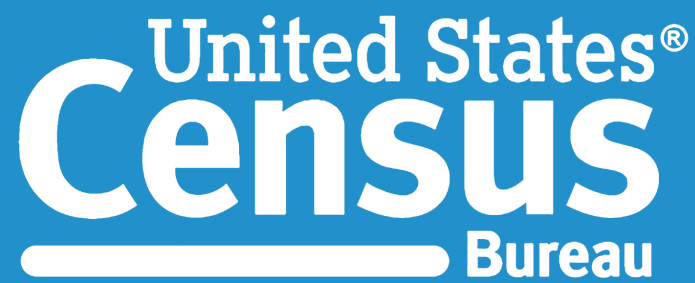


The **Bureau of Industry and Security**'s mission is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership.

BIS EMPLOYEE COMMITTED TRAVEL AND TIMECARD FRAUD TO VISIT A PERSONAL ACQUAINTANCE AND MISUSED A GOVERNMENT VEHICLE

On September 8, 2017, our office opened an investigation into anonymous allegations a BIS Office of Export Enforcement employee regularly traveled on government orders to a particular location for personal reasons. Our investigation confirmed the BIS employee conducted two trips where he visited a personal acquaintance, but no work was conducted. We identified an additional nearly 40 trips by the employee to this same location over an approximately 2-year period, where the purpose of the travel could not be adequately explained. In addition, our investigation revealed the BIS employee misused a government vehicle to transport a dog while on government orders and a personal boat and trailer. The cognizant United States Attorney's Office declined prosecution of the employee due to the case not meeting their threshold for monetary loss to the government. On September 26, 2019, we submitted our investigation to BIS for administrative action. In September 2020, a Proposal for Removal was presented to the employee, at which time the employee, who was retirement eligible, promptly retired the same day.

U.S. CENSUS BUREAU



The **U.S. Census Bureau**'s mission is to serve as the nation's leading provider of quality data about its people and economy.

MANAGEMENT ALERT: THE CENSUS BUREAU HAS NOT ADJUDICATED HUNDREDS OF INDIVIDUALS IDENTIFIED AS HIGHEST-RISK IN OPM BACKGROUND INVESTIGATIONS (OIG-20-023-M)

On April 30, 2020, we issued a management alert to the Director of the Census Bureau regarding the Bureau's backlog of unadjudicated U.S. Office of Personnel Management (OPM) background investigations. During our evaluation of the Bureau's 2020 address canvassing operation—including the hiring of adequate staff who received timely background check processing—we were informed by the Department's Office of Security (OSY) that more than 10,000 closed OPM investigations, some dating back to October 2014, have not received post-employment adjudication. Of these, more than 700 of the individuals have been deemed the highest risk, and nearly 300 of these individuals were employed by the Bureau in FY 2019. By failing to adjudicate background investigations with potentially serious suitability issues, the Bureau increases the risk to the public, as well as Bureau systems and facilities.

In our management alert, we proposed that timely adjudication is vital to the Bureau's ability to take appropriate action to remove unsuitable staff. To address the potential impact on Bureau programs, the Bureau should do the following:

- Ensure that background investigations are properly and timely adjudicated.
- Implement requirements to improve governance over background checks.
- Coordinate resources to manage the workload of adjudications.
- Take appropriate actions to remove unsuitable staff.

2020 CENSUS: THE BUREAU CAN IMPROVE OVERSIGHT OF TIME-AND-MATERIALS DELIVERY ORDERS ON THE INTEGRATED COMMUNICATIONS CONTRACT (OIG-20-025-A)

Our audit objectives were to determine whether the Bureau is (1) administering time-and-materials (T&M) and labor-hour delivery orders in accordance with FAR and CAM requirements and (2) effectively monitoring the contract to ensure schedules are met. If schedules were not met, we would have determined if the Bureau was taking appropriate actions to mitigate the impact of delays.

Regarding our first objective, we found that the Bureau did not follow the FAR and CAM. Specifically,

- a contractor surveillance plan was not prepared; and
- required documentation was not obtained before paying the contractor's T&M vouchers.

We also noted a separate matter for the Bureau's attention with respect to the evaluation of the contractor's accounting system.

Regarding our second objective, we found that the Bureau has implemented controls to monitor contractor performance and schedules.

We recommended that the Acquisition Division Chief of the Census Bureau do the following:

- Develop a contractor surveillance plan for Bureau staff to follow for all applicable contracting actions.
- Require contracting officers to obtain the FAR-required supporting documentation from the contractor to meet the contract requirements and before authorizing payment of T&M vouchers.

REQUEST FOR INFORMATION TO CENSUS BUREAU DIRECTOR STEVEN DILLINGHAM FROM THE INSPECTOR GENERAL (OIG-20-034-M)

On July 7, 2020, the IG issued a memorandum to the Director of the Census Bureau regarding the hire of two new staff: Nathaniel Cogley, PhD, as the Deputy Director for Policy, and Adam Korzeniewski, as the Senior Advisor to the Deputy Director for Policy.

To assist our ongoing oversight of the decennial census, the IG requested that the following information be transmitted to our office by July 20, 2020:

- Position descriptions for each of the new positions—i.e., the Deputy Director for Policy and the Senior Advisor to the Deputy Director for Policy.
- Compensation for each of the positions.
- Any analyses, studies, memorandums, justifications, correspondence, plans, budgets, or similar documents that relate to the creation of these two new positions at the Bureau.
- Any analyses, studies, memorandums, justifications, correspondence, plans, budgets, or similar documents that relate to expectations, objectives, or goals associated with or related to the new positions.
- Resumes for Dr. Cogley and Mr. Korzeniewski and any assessment, analysis, correspondence, or similar documents setting forth their suitability for the new positions.
- Any correspondence or other documentation regarding the recruitment, interviewing, evaluation, and hiring of Dr. Cogley and Mr. Korzeniewski.
- Any agreements, contracts, letters of understanding, waivers, or similar documents related to Dr. Cogley's and Mr. Korzeniewski's employment by the Bureau.
- Any financial or other disclosures made by Dr. Cogley and Mr. Korzeniewski, including, but not limited to, Office of Government Ethics Forms 450 and 278.

REQUEST FOR INFORMATION AND NOTICE OF INTERVIEW TO CENSUS BUREAU DIRECTOR STEVEN DILLINGHAM FROM THE INSPECTOR GENERAL RE: 2020 CENSUS SCHEDULE (OIG-20-039-M)

On August 13, 2020, the IG issued a memorandum to the Director of the Census Bureau about the potential impact that 2020 Census schedule changes could have on the completeness and accuracy of the 2020 Census.

On August 3, 2020, the Bureau released a statement from the Director noting that the Bureau would “accelerate the completion of data collection and apportionment counts” for the 2020 Census, ending field data collection and self-response options by September 30, 2020. Prior to that, due to the COVID-19 pandemic, Secretary Wilbur Ross and Director Dillingham issued a joint statement on April 13, 2020, declaring that as part of a statutory relief plan, “[t]he Census Bureau would extend the window for field data collection and self-response to October 31, 2020” and requested a 120-day delay in the deadline set by statute for reporting apportionment and redistricting counts to no later than April 30, 2021, and July 31, 2021, respectively. Prior to any impact caused by COVID-19, field data collection and self-response options were originally scheduled to end on July 31, 2020.

To assist our ongoing oversight of the 2020 Census, the IG requested that Director Dillingham provide all of the following documents or communications, including but not limited to email, instant messages, and text messages:

- Discussing or referring in any manner to the decision to accelerate the 2020 Census schedule as described in the August 3, 2020, press release.
- Detailing the persons involved, and their respective involvement, in the decision to accelerate the 2020 Census schedule.
- Detailing the reasons for the decision to accelerate the 2020 Census schedule.

Additionally, our office notified Director Dillingham that OIG would like to interview him concerning these and other matters relevant to the 2020 Census. Such other matters could include any threats to the integrity of Census IT systems, and any interactions with the Bureau's or the Department's staff.

MANAGEMENT ALERT: THE CENSUS BUREAU CANNOT ACCOUNT FOR THE RETURN OF ALL DEVICES USED DURING 2020 DECENNIAL CENSUS FIELD OPERATIONS (OIG-20-040-M)

On August 13, 2020, we issued a management alert to the Director of the Census Bureau regarding the Bureau's oversight of laptop computers used during the 2020 Decennial Census in-field address canvassing operation. During our evaluation, we found that the Bureau was unaware that more than a dozen laptop computers—which may contain Title 13 protected data—were lost, missing, or stolen (LMS).

In our management alert, we noted that the Bureau was unaware of LMS laptop computers by the end of the in-field address canvassing operation due to (1) inadequate communication among Bureau employees, the contractor, and subcontractor staff and (2) noncompliance with certain contract terms and processes. Specifically, we found the following:

- More than a dozen laptop computers—which may have contained Title 13 protected data—were not correctly identified as LMS in the contractor's asset management system. For some of these laptops, the Bureau did not know the devices were LMS.
- The in-field address canvassing operation officially ended on October 11, 2019, but the Bureau was not aware until early April 2020—after our office began its evaluation—that several laptop computers were not returned.
- Even though the laptop computers that were used for address canvassing were encrypted and enrolled in a mobile device management solution, the Bureau cannot confirm that remote wipe commands sent to these LMS laptop computers successfully removed census data from the devices.

The Bureau did not provide effective oversight of the return of laptop computers used for in-field address canvassing and could not be certain that Title 13 protected data was removed from all LMS laptops. In addition to the laptop computers we detected during our review, which was limited in scope, there could have been more devices that were used for in-field address canvassing and other decennial census field operations that were not returned and not properly identified as LMS in the asset management system. The Bureau on its own identified 70 LMS laptops; however, it had not fully reconciled the laptop computers used in address canvassing.

The Bureau must improve its oversight of equipment containing protected data to ensure devices used in the NRFU operation—which includes about 585,000 smartphones and tablets—are adequately tracked and the data is safeguarded against unauthorized disclosure.

2020 CENSUS ALERT: THE CENSUS BUREAU FACES CHALLENGES IN ACCELERATING HIRING AND MINIMIZING ATTRITION RATES FOR ABBREVIATED 2020 CENSUS FIELD OPERATIONS (OIG-20-041-M)

On August 18, 2020, we issued a 2020 Census alert memorandum to the Director of the Census Bureau regarding our concerns about hiring and retaining sufficient numbers of field employees during the shortened NRFU operation. This issue had come up in our previous work, where it was reported that the Bureau has had difficulties ensuring it can expeditiously hire employees.

In our alert memorandum, we noted that Bureau management stated that their target number of enumerators, needed by the end of August 2020 to complete NRFU production, was just above

300,000. As of August 17, 2020, the Bureau had just under 220,000 enumerators trained and ready to start working on the NRFU operation underway—this represented approximately 73 percent of the estimated number of enumerators needed to complete NRFU production. However, 132 out of 248 total area census offices (ACOs) were less than 75 percent toward reaching their estimated goals; of those 132 ACOs at less than 75 percent, 37 were less than 50 percent toward reaching their goal.

After the Bureau announced the September 30 deadline (i.e., 4 weeks earlier than expected), Bureau personnel acknowledged to us there are challenges with hiring the number of enumerators needed to conduct NRFU. Specifically, ACOs experienced the following:

- No-shows for training
- Pandemic-related issues
- Background-check-related issues

To address these priorities, hiring and retaining sufficient enumerators is vital because enumerators represent a final opportunity for the Bureau to reach households who have not responded, including historically hard-to-count communities.

REQUEST FOR INFORMATION TO CENSUS BUREAU DIRECTOR STEVEN DILLINGHAM FROM THE INSPECTOR GENERAL RE: THE HIRING OF A NEW DEPUTY DIRECTOR FOR DATA (OIG-20-042-M)

On August 19, 2020, the IG issued a memorandum to the Director of the Census Bureau about the hiring of Benjamin A. Overholt, PhD, as the Deputy Director for Data. The Director announced that Dr. Overholt “will support the Census Bureau in ensuring the 2020 Census data products are of the highest quality.”

To assist our office with our ongoing oversight of the decennial census, the IG requested that the Bureau transmit the following information to our office by September 2, 2020:

- Position description for the new position—i.e., the Deputy Director for Data.
- Compensation for the position.
- Any analyses, studies, memorandums, justifications, correspondence, plans, budgets, or similar documents that relate to the creation of this position at the Bureau.
- Any analyses, studies, memorandums, justifications, correspondence, plans, budgets, or similar documents that relate to expectations, objectives, or goals associated with or related to the new position.
- Resume for Dr. Overholt and any assessment, analysis, correspondence, or similar documents setting forth suitability for the new position.
- Any correspondence or other documentation regarding the recruitment, interviewing, evaluation, and hiring of Dr. Overholt.
- Any agreements, contracts, letters of understanding, waivers, or similar documents related to Dr. Overholt’s employment by the Bureau.
- Any financial or other disclosures made by Dr. Overholt, including, but not limited to, Office of Government Ethics Forms 450 and 278.

2020 CENSUS ALERT: THE CENSUS BUREAU MAY NOT ACCURATELY COUNT COLLEGE AND UNIVERSITY STUDENTS LIVING OFF-CAMPUS DURING THE 2020 CENSUS (OIG-20-044-M)

On August 27, 2020, we issued a 2020 Census alert memorandum to the Director of the Census Bureau regarding our concerns about the accuracy and use of data collected from enumerating

college and university students living in off-campus housing. Delays and changes to 2020 Census operations as a result of the COVID-19 pandemic have presented further risks to an accurate and timely count of this portion of the population.

In our review, we did not identify any significant issues with the enumeration of college students living on-campus. However, we found that the Bureau has been undercounting off-campus student households. Additionally, the Bureau's efforts to collect data on off-campus students from college and university administrators will not mitigate the risk of an inaccurate count, because the Bureau does not have a final plan in place to use these off-campus student data. Furthermore, we stated that any finalized plans will need to consider the completeness and usability of off-campus student data.

2020 CENSUS ALERT: THE CENSUS BUREAU FACES CHALLENGES IN ENSURING EMPLOYEE HEALTH SAFETY DURING 2020 CENSUS FIELD OPERATIONS (OIG-20-046-M)

On September 8, 2020, we issued a 2020 Census alert memorandum to the Director of the Census Bureau regarding our concerns about the Bureau's inconsistent implementation of safety procedures to prevent the spread of COVID-19 as it completes its 2020 Census operations. Based on the number and consistency of COVID-19-related hotline complaints that our office had received, we were concerned that the Bureau is not fully complying with key elements of its own COVID-19 safety requirements—or operating fully in line with recommended guidance provided by the Department, OPM, CDC, and the U.S. Department of Labor—and not holding its managers, employees, and contractors fully accountable for noncompliance, thereby putting their health at risk.

In our alert memorandum, we noted that between March 9 and August 21, 2020, OIG received multiple hotline complaints from 26 different Bureau locations in multiple states, alleging 76 instances of violations related to the Bureau's COVID-19 safety protocol. These included at least one of the following allegations: that Bureau employees (a) did not follow proper protocol when staff were exposed to office colleagues who tested positive for the virus; (b) did not follow social distancing recommendations; and/or (c) did not properly implement the mandate to wear masks or facial coverings, even when supplied by the Bureau.

The nature of 2020 Census operations requires contact with the U.S. public. The Bureau has assured the public that its staff will exercise great caution by prioritizing health and safety when interacting with the public. However, the Bureau must ensure that protocols, such as wearing face masks and social distancing, are practiced throughout all Bureau facilities. The Bureau—which has a responsibility to provide safe workplaces for employees to perform their jobs—cannot execute the 2020 Census effectively without sufficient staff. Growing and evolving challenges stemming from the COVID-19 pandemic present critical workforce safety issues for the Bureau to assess and address as it seeks to continue operations.

2020 CENSUS ALERT: DELAYS TO RESOLVING ALERTS LIMIT THE BUREAU'S ABILITY TO MAINTAIN OR IMPROVE THE QUALITY OF 2020 CENSUS DATA (OIG-20-048-M)

On September 17, 2020, we issued a 2020 Census alert memorandum to the Director of the Census Bureau regarding our concerns—about ACO supervisors failing to respond to NRFU operational control system (OCS) alerts within required time frames—that require immediate attention. Without ACO supervisors taking timely action, enumerators may not follow procedures and, as a result, their actions could negatively impact data quality.

