



OFFICE *of* INSPECTOR GENERAL

SEMIANNUAL
REPORT *to*
CONGRESS

APRIL 1, 2020 *to* SEPTEMBER 30, 2020



FOREWORD

I am pleased to present this Semiannual Report to Congress covering the oversight activities of the Office of Inspector General (OIG) for the National Archives and Records Administration (NARA) from April 1, 2020 to September 30, 2020. Our office has worked extensively with NARA, Congress, and Federal agencies to accomplish our mission of providing oversight and promoting economy, efficiency, and integrity in NARA's programs and operations.

In this period, we completed a number of audit and investigative products with a significant impact on NARA. Our Office of Audits issued nine reports with recommendations for significant improvement to NARA's financial management, cybersecurity, and personnel security and suitability program internal controls. Our Office of Investigations issued 15 reports and received 170 complaints through the OIG Hotline. These reports addressed various allegations such as time and attendance fraud, false claims, theft, and whistleblower retaliation.

Once again, the dominant issue facing NARA is the novel coronavirus. As Federal workers began returning to their offices in more significant numbers their health and safety was the paramount concern. However, news articles reported some were recalled to work in buildings that had not been fully cleaned, or were not provided personal protective equipment. This could impact employee safety and make them more susceptible to COVID-19. On June 15, 2020, the United States House of Representatives Committee on Oversight and Reform requested several OIGs examine the reopening plans and procedures of their respective departments. While we were not among the OIGs to receive a congressional request, we understood the importance of the Federal oversight community in providing some assurance during these unprecedented times. For this reason, we reviewed NARA's plans for reopening and returning Federal employees to their duty stations amid the ongoing worldwide pandemic.

Accordingly, we completed a significant review of NARA's Phased Reopening Plan to reopen offices and facilities across the country. Our review revealed there were no instances where it appeared NARA's reopening decisions were not objective and sound. Senior leadership demonstrated through the NARA Phased Reopening Plan that the health and safety of NARA's workforce is the top priority.

Finally, I want to note that the OIG has been working in a virtual environment since the end of March due to COVID-19. We do not know how long this will continue, nor can we predict the pandemic's full impact on our activities and results we deliver. Like so many other Federal offices, my staff had to find new ways to do our work. The hours have been long and the journey has not been easy. However, I am extremely proud of the dedication and creativity of every member of the OIG staff. They have not let up one bit, instead they have been going ahead at full steam. I know their efforts will improve NARA, and future generations will owe them a debt of gratitude for helping preserve the history our great nation.



James Springs
Inspector General

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Visit www.archives.gov/oig/ to learn more about the National Archives Office of Inspector General.

Executive Summary

This is the 63rd Semiannual Report to Congress summarizing the activities and accomplishments of the National Archives and Records Administration (NARA) Office of Inspector General (OIG).

Audits and Reports

The OIG continued to assess the economy and efficiency of NARA's programs and operations and to examine NARA's Information Technology (IT) systems. During the reporting period, the OIG issued the following audit reports and other non-audit reports concerning NARA programs and operations.¹ During this period, the Office of Audits (OA) tracked \$131,816 in questioned costs and \$45,352,745 in funds to be put to better use.

Audits of Programs and Operations

- **Audit of NARA's Cybersecurity Risk Management Process.** NARA did not have a fully established cybersecurity risk management program. Specifically, NARA had not: (1) fully defined and communicated roles and responsibilities of Risk Executive (function); (2) developed an enterprise-wide risk management strategy; (3) documented or implemented risk-based policies; and (4) established coordination between cybersecurity and enterprise risk management. Without a complete and comprehensive cybersecurity program whereby NARA can effectively identify, prioritize, and manage cyber risks, the agency remains vulnerable to unmitigated risks that threaten NARA's information systems and IT environment. (OIG Audit Report No. 20-AUD-15, dated August 27, 2020. See page 14.)
- **Audit of NARA's Personnel Security and Suitability Program.** NARA's Personnel Security Policies were outdated and did not always reflect current practices. Further, NARA did not comply with multiple provisions of its policies. As a result, NARA staff is unable to rely upon policies to guide work and may be adhering to policies no longer relevant, and the Personnel Security Program is not operating efficiently and effectively. Additionally, standard operating procedures were not documented for operations performed by Personnel Security staff, resulting in key person dependencies and overall process inefficiencies. Without documented procedures, management cannot ensure a consistent and transparent process exists to support operations. Security Management personnel did not: (1) always ensure reinvestigations, prescreening, and follow-up on submitted investigations were timely completed; (2) effectively manage the adjudication process; and (3) design and implement controls to ensure the integrity of data in the Security Clearance Tracking System (SCTS). Without proper controls, NARA lacks assurance that new employees are suitable for their position or current cleared employees remain suitable, and may not be able to take appropriate action to remove unsuitable staff. Additionally, there is limited assurance that data in SCTS is consistent, complete, and accurately recorded for background and security investigations. (OIG Audit Report No. 20-AUD-12, dated November 8, 2019. See page 14.)

¹ Each report portrays a snapshot in time at the end of the fieldwork, and may not reflect the current situation at the end of the reporting period. Only products labeled as audits are conducted in accordance with the Government Auditing Standards. All audits are posted online, while management alerts generally are not.

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- **Audit of NARA’s Fiscal Year (FY) 2019 Financial Statements and Management Letter: Control Deficiencies Identified during Audit of NARA’s FY 2019 Financial Statements.** NARA received an unmodified opinion on its financial statements. However, there were two significant deficiencies in internal control over financial reporting related to information technology controls and timely resolution of error, and one instance of reportable noncompliance for FY 2019 with provisions of applicable laws, regulations, contracts, and grant agreements tested. Further, there were two deficiencies in internal control related to the entity-wide travel policy and updates to the NARA Continuity of Operations Plan. (OIG Audit Reports No. 20-AUD-08 and 20-AUD-09, dated April 22, 2020. See page 15.)
- **Audit of NARA’s Compliance with the Requirements of the Improper Payments Elimination and Recovery Act of 2010 for FY 2019.** NARA did not comply with the requirements of IPERA because the FY 2019 Agency Financial Report has not been published by NARA. (OIG Audit Report No. 20-AUD-10, dated May 14, 2020. See page 16.)

