



Smithsonian Institution
Office of the Inspector General

SEMIANNUAL REPORT TO THE CONGRESS

October 1, 2013 – March 31, 2014



Cover image: Ai Weiwei, *Cube Light*, 2008. Installation view at the Hirshhorn Museum and Sculpture Garden, Washington, DC, 2012. Photo: Cathy Carver.

Contents

Message from the Acting Inspector General	1
Background	
Smithsonian Institution Profile	2
Office of the Inspector General Profile.....	3
Smithsonian 2013 Top Management Challenges	4
Audits and Reviews	
Reports and Advisories	6
Status of Recommendations	11
Work in Progress	11
Investigations	
Types of Investigations and Activities	13
Summaries of Several Investigations	13
Other Investigative Activities	15
Other OIG Activities.....	16
Tables	
Table 1 – List of Issued Audits and Reviews.....	17
Table 2 – Audit Recommendation Activity.....	17
Table 3 – Reports Issued with Recommendations that Funds Be Put to Better Use	18
Table 4 – Reports Issued with Questioned or Unsupported Costs	18
Table 5 – Recommendations for which Corrective Actions Not Yet Complete	19
Table 6 – Summary of Complaint Activity	20
Table 7 – Summary of Investigative Activity	20

Message from the Acting Inspector General

On behalf of the Smithsonian Office of the Inspector General (OIG), I am pleased to submit this report summarizing the work of our office for the semiannual period ending March 31, 2014. At the beginning of this period, the Inspector General, Scott S. Dahl, was confirmed by Congress as the Inspector General of the Department of Labor. I then assumed the position of Smithsonian Acting Inspector General. We are thankful to Scott for his outstanding work at the Smithsonian and miss him both as a colleague and as a friend.

During this semiannual period, we issued three audit reports, an analysis of the Smithsonian's financial assurance letter process, and our annual letter on oversight of the Smithsonian's financial statement audits. We also issued our Top Management Challenges Report for 2013.

On the investigative side, we continue to investigate criminal allegations of contractor fraud at Smithsonian's parking operation at the Steven F. Udvar-Hazy Center. We completed several investigations and resolved numerous complaints from staff and the public.

We appreciate the continued support from the Smithsonian Board of Regents and management of the OIG's mission to promote efficiency and effectiveness, and to detect and prevent waste, fraud, and abuse. We are also grateful for the ongoing interest of the congressional committees with which we work.



Epin H. Christensen
Acting Inspector General

Background

Smithsonian Institution Profile

The Smithsonian Institution is a trust instrumentality of the United States created by Congress in 1846 to carry out the provisions of the will of James Smithson, an English scientist who left his estate to the United States to found “an establishment for the increase and diffusion of knowledge.”

The Smithsonian is the largest museum and research complex in the world. It currently includes 19 museums and galleries, the National Zoological Park, 9 research centers, and numerous research programs. These facilities hosted over 30 million visitors in 2013.

The Smithsonian is the steward of approximately 137 million objects and specimens, which form the basis of world-renowned research, exhibitions, and public programs in the arts, culture, history, and the sciences.

The Smithsonian’s Affiliations Program brings its collections, scholarship, and exhibitions to over 180 communities across the United States, Puerto Rico, and Panama. The Smithsonian’s myriad websites reached over 140 million visitors last year, and the collection of digitized records available online exceeded 8.5 million.

Federal appropriations provide the core support for the Smithsonian’s science efforts, museum functions, and infrastructure. That support is supplemented by trust resources, including private donations and grants.



View of the Smithsonian Castle. Image from the National Parks Service Historic American Buildings Survey. Image credit: Jack E. Boucher.

Office of the Inspector General Profile

The Inspector General Act of 1978, as amended in 1988, created the Office of the Inspector General as an independent entity within the Smithsonian. The OIG reports directly to the Smithsonian Board of Regents and to the Congress.

Office of Audits

The Office of Audits conducts audits and reviews of the Smithsonian's programs and operations to improve their efficiency and effectiveness. We are guided by an annual Audit Plan that identifies high-risk areas for review. The Office of Audits also monitors the external audit of the Smithsonian's financial statements and oversees reviews of the Smithsonian's information security practices.