In our alert memorandum, we referenced our review which indicated that ACO supervisors are not resolving alerts within the 3-day time frame established to minimize the number of enumerator actions that do not follow procedures. In our review of 3,079,343 alerts generated from August 9–27, 2020, (i.e., the first 19 days of all ACOs starting NRFU) we found the following:

- At least 365,440 alerts (11.9 percent) were not resolved within 3 days, including at least 167,888 (5.5 percent) that were still unresolved as of August 31, 2020.
- There were 191,089 stale alerts triggered. Of those—even with an additional day to resolve these alerts—Bureau employees did not resolve at least 87,557 (or 45.8 percent) within 3 days. As of August 31, 2020, at least 54,404 stale alerts (28.5 percent of all stale alerts) were still unresolved.

OCS alerts are a significant tool for supervisory monitoring of enumerator performance. If supervisors fail to resolve alerts and correct enumerator behavior, then the enumerator can continue to make mistakes or, worse, purposely falsify data. Likewise, managers play a critical role in ensuring that supervisors are addressing alerts in a timely manner. If the Bureau does not take timely corrective action to resolve the issues that underlie these alerts, then it cannot ensure the quality of decennial census data.

THE ACCELERATION OF THE CENSUS SCHEDULE INCREASES THE RISKS TO A COMPLETE AND ACCURATE 2020 CENSUS (OIG-20-050-M)

On September 18, 2020, the IG issued a management alert to the Secretary of Commerce regarding the Census Bureau's press release on August 3, 2020, which announced a decision "to accelerate" the 2020 Census. Following this announced schedule acceleration, our office received several Congressional inquiries expressing concern about the expedited schedule. News articles also highlighted these changes, as did former Directors of the Census Bureau in a joint statement.

In response, beginning on August 12, 2020, we issued requests for information and notices of interviews to several Department officials.

In our review of the circumstances surrounding the accelerated 2020 Census schedule, we found the following:

- The decision to accelerate the Census schedule was not made by the Bureau.
- The accelerated schedule increases the risks to obtaining a complete and accurate 2020 Census.

The COVID-19 pandemic prevented the Bureau from implementing its decade of planning for the 2020 Census. An April 2020 extension to the 2020 Census schedule acknowledged these realities and attempted to mitigate for lost time. However, we found that when that schedule was subsequently accelerated in August 2020, the decision came from outside the Bureau and further increased the risks to the accuracy and completeness of the 2020 Census.

2020 CENSUS ALERT: THE CENSUS BUREAU'S PROGRAM TO PROVIDE AWARDS TO NONRESPONSE FOLLOWUP ENUMERATORS AND FIELD SUPERVISORS MAY REQUIRE ADDITIONAL QUALITY ASSURANCE OF CASES TO ENSURE DATA ACCURACY (OIG-20-052-M)

On September 28, 2020, we issued a 2020 Census alert memorandum to the Director of the Census Bureau regarding our concern about the NRFU operation employee awards program that requires attention. Delays and changes to 2020 Census operations as a result of the COVID-19 pandemic have presented risks to an accurate and timely count of the population.

Enumerating nonresponsive households months later than originally scheduled—and scheduling completion of that work by September 30, 2020—prompted the Bureau to incentivize increased enumeration production by granting monetary awards to certain temporary employees. The program calculates awards based on the number of completed cases per hour and hours worked per week, regardless of whether the work was completed accurately. Awards on this basis may reward employees producing errors in completed cases—whether intentional or accidental—and lead to an increased number of reinterviews than would otherwise be required to ensure data quality.

While the Bureau has a quality control process to rework cases producing erroneous results, monetary awards are issued—and not revoked—regardless of enumerator errors. If interviews are found to have unintentional errors or, worse, have been falsified, those cases are subject to reinterview. However, Bureau management informed us that, if an enumerator receives an award but the work performed is later found to be either inaccurate or falsified, the Bureau will not require that the award be returned. Further, the Bureau stated that it does not consider NRFU reinterview results before issuing an award, even if such results are available before an award is paid. Therefore, the Bureau risks incentivizing production at the expense of accuracy.

NIGERIAN MAN SENTENCED TO 3 YEARS IN PRISON FOR COMPUTER HACKING SCHEME THAT TARGETED GOVERNMENT EMPLOYEES

In our March 2020 *Semiannual Report to Congress*, we reported a Nigerian national was extradited from Canada and pled guilty for his alleged role in a scheme that defrauded vendors of office products—valued at nearly \$1 million—by “phishing” email login information from government employees, including from the Census Bureau. On September 23, 2020, the subject was sentenced to 36 months in prison, 24 months of supervised release, and \$68,618.41 in restitution.

FOUR ARMED SECURITY GUARDS ARRESTED AND DEBARRED FOR EXTORTING MONEY IN EXCHANGE FOR PASSING FIREARMS QUALIFICATION SCORES

On December 8, 2016, our office opened an investigation into whistleblower reprisals allegations that a Census Bureau employee was fired for reporting timecard fraud. Our investigative activities revealed an extortion scheme in which four armed security guards contracted by NOAA extorted money from other armed security guards at NOAA and the Bureau in exchange for passing firearms qualification scores. The four security guards were arrested and two were convicted. On July 15, 2020, one guard was debarred for 3 years.

U.S. ECONOMIC DEVELOPMENT ADMINISTRATION



The **U.S. Economic Development Administration's** mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. Its investment policy is designed to establish a foundation for sustainable job growth and the building of durable regional economies throughout the United States. This foundation builds on two key economic drivers: innovation and regional collaboration.

QUALITY CONTROL REVIEW OF THE AUDIT OF LONG ISLAND DEVELOPMENT CORPORATION AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2018 (OIG-20-QCR-3)

We initiated a quality control review (QCR) of the audit of Long Island Development Corporation as of and for the year ended September 30, 2018. The audit was performed by Trachtenberg & Pauker, LLP. On our behalf, McBride, Lock & Associates, LLC performed this QCR to determine whether the audit report complied with reporting requirements of the Single Audit Act of 1984, as amended in 1996. The single audit was performed using generally accepted auditing standards published by AICPA and GAGAS issued by the U.S. Government Accountability Office.

The QCR identified issues related to deficiencies in Notes to the Schedule of Federal Expenditures and the Schedule of Findings and Questioned Costs.

QUALITY CONTROL REVIEW OF THE AUDIT OF THE NORTHWEST PENNSYLVANIA REGIONAL PLANNING & DEVELOPMENT COMMISSION AS OF AND FOR THE YEAR ENDED JUNE 30, 2018 (OIG-20-QCR-4)

We initiated a QCR of the audit of the Northwest Pennsylvania Regional Planning & Development Commission as of and for the year ended June 30, 2018. The single audit was performed by Maloney, Reed, Scarpitti & Company, LLP. On our behalf, McBride, Lock & Associates, LLC performed this QCR to determine whether the audit report complied with the reporting requirements of the Single Audit Act of 1984, as amended in 1996. The single audit was performed using generally accepted auditing standards published by AICPA and GAGAS issued by the U.S. Government Accountability Office.

The QCR concluded that, after correction of the item discussed below, the single audit met audit standards.

The QCR identified that the Economic Adjustment Assistance award document was not included in the audit workpapers and was not available for the audit. Therefore, there was no assurance that all direct and material compliance requirements were considered by the audit or met by the grantee. The audit did not mention the missing grant award documents. In addition, the audit provided an appropriate analysis on the loan portfolio summary activity pertaining to the compliance summary; however, the grant budget and grant agreement specify the purpose or use of funds more specifically than the compliance supplement. Furthermore, the QCR noted that the documentation of the internal control review, risk assessment, and compliance testing of the loan processes and loan portfolio could be improved. Maloney, Reed, Scarpitti & Company, LLP reviewed and provided responses to the McBride, Lock & Associates, LLC review for the issues identified in the report. Maloney, Reed, Scarpitti & Company, LLP agreed with the review, and while it believes the original review of the grant award was sufficient for the audit engagement, it was able to obtain the original award documents and better document the review of the loan portfolios.

INTERNATIONAL TRADE ADMINISTRATION



INTERNATIONAL
T R A D E
ADMINISTRATION

The **International Trade Administration's** mission is to create prosperity by strengthening the international competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements.

IG LETTER TO SENATORS MORAN AND SHAHEEN RE: ITA AND DEPARTMENT BUDGETARY FORMULATION AND EXECUTION PROCESSES (OIG-20-027-M)

On May 27, 2020, the IG responded to a letter from Chairman Jerry Moran and Vice Chairwoman Jeanne Shaheen of the United States Senate Committee on Appropriations, Subcommittee on Commerce, Justice, Science and Related Agencies, requesting that our office conduct a formal inquiry of the ITA's and the Department's budgetary formulation and execution processes.

To respond to the Committee's questions, our office developed the following objectives for this evaluation:

- To determine whether ITA reduced Global Markets (GM) staffing levels and reinvested funds intended for personnel expenses to other priorities not included in the ITA FY 2019 President's budget request.
- To determine whether GM could support inconsistencies in reported staffing positions as shown on the FYs 2018 and 2019 spend plans and the FY 2020 Congressional Budget Justification.

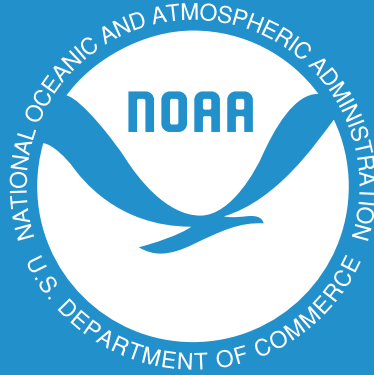
Our evaluation included reviewing submitted reports, conducting interviews, and analyzing relevant laws and regulations. We conducted our review from September 2019 through March 2020.

We found the following:

- ITA reduced both GM staffing levels and funding for personnel expenses during FY 2019.
- ITA could not support GM reports.

The IG agreed that proper budget formulation and execution are necessary for GM to accomplish its programmatic objectives and goals with accountability to Congress and other stakeholders.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION



The **National Oceanic and Atmospheric Administration's** mission is to understand and predict changes in climate, weather, oceans, and coasts, to share that knowledge and information with others, and to conserve and manage coastal and marine ecosystems and resources.

EVALUATION OF NOAA'S SEPTEMBER 6, 2019, STATEMENT ABOUT HURRICANE DORIAN FORECAST (OIG-20-032-I)

On Friday, September 6, 2019—the day Hurricane Dorian made landfall in the United States as a Category 1 hurricane—NOAA issued an unsigned statement (Statement) in response to a request by the White House then-acting chief of staff to Secretary Ross. The Statement rebuked NOAA NWS Birmingham for a September 1, 2019, tweet that advised that “Alabama will NOT see any impacts from #Dorian” after the White House then-acting chief of staff requested a “correction or an explanation or both” of this NWS Birmingham tweet. This raised the possibility of political interference in the Department’s and NOAA’s handling of events that began on September 1, 2019.

On September 7, 2019, the IG issued a memorandum to the acting head of NOAA to notify him that our office was going to examine the circumstances surrounding the Statement and instituting a preservation hold on relevant documents. There was significant internal and public backlash against the Statement, resulting in multiple complaints to our office from the public as well as Congressional inquiries. Among the complaints was that the Statement violated NOAA’s Scientific Integrity Policy; NOAA had since conducted an inquiry to determine whether its Scientific Integrity Policy had been violated.

Our June 26, 2020, report presented our findings as a detailed chronology and analysis of the events leading up to the Statement, the issuance of the Statement, and the aftermath of the Statement. Our objective was to examine the circumstances surrounding the Statement, providing an independent account of the events that transpired in the interest of transparency and good government.

Our conclusions, in brief, were the following:

- The Department led a flawed process that discounted NOAA participation.
- The Department required NOAA to issue a Statement that did not further NOAA’s or NWS’s interests.
- The Department failed to account for the public safety intent of the NWS Birmingham tweet and the distinction between physical science and social science messaging.
- One NOAA employee deleted relevant text messages, and the Department’s federal records guidance is outdated.

THE JOINT POLAR SATELLITE SYSTEM: COST GROWTH AND SCHEDULE DELAY OF A KEY INSTRUMENT ACQUISITION HIGHLIGHT THE NEED FOR CLOSER ATTENTION TO CONTRACTOR OVERSIGHT (OIG-20-047-A)

Our objective was to assess the cost, schedule, and technical performance of the Joint Polar Satellite System (JPSS) Program’s acquisition and development effort for selected instruments.

We found the following:

- The JPSS Program exceeded contract definitization timelines and conducted late and abbreviated baseline reviews.
- JPSS-2 Cross-track Infrared Sounder quality assurance did not adequately integrate contract risks into its surveillance activities.
- Award-fee determinations did not motivate the contractor toward exceptional performance.

In addition, as a part of one of these findings, we identified \$14,354,642 in potential funds that could be put to better use.

We recommended that the NOAA Deputy Under Secretary for Operations do the following:

- Require that programs notify the Joint Agency Program Management Council before NOAA-funded NASA contracts exceed definitization timelines.
- Require a Joint Agency Program Management Council assessment before an Integrated Baseline Review requirement is removed, abridged, or its timing adjusted, for NOAA-funded NASA contracts or major contract modifications requiring earned value management.

We recommended that the NOAA Assistant Administrator for Satellite and Information Services do the following:

- Ensure the JPSS Program adequately incorporates contract risks and executes prevention-focused surveillance as part of its quality assurance activities.

We recommended that the NOAA Assistant Administrator for Satellite and Information Services coordinate with the Director of the NASA Goddard Space Flight Center to do the following:

- Conduct a joint review of contractor performance evaluation practices and determine whether changes could more effectively motivate contractors to achieve desired outcomes for ongoing and future contract negotiations on NOAA-funded projects.
- Establish a working definition of “significant” cost overrun to help inform strategies that progressively motivate contractors to improve before accumulating excessive cost and schedule performance deficits, for ongoing and future NOAA-funded NASA contracts.

QUALITY CONTROL REVIEW OF THE AUDIT OF NORTHEASTERN REGIONAL ASSOCIATION OF COASTAL OCEAN OBSERVING SYSTEMS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2018 (OIG-20-QCR-1)

We initiated a QCR of the audit of Northeastern Regional Association of Coastal Ocean Observing Systems as of and for the year ended September 30, 2018. The single audit was performed by Hession & Pare, P.C. On our behalf, McBride, Lock & Associates, LLC, performed this QCR to determine whether the audit report complied with reporting requirements of the Single Audit Act of 1984, as amended in 1996. The single audit was performed using generally accepted auditing standards published by the AICPA and GAGAS issued by the U.S. Government Accountability Office.

The QCR identified an issue related to certain audit testing of allowable costs and activities.

QUALITY CONTROL REVIEW OF THE AUDIT OF AMERICAN RIVERS, INC., AS OF AND FOR THE YEAR ENDED JUNE 30, 2018 (OIG-20-QCR-2)

We initiated a QCR of the audit of American Rivers, Inc., as of and for the year ended June 30, 2018. The audit was performed by Tate & Tryon, P.C. On our behalf, McBride, Lock & Associates, LLC, performed this QCR to determine whether the audit report complied with reporting requirements of the Single Audit Act of 1984, as amended in 1996. The single audit was performed using generally accepted auditing standards published by AICPA and GAGAS issued by the U.S. Government Accountability Office.

The QCR identified no deficiencies related to the audit report.