Other Reports Concerning NARA Programs and Operations

- **NARA’s Use of the 2017 Women’s March Image.** NARA altered a photographic image from Getty used by the Archives with the agency’s public exhibition, *Rightfully Hers: American Women and the Vote (Rightfully Hers)*. NARA altered the image by blurring words that could be read on signs. NARA did not have current, documented policies or procedures incorporating supervisory reviews and approvals, and thus management was limited in its ability to ensure that staff consistently apply standards for exhibit development. The lack of internal and management controls prevents the ability to detect and address deviations from established practices and management direction. (OIG Report No. 20-R-11, dated May 15, 2020. See page 17.)
- **Review of NARA’s COVID-19 Plans to Begin Safely Reopening Offices Across the Country.** There were no instances where it appeared that NARA’s reopening decisions were not objective and sound. Senior leadership has demonstrated through the NARA Phased Reopening Plan that health and safety of the workforce is the top priority. (OIG Report No. 20-R-16, dated September 30, 2020. See page 17.)
- **Purchase Card Risk Assessment.** NARA’s purchase card risks remain at a moderate level. In general, NARA’s policies and procedures are designed to provide reasonable assurance for implementing and managing the NARA Charge Card Program and to mitigate the potential for fraud, misuse, and delinquency. However, NARA has yet to address 10 open recommendations from previous audits and new OMB Circular A-123 requirements. (OIG Report No. 20-R-13, dated July 1, 2020. See page 17.)
- **2020 Quarterly Open Recommendations Reports.** Every quarter the OIG issues reports to each NARA office summarizing their open audit recommendations, including data on new, closed, subsumed, and open audit recommendations at the end of the quarter. (OIG Report No. 20-R-14, dated August 4, 2020. See page 18.)

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- **Compendium of Open Audit Recommendations to NARA.** The abundance of open recommendations continues to demonstrate weaknesses in NARA’s internal control system. In FY 2020 NARA closed 79 recommendations, ending the year with 268 open recommendations, of which 38 were between three and eight years old. NARA offices continue to show commitment to closing open audit recommendations and work cooperatively with the OIG in doing so. However, we remain especially concerned with the lack of attention to implementation dates set by offices for open recommendations and some offices’ lack of understanding of what is required to close recommendations based on audit report findings, agreed upon recommendations, and action plans submitted by those offices. (OIG Report No. 20-R-17, dated September 30, 2020. See page 18.)

Investigations

The Office of Investigations (OI) receives and evaluates complaints and conducts investigations related to fraud, waste, and abuse in NARA programs and operations. This includes identifying and recovering wrongfully alienated NARA holdings, such as missing and stolen records. Investigations showing violations of law, regulations, rules, or contract terms may result in administrative, civil, or criminal actions. These can include terminations, debarments, prison terms, probation, fines, restitution, and other actions. The OI may also conduct assessments of areas with the potential for fraud or issue other reports detailing specific issues or vulnerabilities we observe. Assessments are limited overviews of potential agency vulnerabilities used to alert management to issues and do not follow any set standards or procedures. The Inspector General has decided not to post some of these assessments online as they do not represent fully explored or detailed audit or investigative efforts. However, any assessment issued is summarized in this report. These products contain observations but do not include recommendations for corrective action. In this period, the OI received and reviewed 170 complaints and other intake actions, opened 13 new investigations, and closed 8 existing investigations.

The OI did not have any cost savings calculations attributed to OI work products for this period. When present, cost savings include recoveries made as a result of investigations, including the appraised value of NARA holdings. Additionally, they include any identified misused agency resources and time, theft, and other monetary calculations identified during investigations. Time abuses are calculated as three years’ worth of the offending behavior.

OI highlights for this reporting period include:

- 100 percent of our closed or completed investigations resulted in referrals for criminal, civil, and/or administrative action.
- Nine Fraud and Integrity Awareness Briefings were completed virtually at several NARA facilities to include Presidential Libraries and Federal Records Centers.
- Two newly developed Procurement Fraud Briefings were completed virtually with NARA senior-level procurement officials.
- A NARA employee received disciplinary action after they expressed appreciation for “the desire to blow up the Archives” on their personal Facebook page.

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- The development of the Stolen Valor Initiative, in which the OI has partnered with relevant stakeholders to complete data analytics and detect instances of potential fraud.
- A collaborative effort with OA to determine why an image used in a NARA public display was censored, the motivation behind the censorship, who ordered the censorship, and if there were previous instances of NARA censoring displays.

Management Assistance and Other Work

In addition to audits and investigations, the OIG continued to assist NARA and others in various ways, including the following highlights from the period.

- Continued running the Whistleblower Protection Coordinator program, providing training and information to potential whistleblowers on various rules and protections available. This work included one-on-one consultations with individuals and working with other IG offices in the Federal community on various issues. During this period, COVID-19 prevented in-person training and visits NARA field offices.
- Responded to multiple requests for OIG records under the Freedom of Information Act (FOIA).
- Provided substantial suggestions for improving multiple NARA issuances and ensuring they do not interfere with OIG independence. Some of the issuances reviewed included a supplement to NARA 860 on email records, NARA 211 on exit inspections, NARA 1702 on Holdings Transport, NARA Form NA 8022 on issuing IT equipment, and NARA 825 on Holds on NARA's Operational Records.
- Responded to 35 requests from NARA for reviews of proposed legislation, Office of Management and Budget (OMB) regulations, congressional testimony, and other items.



Other Matters Affecting OIG Operations

Information Technology Independence Issues

The OIG has traditionally used NARA's information technology (IT) resources for our email and file storage needs. However, this is no longer efficiently meeting OIG IT needs while preserving our independence. For example, we learned NARA file searches for Freedom of Information Act (FOIA) requests and other searches actually examine the content of OIG emails because of the way the system is configured. This violates the confidentiality of whistleblowers and anyone who may contact the OIG via email. NARA's General Counsel has not provided any procedural way to fix this untenable situation and supports the OIG moving to an independent email service. Since the OIG is a customer of NARA Information Services, NARA IT staff and NARA IT contractors may access OIG systems and data without any documentation of such access. While we have done what we can to get individuals to sign nondisclosure and confidentiality agreements, the fact these types of disclosures may happen puts OIG operations at risk. These issues have been magnified in this period due to NARA changing IT support contractors.

Further, NARA Information Services has the largest number of open audit recommendations, many of which point to NARA's IT security environment. Without independence in this area, the OIG is forced to bear all of NARA's IT and other vulnerabilities and risks, for which the OIG has no control. Some of these vulnerabilities are high and/or critical in nature, and in some cases exploitable. The current structure and reliance on NARA for IT services also hinders the OIG's ability to adhere to Federal IT policies, many of the same policies the OIG cites NARA for not adhering to. Finally, as a customer of Information Services and NARA's IT contractors, the OIG is subject to claims the OIG would not be independent or neutral if they had to investigate individuals working in these areas.

NARA has recognized the gravity of these issues and is working with the OIG to investigate how we can move to a more independent and secure IT system to meet our operational needs. The OIG's IT independence project is moving through NARA's Capital Planning and Investment Control (CPIC) process. However, any such project will require funding. While the additional funds necessary were included in NARA's FY2021 budget request, NARA's FY 2022 budget request for the OIG does not have enough funds to cover the expected costs, and the future of the project is in question.



Introduction

About the National Archives and Records Administration

Mission

The National Archives and Records Administration (NARA) drives openness, cultivates public participation, and strengthens our nation's democracy through public access to high-value government records. Simply put, NARA's mission is to preserve and provide public access to Federal records in its custody and control. Public access to these records strengthens democracy by allowing Americans to claim their rights of citizenship, hold their government accountable, and understand their history in order to participate more effectively in government.