Office of Investigations

The Office of Investigations pursues allegations of waste, fraud, abuse, gross mismanagement, employee and contractor misconduct, and criminal and civil violations of law that have an impact on the Smithsonian's programs and operations. It refers matters to the U.S. Department of Justice for prosecutive decision and action whenever the OIG has reasonable grounds to believe there has been a violation of federal criminal law. The Office of Investigations also identifies fraud indicators and recommends measures to management to improve the Smithsonian's ability to protect itself against fraud and other wrongdoing.

Office of Operations

The Office of Operations provides support to the Offices of Audits and Investigations, and is also responsible for administrative matters that the OIG handles as an independent office, such as budgeting, procurement, human resources, information technology, and managing organizational performance. The office is establishing a continuous audit program to identify: potential fraud, noncompliance with Smithsonian policies and procedures, or regulations, as well as weak internal controls.

Counsel

The Counsel to the Inspector General provides independent legal advice to the Inspector General and the audit and investigative staff.

Smithsonian 2013 Top Management Challenges

<http://www.si.edu/Content/OIG/Misc/TMC2013.pdf>

On November 15, 2013, we issued our list of the top management challenges facing the Smithsonian Institution. The Reports Consolidation Act of 2000, which requires these reports, does not expressly apply to the Smithsonian. However, we think that the report can provide valuable insight for us and our stakeholders.

In the report, we describe each challenge based on work that we have already done that has revealed risk to the Smithsonian's mission. In addition, we canvassed Smithsonian leadership and other stakeholders to identify their concerns. We also summarized management's progress in addressing these areas and what we plan to do this fiscal year relating to the challenges.

The Smithsonian's top management challenges are summarized below:

Federal Budget and Sequestration

Budget challenges have been felt across the Smithsonian and the federal government because of sequestration—broad, automatic, across-the-board cuts to most categories of federal spending. Smithsonian management is taking steps to reduce the impact of these cuts.

Safety and Security of Staff and the Visiting Public

The safety of the Smithsonian's visitors, volunteers, and staff, and the security of its collections have been, and continue to be, the Smithsonian's highest priorities. Security breaches around the nation and in our area remind us that we must remain vigilant in safeguarding our people and property.

Collections Stewardship

The Smithsonian Strategic Plan recognizes that "collections are fundamental to our work," and that it is the Smithsonian's responsibility to "preserve them for future generations." The challenge for the Smithsonian is that collections are constantly growing, and at the same time, resources needed to provide proper stewardship remain stagnant or are declining.

Construction Management

In 2003, Congress established the National Museum of African American History and Culture. The funding for this estimated \$500 million construction project will be split evenly between federal appropriations and private

donations. Smithsonian management has emphasized keeping this highly visible project on time and within budget.

Information Systems Security

The Smithsonian faces several information security challenges in balancing public access with essential information systems safeguards. The information security challenges are evident in the Smithsonian's ongoing efforts to (a) comply with government and industry standards for protecting information systems, and (b) establish an effective privacy program that will protect sensitive personally identifiable information.

Audits and Reviews

During this semiannual period, we issued three reports and completed substantial work on ongoing audits. We also issued an analysis of the Smithsonian's financial assurance letter process and our annual letter on oversight of the Smithsonian's financial statement audits.

Reports and Advisories

Selected Financial Operations of the Smithsonian Tropical Research Institute

Located in the Republic of Panama (Panama), the Smithsonian Tropical Research Institution (STRI) is a research center dedicated to understanding biological diversity and its relevance to human welfare. It has marine laboratories on both coasts of Panama, giving access to two different ocean environments. Its geographically remote location – and the unique demands of operating in another country – present challenges for the Smithsonian to oversee and manage STRI's operations.

Our audit objective was to evaluate high-risk areas of STRI's financial operations, including cash operations, accounts receivable transactions, and procurement activities.

We found that STRI had not timely performed bank account reconciliations or posted cash transactions to the Smithsonian's official accounting records. STRI's bank account reconciliations were not complete, and there was a lack of segregation of duties over the payroll operations. We also found that STRI's accounts receivable did not reconcile to the general ledger. STRI had approximately \$50,000 of accounts receivable balances that were more than 90 days delinquent as of fiscal year-end 2012. Moreover, STRI did not have a written policy that outlined procedures to collect the delinquent balances.