CONSULTING FIRM REIMBURSES NATIONAL FISH AND WILDLIFE FOUNDATION FOR FRAUDULENTLY MISCHARGED LABOR HOURS AFTER JOINT DOC-DOI INVESTIGATION

Our office opened a criminal investigation into a government consulting firm based on allegations of grant fraud related to NOAA. This investigation into mischarged labor hours did not uncover any criminal activity or monetary loss to NOAA; however, our investigative efforts led us to suspect a

U.S. Department of the Interior equity—i.e., the National Fish and Wildlife Foundation (NFWF)—had instead been fraudulently misbilled. Together, our office and the U.S. Department of the Interior OIG jointly investigated the fraudulently misbilled hours. Through the joint investigative efforts, we found that the consulting firm had previously self-identified this issue and believed they had fixed it (having written off 561.75 misbilled labor hours). However, after a careful re-examination of their claims at investigators' behest, the consulting firm admitted to miscalculating the appropriate reimbursement and to inadvertently misbilling NFWF when they should have billed NOAA. In an effort to redress this, the consulting firm agreed to write off 383 additional labor hours, resulting in a \$44,332.94 reimbursement for NFWF.

ANCHORAGE WOMAN SUSPENDED FROM FEDERAL GOVERNMENT CONTRACTING AFTER BEING CHARGED WITH EMBEZZLING FEDERAL GRANT FUNDS IN ALASKA

On June 24, 2020, an Anchorage woman was federally charged with embezzling approximately \$174,290 from the Alaska Native Harbor Seal Commission (ANHSC), which was primarily funded from federal grants issued by NOAA, with additional federal grant funds provided by the Bureau of Indian Affairs. The subject allegedly used (1) the ANHSC credit card to make unauthorized personal purchases, and (2) the ANHSC checking account to make unauthorized cash withdrawals, issue unauthorized checks, and make unauthorized debit card purchases with tribal funds.

On September 4, 2020, the subject was suspended from federal government contracting and from directly or indirectly receiving benefits of federal assistance programs by the Department. At arraignment, the subject pleaded not guilty to one count of embezzlement from an Indian Tribal organization (18 U.S.C. § 1163) and two counts of embezzlement from an organization receiving federal funds (18 U.S.C. § 666(a)(1)). The trial is set to take place on October 26, 2020.

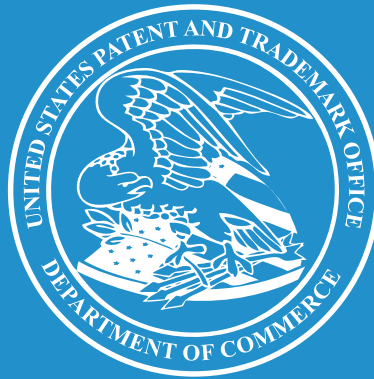
FORMER CONTRACTOR INDICTED IN U.S. DISTRICT COURT

On July 21, 2020, a former contractor was indicted in the U.S. District Court for the Eastern District of Washington on three counts of 18 U.S.C. § 1343 (Wire Fraud), one count of 18 U.S.C. § 287 (False, Fictitious, or Fraudulent Claims), one count of 18 U.S.C. § 1028A (Aggravated Identity Theft), one count of 18 U.S.C. § 912 (False Personation of Officer or Employee of the United States), one count of 18 U.S.C. § 641 (Theft of Government Property), and one count of 18 U.S.C. § 495 (Falsification and Forgery of Government Documents) to include 18 U.S.C. § 981 (a)(1)(C) and 28 U.S.C. § 2461(c) (Forfeiture Allegations). The subject, despite knowing he was debarred and disqualified from receiving federal government contracts, intentionally engaged in a scheme to defraud using interstate wires and through the making and presentation of false and fraudulent claims for payment. The subject received dozens of federal government contracts and hundreds of thousands of dollars through his scheme, including a contract to perform janitorial services at the Yakima Training Center for the U.S. Army in the Eastern District of Washington. This is a joint investigation among the Defense Criminal Investigative Service, our office, and multiple other federal agencies. Efforts to determine any financial loss or fraud with regards to NOAA contracts by the subject are ongoing. A jury trial is set to take place on November 16, 2020.

FOUR ARMED SECURITY GUARDS ARRESTED AND DEBARRED FOR EXTORTING MONEY IN EXCHANGE FOR PASSING FIREARMS QUALIFICATION SCORES

On December 8, 2016, our office opened an investigation into whistleblower reprisals allegations that a Census Bureau employee was fired for reporting timecard fraud. Our investigative activities revealed an extortion scheme in which four armed security guards contracted by NOAA extorted money from other armed security guards at NOAA and the Bureau in exchange for passing firearms qualification scores. The four security guards were arrested and two were convicted. On July 15, 2020, one guard was debarred for 3 years.

UNITED STATES PATENT AND TRADEMARK OFFICE



The mission of the **United States Patent and Trademark Office** is to foster innovation, competitiveness, and economic growth, domestically and abroad, by providing high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property policy, and delivering intellectual property information and education worldwide.

DEFICIENCIES IN USPTO'S BACKUP AND RESTORATION PROCESS COULD DELAY RECOVERY OF CRITICAL APPLICATIONS IN THE EVENT OF A SYSTEM FAILURE AND ADVERSELY AFFECT ITS MISSION (OIG-20-030-A)

Our objective was to determine whether USPTO had adequate data recovery and contingency plans in place to ensure operational availability of the Patent Capture and Application Processing System (PCAPS).

We found that

- USPTO has no assurance that it can restore critical applications in the event of system failure, and
- USPTO's continued delay in updating legacy systems rendered a \$4 million-per-year alternate processing site inadequate and impractical.

We recommended that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Chief Information Officer to do the following:

- Implement recommendations outlined in NIST Special Publication 800-34 to ensure that all contingency planning documentation contains the necessary components, including, but not limited to, recovery objectives.
- Establish a documented process that ensures contingency plan testing includes functional testing that entails simulations of actual system disruption or failure, and that all required participants are involved with contingency plan testing.
- Ensure that appropriate backup logs are delivered to the Chief Information Officer Command Center and backup failures are flagged for review while also establishing a process to alert appropriate personnel who can promptly rectify any failures.
- Make a determination whether the \$4 million in potential monetary benefits that we identified in this report that is currently allocated for the Boyers alternate site can be used more efficiently.
- Establish a detailed plan for the replacement of legacy systems and software applications, including milestones and deadlines, and enforce the plan in a manner that holds appropriate personnel accountable.

USPTO NEEDS TO IMPROVE ITS SMALL BUSINESS CONTRACTING PRACTICES (OIG-20-045-A)

We contracted with Booth Management Consulting, LLC (BMC)—an independent firm—to perform this audit of USPTO's small business utilization. The objectives were to determine whether USPTO (1) achieved its small business utilization goals, (2) contracting officials provided small businesses with adequate contract award opportunities, and (3) took appropriate actions to ensure contracting officials met small business contracting goals.

Our office oversaw the progress of this audit to ensure that BMC performed the audit in accordance with GAGAS and contract terms. However, BMC is solely responsible for their report and conclusions expressed in it. As stated in their report, BMC concluded that USPTO did not do the following:

- Meet its small business utilization goals.
- Provide small businesses with adequate contract award opportunities.
- Take appropriate actions to meet small business contracting goals.

BMC recommended that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Director of the Office of Procurement to ensure that the following occurred:

- Contract specialists verify small business eligibility prior to awarding small business contracts.
- Contract specialists perform and appropriately document small business set-aside reviews.
- Historically Underutilized Business Zones small business consideration is included in its annual acquisition forecasting activities and marketing efforts to maximize contracting opportunities.
- The Office of Procurement uses the Forecasting and Advanced Acquisition Planning System and establishes clear lines of communication between the Office of Procurement, small business specialists, and contracting specialists for all procurement requests.

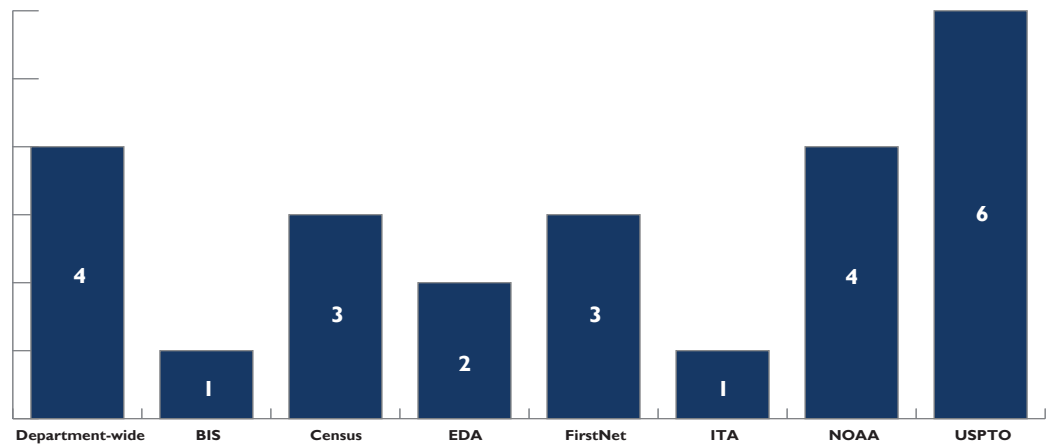
NON-LAWYER PATENT LAW FIRM OWNER DEBARRED AFTER PLEADING GUILTY TO BAIT ADVERTISING

On July 17, 2020, we closed an investigation into allegations of fraud in connection to the submission of documentation before USPTO. The joint investigation with the Colorado Bureau of Investigation established the non-lawyer owner of Intelligent Patent Services, LLC, misrepresented his own experience and unlawfully used the identities of four individuals in an attempt to mislead potential customers, gain a benefit for himself, and unlawfully submit patent applications before USPTO. The subject pled guilty to one count of bait advertising. The subject was sentenced to unsupervised probation for 1 year, 150 community service hours, and ordered to pay \$5,303.50 in assessed fines and costs (\$4,975.00 was the actual restitution). In July 2020, the individual was debarred by the Department for 3 years.

WORK IN PROGRESS

WORK IN PROGRESS (BY OVERSIGHT AREA)

During this reporting period, 24 OIG audit, evaluation, and inspection projects were initiated or underway.



DEPARTMENT-WIDE

Audit of Enterprise Services Performance in Managing and Overseeing Accenture Blanket Purchase Agreement No. DOCSSI30116BU0004 and Subsequent Call Orders

To determine whether ES effectively and efficiently managed contractor performance of the Accenture blanket purchase agreement DOCSSI30116BU0004 and subsequent call orders in accordance with federal regulations and Department policy.

FY 2020 Department of Commerce Consolidated Financial Statements Audit (will result in 2 separate reports)

To monitor the independent public accounting firm contracted to determine whether the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles; to consider the Department's internal control over financial reporting and test compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the financial statements.

Audit of FY 2020 Federal Information Security Modernization Act (FISMA) Compliance

To assess the effectiveness of the Department's information security program and practices.

Audit of the Department's Compliance with the Geospatial Data Act of 2018

To review the Department's compliance with the (1) standards for geospatial data, including metadata for geospatial data established under section 757 of the Geospatial Data Act (Pub. L. No. 115-254) (GDA); (2) requirements under subsection 759(a) of the GDA; and (3) limitation on the use of federal funds under section 759A of the GDA.

BUREAU OF INDUSTRY AND SECURITY

Audit of BIS and ITA Processes and Procedures for Reviewing and Adjudicating Section 232 Exclusion Requests

To determine whether (1) BIS and ITA adhere to the processes and procedures in place to review Section 232 product exclusion requests, and (2) exclusion request decisions are reached in a consistent and transparent manner.

U.S. CENSUS BUREAU

Evaluation of the U.S. Census Bureau's 2020 Census Address Canvassing Operation

To determine whether the Bureau implemented an effective strategy for completing the 2020 Census address canvassing operation and producing a complete and accurate address list.

Audit of the U.S. Census Bureau's IT Security Measures Supporting the 2020 Census

To determine the effectiveness of security measures for select IT systems that support the 2020 Census.

Evaluation of 2020 Census Peak Operations

To conduct a series of reviews to determine whether the Bureau's planning and execution of 2020 Census peak operations successfully reduces risk to decennial census data quality and costs.

U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

Audit of EDA's Disaster Relief Grants Award Administrative Process and Oversight Efforts

To determine whether EDA's grants process for awarding disaster relief funds appropriated by the Bipartisan Budget Act of 2018 is adequate.

Evaluation of EDA's Plan for Implementing CARES Act Funding

To determine (1) what steps EDA took in implementing the CARES Act, (2) challenges EDA faced during implementation, and (3) EDA's ongoing efforts in awarding funds under the CARES Act.

FIRST RESPONDER NETWORK AUTHORITY

Audit of FirstNet's Subcontract Oversight

To determine whether the First Responder Network Authority's (FirstNet Authority's) actions for overseeing AT&T's subcontract management of the Nationwide Public Safety Broadband Network (NPSBN) contract are sufficient to meet federal laws, regulations, and contract provisions.

Audit of FirstNet Authority's Reinvestment Process

To determine whether FirstNet Authority's process for reinvesting fee payments is effective and consistent with established practices, procedures, and regulations.

Evaluation of the Nationwide Public Safety Broadband Network's Security Architecture and Risk

To assess the NPSBN's security risks resulting from its security architecture.

INTERNATIONAL TRADE ADMINISTRATION

Evaluation of the 2018 U.S. & Foreign Commercial Service Officer Promotion Process

To determine whether the United States & Foreign Commercial Service, which is part of ITA's GM business unit, adhered to applicable laws, regulations, and policies when conducting the 2018 officer promotion process.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Evaluation of NOAA's Ship Fleet Requirements Management Processes

To determine the adequacy of NOAA's ship fleet requirements management processes.

Audit of the Western Pacific Sustainable Fisheries Fund Grants to the Western Pacific Regional Fishery Management Council

To determine whether the Council (1) claimed allowable, allocable, and reasonable costs under the grant awards, and (2) received the goods and services paid for by the grant awards; to determine whether NOAA provided adequate oversight and monitoring.

Audit of Geostationary Operational Environmental Satellite–R Series (GOES-R) Program Progress in Achieving Launch Readiness for the GOES-T Mission

To assess the program's progress in achieving launch readiness for the GOES-T mission.

Evaluation of NOAA's Implementation of CARES Act Funding

To determine (1) what steps NOAA took in implementing the requirements for awarding funds, (2) challenges NOAA faced during implementation, and (3) NOAA's current status in processing applications and award funds under the CARES Act.

UNITED STATES PATENT AND TRADEMARK OFFICE

Audit of USPTO's Oversight of the Systems Development and Integration Next Generation Contracts

To determine whether USPTO provided adequate oversight of Software Development and Integration–Next Generation contracts.

Evaluation of the Patent Term Adjustment (PTA) and Patent Term Extension (PTE) Processes

To determine whether USPTO (1) calculates and awards PTA and PTE in compliance with relevant statutes, regulations, and case law; (2) has adequate internal controls to ensure the proper calculation and award of PTA and PTE; and (3) uses valid and reliable data to calculate PTA and PTE.

Evaluation of the Patent Trial and Appeal Board (PTAB) Operations

To (1) assess PTAB's processes; (2) identify risk areas within PTAB; and (3) identify any internal and external challenges PTAB faces, and the significance and impacts of these challenges.

Audit of USPTO FY 2020 Financial Statements (will result in 2 separate reports)

To monitor the independent public accounting firm contracted to determine whether the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles; to consider USPTO's internal control over financial reporting and test compliance with certain provisions of laws, regulations, and contracts that could have a direct and material effect on the financial statements.

Audit of USPTO's Efforts to Improve the Accuracy of the Trademark Register

To determine whether USPTO's trademark registration process is effective in preventing fraudulent or inaccurate registrations.

Audit of USPTO's Efforts to Retire Patent Legacy Systems

To assess (1) the cost, schedule, and capabilities of select patent legacy systems and (2) ongoing activities to transition from the legacy systems to next generation systems.