Background

By preserving the nation's documentary history, NARA serves as a public trust on which our democracy depends. It ensures continuing access to essential evidence documenting the rights of American citizens, the actions of Federal officials, and the national experience. Through NARA, citizens can inspect for themselves the public record of what the government has done. Thus it enables agencies to review their actions and helps citizens hold them accountable.

Federal records reflect and document America's development over more than two centuries. They are great in number, diverse in character, and rich in information. NARA holds more than 5 million cubic feet of traditional records. These holdings include, among other things, letters, reports, architectural/engineering drawings, maps and charts; moving images and sound recordings; and photographic images. Additionally, NARA maintains hundreds of thousands of artifacts and hundreds of terabytes of electronic records. The number of records born and stored solely in the electronic world will only continue to grow; thus NARA developed the Electronic Record Archives to attempt to address this burgeoning issue.

NARA involves millions of people in its public programs, including exhibitions, tours, educational programs, film series, and genealogical workshops. In FY 2019, NARA reported more than 39 million online visits in addition to hosting over 4.0 million traditional visitors, all while responding to more than 1.2 million written requests from the public. NARA also publishes the *Federal Register* and other legal and reference documents, forming a vital link between the Federal Government and those affected by its regulations and actions. Through the National Historical Publications and Records Commission (NHPRC), NARA helps preserve and publish non-Federal historical documents that also constitute an important part of our national heritage. Additionally, NARA administers 14 Presidential Libraries preserving the papers and other historical materials of all past Presidents since Herbert Hoover.

Resources

In FY 2020, NARA was appropriated \$378 million, including \$359 million for operating expenses, \$7.5 million for repairs and restoration of NARA-owned buildings, \$6.5 million for the NHPRC, and \$4.8 million for IG operations. In the previous reporting period NARA was provided with an additional \$8.1 million available until September 30, 2021, to address corona virus related issues under the CARES Act. With approximately 2,652 full-time equivalents (FTEs), NARA operates 44 facilities nationwide.

Introduction

About the Office of Inspector General (OIG)

The OIG Mission

The OIG serves the American citizen by improving the effectiveness, efficiency, and economy of NARA programs and operations. As part of our mission, we detect and prevent fraud and abuse in NARA programs and strive to ensure proper stewardship over Federal funds. We accomplish this by providing high-quality, objective audits and investigations and serving as an independent, internal advocate. Unique to our mission among other OIGs is our duty to ensure NARA protects and preserves the items belonging in our holdings while safely providing the American people with the opportunity to discover, use, and learn from our documentary heritage.

Background

The Inspector General Act of 1978, as amended, along with the Inspector General Reform Act of 2008, establishes the OIG's independent role and general responsibilities. The Inspector General keeps both the Archivist of the United States and Congress fully and currently informed on our work. The OIG evaluates NARA's performance, makes recommendations for improvements, and follows up to ensure economical, efficient, and effective operations and compliance with laws, policies, and regulations. In particular, the OIG:

- assesses the effectiveness, efficiency, and economy of NARA programs and operations;
- recommends improvements in policies and procedures to enhance operations and correct deficiencies;
- recommends cost savings through greater efficiency and economy of operations, alternative use of resources, and collection actions; and
- investigates and recommends actions to correct fraud, waste, abuse, or mismanagement.

Further, the OIG investigates criminal and administrative matters concerning the agency, helping ensure the safety and viability of NARA's programs, customers, staff, and resources.

Resources

In FY 2020, Congress provided \$4.8 million for the OIG's appropriation, including authorization for 24 FTEs. As in previous periods, the OIG budget is not at a level allowing us to effectively hire to our authorized FTE level. At the close of the period the OIG had 20 FTEs on board, including an Inspector General, 10 FTEs devoted to audits, 7 FTEs devoted to investigations, an administrative assistant, and a counsel to the Inspector General.

Activities

Involvement in the Inspector General Community

Council of Inspectors General on Integrity and Efficiency (CIGIE)

CIGIE is an independent entity within the executive branch created to address integrity, economy, and effectiveness issues that transcend individual agencies and aid in establishing a professional, well-trained, and highly skilled workforce in the Federal OIGs. The Inspector General is a CIGIE member and regularly attends meetings discussing government-wide issues and congressional items affecting the Inspector General community.

Pandemic Response Accountability Committee (PRAC)

Created by the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the CARES Act), the PRAC is a part of CIGIE dedicated to oversight of the \$2.2 trillion provided in the CARES Act. Counsel assisted in standing up the PRAC and compiled lessons learned for oversight of disasters from throughout the Federal IG community for PRAC's first publication. As NARA is a recipient of CARES Act funds, the OIG is also active in PRAC issues and attends monthly PRAC meetings.

CIGIE Legislation Committee

The Legislation Committee provides timely information about congressional initiatives to the IG community; solicits the views and concerns of the community in response to legislative initiatives and congressional requests; and presents views and recommendations to congressional committees and staff, the Government Accountability Office, and the Office of Management and Budget on issues and legislation affecting the IG community. The OIG counsel attends committee meetings for the IG, who serves as a member. Counsel remains involved in various aspects of the committee's work, including reviewing CIGIE's legislative priorities, answering various data calls, monitoring legislation for developments of interest to the community, and developing input for proposed legislative actions.

CIGIE Audit Committee

The Audit Committee provides leadership to, and serves as a resource for, the Federal IG audit community. Specifically, the Audit Committee sponsors and coordinates audit-related activities addressing multiagency or government-wide issues, maintains professional standards for OIG audit activities, and administers the audit peer review program. The Audit Committee also provides input to the CIGIE Professional Development Committee on training and development needs of the CIGIE audit community and gives advice to the Chairperson, Vice Chairperson, and Executive Director regarding CIGIE's contracts for audit services. The AIGA attends committee meetings for the Inspector General, who serves as a committee member.

CIGIE Investigations Committee

The Investigations Committee advises the community on issues involving criminal investigations and investigative personnel. The committee also works on establishing criminal investigative guidelines. The AIGI attends these meetings for the Inspector General, who is a member. The AIGI is involved in helping provide guidance, assistance, and support to the Investigations Committee in the performance of its duties.

Activities

Council of Counsels to Inspectors General (CCIG)

The OIG counsel currently serves as the chair of the CCIG. The CCIG provides a rich environment wherein legal issues can be raised and interpretations can be presented and reviewed with an experienced network of OIG lawyers from across the Federal community. Monthly meetings have become virtual due to COVID-19, but have featured speakers such as the Special Counsel, the House of Representatives Whistleblower Ombudsman, and Department of Justice experts in various topics.

CIGIE Technology Committee Data Analytics Working Group (DAWG)

The OI and OA regularly attend and participate in the DAWG. The DAWG was created to assist IGs in acquiring tools and knowledge to better assess fraud, waste, and abuse within agency programs.

CIGIE Audit Peer Review Subcommittee (Appeals Process)

The AIGA serves on the Audit Peer Review Subcommittee's Review Report Appeals Process Group. This group receives OIGs' requests for the Audit Committee's Panels of Assistant Inspectors General for Audits' and IGs decision(s) on unresolved issues between OIGs.