During our review of procurement activities, we found that STRI management did not ensure that the Office of Facilities Engineering and Operations (OFEO) participated in the design stage of a construction project. This caused OFEO to disapprove the use of a science lab for safety reasons. We also found that STRI management had not assigned a custodian to control purchased assets.

Lastly, we found that STRI had filled two key directorates with outside consultants, which increases the risk of loss of continuity of business operations and management stability.

We recommended that STRI develop and implement written policies and procedures over bank account reconciliations, as well as accounts receivable and collections activities. We also recommended that STRI coordinate with OFEO on construction and improvement projects; assign responsibility for the control and maintenance of accurate inventory records; and develop a succession plan for key directorates currently being filled by outside consultants.

Management concurred with our findings and recommendations and has planned corrective actions to address the recommendations. We will continue to monitor management's progress towards completion of these recommendations.

Management of the Smithsonian's Motor Vehicle Fleet Operations

The Smithsonian operates a vehicle fleet program to support the mission and functions of the Institution. The vehicle fleet program was established to ensure: (1) the availability of safe and reliable vehicles, (2) timely maintenance and repair of vehicles, and (3) the monitoring of the fleet size and utilization of vehicles. During our review, the fleet consisted of 487 sedans, buses, trucks, vans, and sport utility vehicles.

Our audit objectives were to evaluate the controls that management has established to minimize the costs of motor vehicle operations, including maintenance, fuel use, purchasing, and disposal. Additionally, we assessed whether the Smithsonian is achieving the sustainability goals outlined in Executive Order (EO) 13514, Federal Leadership in Environmental, Energy, and Economic Performance.

We found that Smithsonian management: (1) developed policies based on best practices for fleet management; (2) invested resources in a fleet management information system (FleetWave); and (3) appeared to adhere to Executive Order 13514. However, there were weaknesses in the implementation of these policies and procedures.

Management did not implement important components of its policy such as establishing the Vehicle Coordinator Program and enforcing the use of vehicle trip logs and the use of Form SI-3805, *Justification for Acquisition of a Motor Vehicle or Off-Highway Equipment*. We also determined that the policy addressing driver licenses was outdated.

In addition, we identified data discrepancies between the systems that report on the Smithsonian's fleet. We identified 37 vehicles, with a total purchase price of approximately \$797,703, that were recorded in FleetWave but were not included on the Enterprise Resource Planning (ERP) Financials vehicle

asset list. Further, we identified 20 vehicles, with a total purchase price of \$253,095, that were on the ERP vehicle asset list but were not recorded in FleetWave.

We also found that there were no policies and procedures to ensure that fuel cards were assigned in FleetWave. Fourteen active cards (or 29 percent of cards sampled) were not assigned to a specific vehicle in FleetWave.

To strengthen fleet management, we recommended that the Smithsonian update and fully implement policies and procedures to include the Vehicle Coordinator program, trip logs, and use of form SI-3805; develop procedures to periodically reconcile vehicle information between FleetWave and ERP; and develop and implement policies and procedures to ensure the proper control of fleet cards.

Management concurred with our findings and recommendations and has planned corrective actions to address the recommendations. We will continue to monitor management's progress towards completion of these recommendations.

Management of the Government Purchase Card Program

The Smithsonian uses purchase cards to reduce the administrative cost of small dollar purchases, making over \$27 million in expenditures in 100,498 transactions from October 1, 2011 through December 31, 2012. At the end of 2012, there were 658 purchase cards issued to Smithsonian personnel.

Smithsonian management has a heightened interest in reducing the risk of misuse, fraud, waste, and abuse in such vulnerable areas as cash processing and purchasing. Purchase cards allow the same individual to order, pay for, and receive goods and services. If purchase card internal controls are not properly designed, it will be difficult for management to detect and prevent fraudulent purchases or improper uses of the cards.

Our audit objective was to determine if the Smithsonian exercises effective management and oversight of the government purchase card program, and we found that the Smithsonian generally did. In general, the purchase card transactions we reviewed were appropriate for the mission of the purchasing unit.