STATISTICAL DATA

The IG Act requires us to present the statistical data contained in the following:

TABLES	PAGE(S)
1. Office of Investigations Statistical Highlights for This Period	39
2. Resolution and Follow-Up	40
3. Audit and Inspection Statistical Highlights for This Period	41
4. Reports with Questioned Costs	42
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6-a. Performance Audits	44
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7-a. Unimplemented Recommendations from Audit, Evaluation, and Inspection Reports	48
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10-a. Description of Closed and Non-Public Inspections, Evaluations, and Audits	69
10-b. Description of Certain Closed and Non-Public Investigations	70

TABLE I. OFFICE OF INVESTIGATIONS STATISTICAL HIGHLIGHTS FOR THIS PERIOD

Investigative activities cover investigations opened and closed by OIG; arrests by OIG agents; indictments and other criminal charges filed against individuals or entities as a result of OIG investigations; convictions secured at trial or by guilty plea as a result of OIG investigations; and fines, restitution, and all other forms of financial recoveries achieved by OIG as a result of investigative action. Fines and other financial recoveries refer only to agreements that a judge accepted.

Allegations processed presents the number of complaints from employees, stakeholders, and the general public that were handled by our Compliance and Ethics unit. Of these, some resulted in the opening of investigations; others were referred to bureaus for internal administrative follow-up. Others were unrelated to Departmental activities or did not provide sufficient information for any investigative follow-up and were not accepted for investigation or referral.

Allegations Received

Total hotline contacts	1,152
Contacts related to Departmental programs	937
Number of hotline referrals to Departmental management	476

Investigative Caseload

Investigations opened this period	31
Investigations closed/completed this period	16
Investigations in progress as of September 30, 2020	81 ^a

Reports

Total number of investigative reports issued during the reporting period	1
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Prosecutive Actions and Monetary Results

Total number of individuals or entities referred to the U.S. Department of Justice for criminal prosecution	11
Total number of entities referred to state/local prosecuting authorities	1
Indictments/Informations	6
Convictions	0
Monetary recoveries (Fines, Restitution, Settlements, Judgments, and Administrative Remedies)	\$1,113,051 ^b

Administrative Actions

Suspension/Debarment actions	3
Disciplinary actions	1 ^c

^a This figure excludes 59 investigations consisting of 19 pending prosecution or completion of judicial proceedings, 4 pending agency action, 18 preliminary investigations, and 18 requests for assistance.

^b This figure includes fines, restitutions, and recoveries in cases worked independently by our office, as well as our participation in multiagency investigations.

^c This figure includes action taken with regards to a joint investigation where funds were recovered.

TABLE 2. RESOLUTION AND FOLLOW-UP

The IG Act requires us to present in this report information concerning reports issued before the beginning of the reporting period (April 1, 2020) for which no management decision had been made by the end of the period (September 30, 2020). No reports remain unresolved for more than 6 months for this reporting period.

Audit resolution is the process by which the Department of Commerce reaches an effective management decision in response to audit, inspection, and evaluation reports. **Management decision** refers to management's evaluation of the findings and recommendations included in the report and the issuance of a final decision by management concerning its response.

Department Administrative Order (DAO) 213-5, *Audit and Evaluation Resolution and Follow-up*, provides procedures for management to request a modification to an approved action plan or for a financial assistance recipient to appeal an audit resolution determination. The following table summarizes modification and appeal activity during the reporting period.

Report Category	Modifications	Appeals
Actions pending (April 1, 2020)	6	2
Submissions	6	2
Decisions	9	0
Actions pending (September 30, 2020)	3	4

TABLE 3. AUDIT AND INSPECTION STATISTICAL HIGHLIGHTS FOR THIS PERIOD

Audits comply with standards established by the Comptroller General of the United States for audits of federal establishments, organizations, programs, activities, and functions.

Inspections include evaluations, inquiries, and similar types of reviews that do not constitute an audit or a criminal investigation.

Questioned costs ^a	\$296,254,315
Value of audit recommendations that funds be put to better use ^b	\$18,354,642
Total potential monetary benefits	\$314,608,957
Value of audit recommendations agreed to by management ^c	\$8,110,587

^a **Questioned cost:** This is a cost questioned by OIG because of (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (3) a finding that an expenditure of funds for the intended purpose is unnecessary or unreasonable.

^b **Value of audit recommendations that funds be put to better use:** This results from an OIG recommendation that funds could be used more efficiently if Department management took action to implement and complete the recommendation. Such actions may include (1) reductions in outlays; (2) deobligation of funds from programs or operations; (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (4) costs not incurred by implementing recommended improvements related to the Department, a contractor, or a grantee; (5) avoidance of unnecessary expenditures identified in pre-award reviews of contracts or grant agreements; or (6) any other savings specifically identified.

^c **Value of audit recommendations agreed to by management:** This is the sum of (1) disallowed costs and (2) funds to be put to better use that are agreed to by management during resolution. Disallowed costs are the amount of costs that were questioned by the auditors or the agency action official and subsequently determined—during audit resolution or negotiations by a contracting officer—not to be charged to the government.

TABLE 4. REPORTS WITH QUESTIONED COSTS

See table 3 for a definition of “questioned cost.” An **unsupported cost** is a cost that is not supported by adequate documentation at the time of the review. Questioned costs include unsupported costs.

Report Category	Number	Questioned Costs (\$)	Unsupported Costs (\$)
A. Reports for which no management decision had been made by the beginning of the reporting period	0	0	0
B. Reports issued during the reporting period	2	296,254,315	296,157,490
Total reports (A+B) requiring a management decision during the period	2	296,254,315	296,157,490
C. Reports for which a management decision was made during the reporting period ^a	2	296,254,315	296,157,490
i. Value of disallowed costs		4,110,587	4,110,587
ii. Value of costs not disallowed		292,143,728	292,046,903
D. Reports for which no management decision had been made by the end of the reporting period	0	0	0

^a In category C, lines i and ii do not always equal the total in line C because resolution may result in values greater than the original recommendations.

TABLE 5. REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

See table 3 for a definition of “recommendations that funds be put to better use.”

Report Category	Number	Value (\$)
A. Reports for which no management decision had been made by the beginning of the reporting period	0	0
B. Reports issued during the reporting period	2	18,354,642
Total reports (A+B) requiring a management decision during the period	2	18,354,642
C. Reports for which a management decision was made during the reporting period ^a	1	4,000,000
i. Value of recommendations agreed to by management		4,000,000
ii. Value of recommendations not agreed to by management		0
D. Reports for which no management decision had been made by the end of the reporting period	1	14,354,642

^a In category C, lines i and ii do not always equal the total in line C because resolution may result in values greater than the original recommendations.

TABLES 6, 6-A, 6-B, AND 6-C. REPORT TYPES FOR THIS PERIOD

Performance audits provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Inspections include evaluations, inquiries, and similar types of reviews that do not constitute an audit or investigation. An inspection is defined as a process that evaluates, reviews, studies, or analyzes the programs and activities of a department or agency to provide information to managers for decision making; makes recommendations for improvements to programs, policies, or procedures; and identifies where administrative action may be necessary.

Financial statement audits are primarily to provide an opinion about whether an entity's financial statements are presented fairly in all material respects in conformity with an applicable financial reporting framework. Reporting on financial statement audits performed in accordance with GAGAS also includes reports on internal control over financial reporting and on compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

Other public reports from this period are comprised of correspondence. Management alerts and census alerts are memorandums that our office issues as an interim mechanism for alerting the Secretary of Commerce, Department heads, Congress, and other officials of significant preliminary findings or matters requiring urgent attention.

TABLE 6. SUMMARY OF REPORT TYPES FOR THIS PERIOD

Type	Number of Reports	Table Number
Performance audits	6	Table 6-a
Inspections/Evaluations	2	Table 6-b
Other public reports	22	Table 6-c
Total	30	

TABLE 6-A. PERFORMANCE AUDITS

Report Title	Report Number	Date Issued	Funds to Be Put to Better Use (\$) ^a	Amount Questioned (\$)	Amount Unsupported (\$)
U.S. Census Bureau					
<i>2020 Census: The Bureau Can Improve Oversight of Time-and-Materials Delivery Orders on the Integrated Communications Contract</i>	OIG-20-025-A	04.30.2020	0	7,702,880	7,702,880
National Oceanic and Atmospheric Administration					
<i>The Joint Polar Satellite System: Cost Growth and Schedule Delay of a Key Instrument Acquisition Highlight the Need for Closer Attention to Contractor Oversight</i>	OIG-20-047-A	09.10.2020	14,354,642	0	0
Office of the Secretary					
<i>The Department Needs to Improve Oversight Practices to Close Out Contract Files by Complying with Federal Regulations and Departmental Requirements</i>	OIG-20-028-A	06.02.2020	0	288,551,435	288,551,435
<i>Fleet Program is Not Managed in Accordance with Fleet Management Requirements</i>	OIG-20-037-A	07.20.2020	0	0	0
United States Patent and Trademark Office					
<i>Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission</i>	OIG-20-030-A	06.16.2020	4,000,000	0	0
<i>USPTO Needs to Improve Its Small Business Contracting Practices</i>	OIG-20-045-A	09.01.2020	0	0	0

TABLE 6-B. INSPECTIONS/EVALUATIONS

Report Title	Report Number	Date Issued	Funds to Be Put to Better Use (\$)	Amount Questioned (\$)	Amount Unsupported (\$)
National Oceanic and Atmospheric Administration					
<i>Evaluation of NOAA's September 6, 2019, Statement About Hurricane Dorian Forecasts</i>	OIG-20-032-I	06.26.2020	0	0	0
Office of the Secretary					
<i>Fiscal Year 2019 Compliance with Improper Payment Requirements</i>	OIG-20-029-I	06.15.2020	0	0	0

TABLE 6-C. OTHER PUBLIC REPORTS

Report Title	Report Number	Date Issued
<i>Management Alert: The Census Bureau Has Not Adjudicated Hundreds of Individuals Identified as Highest-Risk in OPM Background Investigations</i>	OIG-20-023-M	04.30.2020
<i>Request for Information to Deputy Secretary Karen Dunn Kelley from the Inspector General</i>	OIG-20-024-M	04.03.2020
<i>Top Oversight Challenges Facing the Department of Commerce to Ensuring That Pandemic Funds Are Timely and Appropriately Spent</i>	OIG-20-026-M	05.11.2020
<i>IG Letter to Senators Moran and Shaheen re: ITA and Department Budgetary Formulation and Execution Processes</i>	OIG-20-027-M	05.27.2020
<i>Management Alert: Top Oversight Challenges Facing the Department of Commerce to Ensuring That Pandemic Funds Are Timely and Appropriately Spent</i>	OIG-20-031-M	06.18.2020
<i>The Department Is Actively Preventing OIG from Completing an Evaluation</i>	OIG-20-033-M	07.01.2020
<i>Request for Information to Census Bureau Director Steven Dillingham from the Inspector General</i>	OIG-20-034-M	07.07.2020
<i>Request for Information to Deputy Secretary Karen Dunn Kelley from the Inspector General re: Phased Reopening of Department Offices</i>	OIG-20-035-M	07.14.2020
<i>IG Letters to Chairman Gerald Connolly RE: The Return of Employees to Federal Office in the Wake of the Coronavirus Pandemic</i>	OIG-20-036-M	07.15.2020
<i>Request for Information and Notice of Interview to Secretary Wilbur Ross from the Inspector General re: 2020 Census Schedule</i>	OIG-20-038-M	08.13.2020
<i>Request for Information and Notice of Interview to Census Bureau Director Steven Dillingham from the Inspector General re: 2020 Census Schedule</i>	OIG-20-039-M	08.13.2020
<i>Management Alert: The Census Bureau Cannot Account for the Return of All Devices Used During 2020 Decennial Census Field Operations</i>	OIG-20-040-M	08.13.2020
<i>2020 Census Alert: The Census Bureau Faces Challenges in Accelerating Hiring and Minimizing Attrition Rates for Abbreviated 2020 Census Field Operations</i>	OIG-20-041-M	08.18.2020
<i>Request for Information to Census Bureau Director Steven Dillingham from the Inspector General re: the Hiring of a New Deputy Director for Data</i>	OIG-20-042-M	08.19.2020
<i>IG Follow-up Letter to Chairman Gerald Connolly re: the Return of Employees to Federal Offices in the Wake of the Coronavirus Pandemic 08.21.2020</i>	OIG-20-043-M	08.21.2020
<i>2020 Census Alert: The Census Bureau May Not Accurately Count College and University Students Living Off-Campus During the 2020 Census</i>	OIG-20-044-M	08.27.2020
<i>2020 Census Alert: The Census Bureau Faces Challenges in Ensuring Employee Health Safety During 2020 Census Field Operations</i>	OIG-20-046-M	09.08.2020
<i>2020 Census Alert: Delays to Resolving Alerts Limit the Bureau's Ability to Maintain or Improve the Quality of 2020 Census Data</i>	OIG-20-048-M	09.17.2020
<i>Notice of Interview to Deputy Secretary Karen Dunn Kelley from the Office of Inspector General re: 2020 Census Schedule</i>	OIG-20-049-M	09.18.2020
<i>The Acceleration of the Census Schedule Increases the Risks to a Complete and Accurate 2020 Census</i>	OIG-20-050-M	09.18.2020
<i>Management Alert: Enterprise Services Did Not Perform Adequate Contract Oversight to Prevent Delays and Errors in Processing of Employees' Pay, PARs, and Benefits</i>	OIG-20-051-M	09.24.2020
<i>2020 Census Alert: The Census Bureau's Program to Provide Awards to Nonresponse Followup Enumerators and Field Supervisors May Require Additional Quality Assurance of Cases to Ensure Data Accuracy</i>	OIG-20-052-M	09.28.2020

TABLES 7, 7-A, 7-B, AND 7-C. UNIMPLEMENTED AND UNRESOLVED RECOMMENDATIONS BY OPERATING UNIT

All tables concerning unimplemented or unresolved recommendations do not include recommendations from (a) classified or sensitive nonpublic reports, (b) recurring, annual audits (such as financial statement audits), or (c) those addressed to specific non-federal entities in connection with audits of financial assistance awards.

Recommendations from all performance audit, evaluation, and inspection reports issued prior to FY 2016 have been implemented.

Resolved but unimplemented recommendations are those for which (a) the operating unit(s) agreed to OIG recommendations and (b) OIG approved the action plan. Columns 2 through 5 of table 7 provide details on resolved but unimplemented recommendations.

Unresolved recommendations include those with no approved action plan as of September 30, 2020, or those for which the action plans are not due until after September 30, 2020. Columns 6 through 7 of table 7 provide details on “unresolved” recommendations.

Table 7-a provides details on FY 2016–2020 performance audit, evaluation, or inspection reports that have resolved but unimplemented recommendations. When issued, these 90 reports had 425 total recommendations. As of September 30, 2020,

- 27 of the 90 reports (30 percent) had resolved but unimplemented recommendations;
- 98 of 425 total recommendations (23 percent) were resolved but unimplemented; and
- 4 of these resolved but unimplemented recommendations had potential monetary benefits of \$311,274,047.

Table 7-b provides details on three FY 2020 performance audit reports with 16 unresolved recommendations.

Table 7-c provides details on performance audit, evaluation, or inspection reports for which management took longer than 60 days to respond.

TABLE 7. SUMMARY OF UNIMPLEMENTED AND UNRESOLVED RECOMMENDATIONS BY OPERATING UNIT

Operating Unit	FY 2016–2017 Unimplemented Recs (Resolved)	Potential Monetary Benefits of FY 2016–2017 Unimplemented Recs	FY 2018–2020 Unimplemented Recs (Resolved)	Potential Monetary Benefits of FY 2018–2020 Unimplemented Recs	Unresolved FY 2020 Recs	Potential Monetary Benefits of Unresolved FY 2020 Recs
Bureau of Economic Analysis	0	0	0	0	0	0
Bureau of Industry and Security	0	0	3	0	0	0
U.S. Census Bureau	1	0	29	\$7,702,880	0	0
U.S. Economic Development Administration	2	\$3,124,732	2	0	0	0
First Responder Network Authority	0	0	3	0	0	0
International Trade Administration	0	0	0	0	0	0
Minority Business Development Agency	0	0	0	0	0	0
National Institute of Standards and Technology	0	0	0	0	0	0
National Oceanic and Atmospheric Administration	3	0	14	\$11,895,000	5	\$14,354,642
National Technical Information Service	0	0	0	0	0	0
National Telecommunications and Information Administration	0	0	0	0	0	0
Office of the Secretary	5	0	28	0	7	0
United States Patent and Trademark Office	0	0	22	0	5	0
TOTAL	11	\$3,124,732	87	\$19,597,880	16	\$14,354,642

TABLE 7-A. UNIMPLEMENTED RECOMMENDATIONS FROM AUDIT, EVALUATION, AND INSPECTION REPORTS

Table 7-a does not include recommendations from (a) classified or sensitive nonpublic reports, (b) recurring, annual audits (such as financial statement audits), or (c) those addressed to specific non-federal entities in connection with audits of financial assistance awards.