CIGIE Training Institute

The OIG counsel continued to work with the CIGIE Training Institute. While COVID-19 prevented OIG counsel from teaching IG criminal investigators at the Federal Law Enforcement Training Center (FLETC), counsel did train several new IGs on OIG related laws and authorities.

Whistleblower Ombudsman Working Group (WOWG)

In accordance with the spirit of the Whistleblower Protection Enhancement Act of 2013, the IG appointed the OIG counsel as the whistleblower ombudsman. Counsel meets with the WOWG to develop best practices, discuss community-wide issues, and learn about training programs.

CIGIE Enterprise Risk Management Working Group (ERMWG)

The OA regularly attends and participates in the ERMWG. The ERMWG contributes to the promotion and implementation of ERM principles in accordance with OMB Circular A-123 within the offices of the Inspectors General (OIG) community. OA is also a member of a subgroup with the ERMWG responsible for implementing an ERM Risk Assessment Approach for audit planning purposes.

CIGIE Technology Committee

The OA regularly attends and participate in the Technology Committee. The Technology Committee facilitates effective information technology (IT) audits, evaluations, and investigations by Inspectors General and provides a vehicle for the expression of the IG community's perspective on government-wide IT operations.

CIGIE Technology Committee, Emerging Technology Subcommittee

The OA regularly attends and participates on the Emerging Technology Subcommittee. The Subcommittee reviews different emerging technologies employed by OIGs and how oversight is

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conducted over those activities, as well as how each OIG can use emerging technologies in its own work.

CIGIE Audit Committee, Internal Controls Working Group

The OA regularly attends and participates in the Internal Controls Working Group. The purpose of the Working Group is to reach a consensus on the 2018 Yellow Book Internal Control assessment and reporting requirements and further share lessons learned amongst/within the OIG community.

Oversight.gov Information Sharing

The OIG fully participates in oversight.gov, a CIGIE-driven single-source portal to search through reports of multiple OIGs.

CIGIE Federal Audit Executive Council (FAEC)

The OA regularly attends and participates in the FAEC. The FAEC discusses and coordinates issues affecting the Federal audit community with special emphasis on audit policy and operations of common interest to FAEC members

FAEC Digital Accountability and Transparency Act (DATA Act) Working Group

The OA regularly attends and participates in the DATA Act Working Group. The Working Group's mission is to assist the IG community in understanding and meeting its DATA Act oversight requirements by (1) serving as a working-level liaison with the Department of the Treasury (Treasury), (2) consulting with the Government Accountability Office (GAO), (3) developing a common approach and methodology, and (4) coordinating key communications with other stakeholders.

FAEC Financial Statement Audit Network

The OA regularly attends and participates with the FSAN. The FSAN was created to address financial statement audit issues that transcend individual Government agencies; and to discuss changes in accounting standards, auditing standards, laws and regulations that impact Federal financial statement audits.

Peer Review Information

Peer Review of NARA OIG's Audit Organization

The most recent peer review of the NARA OIG audit function was performed by the Federal Trade Commission OIG. In its report issued March 3, 2020, the NARA OIG received a peer review rating of pass for its system of quality control for the year ended September 30, 2019. Additionally, the OIG received no letter of comment. The next peer review of the OIG's audit function is scheduled for FY 2023.

Activities

Peer Review of NARA OIG's Office of Investigations

As previously reported, in January 2016 a team of special agents from the Treasury OIG conducted a comprehensive, multiday, review of the Office of Investigations' operations in accordance with CIGIE's current "Quality Standards for Investigations." On February 1, 2016, Treasury's team found our system of internal safeguards and management procedures for investigations to be in full compliance with all applicable guidelines and regulations. There are no outstanding recommendations from this review. The next investigative peer review was scheduled to be conducted by the Pension Benefit Guaranty Corporation OIG in spring 2020. However, due to the COVID-19 pandemic, the peer review has been delayed.

NARA OIG Peer Review of Other OIGs

The NARA OIG Office of Audits initiated the peer review of the Board of Governors of the Federal Reserve System and Bureau of Consumer Financial Protection, Office of Inspector General Audit Organization for the period ending March 31, 2020. As of September 30, 2020, the peer review was still in process, but the NARA OIG Office of Audits expected that the final system review report would be issued prior to the automatic three-month extension.

Response to Congressional Items

The OIG continues to keep Congress informed about agency and OIG activities. The OIG actively worked with the CIGIE Legislation Committee and Congressional staff to review legislative priorities, provide comments on various pieces of potential legislation, and help communicate the views of CIGIE and the NARA OIG to relevant congressional committees.

This reporting period these activities also included:

- Notifications of potential impacts of the COVID-19 pandemic on OIG operations.
- Responding to a Senator's office about questions surrounding NARA's decision to blur words on an image. This included a joint venture between the OI and OA to holistically review all aspects of the issue.
- Responded to a Senator's inquiries about the treatment of whistleblowers at NARA.
- Responding to a Senator's letter asking for information about NARA's use of an online collaboration tool and whether or not it was used as a labor-management forum.
- Began working on a Senator's request for information about NARA's response to the alleged destruction of Federal records at another agency.
- Worked with CIGIE Working Group to respond to congressional staffers' questions about potential changes to the requirements of the Semiannual Report to Congress. The group developed proposed legislative language after gaining input and opinions from across CIGIE.

Audits and Reports

Audit and Reports Overview

During this reporting period, the OIG issued five final audits and five other reports. These other reports include such things as Special Reports (which are used to convey information or issues to management officials without the technicalities of an audit) and do not follow the Government Auditing Standards. The information below is based on results at the conclusion of field work, as depicted in the final reports. It is possible that NARA may have made improvements and/or addressed some of the issues after such time.

Additionally, we initiated or continued work on the following audits or other nonaudit reports:

- Controls over Loans of Holdings, determining whether proper controls are in place for loans of NARA holdings.
- Travel Card Program, determining whether NARA's Travel Card Program has effective internal controls to safeguard against unauthorized use, abuse, and improper transactions not associated with official travel.
- Controls Over Use of IT Equipment and Resources, determining whether controls are adequate and effective to prevent and deter inappropriate use of the internet on the government-assigned computing resources and mobile devices, as defined by NARA Directive 802, *Use and Monitoring of NARA Office and IT Equipment and Resources*.
- Cybersecurity High Value Assets (HVAs), determining whether NARA has controls in place to adequately protect its HVAs relating to cybersecurity.
- Holdings Protection Program, determining whether NARA has controls in place to reasonably secure and protect holdings from theft or vandalism.
- Consolidated Audit of FY 2020 Financial Statements, rendering an opinion on whether NARA's consolidated financial statements are presented fairly in all material respects.
- Accountability for Actions Taken on Civil Rights Complaints, determining whether NARA processed discrimination complaints in a timely and efficient manner.²
- Records Disposal Process, determining whether adequate controls are in place for disposing of Federal records in NARA's custody.
- Review of Actions Related to the Agency's FY 19 Antideficiency Act Violation, evaluating NARA's actions related to the obligation resulting in the FY 2019 Antideficiency Act violation.
- Evaluation of the Effectiveness of NARA's Information Security Program and Practices. According to the Federal Information Security Modernization Act of 2014, evaluating the effectiveness of NARA's information security program and practices.