However, we determined that some additional preventative controls could improve the program. Approving officials were not always approving purchase card transactions in the Smithsonian's financial system or documenting their review of cardholder purchase logs and credit card statements as required by Smithsonian policies and procedures. We also found that management had not blocked Merchant Category Codes that allow certain high-risk transactions,

such as purchases of jewelry, watches, furs, and alcohol. In addition, Smithsonian had not fully implemented best practices to ensure effective strategic sourcing when employees use government purchase cards to acquire commonly purchased goods and services. Lastly, we found that the Smithsonian may have inappropriately paid state and local sales taxes on purchase card transactions.

To strengthen the purchase card program, we recommended that management: reinforce the need for approving officials to timely approve transactions in the Smithsonian's financial system; evaluate restrictions on Merchant Category Codes; develop and implement a strategic sourcing program that encompasses all procurement methods including purchase card transactions; and, develop thresholds for recovering erroneous tax payments.

Management generally concurred with our findings and recommendations and has planned corrective actions to address the recommendations. We will continue to monitor management's progress towards completion of these recommendations.

Financial Statement Assurance Letter Process

In June 2011, Smithsonian management issued Smithsonian Directive (SD) 310, *Financial Reporting and Risk Management Internal Controls*, based on the principles outlined in the Committee of Sponsoring Organizations of the Treadway Commission evaluation methodology, the Office of Management and Budget Circular A-123, *Management's Responsibility for Internal Control*, and the Sarbanes Oxley Act of 2002. This directive outlines the guidance to unit directors regarding their responsibility during the annual attestation letter process. To follow up on the directive, in September 2011, Smithsonian management offered formal training to assist unit directors in understanding their responsibilities for financial reporting and internal controls.

Our objectives were to evaluate (a) the process that unit directors use to attest to the effectiveness of their units' financial reporting controls and financial information reliability; (b) the training and guidance that the Office of the Comptroller (OC) provides to unit directors regarding financial reporting controls; and (c) Smithsonian management's response to deficiencies or areas of concern identified by the unit directors during the attestation letter process.

Based on our interviews with management, surveys, and the fiscal year 2012 attestation letters:

1. Unit directors stated that they generally understand what they are attesting to, and they have an effective process to support their attestations.

2. Over half of the respondents did not receive formal training regarding their responsibilities as outlined in SD 310. However, those that did attend relevant training indicated that it was effective or very effective. In addition, while the unit directors believed that OC generally provided them with effective guidance, some of them would like more direction on internal control standards.
3. No unit directors identified any material weaknesses, deficiencies, or areas of concern during the fiscal year 2012 attestation letter process.

To improve the annual assurance letter process, we recommended that the CFO evaluate the unit directors' comments and provide an action plan that addresses the survey's results. Management concurred with our recommendation and plans to offer one annual classroom-style training class as well as on-line training. Further, management will continue to offer individual training sessions to directors on request.

OIG Oversight of the Financial Statements Audits

The OIG serves as the Contracting Officer's Technical Representative for the oversight of the Smithsonian's annual financial statements audits performed by an independent public accounting firm. The firm audited the Smithsonian's FY 2013 Federal Closing Package (federal appropriations reporting) and the entity-wide financial statements (combined federal and trust funds reporting). The independent auditor reported no material weaknesses or significant deficiencies in its management letter. However, the auditor made four observations that management needs to address.

Status of Recommendations

Smithsonian management made significant progress in implementing the recommendations from audit reports we issued during this and prior semiannual reporting periods. As a result, we closed 31 recommendations during the past 6 months. Implementation of these recommendations resulted in:

- Improved management of financial activities at the Center for Folklife and Cultural Heritage;
- Better stewardship of the collections at the National Museum of American History;
- More accurate reporting of fundraising for the National Museum of African American History and Culture;
- Improved management of financial activities at the Smithsonian Tropical Research Institute;
- More effective monitoring of major information technology applications; and
- Improved privacy policies and procedures.

We summarize the open recommendations from prior semiannual periods and the target implementation dates in Table 5.

Work in Progress

At the end of the period, we had three audits and reviews in progress, as described below.

Review of the Smithsonian's Information Security Program

The Federal Information Security Management Act of 2002 (FISMA) directs the OIG to annually evaluate the information security program of the entity it oversees. The Smithsonian voluntarily complies with FISMA requirements because they are consistent with the organization's strategic goals.