Recommendations from all performance audit, evaluation, and inspection reports issued prior to FY 2016 have been implemented.

- **FY 2016:** OIG issued 26 reports with a total of 109 recommendations. As of September 30, 2020, 9 recommendations (8 percent of FY 2016 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.
- **FY 2017:** OIG issued 20 reports with a total of 88 recommendations. As of September 30, 2020, 2 recommendations (2 percent of FY 2017 recommendations) were resolved but unimplemented. One unimplemented recommendation has potential monetary benefits of \$3,124,732 in funds to be put to better use.
- **FY 2018:** OIG issued 14 reports with a total of 85 recommendations. As of September 30, 2020, 11 recommendations (13 percent of FY 2018 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.
- **FY 2019:** OIG issued 12 reports with a total of 79 recommendations. As of September 30, 2020, 33 recommendations (42 percent of FY 2019 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.
- **FY 2020:** OIG issued 16 reports with a total of 76 recommendations. As of September 30, 2020, OIG had approved action plans for 13 of these reports with 60 recommendations. With regard to these recommendations, 43 recommendations (72 percent) were resolved but unimplemented. Two unimplemented recommendation has potential monetary benefits of \$296,254,315 in questioned costs. One unimplemented recommendation has potential monetary benefits of \$11,895,000 in funds to be put to better use.

The remaining 3 unresolved reports and their 16 recommendations are listed under table 7-b.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
04.18.2016	OIG-16-025, <i>The Census Working Capital Fund Lacks Transparency</i>	6	1	0

Objective(s)

The objective of this audit was to evaluate the budgetary controls over the Bureau's working capital fund.

Finding(s)

We found that the Bureau (1) could not provide support for its overhead rates, (2) lacks monitoring procedures to ensure working capital fund transparency and compliance with statutes, (3) may have used FY 2010 funds to improperly augment a survey sponsor's FY 2009 appropriation, (4) has not prepared the required financial reports for the working capital fund, and (5) lacks controls necessary to ensure that excess funds are returned to reimbursable survey sponsors promptly.

Unimplemented Recommendation(s)

Recommendation 2: We recommend that the Director of the Census Bureau obtain an opinion from the Department of Commerce Office of the General Counsel to determine whether funds from the Improving Operational Efficiency program, carried over in FY 2010 and FY 2011, are considered earned income and were carried over in compliance with appropriations laws (and, in addition, notify the Department's Chief Financial Officer and Assistant Secretary for Administration of the results—and, if noncompliance is noted, develop controls to track the original period of availability of Improving Operational Efficiency program funds).

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
04.26.2016	OIG-16-026 , <i>The Joint Polar Satellite System: Further Planning and Executive Decisions Are Needed to Establish a Long-term, Robust Program</i>	9	2	0

Objective(s)

Our objectives for this evaluation were to (1) determine the progress of Polar Follow-On (PFO) planning, (2) monitor ongoing JPSS acquisition and development (i.e., JPSS-1 and JPSS-2 missions), and (3) assess the potential for data gaps.

Finding(s)

We found that (1) PFO plans needed further development to support the establishment of program cost, schedule, and performance baselines, (2) satellite and ground system development challenges posed risk to JPSS-1 launch schedule, and (3) the potential for data gaps requires leadership's sustained attention.

Unimplemented Recommendation(s)

Recommendation 8: In order to guide and sustain the implementation of NOAA polar satellite observing systems, we recommend that the NOAA Deputy Under Secretary for Operations incorporate NOAA's robust architecture criteria into formal NOAA policy.

Recommendation 9: In order to guide and sustain the implementation of NOAA polar satellite observing systems, we recommend that the NOAA Deputy Under Secretary for Operations include new satellite technology insertion as part of NOAA's strategic and tactical plans.

08.04.2016	OIG-16-040 , <i>Review of IT Security Policies, Procedures, Practices, and Capabilities in Accordance with the Cybersecurity Act of 2015</i>	5	5	0
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Objective(s)

The objective of this audit was to examine the IT security policies, procedures, practices, and capabilities—as defined in the Cybersecurity Act of 2015—for national security and personally identifiable information systems.

Finding(s)

The findings of this report are For Official Use Only, and not included in this publicly released *Semiannual Report to Congress*.

Unimplemented Recommendation(s)

The recommendations of this report are For Official Use Only, and are not included in this publicly released *Semiannual Report to Congress*.

08.26.2016	OIG-16-043 , <i>Successful Cyber Attack Highlights Longstanding Deficiencies in NOAA's IT Security Program</i>	8	1	0
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Objective(s)

We conducted this audit to (1) determine the significant factors that contributed to the successful cyber attack on NOAA information systems and (2) evaluate NOAA's handling of the detection, analysis, eradication, and reporting of the attack, as well as recovery from it.

Finding(s)

We found that (1) deficiencies in risk management left an application exposed to attack, (2) web application vulnerability assessments were not conducted routinely and missed hundreds of high-risk vulnerabilities, (3) deferred implementation of multifactor authentication allowed unauthorized access to additional systems, and (4) inadequate firewall management practices prolonged the disruption of disseminating weather satellite data.

Unimplemented Recommendation(s)

Recommendation 8: We recommend that NOAA's Chief Information Officer ensure that adequate measures are taken to implement mechanisms for multifactor authentication in a timely manner for all applicable users and applications.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
04.27.2017	OIG-17-023, <i>EDA Can Strengthen Its Policies and Procedures for Monitoring ULOs</i>	2	2	\$3,124,732 Funds to Be Put to Better Use

Objective(s)

Our objective was to evaluate the effectiveness of EDA obligation and deobligation practices as well as review policies and procedures that were implemented since the June 2013 audit report number OIG-13-026-A, *Monitoring of Obligation Balances Needs Strengthening*.

Finding(s)

We found that EDA has generally achieved the intent of our recommendations by reducing its unliquidated obligation (ULO) balance by approximately \$500 million since our last review. However, EDA has not established any bureau-specific deobligation policies and procedures as required by Departmental policy.

Unimplemented Recommendation(s) (potential monetary benefits for unimplemented recommendation 1)

Recommendation 1: We recommend the Assistant Secretary for Economic Development instruct the Director of EDA's Budget and Finance Division to follow up on the nine obligations identified in this report to ensure that, if no longer needed, appropriate action is taken. Potential monetary benefits: \$3,124,732 funds to be put to better use.

Recommendation 2: We recommend the Assistant Secretary for Economic Development instruct the Director of EDA's Budget and Finance Division to develop and implement bureau-specific policies and procedures for conducting timely obligation reviews of all open balances.

02.27.2018	OIG-18-015, <i>2020 Census: The Bureau's Background Check Office Is Not Fully Prepared for the 2020 Census</i>	6	1	0
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Objective(s)

Our objectives were to (1) assess the Bureau's internal policies and procedures for conducting background checks on temporary employees, as well as any other Census Bureau employees; and (2) determine whether the Bureau has a plan in place to conduct background checks for temporary employees who will be hired during the 2020 Census tests and decennial field operations that will occur as part of the actual decennial enumeration.

Finding(s)

We found that the Bureau has developed policies and procedures for conducting background checks on temporary employees, but quality assurance weaknesses jeopardize the effectiveness of those procedures.

Unimplemented Recommendation(s)

Recommendation 6: We recommend that the Director of the U.S. Census Bureau verify the obligation of appropriated funds for background checks and determine whether they have been apportioned and allotted correctly.

04.30.2018	OIG-18-018, <i>2020 Census: The Number and Location of Area Census Offices May Not Reflect NRFU Workload Demands and Will Not Result in Projected Cost Savings</i>	3	3	0
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Objective(s)

Our objectives of this audit were to evaluate (1) the criteria and process for determining the number and locations of field offices; (2) the Bureau's plans for reducing costs associated with the fewer number of field offices as part of reengineered field operations; and (3) the planned process for collaboration between the Bureau and GSA for implementing the ACO leasing program.

Finding(s)

We found that, while the Bureau developed a model for determining the number of ACOs, only six of the seven required criteria were defined, allowing us to test the Bureau's compliance with them. We also found that, although the estimated workload totals and staffing ratios informing the model changed, the number of ACOs required for field operations remained the same. In addition, several risks currently jeopardize ACO space acquisition, requiring enhanced risk planning to address cost and schedule implications, and the Bureau's initial "cost avoidance" estimates associated with the ACO space acquisition program are unsupported and unlikely to be realized.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Director of the U.S. Census Bureau assess the impact the increased NRFU workload totals and enumerator ratios will have on the NRFU operation and document, monitor, and periodically validate the assumptions for ACO planning throughout the remaining 2020 Census planning activities.

Recommendation 2: We recommend that the Director of the U.S. Census Bureau (a) reassess ACO space acquisition risk register items' cost and schedule impacts and risk ratings, and create contingency plans to effectively address risks and (b) formalize the roles and responsibilities of GSA and Bureau personnel tasked with ACO space acquisition activities.

Recommendation 3: We recommend that the Director of the U.S. Census Bureau (a) ensure cost reduction estimates are reasonable and supportable and (b) identify and include potential cost overruns related to space acquisition activities as part of any contingency funding for the 2020 Census.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
07.09.2018	OIG-18-021 , <i>Polar Follow-On: NOAA Must Maintain Cost Efficiencies and Refine Launch Strategy for JPSS-3 and JPSS-4 Missions</i>	7	4	0

Objective(s)

Our primary objective was to assess the PFO program baselines established in December 2016.

Finding(s)

We found that (1) PFO missions' system design depends on maturing the JPSS-2 technical baseline and completing plans for a flexible launch strategy; (2) NOAA has not provided detailed polar satellite system development costs to Congress; and (3) NOAA has identified potential future satellite systems and continues to plan its next-generation space architecture, but goals and timelines for technology insertion are uncertain.

Unimplemented Recommendation(s)

Recommendation 2: In order to retain flexibility in the launch strategies for JPSS-3 and JPSS-4, we recommend that the Assistant Administrator for Satellite and Information Services ensures that the JPSS program completes storage plans and cost analyses for instruments and integrated satellites.

Recommendation 3: We recommend that the Assistant Administrator for Satellite and Information Services ensures that National Environmental Satellite, Data, and Information Service (NESDIS) completes policy and plans that will guide polar satellite launch decisions.

Recommendation 6: We recommend that the Under Secretary of Commerce for Oceans and Atmosphere ensures that NOAA provides Congress with satellite system estimated costs in accordance with requirements for its major satellite programs specified in annual appropriations laws.

Recommendation 7: We recommend that the NOAA Deputy Under Secretary for Operations ensures NESDIS defines goals and timelines for the completion of satellite technology insertion efforts—including the Earth Observing Nanosatellite-Microwave—in order to reduce risk associated with future polar satellite system architectures.

08.02.2018	OIG-18-024 , <i>The Joint Polar Satellite System: Program Must Use Realistic Schedules to Avoid Recurrence of Ground Project Delays and Additional Cost Increases</i>	10	3	0
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Objective(s)

Our objective was to assess the cost, schedule, and technical performance of selected components of the JPSS Program.

Finding(s)

We found that (1) the ground system upgrade presented technical challenges and took longer to complete than planned and (2) the JPSS Program can improve its management of the ground system cost-plus-award-fee contract.

Unimplemented Recommendation(s)

Recommendation 2: We recommend that the Assistant Administrator for Satellite and Information Services ensure that appropriate analyses are conducted to support decisions for omitting or tailoring project life-cycle reviews (e.g., requirements and design reviews).

Recommendation 7: In order to improve the management of the JPSS Common Ground System cost-plus-award-fee contract and put remaining award fees to better use, we recommend the NOAA Deputy Under Secretary for Operations and the Assistant Administrator for Satellite and Information Services ensure that the ground system contract's performance evaluation plan is revised to incorporate best practices for the use of performance factors and to clarify the award fee determination process.

Recommendation 8: In order to improve the management of the JPSS Common Ground System cost-plus-award-fee contract and put remaining award fees to better use, we recommend the NOAA Deputy Under Secretary for Operations and the Assistant Administrator for Satellite and Information Services ensure that emphasis items (focus areas) provided to the contractor prior to each award period are clear, prioritized, and aligned with performance criteria.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
10.30.2018	OIG-19-002, <i>The Census Bureau Must Improve Its Implementation of the Risk Management Framework</i>	7	7	0
Objective(s)				
Our objective was to determine whether the risk management framework methodology adopted by the Census Bureau presents an accurate picture of cybersecurity risks, including risks associated with common controls, to Bureau management.				
Finding(s)				
We found that the Bureau did not follow its risk management framework process. Specifically, we found that (1) the Bureau had not continuously monitored critical security controls and failed to document the resulting risks, (2) authorizing officials lacked information about significant cybersecurity risks, and (3) the Bureau did not effectively manage common controls.				
Unimplemented Recommendation(s)				
Recommendation 1: We recommend that the Bureau's Chief Information Officer update the Bureau's Risk Management Framework Methodology to include additional procedures that leverage automated reporting, to ensure that deviations from continuous monitoring plans are reported more timely to senior management designated as the authorizing official and to IT security management.				
Recommendation 2: We recommend that the Bureau's Chief Information Officer ensure that management is informed when risks are omitted from Risk Management Program System (RMPS) reports.				
Recommendation 3: We recommend that the Bureau's Chief Information Officer develop both manual and automated procedures to help ensure that complete descriptions of system security controls are entered into RMPS, reviewed, and approved as part of the system authorization process.				
Recommendation 4: We recommend that the Bureau's Chief Information Officer ensure that assessment procedures include provisions (both manual and automated) for quality control associated with the validation of security control assessments.				
Recommendation 5: We recommend that the Bureau's Chief Information Officer develop a strategy for periodically verifying the accuracy of common control inheritance within RMPS.				
Recommendation 6: We recommend that the Bureau's Chief Information Officer ensure greater rigor in assessment of common control requirements, to include assessing the relationship between the security service provided by the common control requirement and the information system receiving the service.				
Recommendation 7: We recommend that the Bureau's Chief Information Officer clearly document the rationale for common control decisions within RMPS.				
02.06.2019	OIG-19-008, <i>2020 Census: Issues Observed During the 2018 End-to-End Census Test's Address Canvassing Operation Indicate Risk to Address List Quality</i>	6	3	0
Objective(s)				
Our audit objectives were to (1) assess the performance of in-field address canvassing operations and (2) determine whether in-office address canvassing correctly identified blocks for the in-field address canvassing operation.				
Finding(s)				
We found (1) in-office address canvassing did not correctly identify blocks for in-field address canvassing at the Providence test site; (2) resolution of alerts indicating potential instances of low quality and fraud/abuse was sometimes untimely or non-existent; (3) the Bureau's ability to inform the 2020 Census address canvassing operation using the 2018 End-to-End Census Test faces some limitations; and (4) the Bureau is unsure of whether 26 Listers who updated addresses were qualified. In addition—and as part of our fieldwork—we conducted on-site observations of Listers during the test and observed instances of some Listers' noncompliance with procedures.				
Unimplemented Recommendation(s)				
Recommendation 1: We recommend the Director of the U.S. Census Bureau evaluate how the number of incorrectly categorized passive blocks will affect census quality and how those errors may affect demographic groups.				
Recommendation 3: We recommend the Director of the U.S. Census Bureau include a nationally representative statistical sample of passive blocks in the 2020 Census in-field operation and report the estimated number of missed households.				
Recommendation 5: We recommend the Director of the U.S. Census Bureau assess the risks to the 2020 Census that have arisen as a result of the limitations identified during the 2018 End-to-End Census Test's address canvassing operation.				