² This audit was placed on hold due to the program office focus on COVID-19 priorities.

Audits and Reports

Audit Summaries

Audit of NARA's Cybersecurity Risk Management Process

NARA did not have a fully established cybersecurity risk management program. Specifically, NARA had not:

- (1) fully defined and communicated roles and responsibilities of Risk Executive (function);
- (2) developed an enterprise-wide risk management strategy;
- (3) documented or implemented risk-based policies; and
- (4) established coordination between cybersecurity and enterprise risk management.

This occurred because NARA has not made it a priority to fully implement a cybersecurity risk management program. Without a complete and comprehensive cybersecurity program whereby NARA can effectively identify, prioritize, and manage cyber risks, the agency remains vulnerable to unmitigated risks that threaten NARA's information systems and IT environment.

This report identified two recommendations to strengthen NARA's cybersecurity risk management program. (OIG Audit Report No. 20-AUD-15, dated August 27, 2020.)

Audit of NARA's Personnel Security and Suitability Program

NARA's Personnel Security Policies were outdated and did not always reflect current practices, and NARA did not comply with multiple provisions of its Personnel Security policies. These conditions occurred because of a lack of monitoring and understanding of policies in place, lack of oversight of policy requirements, and inconsistency of procedures supporting the policy. As a result, NARA staff is unable to rely upon policies to guide work and may be adhering to policies no longer relevant, and the Personnel Security Program is not operating efficiently and effectively. Additionally, standard operating procedures were not documented for operations performed by Personnel Security staff. The condition occurred because Security Management did not implement internal controls for creating and maintaining procedures to guide program responsibilities. Without documented procedures, management cannot ensure a consistent and transparent process exists to support operations. Additionally, the lack of procedures result in key person dependencies and overall process inefficiencies.

Security Management personnel did not:

- (1) always ensure reinvestigations, pre-screening, and follow-up on submitted investigations were completed timely;
- (2) effectively manage the adjudication process; and
- (3) design and implement controls to ensure the integrity of its data in its Security Clearance Tracking System (SCTS).

These conditions occurred because Security Management did not establish sufficient standard operating procedures and oversight of investigation, adjudication, and actions performed in SCTS activities. Without proper controls, NARA lacks assurance that new employees are suitable for their position and current cleared employees remain suitable, and may not be able to take appropriate action to remove unsuitable staff. Additionally, there is limited assurance that

Audits and Reports

data in SCTS is consistent, complete, and accurately recorded for background and security investigations.

The report included 15 recommendations, which were intended to strengthen NARA's internal controls over its Personnel Security Program. (OIG Audit Report No. 20-AUD-12, dated June 18, 2020.)

Audit of NARA's FY 2019 Financial Statements and Management Letter: Control Deficiencies Identified during Audit of NARA's FY 2019 Financial Statements

NARA received an unmodified opinion on its financial statements from the independent certified public accounting firm. There were two significant deficiencies in internal control over financial reporting. The firm found a longstanding control deficiency in information technology controls. While NARA was able to remediate several prior year findings related to IT general controls, NARA did not substantially address deficiencies in its IT general control categories of security management, access controls, and configuration management that have existed since FY 2008. These longstanding unresolved deficiencies impact the effectiveness of NARA's information technology security program and internal controls over financial reporting. They also found an inadequate internal control over timely resolution of error. According to Treasury's Administrative Resource Center (ARC) (the service provider), there is a known system issue with the interface between two electronic systems NARA uses for financial transactions. Therefore, ARC implemented supplemental controls to ensure further reviews are done over transactions where the interface fails to rectify any resulting errors. ARC initially detected an interface issue with one contract on August 16, 2019, but a failure in ARC's supplemental review control caused the error to be excluded from further research. NARA was ultimately notified of and attempted to rectify the error; however, these actions occurred several months after the error was first identified. While this variance was detected during the DATA Act reconciliation review, NARA did not pursue the issue at that time to determine the root cause and whether the disposition was appropriate. NARA's monitoring controls over ARC processes were inadequate to provide timely feedback to ensure that errors are adequately and appropriately resolved by NARA and ARC.

This resulted in one instance of reportable noncompliance for FY 2019 with provisions of applicable laws, regulations, contracts and grant agreements tested. The firm reported NARA obligated \$789,730 in excess of available appropriations in fiscal year 2019, resulting in a violation of the Antideficiency Act.

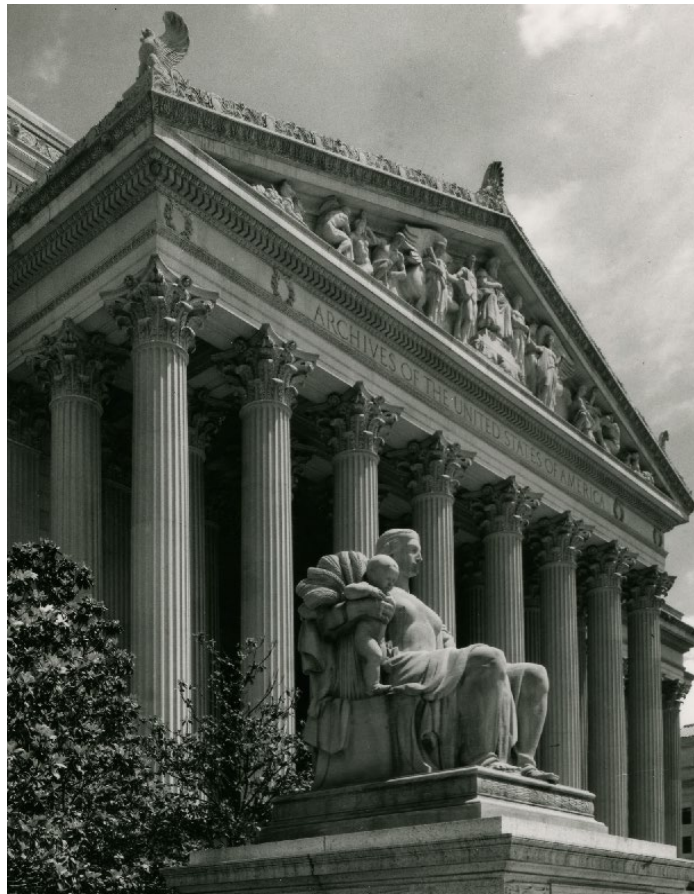
There were also two deficiencies in internal control. It was reported as of September 30, 2019, the entity wide travel policy still had not been updated timely. Errors could occur in the processing of travel transactions if employees refer to outdated policies and procedures in the performance of their duties. Additionally, during FY 2019, NARA's Continuity of Operations Plan was not reviewed and approved. The last documented review and approval was performed on April, 25, 2018. Without documented evidence of review and approval, there is a risk that the COOP may be revised with significant changes between approvals.

Audits and Reports

The reports included 13 recommendations to strengthen NARA's information technology and financial management controls. (OIG Audit Reports No. 20-AUD-08 and 20-AUD-09, dated April 22, 2020.)