Information systems security is one of the Smithsonian's top management challenges. For fiscal year 2013, the review focused on the general support system, the Scientific Computing Infrastructure and High Energy Astrophysics

systems at the Smithsonian Astrophysical Observatory, and the National Museum of Natural History Collections Information System.

Pan-Institutional Initiatives Addressing Collections Care

With this audit, we continue our monitoring and assessment of the Smithsonian's progress towards a pan-institutional approach to collections care. Our objectives are to: (1) evaluate the impact the Smithsonian initiatives have on collections care; (2) assess management's plans for using the data collected to-date in addressing collections care issues Smithsonian wide; and (3) examine future funding and contingency plans for collections care.

Management of Leased Office Space

We are evaluating the Smithsonian's management of leased office space. Our general objectives are to evaluate the Smithsonian's short and long-term plans for managing its leased office portfolio and also to assess management strategies for identifying opportunities to reduce costs relating to leased office space.

Investigations

Types of Investigations and Activities

The types of allegations that the agents investigated during this semiannual period include the following: embezzlement, false representations, theft of property, workers compensation fraud, misuse of government travel card, and time and attendance fraud.

For several of the investigations, the agents worked jointly with other federal law enforcement agencies, including the Federal Bureau of Investigations and the Department of Labor. OIG agents promulgated subpoenas for documents, prepared and executed a search warrant, and seized evidence. They have provided investigative work products to federal prosecutors for criminal investigations. They also provided the results of investigations to management for administrative action to be taken.

Tables 6 and 7 contain a statistical summary of our investigative results.

Summaries of Several Investigations

The following are summaries of several investigations conducted during the period.

Theft of Funds

We previously reported that OIG and FBI agents arrested three employees of Parking Management Inc. (PMI) on August 4, 2012, on charges of stealing visitor parking fees collected at the Smithsonian Institution's Steven F. Udvar-Hazy Center in Chantilly, Virginia. OIG agents determined that these PMI employees began stealing parking fees in April 2009, shortly after PMI took over management of the museum's parking lot. On some days, each stole more than \$4,000 from the Smithsonian. Two of those employees were sentenced to 20 and 27 months. The third committed suicide prior to entering her plea. A fourth employee, the on-site manager, was arrested, pled guilty to Conspiracy to Commit Fraud, and was sentenced to 40 months and restitution of \$1.3 million.

On March 20, 2014, a fifth PMI employee pled guilty to one count of Theft of Public Money between \$3,000 and \$30,000 before Judge Ellis in US District Court, Eastern District of Virginia. Sentencing is pending.

Return of Artifacts

We previously reported that OIG assisted the Department of Homeland Security (DHS) with the return of historical artifacts allegedly taken illegally from a Korean War battlefield.

In September 2013, a member of the public contacted a Smithsonian curator seeking assistance in determining the value of nine seals that had been in the possession of a deceased relative. The nine seals included three national seals of the Korean Empire, one royal seal of the Korean Empire, and five signets of the Joseon Royal Court of the Joseon Dynasty.

The curator recognized that the seals may have cultural significance to the Republic of Korea and contacted OIG. OIG agents contacted and assisted DHS Homeland Security Investigations (HSI) agents, resulting in the recovery of the seals and their return to the Republic of Korea in November 2013. "The nine Korean seals recovered by HSI special agents are worth millions in the antiques business, but they are priceless to South Korea," said HSI Attaché Seoul Taekuk Cho.

Contracting Irregularities / Abuse of Position

OIG agents investigated several violations of Smithsonian policy and standards of conduct by a Smithsonian employee. OIG agents determined that the employee improperly accepted monetary gifts and directed several small purchase orders to his acquaintances. The U.S. Attorney's office declined prosecution. The employee resigned in lieu of management action to terminate his employment.

Health Insurance Fraud

OIG agents determined that a Smithsonian employee fraudulently listed his girlfriend as his spouse in order to obtain health insurance benefits for her. The National Finance Center is refunding the contributions the Smithsonian made as a result of the fraudulent claim. The insurance company may recover losses from the medical service providers. The medical service providers may, in turn, attempt to recover payment for the medical services fraudulently obtained. The employee received a 14-day suspension.