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
03.13.2019	OIG-19-012, <i>USPTO Needs to Improve Management over the Implementation of the Trademark Next Generation System</i>	6	6	0

Objective(s)

Our audit objective was to determine whether USPTO provided effective oversight of Trademark Next Generation (TMNG) implementation.

Finding(s)

Overall, we found USPTO did not provide effective oversight of TMNG implementation. Specifically, we found (1) USPTO investment board members did not exercise adequate oversight to correct or terminate underperforming TMNG investments; (2) weaknesses exist in the Capital Planning and Investment Control (CPIC) process; and (3) USPTO provided ineffective project management and oversight for the TMNG examination tool.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO ensure the CPIC Review Board (CRB) adheres to the requirements in the CPIC policies and procedures. Specifically, if an investment is identified by the CRB as not meeting expectations as it pertains to schedule, budget, or other factors, ensure that the CRB alerts the IT Investment Review Board with recommendations for appropriate action.

Recommendation 2: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO update IT CPIC policies and procedures to establish (a) an attendance requirement for CPIC meetings; (b) that all relevant information is presented to the boards to ensure greater transparency of significant issues; (c) the steps and actions the boards can take when an IT investment is not meeting expectations; and (d) the threshold criteria that the investment boards should use when determining whether to take remedial action.

Recommendation 3: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO strengthen USPTO's IT investment management by ensuring all pending TMNG investments and future IT investments have a complete cost estimate prior to the boards' recommendation and the Chief Information Officer's approval.

Recommendation 4: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO improve USPTO's CPIC process by ensuring CPIC oversight functions are able to verify and ascertain whether completed IT investments were obtained in the most cost-effective way possible.

Recommendation 5: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO continue to address outstanding TMNG development issues using the Path Forward Team.

Recommendation 6: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO develop improvement plans to mitigate risk of significant, recurring problems with TMNG activities that are covered in the TechStat sessions.

06.13.2019	OIG-19-014, <i>Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk</i>	8	2	0
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Objective(s)

Our objective was to determine whether USPTO has adequately managed its Active Directory to protect mission critical systems and data.

Finding(s)

We found that USPTO (1) inadequately managed its Active Directory, and (2) poorly protected its critical IT assets hosting Active Directory.

Unimplemented Recommendation(s)

Recommendation 4: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Chief Information Officer to ensure Personal Identity Verification card technology compatibility with on-going and future system development for USPTO next-generation applications, and switch Personal Identity Verification enforcement to a per-user basis, when technically feasible.

Recommendation 7: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Chief Information Officer to work with USPTO contracting officers to ensure effective government oversight of contractors performing vulnerability assessment scans.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
06.19.2019	OIG-19-015, <i>The Census Bureau Must Correct Fundamental Cloud Security Deficiencies in Order to Better Safeguard the 2020 Decennial Census</i>	8	8	0

Objective(s)

Our audit objective was to determine the effectiveness of security processes and controls for select cloud-based IT systems supporting the 2020 Census.

Finding(s)

We found that (1) unsecured GovCloud root user keys caused severe risks to 2020 Census cloud environments, (2) unimplemented security baselines that document system settings and configurations left critical systems vulnerable, and (3) basic security practices were not fully implemented to protect Title 13 data hosted in the cloud.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Chief Information Officer of the U.S. Census Bureau manage the GovCloud root user account according to federal and Departmental requirements. This must include a standardized, documented process to disable the use of all GovCloud root user accounts during the environment creation process for any new GovCloud environments.

Recommendation 2: We recommend that the Chief Information Officer of the U.S. Census Bureau assess all Amazon Web Services user accounts in accordance with NIST account management requirements and conduct periodic reviews as part of Office of Information Security assessments.

Recommendation 3: We recommend that the Chief Information Officer of the U.S. Census Bureau reassess, implement, and continuously monitor security baselines within all cloud environments.

Recommendation 4: We recommend that the Chief Information Officer of the U.S. Census Bureau perform technical assessments to validate implementation of security baselines as part of the Bureau's cloud systems' initial and ongoing assessments.

Recommendation 5: We recommend that the Chief Information Officer of the U.S. Census Bureau track all Title 13 data that is stored and processed in Bureau cloud environments. This must include coordination between cloud administrators, operational staff, and Office of Information Security personnel.

Recommendation 6: We recommend that the Chief Information Officer of the U.S. Census Bureau expedite the implementation of the backup solution in progress and ensure it is followed in accordance with NIST guidance.

Recommendation 7: We recommend that the Chief Information Officer of the U.S. Census Bureau formally document and ensure the implementation of controls compensating for lack of disaster recovery planning or engage in disaster recovery planning if the Bureau is unable to meet its obligation to compensate for the lack of disaster recovery planning.

Recommendation 8: We recommend that the Chief Information Officer of the U.S. Census Bureau develop and approve an exit strategy for all Bureau cloud systems, which includes details for completely and securely removing data from the cloud service provider.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
08.12.2019	OIG-19-022 , <i>Geostationary Operational Environmental Satellite—R Series: Program Success Requires Added Attention to Oversight, Risk Management, Requirements, and the Life-Cycle Cost Estimate</i>	11	4	0

Objective(s)

Our primary objective was to assess the adequacy of the GOES-R program's satellite development and testing, and the transition of launched satellites into operations. Our second objective was to monitor the program's progress on contracting actions and changes to minimize cost increases.

Finding(s)

For our first objective, we identified inadequacies in the development, testing, and operations of the satellites. For our second objective, we found that the program's life-cycle cost will increase due to the complexities of its ground system technical refresh. Specifically, we identified (1) Advanced Baseline Imager issues highlight the need for increased oversight in technical, programmatic, and contractual areas; (2) GOES-R series magnetometers are less accurate than the previous series, revealing opportunity for NOAA to refine its threshold requirement; (3) the GOES-R program did not identify and manage risk to the availability of GOES-East and GOES-West orbital positions; and (4) ground system server replacement will increase the program's life-cycle cost and presents risk management challenges.

Unimplemented Recommendation(s)

Recommendation 3: We recommend that the Assistant Administrator for Satellite and Information Services ensure the GOES-R program updates reliability analyses for Advanced Baseline Imager, the satellite, and constellation, specifically given the unique conditions of the hardware on GOES-16 and GOES-17 and any design changes for GOES-T and GOES-U.

Recommendation 5: We recommend that the Deputy Under Secretary for Operations ensure that NOAA conducts analysis to determine distinct geomagnetic field measurement accuracy threshold and objective requirement specifications and ensure appropriately supported requirements are reflected in GOES-R program documents.

Recommendation 6: We recommend that the Deputy Under Secretary for Operations ensure the NOAA Space Weather Prediction Center updates its geomagnetic field observation accuracy requirement validation documentation.

Recommendation 7: We recommend that the Deputy Under Secretary for Operations ensure NOAA assesses whether GOES are the optimal satellites to achieve geomagnetic field observation requirements, using an analysis of alternatives or similar cost-benefit approach.

09.30.2019	OIG-19-026 , <i>The Department Needs to Improve Its Capability to Effectively Share Cyber Threat Information</i>	4	4	0
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Objective(s)

Our objective was to determine the capabilities and practices of the Department to carry out cybersecurity information sharing.

Finding(s)

We found (1) the Department lacked an internal automated sharing capability; (2) the Commerce Threat Intelligence Portal (CTIP) application was not accessible by all bureaus; and (3) the Department lacked adequate information sharing policies, procedures, and training.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Chief Information Officer finalize CTIP licensing and interconnection agreements and utilize the CTIP Application Programming Interface to automate Department bureaus' ingestion of cyber threat information.

Recommendation 2: We recommend that the Chief Information Officer ensure that all Department bureaus have access to CTIP.

Recommendation 3: We recommend that the Chief Information Officer ensure information sharing policies and procedures are compliant with the applicable documents that were created by the U.S. Department of Homeland Security, U.S. Department of Justice, U.S. Department of Defense, and the Office of the Director of National Intelligence.

Recommendation 4: We recommend that the Chief Information Officer complete a comprehensive CTIP user guide and make it available to all Department bureaus.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
10.29.2019	OIG-20-004, <i>Audit of the Department's Digital Accountability and Transparency Act of 2014 Submission for the First Quarter of FY 2019</i>	4	4	0

Objective(s)

The audit objectives were to assess the (1) completeness, accuracy, timeliness, and quality of the Department's FY 2019, first quarter financial and award data (Files A, B, C, D1, and D2) submitted for publication on USASpending.gov; and (2) Department's implementation and use of the government-wide financial data standards established by OMB and the U.S. Department of the Treasury. We contracted with KPMG, LLP, an independent accounting firm, to conduct this audit. Our office oversaw KPMG's audit; however, KPMG is solely responsible for the report and the conclusions expressed in it.

Finding(s)

For objective 1, KPMG determined the Department submitted data of a higher quality. However, the Department did not submit certain data completely or accurately. Overall, for the 350 sampled transactions, KPMG tested 15,087 individual data elements and identified 2,163 errors, which resulted in the following error rates: completeness 3.46 percent, accuracy 10.29 percent, and timeliness 0 percent. Of the 2,163 errors identified, 765 were attributable to the Department, which resulted in the following error rates: completeness 0.81 percent, accuracy 4.74 percent, and timeliness 0 percent. The remaining 1,398 exceptions were attributable to third parties external to the Department. For objective 2, KPMG determined that the Department implemented and used the government-wide financial data standards established by OMB and the U.S. Department of the Treasury under the Digital Accountability and Transparency Act of 2014 (DATA Act).

Unimplemented Recommendation(s)

Recommendation 1: KPMG recommends that Department management configure Grants Online to allow the modification number to properly interface with Financial Assistance Broker System.

Recommendation 2: KPMG recommends that Department management evaluate the effectiveness of the automated logic test reports implemented in June 2019 to the Federal Procurement Data System-Next Generation data error checking system to determine if they are improving the quality of the DATA Act data elements, or if additional actions are needed.

Recommendation 3: KPMG recommends that Department management configure Budget Accounting Purchase System to record the Parent Award ID Number associated with contracts.

Recommendation 4: KPMG recommends that Department management evaluate the changes implemented in June 2019 to the contract writing system that maximize the number of data elements that are shared between the contract writing system and Federal Procurement Data System-Next Generation, to determine if they are improving the quality of the DATA Act data elements or if additional actions are needed.

11.12.2019	OIG-20-006, <i>NOAA's Office of Marine and Aviation Operations Needs to Improve the Planning and Governing of Its Ship Fleet Recapitalization Effort</i>	7	3	\$11,895,000 Funds to Be Put to Better Use
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Objective(s)

Our objective was to determine whether the NOAA Office of Marine and Aviation Operations (OMAO) performed effective acquisition planning for its construction of new ships.

Finding(s)

We found that (1) schedule slippages have delayed ship construction and increased costs; (2) NOAA's ship fleet acquisition planning was not effectively governed; and (3) OMAO did not provide adequate oversight of fleet recapitalization funds.

Unimplemented Recommendation(s) (potential monetary benefits for unimplemented recommendation 1)

Recommendation 1: We recommend that the Director of NOAA Corps and OMAO develop a detailed contingency plan to reduce the risks associated with delays. The plan should address (a) capability and capacity gaps and (b) the cost of maintaining aging ships and utilizing alternatives. Potential monetary benefits: \$11,895,000 funds to be put to better use.

Recommendation 3: We recommend that the Under Secretary of Commerce for Oceans and Atmosphere and Assistant Secretary of Commerce for Oceans and Atmosphere and Deputy NOAA Administrator develop a detailed plan of program governance, which (a) delineates how OMAO will comply with applicable acquisition requirements, (b) clearly defines roles and responsibilities, (c) identifies stakeholder communication needs, and (d) defines a formal evaluation, approval, and decision follow-up process.

Recommendation 6: We recommend that the Under Secretary of Commerce for Oceans and Atmosphere and Assistant Secretary of Commerce for Oceans and Atmosphere and Deputy NOAA Administrator provide a reconciliation report of the \$3,387,714 unsupported costs to OIG.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
01.27.2020	OIG-20-014 , <i>EDA Should Develop a Workforce Plan and Improve its Hiring Accountability to Successfully Award and Administer the Disaster Supplemental Funds Appropriated by the Bipartisan Budget Act of 2018</i>	2	2	0
Objective(s)				
Our audit objective was to determine whether EDA's workforce planning process for awarding and administering the Disaster Supplemental funds was adequate and effective.				
Finding(s)				
We found that (1) EDA has not developed and implemented a comprehensive workforce plan to meet the current and future needs of the organization and (2) EDA's recruitment efforts are significantly behind its established milestones to ensure that EDA has adequate staff available to handle the increased workload.				
Unimplemented Recommendation(s)				
Recommendation 1: We recommend that EDA's Assistant Secretary of Commerce for Economic Development direct appropriate EDA staff to develop and implement a comprehensive workforce plan to (a) determine optimal staffing levels needed (both at headquarters and in the affected regions), and (b) identify any potential staffing shortfalls or gaps.				
Recommendation 2: We recommend that EDA's Assistant Secretary of Commerce for Economic Development direct appropriate EDA staff to develop and implement specific accountability metrics, in conjunction with Human Capital Client Services as applicable, including (a) transparent milestones, which can be used to measure the actual progress of the job opportunity announcements throughout the hiring process, and (b) performance metrics and training guidelines to ensure EDA staff are fully trained on the job opportunity announcement processing requirements.				
01.30.2020	OIG-20-015 , <i>NTIA and FirstNet Should Improve Controls to Strengthen the Fee Collection Process</i>	3	3	0

Objective(s)

Our objectives were to determine whether FirstNet Authority's processes for setting, collecting, and managing fees, and National Telecommunications and Information Administration's (NTIA's) processes for reviewing and approving the fees, are consistent with legislative and contractual requirements.

Finding(s)

We found that (1) the NTIA and FirstNet Authority *National Telecommunications and Information Administration and First Responder Network Authority Standard Operating Procedures for Fee Review* is incomplete and (2) FirstNet Authority received approximately \$830,000 in interagency services without a signed agreement.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the NTIA Assistant Secretary for Communications and Information develop comprehensive procedures for reviewing and reconciling FirstNet Authority fee proposal data.

Recommendation 2: We recommend that the NTIA Assistant Secretary for Communications and Information coordinate with FirstNet Authority's Office of the Chief Financial Officer to develop procedures for the transfer of funds out of the suspense account.

Recommendation 3: We recommend the FirstNet Authority Chief Executive Officer coordinate with NIST and other appropriate parties to develop controls to ensure FirstNet Authority and NIST meet the requirements of the Department's *Agreements Handbook*.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
01.30.2020	OIG-20-016, 2020 Census: Some Decennial Census Data Quality Assurance Methods Were Not Tested or Did Not Work as Intended During the 2018 End-to-End Census Test	5	4	0

Objective(s)

Our objectives were to determine whether (1) the test included data quality components identified as success criteria in the test plan, (2) the Bureau designed the test to inform the 2020 Census, (3) NRFU systems are included in the test and function as designed, and (4) the Bureau performed non-ID processing and unduplicated responses in a timely manner to reduce the NRFU operation's workload.

Finding(s)

We found that (1) the Bureau has not fully tested some activities designed to ensure the quality of 2020 Census respondent data; (2) the Bureau's reengineered approach to NRFU closeout has not been adequately tested; (3) potentially unqualified field staff completed cases during NRFU; and (4) unresolved NRFU alerts may not help the Bureau maintain or improve the quality of decennial census data.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Director of the U.S. Census Bureau develop a strategy to immediately address quality assurance issues that may occur during the early stages of the self-response and NRFU operations.

Recommendation 2: We recommend that the Director of the U.S. Census Bureau determine the optimal time during NRFU to begin closeout procedures and ensure that systems support those procedures prior to the 2020 Census.

Recommendation 4: We recommend that the Director of the U.S. Census Bureau monitor the resolution of alerts at a national level to identify whether alerts are (a) resolved timely and (b) functioning correctly during the operation.