Audit of NARA's Compliance with the Requirements of the Improper Payments Elimination and Recovery Act of 2010 (IPERA) for FY 2019

The independent certified public accounting firm concluded that NARA did not comply with the requirements of the IPERA for FY 2019. NARA had not published nor posted its FY 2019 Agency Financial Report (AFR) on its website. OMB M-18-20, Part IV.A.(3) states that "If an agency does not meet one or more of these requirements, then it is not compliant under IPERA." NARA did not submit its AFR on November 19, 2019, due to additional time needed to investigate a violation of the Antideficiency Act that existed on September 30, 2019, but was discovered subsequent to September 30, 2019. They also found NARA's reporting of and performance in reducing and recapturing improper payments to be generally accurate and complete. NARA concluded that payment recapture audits are not cost effective and notified OMB of its decision in 2014. Per OMB M-18-20, Part III.C.(6), this analysis will need to be repeated and resubmitted to OMB and to the agency's Inspector General only if circumstances change within the program that might make a payment recapture audit cost effective. NARA represented that circumstances have not changed in FY 2019 and therefore no analysis was necessary. The report included no recommendations. (OIG Audit Report No. 20-AUD-10, dated May 14, 2020.)



Audits and Reports

Summaries of Other Reports

NARA's Use of the 2017 Women's March Image

NARA altered a photographic image from Getty used with the agency's public exhibition, *Rightfully Hers: American Women and the Vote (Rightfully Hers)* exhibit. They altered the image by blurring out President Trump's name and references to women's anatomy. However, we found no evidence the Archivist of the United States explicitly directed staff to make alterations to the image. Guided by discussions of avoiding both accusations of partisanship and complaints of displaying inappropriate language in the exhibit, staff interpreted the Archivist's concerns as direction and independently decided to make the alterations. This occurred because NARA did not have sufficient internal controls for the exhibit development process. Specifically, NARA did not have current policies and procedures for the exhibit development process, and there was no evidence of supervisory approval for changes made to the *Rightfully Hers* exhibit. Absent current documented policies or procedures that incorporate supervisory reviews and approvals, management is limited in its ability to ensure staff consistently apply standards for exhibit development. The lack of internal and management controls prevents the ability to detect and address deviations from established practices and management direction. Furthermore, absent these control activities, the integrity of NARA's exhibits may be questioned, resulting in increased exposure to reputational risks. We found no evidence of political influence to alter the image. This appears to be an isolated event and not part of a broader pattern by NARA.

This report identified one recommendation to ensure NARA has controls in place to prevent similar incidents from occurring in the future. (OIG Report No. 20-R-11, dated May 15, 2020.)

Review of NARA's COVID-19 Plans to Begin Safely Reopening Offices across the Country

We found no instances where it appeared that NARA's reopening decisions were not objective and sound. Outlined in the NARA Phased Reopening Plan, management presented a three-phased approach to which NARA would resume operations, starting first with recalling a very limited number of employees and restarting only a limited number of activities. NARA established, for each phase, specific "gating criteria" to meet before proceeding to the next phased opening. The NARA Phased Reopening Plan adhered to and addressed key points in the Federal Government's National Guidelines for Opening Up America Again. Senior leadership has demonstrated through the NARA Phased Reopening Plan that health and safety of the workforce is the top priority. Given these are unprecedented times, we reported on the commendable work occurring at NARA. (OIG Report No. 20-R-16, dated September 30, 2020.)

Purchase Card Risk Assessment

NARA's purchase card risks remain at a moderate level. In general, NARA's policies and procedures are designed to provide reasonable assurance for implementing and managing the NARA Charge Card Program and to mitigate the potential for fraud, misuse, and delinquency. However, NARA has yet to address 10 open recommendations from previous audits and new OMB Circular A-123 requirements. (OIG Report No. 20-R-13, dated July 1, 2020.)

Audits and Reports

2020 Quarterly Open Recommendations Reports

At the end of every quarter, the OIG issues reports to each NARA office summarizing their open audit recommendations, including data on new, closed, subsumed, and open audit recommendations. These reports are intended to ensure closing open audit recommendations remain a priority and NARA senior managers are aware of the outstanding audit issues in their respective areas in order to expedite efforts towards addressing the recommendations. (OIG Report No. 20-R-14, dated August 4, 2020.)

Compendium of Open Audit Recommendations to NARA

The abundance of open recommendations continues to demonstrate weaknesses in NARA's internal control system. In FY 2020 NARA closed 79 recommendations, ending the year with 268 open recommendations of which 38 were between three and eight years old. NARA offices continue to show commitment to closing open audit recommendations and work cooperatively with the OIG in doing so. However, we remain especially concerned with the lack of attention to implementation dates set by offices for open recommendations and some offices' lack of understanding of what is required to close recommendations based on audit report findings, agreed upon recommendations, and action plans submitted by those offices.

As previously mentioned, NARA has 38 recommendations that are between three and eight years old. In FY 2021 the OIG will be contacting offices to obtain an understanding of progress made, assess the root cause of delayed implementation of corrective actions, and obtain supporting documentation in order to facilitate closure of those longstanding open recommendations.

We will continue to meet our responsibilities as required for audit follow-up and look forward to working with NARA Management in their efforts to implement corrective actions that will help reduce the number of open recommendations. (OIG Report No. 20-R-17, dated September 30, 2020.)



Investigations

Investigations Overview

The OI receives and evaluates complaints and conducts investigations related to fraud, waste, and abuse in NARA programs and operations. This includes identifying and recovering wrongfully alienated NARA holdings, such as missing and stolen records. Investigations showing violations of law, regulations, rules, or contract terms may result in administrative, civil, or criminal actions. These can include things such as terminations, debarments, prison terms, probation, fines, restitution, and other actions. The OI may alert management to potential problems or vulnerabilities through Management Letters or other products if a full investigation is not warranted or appropriate. The OI may also conduct assessments as discussed earlier in this report. Their purpose is to alert management to issues, and they do not follow any set standards or procedures. While they may offer potential suggestions, the IG has decided they do not make recommendations for corrective action and they are not generally posted online.

Significant Investigations and Updates

Status of Previously Reported Investigations:

Undeclared Outside Employment and Time and Attendance Fraud

As previously reported, the OI initiated an investigation concerning allegations that an employee was engaged in a multifaceted time and attendance fraud involving telework abuse, inappropriate claims for credit hours, engaged in unreported outside employment, and conducted outside employment during the same time they claimed to be on official NARA duty. The investigation substantiated the allegations that the employee had undeclared outside employment for which they performed substantial quantities of work over many months during times that may have overlapped their NARA working hours. The investigation also uncovered multiple time and attendance issues, including timesheets with irregular credit hours, which were approved by supervisors despite violating NARA policy. The United States Attorney's Office declined criminal prosecution, and the results of the investigation were provided to management to determine whether corrective action may be warranted. In this reporting period, the OI continues to await a response from NARA management after the agency uncovered additional concerns involving the employee's outside employment.