Other Investigative Activities

Fraud Awareness Program

We continue our efforts to reach out to Smithsonian staff and inform them about fraud awareness in Smithsonian programs and operations. During this reporting period, we made fraud awareness presentations to 224 new employees during their orientations.

Involvement with Other Organizations

OIG agents remain actively involved with the Washington Metro Electronic Crimes Task Force, the Metropolitan Area Fraud Task Force, the Association of Certified Fraud Examiners, the Security Association of Financial Institutions workgroup, and the Interagency Fraud Risk Data Mining Group. This data mining group assists other OIGs and similar offices to identify systemic fraud and other risks through automated techniques.

Other OIG Activities

Congressional Liaison

We continue to brief staff from House and Senate committees that have jurisdiction over the Smithsonian on our work and solicit suggestions for future audits and reviews.

Legislative and Regulatory Review

The Inspector General Act mandates that our office monitor and review legislative and regulatory proposals for their impact on the Smithsonian's programs and operations. We also reviewed draft Smithsonian directives that affect the Office of the Inspector General or the Smithsonian's programs and operations.

The Counsel to the Inspector General, working with counsel from other Inspector General offices across the federal government, also monitored congressional bills and issues relating to the Inspector General community.

Peer Reviews

Government Auditing Standards require audit organizations to undergo external peer reviews by independent reviewers every three years. Our most recent peer review, conducted by Federal Deposit Insurance Corporation Office of Inspector General and issued in September 2011, concluded that our quality control system was designed to meet government auditing standards, and complied with those standards, for the 15-month period ending March 31, 2011. We received a peer review rating of pass, the highest rating. We are currently undergoing peer review by the Railroad Retirement Board Office of the Inspector General. We will report the results of this review in our next semiannual report.

Other Activities

OIG staff are actively involved in the TeamMate Federal Users Group. The office's working groups are driving a number of improvement initiatives, including updating and implementing the strategic plan, a comprehensive risk assessment process, and a streamlined audit process. OIG staff is also involved in the Institute of Internal Auditors, the Association of Certified Fraud Examiners, and other professional organizations.

Tables

Table 1: List of Issued Audits and Reviews

Report Number	Title	Date Issued	Questioned/Unsupported Costs	Funds to be Put to Better Use
A-13-01	Weaknesses in the Smithsonian Tropical Research Institute's Financial Management Require Prompt Attention	10/29/2013	\$0	\$0
A-13-08	Analysis of the Smithsonian's Annual Financial Statement Assurance Letter Process	1/31/2014	\$0	\$0
A-13-06	Smithsonian Needs to Update and Implement Vehicle-Related Policies and Procedures	3/27/2014	\$0	\$0
A-13-09	OIG Oversight of the Financial Statements Audits	3/31/2014	\$0	\$0
A-13-04	Smithsonian Needs to Improve Preventative Controls for the Purchase Card Program	3/31/2014	\$0	\$251,000

Table 2: Audit Recommendation Activity

Status of Recommendations	Numbers
Open at the beginning of the period	36
Issued during the period	24
Subtotal	<u>60</u>
Closed during the period	<u>31</u>
Open at the end of the period	29

Table 3: Reports Issued with Recommendations that Funds Be Put to Better Use

Reports	Number	Funds For Better Use
Reports for which no management decision has been made by the commencement of the reporting period	1	\$1,677,108
Reports issued during the reporting period	1	\$ 251,000
<i>Subtotal</i>	2	\$1,928,108
Reports for which a management decision was made during the reporting period		
<ul style="list-style-type: none"> • Dollar value of recommendations that were agreed to by management • Dollar value of recommendations that were not agreed to by management 	0	\$0
	1	\$251,000*
Reports for which no management decision has been made by the end of the reporting period	1	\$1,677,108
Reports for which no management decision was made within 6 months of issuance	1	\$1,677,108

Table 4: Reports Issued with Questioned or Unsupported Costs

Reports	Number	Questioned	Unsupported
Reports for which no management decision has been made by the commencement of the reporting period	0	\$0	\$0
Reports issued during the reporting period	0	\$0	\$0
<i>Subtotal</i>	0	\$0	\$0
Reports for which a management decision was made during the reporting period	0	\$0	\$0
<ul style="list-style-type: none"> • Dollar value of disallowed costs • Dollar value of costs not disallowed 			
Reports for which no management decision has been made by the end of the reporting period	0	\$0	\$0
Reports for which no management decision was made within 6 months of issuance	0	\$0	\$0

*Management agreed that funds could be put to better use but argued that determining the amount would be cost prohibitive.