Recommendation 5: We recommend that the Director of the U.S. Census Bureau develop a strategy to remedy alert issues and communicate appropriate procedures and instructions to field staff if monitoring efforts identify issues.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
02.11.2020	OIG-20-018, <i>Failures in the Department's Security Program Resulted in Exposure of Sensitive Trade Information to Unvetted Foreign Nationals</i>	12	12	0

Objective(s)

Our audit objectives were to determine whether the (1) processes used to vet contract staff given administrative access to the Enterprise Web Solutions (EWS) system are adequate; (2) Department followed a sufficient process to identify the impact level of the EWS system; (3) Office of the Chief Information Officer (OCIO) took appropriate actions to protect the information on the EWS system after it was granted an authorization to operate in 2018; and (4) contract used to procure EWS services and systems complied with Department acquisition regulations. Because of the serious nature of the cybersecurity issues identified, we determined that this audit report would address the first three objectives, while a separate, follow-on audit may address the fourth.

Finding(s)

We found that (1) the Department exposed sensitive data to unvetted foreign nationals working outside the United States; (2) unauthorized foreign nationals accessed and modified the EWS system after their contract had been terminated; (3) the Department mishandled the response to unauthorized access by foreign nationals; and (4) the Department failed to account for sensitive data on its systems.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Deputy Secretary of Commerce ensure that OCIO implements additional checks into contract policies and procedures to ensure all access to Department systems and data is properly vetted by the Department's OSY.

Recommendation 2: We recommend that the Deputy Secretary of Commerce ensure that OCIO conducts a thorough review of the contractor and subcontractor access granted to all Department systems and ensures this access is limited and appropriate based upon the purpose of the system, data contained on the system, and the contractor's level of required duties.

Recommendation 3: We recommend that the Deputy Secretary of Commerce ensure that OCIO establishes and implements a process that ensures the information system security officer(s) or other assigned system staff regularly validate that user access to Department systems is appropriate.

Recommendation 4: We recommend that the Deputy Secretary of Commerce ensure that OCIO fully documents its rationale, based upon the outcome of the Department's investigation, for not reporting the exposure of sensitive data from the former Secretary's briefing book as a major incident, as defined by OMB guidance.

Recommendation 5: We recommend that the Deputy Secretary of Commerce ensure that OSY investigate the Department's mishandling of sensitive briefing book data in accordance with its security policies.

Recommendation 6: We recommend that the Deputy Secretary of Commerce ensure that OCIO establishes and follows clear procedures when revoking access to Department systems, a process that should include the system owner, information system security officer, and CORs, when appropriate.

Recommendation 7: We recommend that the Deputy Secretary of Commerce ensure that OCIO reviews and revises incident response procedures so that appropriate communication protocols are established and enforced to ensure timely and accurate information sharing.

Recommendation 8: We recommend that the Deputy Secretary of Commerce ensure that OCIO identifies staff with incident response and system recovery roles and ensure that they have regular training regarding their responsibilities, the role of the Enterprise Security Operations Center, and the use of system backups.

Recommendation 9: We recommend that the Deputy Secretary of Commerce ensure that OCIO includes an additional step to review the completed task when revoking system access, with a requirement for assignment of an individual responsible for ensuring all access has been removed.

Recommendation 10: We recommend that the Deputy Secretary of Commerce ensure that OCIO reviews and revises the process used for system impact analysis to ensure that it is sufficiently rigorous and has adequate checks to ensure the process produces accurate results.

Recommendation 11: We recommend that the Deputy Secretary of Commerce ensure that OCIO reassess all Office of the Secretary systems to ensure that the designated impact level analyses are accurate and appropriate to protect Department systems.

Recommendation 12: We recommend that the Deputy Secretary of Commerce ensure that OCIO determines if any systems outside of the Office of the Secretary produce data for the Secretary's briefing book and, if systems are identified, determines if these systems have accurate and appropriate system impact levels.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
03.02.2020	OIG-20-019, <i>Lack of Defined Processes and Procedures Impede Efforts to Monitor End-Use Check Performance</i>	3	3	0

Objective(s)

Our objective was to assess the effectiveness of BIS' efforts to ensure foreign end users are suitable to receive and use controlled U.S. exports in accordance with the Export Administration Regulations. As a result of audit planning, we decided to focus on assessing BIS' plan to target end-use checks (EUCs). Specifically, we sought to identify whether BIS had criteria to target EUCs and assess how well it adhered to them in FYs 2015–2017.

Finding(s)

We found that (1) BIS is unable to adequately determine whether EUCs met its targeting criteria and (2) BIS did not fully screen export transactions that used the Strategic Trade Authorization license exception.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Under Secretary of Commerce for Industry and Security develop standard operating procedures for staff responsible for selecting and reviewing EUCs to ensure that (a) data are entered accurately, consistently, completely, and in a timely manner, and (b) EUCs are selected per targeting criteria.

Recommendation 2: We recommend that the Under Secretary of Commerce for Industry and Security develop a process that ensures that reasons for selecting EUCs align with the criteria and that the reasons are recorded consistently and accurately in the Investigative Management System Redesign.

Recommendation 3: We recommend that the Under Secretary of Commerce for Industry and Security develop a contingency plan to (a) conduct enhanced monitoring of certain export filings, should Automated Export System controls fail in the future, and (b) reinforce guidance for screening export transactions that used the Strategic Trade Authorization license exception whose consignees were associated with ineligible countries.

03.24.2020	OIG-20-021, <i>The Joint Polar Satellite System: Program Can Increase the Likelihood of Mission Success by Further Applying NASA Processes to Its Spacecraft Development Efforts</i>	3	2	0
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Objective(s)

Our objective was to assess the cost, schedule, and technical performance of the JPSS Program's spacecraft acquisition and development efforts. Specifically, we sought to (1) determine the extent to which cost and schedule changed from the original JPSS Program baselines, and (2) identify changes and challenges to the JPSS Program's technical baseline.

Finding(s)

We found that (1) the JPSS Program can reduce risk by implementing a more comprehensive methodology for field programmable gate array (FPGA) development; (2) the JPSS Program can further reduce risk to FPGAs by applying NASA guidance for software development; and (3) metrics related to payload interface electronics development have improved, but the JPSS Program needs additional measures to understand and track FPGA development progress.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the NOAA Assistant Administrator for Satellite and Information Services direct the JPSS Program to review Goddard Space Flight Center methodology for FPGA development and determine necessary actions to reduce the risk of its FPGA developments.

Recommendation 2: We recommend that the NOAA Assistant Administrator for Satellite and Information Services direct the JPSS Program to determine the extent to which it can apply NASA software requirements and guidance to FPGA developments in order to reduce mission risk.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
03.24.2020	OIG-20-022 , 2020 Census: The Census Bureau's Oversight of Contractor Performance During the 2018 End-to-End Test's Census Questionnaire Assistance Operation Was Deficient in Some Areas and Did Not Implement Some Lessons Learned for the Operation	3	1	0

Objective(s)

Our audit objectives were to determine how previous internal assessments informed the operation, how the Census Questionnaire Assistance contract was planned, and how its costs were managed.

Finding(s)

We found that (1) the Bureau did not fully implement high-impact lessons learned from the 2017 Census Test and (2) the Bureau's oversight of the Census Questionnaire Assistance contractor's performance was deficient in some areas.

Unimplemented Recommendation(s)

Recommendation 3: We recommend that the Director of the U.S. Census Bureau develop a process to verify the accuracy of the contractor's daily operational reports.

04.30.2020	OIG-20-025 , 2020 Census: The Bureau Can Improve Oversight of Time-and-Materials Delivery Orders on the Integrated Communications Contract	2	2	\$7,702,880 Questioned Costs
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Objective(s)

Our audit objectives were to determine whether the Bureau is (1) administering T&M and labor-hour delivery orders in accordance with FAR and CAM requirements and (2) effectively monitoring the contract to ensure schedules are met. If schedules were not met, we would determine if the Bureau is taking appropriate actions to mitigate the impact of delays.

Finding(s)

Regarding our first objective, we found that the Bureau did not follow the FAR and CAM. Specifically, (1) a contractor surveillance plan was not prepared and (2) required documentation was not obtained before paying the contractor's T&M vouchers. Regarding our second objective, we found that the Bureau has implemented controls to monitor contractor performance and schedules.

Unimplemented Recommendation(s) (potential monetary benefits for unimplemented recommendation 2)

Recommendation 1: We recommend that the Acquisition Division Chief of the U.S. Census Bureau develop a contractor surveillance plan for Bureau staff to follow for all applicable contracting actions.

Recommendation 2: We recommend that the Acquisition Division Chief of the U.S. Census Bureau require contracting officers to obtain the FAR-required supporting documentation from the contractor to meet the contract requirements and before authorizing payment of T&M vouchers. Potential monetary benefits: \$7,702,880 questioned costs.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
06.02.2020	OIG-20-028, <i>The Department Needs to Improve Oversight Practices to Close Out Contract Files by Complying with Federal Regulations and Departmental Requirements</i>	9	8	0
Objective(s)				
Our objective was to determine whether NIST, NOAA, and Census Bureau contracting personnel administered contract closeout procedures in accordance with federal and Departmental regulations.				
Finding(s)				
We found that (1) contracts were not closed within required time frames; (2) contract files lacked evidence that key contract closeout steps were completed, resulting in approximately \$288.5 million that could not be verified; (3) NOAA and Bureau contract files were not always properly retained; (4) NIST improperly paid a contractor; and (5) NIST TPOCs were not trained, certified, and appointed.				
Unimplemented Recommendation(s)				
Recommendation 1: We recommend that the Office of Acquisition Management Acquisition Policy and Oversight Division Director enforce the CAM contract closeout annual reporting requirements and implement an oversight process for monitoring compliance with federal and Departmental closeout requirements.				
Recommendation 2: We recommend that the NIST Director of Office of Acquisition and Agreements Management establish a periodic control to ensure that contracts are being closed timely and that closeout procedures are in compliance with federal and Departmental regulations.				
Recommendation 3: We recommend that the NOAA Director of Acquisition and Grants Office establish a periodic control to ensure that contracts are being closed timely and that closeout procedures are in compliance with federal and Departmental regulations.				
Recommendation 4: We recommend that the Census Bureau Chief of Acquisition Division establish a periodic control to ensure that contracts are being closed timely and that closeout procedures are in compliance with federal and Departmental regulations.				
Recommendation 5: We recommend that the NIST Director of Office of Acquisition and Agreements Management, NOAA Director of Acquisition and Grants Office, and Census Bureau Chief of Acquisition Division issue additional guidance and training on the contract closeout process to include clearly defining the requirements for adequate contract closeout file documentation.				
Recommendation 7: We recommend that the NOAA Director of Acquisition and Grants Office and Census Bureau Chief of Acquisition Division establish a periodic control to ensure that contracting officials follow records management requirements for contract files including, but not limited to, record retention and dispositioning procedures.				
Recommendation 8: We recommend that the NIST Acquisition Management Division Chief conduct research to determine why the improper payment occurred and ensure that future improper payments are identified and recovered in a timely manner.				
Recommendation 9: We recommend that the NIST Director of Office of Acquisition and Agreements Management ensure that (a) contracting officers appoint in writing properly trained and certified CORs/TPOCs prior to awarding contracts, and (b) all CORs/TPOCs meet their continuous learning requirements and are certified at the appropriate levels.				
06.16.2020	OIG-20-030, <i>Deficiencies in USPTO's Backup and Restoration Process Could Delay Recovery of Critical Applications in the Event of a System Failure and Adversely Affect Its Mission</i>	5	1	0
Objective(s)				
Our objective was to determine whether USPTO has adequate data recovery and contingency plans in place to ensure operational availability of PCAPS.				
Finding(s)				
We found that (1) USPTO has no assurance that it can restore critical applications in the event of system failure and (2) USPTO's continued delay in updating legacy systems rendered a \$4 million-per-year alternate processing site inadequate and impractical.				
Unimplemented Recommendation(s)				
Recommendation 5: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Chief Information Officer establish a detailed plan for the replacement of legacy systems and software applications, including milestones and deadlines, and enforce the plan in a manner that holds appropriate personnel accountable.				

TABLE 7-B. UNRESOLVED FY 2020 RECOMMENDATIONS FROM AUDIT, EVALUATION, AND INSPECTION REPORTS

Table 7-b includes audit, evaluation, and inspection reports with unresolved recommendations (i.e., OIG has not yet approved auditees' action plans). Either OIG is reviewing an action plan submitted or the action plan is not due until after September 30, 2020.

The three reports listed have a total of 16 unresolved recommendations.

Summaries of these reports appear in pages 7–8, 27–28, and 31–32.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Reason	Potential Monetary Benefits of Unresolved Recommendations
07.20.2020	OIG-20-037, <i>Fleet Program is Not Managed in Accordance with Fleet Management Requirements</i>	7	OIG Received Action Plan on 09.22.2020 and OIG Reviewing Action Plan as of 09.30.2020	0
Unresolved Recommendation(s)				
Recommendation 1: We recommend that the Chief Financial Officer and Assistant Secretary for Administration periodically review and ensure all bureau vehicle information is complete and accurate in the Department's fleet management information system.				
Recommendation 2: We recommend that the Chief Financial Officer and Assistant Secretary for Administration update the <i>PPMM</i> to include guidance for Office of the Secretary commercial leasing. The Department should ensure other <i>PPMM</i> requirements do not similarly exclude the Office of the Secretary.				
Recommendation 3: We recommend that the Chief Financial Officer and Assistant Secretary for Administration document justifications for mission-essential vehicle specifications when not obtaining leased vehicles through GSA.				
Recommendation 4: We recommend that the Chief Financial Officer and Assistant Secretary for Administration update policies and procedures to include requirements for bureaus to maintain adequate documentation of vehicle usage.				
Recommendation 5: We recommend that the Chief Financial Officer and Assistant Secretary for Administration provide refresher training to fleet managers to ensure they are aware of all federal and updated Departmental fleet management requirements.				
Recommendation 6: We recommend that the Chief Financial Officer and Assistant Secretary for Administration direct Departmental/bureau fleet managers to perform and document an annual analysis of fleet utilization in accordance with Departmental policy and Congressional direction.				
Recommendation 7: We recommend that the Chief Financial Officer and Assistant Secretary for Administration perform a VAM study at least every 5 years, to produce a profile of its optimal fleet inventory, and periodically monitor results between VAM studies.				
09.01.2020	OIG-20-045, <i>USPTO Needs to Improve Its Small Business Contracting Practices</i>	4	Action Plan Due 11.01.2020	0

Unresolved Recommendation(s)

Recommendation 1: BMC recommends that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Director of the Office of Procurement to ensure that contract specialists verify small business eligibility prior to awarding small business contracts.

Recommendation 2: BMC recommends that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Director of the Office of Procurement to ensure that contract specialists perform and appropriately document small business set-aside reviews.

Recommendation 3: BMC recommends that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Director of the Office of Procurement to ensure that Historically Underutilized Business Zones small business consideration is included in its annual acquisition forecasting activities and marketing efforts to maximize contracting opportunities.

Recommendation 4: BMC recommends that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Director of the Office of Procurement to ensure that the Office of Procurement uses the Forecasting and Advanced Acquisition Planning System and establishes clear lines of communication between the Office of Procurement, small business specialists, and contracting specialists for all procurement requests.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Reason	Potential Monetary Benefits of Unresolved Recommendations
09.10.2020	OIG-20-047, <i>The Joint Polar Satellite System: Cost Growth and Schedule Delay of a Key Instrument Acquisition Highlight the Need for Closer Attention to Contractor Oversight</i>	5	Action Plan Due 11.10.2020	\$14,354,642 Funds to Be Put to Better Use

Unresolved Recommendation(s) (potential monetary benefits for unresolved recommendation 5)

Recommendation 1: We recommend that the NOAA Deputy Undersecretary for Operations require programs notify the Joint Agency Program Management Council before NOAA-funded NASA contracts exceed definitization timelines.

Recommendation 2: We recommend that the NOAA Deputy Undersecretary for Operations require a Joint Agency Program Management Council assessment before an Integrated Baseline Review requirement is removed, abridged, or its timing adjusted, for NOAA-funded NASA contracts or major contract modifications requiring earned value management.