Employee Bomb Threat Posted on Personal Facebook Page

As previously reported, a NARA employee expressed appreciation for "the desire to blow up the Archives" on their personal Facebook page. The OI took immediate action to investigate the employee and determined that there was no active threat or intent to commit an act of violence. The United States Attorney's Office declined criminal prosecution, and the OI referred the matter to NARA management to determine whether corrective action may be warranted. In this reporting period, the employee received disciplinary action.

Open and Completed Significant Investigations:

Company Defrauds Customers with High Fees and False Claims

The OI received an allegation that a private company assisting citizens with obtaining copies of their military or other Federal Government records from NARA was charging high fees and

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falsely claiming it could provide records within 24 hours. Investigation established both that company officials were well aware records could not be obtained from NARA with a 24-hour turnaround time, and there existed real victims who had paid for “expedited service” they never received. The matter was presented to the Bureau of Consumer Protection. The investigation did not find evidence that company staff were ordered to defraud customers, but determined company officials were likely aware of the high volume of customer complaints and requests for refunds concerning delayed expedited requests. The United States Attorney’s Office declined civil prosecution. Further investigation was suspended after the company ceased advertising same-day or next-day service and instead amended its advertising to state it can provide one-week service for document requests.

New Evidence Rekindles Investigation into Theft of Items from LP-HST

As part of a joint investigation several years ago with the FBI, the OI pursued leads into the 1978 theft of bejeweled, ornamental weapons and scabbards from the Harry S. Truman Presidential Library and Museum. The original investigation closed after all investigative leads were exhausted. However, after receiving new information, the OI initiated a new joint investigation with the FBI and obtained a confession from an individual who claimed to be present during the theft and who provided an account of the theft consistent with previous witness accounts. Furthermore, the individual confirmed that the two other individuals implicated in the theft were deceased. During the investigation, several residences of living family members were searched. However, neither the missing items nor any fragment of them (the items were thought to have been dismantled and/or melted-down for ease of sale) were recovered. The new investigation was closed after the United States Attorney’s Office declined criminal prosecution of the person who confessed to being present during the theft.

Contract Employee Alleges Whistleblower Retaliation

The OI is investigating an allegation of whistleblower retaliation by a contract employee who was terminated after reporting employer misconduct to the OI. In this reporting period the United States Attorney’s Office declined both criminal and civil prosecution of the employer, and the investigation continues as an administrative matter.

Fraudulent Form DD-214 Used to Obtain VA Medical Benefits

The OI received an allegation that an individual altered their DD Form 214, Certificate of Release or Discharge from Active Duty, and may have used it to apply for loan and disability benefits from the U.S. Department of Veterans Affairs (VA). The OI conducted an inquiry and confirmed that the individual was receiving 90-percent disability for a service-related injury but did not find evidence that the individual’s DD-214 was fraudulent or that they received VA benefits based on fraudulent records obtained from NARA’s National Personnel Records Center.

Investigations

Investigations of Senior Government Employees³

Supervisor Failed to Disclose Outside Employment and Recuse Themselves from an IT Contract Despite Personal Relationship with Contractor

The OI investigated allegations that a NARA supervisor failed to disclose outside employment and ownership/association with several business entities as required in the Confidential Financial Disclosure Reports. It was alleged the supervisor did not seek recusal from the procurement process and instead steered a NARA information technology contract to a personal friend and a business associate from their unreported outside employment. The investigation confirmed the supervisor owned several business entities, which were never disclosed in multiple Confidential Financial Disclosure Reports. Additionally, the investigation determined that the supervisor served on the technical evaluation panel for the information technology contract, which led to the selection and award of the contract to their personal friend and business associate. The investigation did not find sufficient evidence to establish that the supervisor engaged in a financial conflict of interest. During the investigation, the supervisor resigned from their position at NARA. The United States Attorney's Office declined criminal prosecution.

Public Concern Over Possible Political Pressure Influencing NARA Display

The OI investigated an allegation that NARA censored images associated with a public display celebrating the 100th anniversary of the 19th Amendment for political reasons. Specifically, the display in question was a lenticular image merging a Getty image of the 2017 Women's March with a photograph of the Woman Suffrage Procession of 1913 obtained from NARA's archives. The Getty image showed multiple marchers, many of whom were carrying signs. Furthermore, NARA removed President Donald Trump's name from signs reading "God Hates Trump," and "Trump & the GOP – Hands Off Women" and words for female genitalia from two other signs. The image was on display for approximately eight months outside of the formal exhibit before the changes were reported on by the news media. This generated concern not only from the public but from members of Congress that NARA had violated its mission to preserve the nation's historical records by "censoring" a NARA record, possibly under threat or other pressure. In response to these concerns, the Archivist of the United States publicly took responsibility for the changes to the image, and NARA ultimately put up an identical display without any words blurred out.

The OI investigation confirmed that the photograph of the 2017 Women's March did not belong to NARA, was obtained from Getty, was altered with Getty's consent with the intent of making it apolitical and uncontroversial, and that the decision was not made in response to any political influence. The investigation further determined that no one in NARA management ordered the removal of these specific words, and that during a concept planning meeting for the exhibit, an official expressed concerns about the photograph, and subordinates interpreted those concerns as an instruction to obscure the potentially controversial words in marchers' signs. The revised product was not subsequently reviewed by the official who had initially expressed concern. There was no evidence that there had been any form of political influence or pressure brought to bear at any stage of the design and approval process. NARA's policies governing the creation

³ A senior government employee is defined as anyone occupying a position classified at or above GS-15, or for those not on the General Schedule, whose rate of basic pay is equal to or greater than 120% of the GS-15 minimum.

Investigations

and approval of exhibits and displays are being reviewed and updated to protect against occurrences similar to this one in the future. The facts of this matter were presented to the United States Attorney's Office, which declined prosecution.

Significant Referrals

Potential Abuse of Leave Policies

The OI administratively referred an allegation that an employee abused leave policies to allow them to routinely arrive late, leave early, and miss entire work days to the point that the employee was not reliably and timely performing their job duties, which then were assigned to co-workers. It was also alleged that management had shown favoritism by allowing the employee to manipulate leave policies in ways that would not be permitted to any other employee who requested them. NARA determined that the employee's circumstances were complicated and confirmed that the employee used significant quantities of leave, including leave granted in advance, leave without pay, and leave approved under the Family and Medical Leave Act, over an extended period of time. No violations were identified, and there was no evidence of favoritism, but the employee's continued, frequent use of leave and low leave balances resulted in the employee being issued a Leave Counseling Letter.

Inconsistencies in Time and Attendance Record Keeping

The OI received allegations of discrepancies in a unit's employee time and attendance records, including that multiple employees in the unit were not accurately recording their arrival and departure times in the unit's time and attendance logs. An initial review of employee time and attendance records by the OI substantiated the existence of a number of inconsistencies and gaps but did not reveal gross abuses or fraud. The OI referred its findings to the agency, which responded that it would develop more effective record-keeping procedures for the unit, which would target the specific inconsistencies and gaps identified by the OI.