Table 5: Prior Recommendations for which Corrective Actions Are Not Yet Complete

Audit Title (Date)	Number of Recs	Summary of Recommendations	Target Date
Smithsonian Institution Information Security Program (3/15/2011)	2	The Chief Information Officer should update SD 920 and other related documents to provide clear criteria for designating systems for inclusion in the Smithsonian's FISMA inventory; centrally document as part of its on-going risk management process the decisions by the Under Secretaries and the Unit managers to include or exclude systems in the FISMA inventory; and, implement controls to ensure that all SI-owned laptops/mobile devices that may be used to store sensitive information are secured with an appropriate encryption technology.	6/30/2014 to 8/30/2014
The Center for Folklife and Cultural Heritage Needs to Improve Its Financial Management Operations (9/28/2012)	1	The Director of CFCH should develop and implement policies and procedures for the selected application of the inventory method to include aging thresholds used to write-off inventory and ensure that staff receives proper training regarding the inventory method selected.	3/31/2014
Management Advisory Regarding Portable Computer Encryption (3/4/2013)	3	<p>The Under Secretary for Finance and Administration, in coordination with the other Under Secretaries, should direct Unit IT staff to: determine which laptop computers in their inventory may be used to store sensitive data and, with assistance from OCIO, configure those computers with whole drive encryption; and, identify all laptop computers that will not be configured with encryption and clearly indicate to users with a prominent label that those computers must not be used to store sensitive information.</p> <p>The Chief Information Officer should revise IT-930-TN28 to assign responsibility to staff with the knowledge and skills to ensure laptop computers are configured with appropriate encryption technology.</p>	6/30/2014
FY 2012 Evaluation of the Smithsonian's Information Security Program	4	The Chief Information Officer should: work with system managers to more quickly test security patches and remediate vulnerabilities identified in the OIG assessment; monitor Smithsonian workstations for unapproved software and timely maintenance of approved software and enforce the requirement to	11/19/2014

Audit Title (Date)	Number of Recs	Summary of Recommendations	Target Date
		maintain products that are approved; and, ensure that the system managers provide monitoring and account management reports and evidence of audit log reviews to the OCIO Security Program.	

Table 6: Summary of Complaint Activity

Status	Number
Open at the start of the reporting period	36
Received during the reporting period	<u>40</u>
Subtotal	76
Closed during the reporting period	<u>45</u>
Total complaints pending	31

Table 7: Summary of Investigative Activity

Investigations	Amount or Number
Caseload	
Cases pending at beginning of reporting period	6
Cases opened during the reporting period	<u>4</u>
Subtotal	10
Cases closed during the reporting period	<u>3</u>
Cases carried forward	7
Referrals for Prosecution	
Pending at the beginning of the period	2
Accepted during the period	<u>2</u>
Pending at the end of the period	4
Successful Prosecutions	
Convictions	1
Fines	
Probation	
Confinement	
Monetary Recoveries and Restitutions	\$26,616
Administrative Actions	
Terminations	0
Resignations	3
Reprimands or admonishments	0
Suspensions	14 days
Collection items recovered	148

The Office of the Inspector General investigates allegations of waste, fraud, abuse, gross mismanagement, employee and contractor misconduct, and criminal and civil violations of law that have an impact on the Smithsonian's programs and operations.

Office of the Inspector General HOTLINE

202-252-0321
oighotline@oig.si.edu
<http://www.si.edu/oig>

or write to

Smithsonian Institution
Office of the Inspector General
PO Box 37012, MRC 524
Washington, DC 20013-7012

*IF REQUESTED, ANONYMITY IS ASSURED TO THE EXTENT PERMITTED
BY LAW. INFORMATION PROVIDED IS CONFIDENTIAL.*

Although you may remain anonymous, we encourage you to provide us with your contact information. The ability to gather additional information from you may be the key to effectively pursuing your allegation.