Recommendation 3: We recommend that the NOAA Assistant Administrator for Satellite and Information Services ensure the JPSS Program adequately incorporates contract risks and executes prevention-focused surveillance as part of its quality assurance activities.

Recommendation 4: We recommend that the NOAA Assistant Administrator for Satellite and Information Services coordinate with the Director of the NASA Goddard Space Flight Center to conduct a joint review of contractor performance evaluation practices and determine whether changes could more effectively motivate contractors to achieve desired outcomes for ongoing and future contract negotiations on NOAA-funded projects.

Recommendation 5: We recommend that the NOAA Assistant Administrator for Satellite and Information Services coordinate with the Director of the NASA Goddard Space Flight Center to establish a working definition of "significant" cost overrun to help inform strategies that progressively motivate contractors to improve before accumulating excessive cost and schedule performance deficits, for ongoing and future NOAA-funded NASA contracts.

Potential monetary benefits: \$14,354,642 funds to be put to better use.

TABLE 7-C. REPORTS FOR WHICH MANAGEMENT TOOK LONGER THAN 60 DAYS TO RESPOND

There were 0 instances before and during this semiannual period of an operating unit within the Department taking longer than 60 days to provide an establishment comment that addressed the recommendations of a report.

TABLE 8. REPORTS ON INVESTIGATIONS CONCERNING SENIOR GOVERNMENT EMPLOYEES

There were no instances of reports on investigations concerning senior government employees during this semiannual period.

TABLE 9. DESCRIPTIONS OF INSTANCES OF WHISTLEBLOWER RETALIATION

There were no instances of confirmed whistleblower retaliation during this semiannual period.

TABLE 10. DESCRIPTION OF CLOSED AND NON-PUBLIC INSPECTIONS, EVALUATIONS, AUDITS, AND CERTAIN INVESTIGATIONS

OIG is required to describe both (a) any inspection, evaluation, and audit conducted that is closed and not disclosed to the public and (b) any investigation conducted involving a senior government employee that is closed and not disclosed to the public (see tables 10-a and 10-b, respectively).

TABLE 10-A. DESCRIPTION OF CLOSED AND NON-PUBLIC INSPECTIONS, EVALUATIONS, AND AUDITS

During this semiannual period, we issued one product that was not disclosed to the public.

Date	Product	Issued	Title	Narrative Description
07.22.2020			<i>Audit of FirstNet Authority's</i>	On December 2, 2019, we initiated an audit of FirstNet Authority's oversight of the NPSBN contract. Our objective was to determine whether FirstNet Authority's actions for overseeing the NPSBN contract requirements related to network hardening and resiliency are sufficient to meet its program mission. To accomplish our objective, we interviewed FirstNet Authority staff and reviewed documentation to support established FirstNet Authority processes.
			<i>Contract Oversight</i>	Based on our review, we concluded that we are not able to complete further audit work due to a new FirstNet Authority process, which requires time for implementation. On July 22, 2020, we issued a memorandum to advise FirstNet of our decision to close out our audit. The memorandum also noted that we plan to continue our oversight of security processes in the future.

TABLE 10-B. DESCRIPTION OF CERTAIN CLOSED AND NON-PUBLIC INVESTIGATIONS

OIG Case No.	Narrative Description for Closed Cases of Investigations Involving Senior Government Employees Not Disclosed to Public
19-0425	On April 2, 2020, our office closed an investigation into an allegation that a NOAA employee participated on a market research team for a bidding company with whom he already began employment negotiations. The allegations were not substantiated and the investigation was closed without further action.
18-1001	On May 11, 2020, our office closed an investigation into allegations of abuse of authority and false statements by a senior USPTO employee. Our office did not develop any evidence to substantiate the allegations, and the investigation was closed without further action.
19-0373	On June 29, 2020, our office closed an investigation into allegations of time and attendance fraud and conflict of interest related to a political appointee assigned to ITA. Our investigation did not uncover any evidence of criminal activity in connection with the complaint, and the case was closed without further action.
19-0857	On July 8, 2020 our office closed an investigation regarding whistleblower reprisal against a USPTO PTAB employee. While the complainant's disclosure to our office was a protected disclosure, the evidence revealed the subject did not have knowledge of the disclosure prior to issuing a Notice of Removal to the complainant, and there was sufficient evidence to conclude the disclosure was not a contributing factor in the complainant's proposed removal. The agency met the rebuttal standard under the Whistleblower Protection Act of 1989. Additionally, we established the denial of the complainant's participation in an agency-wide mentorship program was not retaliation, as the acting official did not have knowledge of the complainant's disclosure. We discovered evidence the agency would have taken the same personnel action even if the whistleblower had never made a protected disclosure. The case was closed with no further action.

REPORTING REQUIREMENTS

The IG Act specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages of this report.

SECTION	TOPIC	PAGE(S)
4(a)(2)	Review of Legislation and Regulations	73
5(a)(1)	Significant Problems, Abuses, and Deficiencies	2–32
5(a)(2)	Significant Recommendations for Corrective Action	2–32
5(a)(3)	Prior Significant Recommendations Unimplemented	73
5(a)(4)	Matters Referred to Prosecutorial Authorities	39
5(a)(5) and 6(c)(2)	Information or Assistance Refused	73
5(a)(6)	Listing of Audit, Inspection, and Evaluation Reports	43–45
5(a)(7)	Summary of Significant Reports	2–32
5(a)(8)	Reports with Questioned Costs	42
5(a)(9)	Reports with Funds to Be Put to Better Use	42
5(a)(10)	Prior Reports with Unimplemented and/or Unresolved Recommendations	46–64, 73
5(a)(11)	Significant Revised Management Decisions	74
5(a)(12)	Significant Management Decisions with Which OIG Disagreed	74
5(a)(13)	Department Compliance with the Federal Financial Management Improvement Act	74
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5(a)(16)	Peer Reviews Conducted by OIG	74
5(a)(17)	Investigative Reports Issued and Referrals for Criminal Prosecution and Indictments	39
5(a)(18)	Description of Metrics Used for Determining the Data in 5(a)(17)	75
5(a)(19)	Reports on Investigations Concerning Senior Government Employees	66
5(a)(20)	Description of Whistleblower Retaliation Instances	67
5(a)(21)	Description of Establishment Interference Attempts	N/A
5(a)(22)	Description of Closed and Non-Public Inspections, Evaluations, Audits, and Certain Investigations	68–70

The following section includes information required under the IG Act that is not otherwise addressed in this report, along with supplemental information on select reporting topics:

SECTION 4(A)(2): REVIEW OF LEGISLATION AND REGULATIONS

This section requires the IG of each agency to review existing and proposed legislation and regulations relating to that agency's programs and operations. Based on this review, the IG is required to make recommendations concerning the impact of such legislation or regulations on (1) the economy and efficiency of the management of programs and operations administered or financed by the agency or (2) the prevention and detection of fraud and abuse in those programs and operations. Some of OIG's audits examine compliance with existing laws, regulations, and other legal requirements. OIG's reports of such audits describe findings and include recommendations on any action necessary to address such findings. OIG is also a participant in CIGIE and its regular review of legislative and regulatory items that affect the inspector general community at large and individual departments. Further, during this reporting period, OIG reviewed legislation and regulation—including, but not limited to—S. 4049, National Defense Authorization Act for Fiscal Year 2021, S. 3994, Securing Inspector General Independence Act of 2020, H.R. 6395, William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, H.R. 7395, Whistleblower Protection Improvement Act of 2020, Amendment to Rules Committee Print 116-57 (Porter Amendment to the NDAA for Fiscal Year 2021), H.R. 4382, Integrity Committee Transparency Act of 2019, S. 4104, Stopping Improper Payments to Deceased People Act, and relevant Federal Acquisition Regulation cases.

SECTION 5(A)(3): PRIOR SIGNIFICANT RECOMMENDATIONS UNIMPLEMENTED

This section requires identification of each significant recommendation described in previous semiannual reports for which corrective action has not been completed. Section 5(b) requires that the Secretary transmit to Congress statistical tables showing the number and value of audit reports for which no final action has been taken, plus an explanation of why recommended action has not occurred, except when the management decision was made within the preceding year. Information on the status of any audit recommendations can be obtained through OIG upon request.

SECTIONS 5(A)(5) AND 6(C)(2): INFORMATION OR ASSISTANCE REFUSED

These sections require a summary of each report to the Secretary when access, information, or assistance has been unreasonably refused or not provided. There were no reports to the Secretary during this semiannual period.

SECTION 5(A)(10): PRIOR REPORTS WITH UNIMPLEMENTED AND/OR UNRESOLVED RECOMMENDATIONS

This section requires (1) a summary of each audit, inspection, and evaluation report issued before the beginning of the reporting period for which no management decision has been made by the end of the reporting period (including the date and title of each such report); (2) an explanation of why a decision has not been made; and (3) a statement concerning the desired timetable for delivering a decision on each such report. There are no audit, inspection, and/or evaluation reports that are more than 6 months old for which no management decision has been made.

This section also requires a summary of each audit, inspection, and evaluation report issued before the beginning of the reporting period (1) for which there was no comment returned within 60 days of providing the report to the establishment and (2) for which there are any outstanding unimplemented OIG recommendations, including the aggregate potential cost savings of such recommendations. Please see table 7-C, "Reports for Which Management Took Longer Than 60 Days to Respond," for summaries of zero instances before and during this semiannual period of an operating unit within the Department taking longer than 60 days to provide an establishment comment that addressed the recommendations of a report (as required by DAO 213-5).

SECTION 5(A)(11): SIGNIFICANT REVISED MANAGEMENT DECISIONS

This section requires an explanation of the reasons for any significant revision to a management decision made during the reporting period. DAO 213-5, *Audit and Evaluation Resolution and Follow-up*, provides procedures for revising a management decision. During this semiannual period, there were no significant revised management decisions.

SECTION 5(A)(12): SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREED

This section requires information concerning any significant management decision with which the IG disagrees. DAO 213-5 provides procedures for elevating unresolved audit recommendations to higher levels of Department and OIG management, including their consideration by an agency resolution council. During this period, no audit issues were referred.

SECTION 5(A)(13): DEPARTMENT COMPLIANCE WITH THE FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT

The Department is in compliance with the Federal Financial Management Improvement Act.

SECTION 5(A)(14) AND 5(A)(15): RESULTS OF PEER REVIEW

On March 15, 2018, our Office of Audit and Evaluation (OAE) received official notification of its peer review of its audit operations by the OIG for NASA. NASA OIG's System Review Report of our audit operations is available on our website. We received a *pass* rating, the highest available rating. We received three recommendations: (1) to update OIG's OAE Audit Directives of 2014 (*Audit Directives 2014*) to include GAGAS requirements for an annual analysis and summarization of results of OIG's monitoring process, and ensure that this update includes policies and procedure to address this requirement timely; (2) to provide additional guidance to ensure that audit teams consistently hold and document the results of meetings to discuss fraud risks and the procedures performed during fraud risk assessments; and (3) for supervisors to provide additional guidance to all OIG OAE staff to ensure that all audit file work papers are completed and reviewed prior to report issuance. We have implemented procedures for the first two recommendations and are in the process of updating all OAE policies—including implementing all of NASA OIG's recommendations for process and policy improvements. We anticipate issuing the revised policy by December 31, 2020.

On May 30, 2019, our OAE received official notification of its peer review of its inspection and evaluation operations by the OIGs of GSA and the Federal Deposit Insurance Corporation (FDIC), conducted in accordance with CIGIE Inspection and Evaluation Committee guidance. GSA-FDIC OIG assessed the extent to which our office met seven required *CIGIE Quality Standards for Inspection and Evaluation* standards. GSA-FDIC OIG determined that our policies and procedures generally met the seven standards. We received one recommendation for when we review and revise our *Audit Directives 2014*: the revision should include policies and procedures for safeguarding confidential information and ensuring that inspection and evaluation work is CIGIE Blue Book compliant prior to the reporting stage. We are in the process of updating all OAE policies, including implementing GSA-FDIC OIG's recommendation for process and policy improvements. We anticipate issuing the revised policy by December 31, 2020.

SECTION 5(A)(16): PEER REVIEWS CONDUCTED BY OIG

During this period, no peer reviews were conducted by OIG.

SECTION 5(A)(18): DESCRIPTION OF METRICS USED FOR DETERMINING THE DATA IN 5(A)(17)

The metrics used for the statistical data referenced in table 1, *Office of Investigations Statistical Highlights for This Period*, include the following: ensure data input is completed accurately; obtain data extraction via reports generated in our case management system; and complete quality assurance with supporting documentation in the case files and discussions with individual investigative personnel.

ACRONYMS AND ABBREVIATIONS

Accenture	Accenture Federal Services, LLC	DATA Act	Digital Accountability and Transparency Act of 2014
ACO	area census office	Department	U.S. Department of Commerce
AFR	<i>Agency Financial Report</i>	EDA	U.S. Economic Development Administration
AICPA	American Institute of Certified Public Accountants	ES	Enterprise Services
ANHSC	Alaska Native Harbor Seal Commission	EUC	end-use check
BIS	Bureau of Industry and Security	EWS	Enterprise Web Solutions
BMC	Booth Management Consulting, LLC	FAR	Federal Acquisition Regulation
Bureau	U.S. Census Bureau	FDIC	Federal Deposit Insurance Corporation
C.F.R.	Code of Federal Regulations	FirstNet Authority	First Responder Network Authority
CAM	<i>Commerce Acquisition Manual</i>	FISMA	Federal Information Security Modernization Act
CARES Act	Coronavirus Aid, Relief, and Economic Security Act	FPGA	field programmable gate array
CDC	Centers for Disease Control and Prevention	FY	fiscal year
CIGIE	Council of the Inspectors General on Integrity and Efficiency	GAGAS	<i>Generally Accepted Government Auditing Standards</i>
COR	contracting officer representative	GDA	Geospatial Data Act
COVID-19	coronavirus 2019	GM	Global Markets
CPIC	Capital Planning and Investment Control	GOES	Geostationary Operational Environmental Satellite
CRB	CPIC Review Board	GSA	U.S. General Services Administration
CTIP	Commerce Threat Intelligence Portal	HR	human resources
DAO	Department Administrative Order	IG	Inspector General
		IG Act	Inspector General Act of 1978, as amended

IPIA	Improper Payments Information Act of 2002	OMB	Office of Management and Budget
IT	information technology	OPM	U.S. Office of Personnel Management
ITA	International Trade Administration	OSY	Office of Security
JPSS	Joint Polar Satellite System	PARs	personnel action requests
LMS	lost, missing, or stolen	PCAPS	Patent Capture and Application Processing System
MBDA	Minority Business Development Agency	PFO	Polar Follow-On
NASA	National Aeronautics and Space Administration	PPMM	<i>Personal Property Management Manual</i>
NESDIS	National Environmental Satellite, Data, and Information Service	PTA	Patent Term Adjustment
NFWF	National Fish and Wildlife Foundation	PTAB	Patent Trial and Appeal Board
NIST	National Institute of Standards and Technology	PTE	Patent Term Extension
NOAA	National Oceanic and Atmospheric Administration	QCR	quality control review
NPSBN	Nationwide Public Safety Broadband Network	RMPS	Risk Management Program System
NRFU	nonresponse followup	SF-SAC	Standard Form - Single Audit Collection
NTIA	National Telecommunications and Information Administration	Statement	NOAA unsigned statement from September 6, 2019
NWS	National Weather Service	T&M	time-and-materials
NWS Birmingham	NOAA NWS's Birmingham, Alabama, office	TMNG	Trademark Next Generation
OAE	Office of Audit and Evaluation	TPOC	technical point of contact
OCIO	Office of the Chief Information Officer	U.S.	United States
OCS	operational control system	U.S.C.	United States Code
OIG	Office of Inspector General	ULO	unliquidated obligation
OMAO	Office of Marine and Aviation Operations	USPTO	United States Patent and Trademark Office
		UVA	University of Virginia
		VAM	vehicle allocation methodology

REPORT

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