Errors in Termination and Potential Re-Hiring of Term Employee

The OI administratively referred allegations that a term employee's termination, and application for reemployment were mishandled. Specifically, it was alleged an employee worked several days past the expiration of their employment due to a general misapprehension that the date of their last day had been extended, and the employee was not paid for the additional days worked. It was also alleged the former employee then applied for the same position when it was posted on USA Jobs, was interviewed, selected, and received a written offer of employment, which the former employee accepted. However, the offer was rescinded on discovery of a process error that was no fault of the former employee. The employee also requested monetary compensation for unused sick leave. NARA's review confirmed the employee had not been notified of the correct final date of their employment, and the employee had worked beyond that date entitling them to compensation. Compensation had not been denied, but it had been delayed because the circumstances required manual processing of the transaction, and the former employee did subsequently receive full compensation for the time worked beyond their official final day. With respect to the offer of employment being rescinded, NARA determined that because the former employee's application had been graded "well qualified," rather than "best qualified," their application should not have been forwarded to the hiring manager. Therefore, the offer of employment was illegitimate and, unfortunately, the appropriate remedy was to rescind the offer.

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With respect to the former employee's request for compensation for unused sick leave, NARA stated Federal employees are not entitled to payment for unused sick leave, but the balance can be re-credited if the person returns to Federal service. The former employee received an apology for their experience, and a detailed explanation.

Contract Security Officers Allegedly Unpaid During Coronavirus Pandemic Shutdown

The OI administratively referred allegations that several lower-ranking, contract security officers were not being paid by their contract company (the company) at a location during the initial period of the NARA-mandated agency pandemic shut-down. The complaint alleged that the company's contract with NARA was "fixed price," meaning that the company continued to get paid in full throughout the shut-down period, so there was no legally valid reason to discontinue payment to any of the regularly serving security officers. The agency responded that it had coordinated with company management, which offered assurances that all officers were being paid in accordance with the terms of their contract. Specifically, the company indicated that full-time officers were receiving their regular full-time pay, and part-time officers were being paid based on a calculation of their pre-pandemic three-month average. The company further assured that overtime prior to the pandemic shut-down would be paid, but overtime would not be paid during the pandemic shut-down. The company stated that the only reason that an officer would not be paid during the pandemic would be if that officer refused to work, and to date there was only one case of an officer who refused to work and so was not receiving pay. Although, the company was late in remitting payments to the officers, the OI confirmed that the officers were eventually paid in accordance with the terms of their contract.

Oversight

Ongoing Review of Auto-Closed Purchase Card Statements Lacking Supervisory Approval

The OI initiated a proactive investigative review of NARA's Government-Wide Commercial Purchase Card Program. The OI identified a potential vulnerability in purchase card billing statements that were being auto-closed without proper supervisory oversight as outlined in NARA's policies and procedures. Specifically, purchases that are auto-closed and paid for without adequate supervisory approval and certification pose a significant risk for fraud and a potential for misuse of funds. This may lead to fraudulent purchases, split purchases, and erroneous purchases, which can result in significant financial losses to NARA.

Ongoing Review of Compliance with Military Leave Policy and Recognition of Active Military Duty Employees

In response to concerns involving conflicting information concerning an employee's military leave request and subsequent NARA-wide recognition, the OI initiated a management review of NARA's current practices for handling employee requests for military leave and compliance with corresponding NARA policies and procedures, as well as how employees are selected for recognition of their active military duty in the Annual Archivist's Achievement Awards.

Procurement Fraud Initiative

During the course of several investigations, the OI identified a lack of procurement fraud awareness at NARA, increasing the vulnerability of the procurement programs. As a result, the OI worked closely with NARA procurement officials to develop a procurement fraud awareness

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briefing to familiarize all procurement staff with common procurement schemes and fraud indicators. The OI successfully deployed two briefings to senior-level procurement employees and is coordinating to deploy the briefing to the remainder of procurement employees.

Stolen Valor Initiative

The National Personnel Record Center (NPRC) is the nation's repository of military records and one of NARA's largest operations. The OI identified instances of individuals fraudulently altering military records after possibly obtaining them from the NPRC in order to obtain financial benefits. Furthermore, the Stolen Valor Act of 2013 makes it a crime for an individual who—with intent to obtain money, property, or other tangible benefit—fraudulently purport to be a recipient of certain military awards, including the Purple Heart, Bronze Star, and others. As a result, the OI developed an initiative to investigate potential instances of stolen valor and is working with NPRC and other government agencies to identify relevant fraud.



Investigations

OIG Hotline

The OIG Hotline provides a confidential channel for reporting fraud, waste, abuse, and mismanagement to the OIG. In addition to receiving telephone calls at a toll-free Hotline number and letters to the Hotline post office box, we also accept emails through the Hotline email system and an online referral form. Walk-ins are always welcome. Visit www.archives.gov/oig/ for more information, or contact us:

- **By telephone**
Washington, DC, Metro area: 301- 837-3500
Toll-free and outside the Washington, DC, Metro area: 800-786-2551
- **By mail**
NARA OIG Hotline
P.O. Box 1821
Hyattsville, MD 20788-0821
- **By email**
oig.hotline@nara.gov
- **By facsimile**
301-837-0879
- **By online referral form**
www.archives.gov/oig/referral-form/index.html

The OI promptly and carefully reviews calls, letters, and email to the Hotline. Hotline intakes that warrant further action may be processed as preliminary inquiries to determine whether they should be investigated as numbered investigations. Some Hotline intakes may not warrant further action by the OI. Where appropriate, referrals may be made to OIG audit staff, NARA management, or external authorities.

<u>Hotline Activity for the Reporting Period</u>	
Hotline and Complaints received	170
Hotline and Complaints referred to NARA or another entity	29

Contractor Self-Reporting Hotline

As required by the Federal Acquisition Regulation, a web-based form allows NARA contractors to notify the OIG, in writing, whenever the contractor has credible evidence a principal, employee, agent, or subcontractor of the contractor has committed a violation of the civil False Claims Act or a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations in connection with the award, performance, or closeout of a contract or any related subcontract. The form can be accessed through the OIG's home page or found directly at www.archives.gov/oig/contractor-form/index.html.

Top Ten Management Challenges

The following summarizes NARA's most significant management and performance challenges based on legislative mandates, our experience, and observations from our oversight work.

1. Electronic Records Archives

Electronic records are the future of government archiving, with staggering volumes of data. NARA's plan to tackle this mission critical issue of preserving permanent electronic records is the Electronic Records Archives (ERA) system. However, many core requirements from initial plans have never been addressed in the original ERA Base system deployed in 2008, and the ERA lacks the capabilities originally envisioned. NARA is now developing ERA 2.0, but until it is built and all major components of the system are put into full production, ERA's deficiencies may continue to impact NARA.

2. Improving Records Management

NARA needs to ensure that across the Federal Government the proper electronic and traditional records are in fact preserved and sent to NARA. This includes traditional paper records and electronic records, *with appropriate metadata meeting NARA standards*, as mandated by OMB.

3. Information Technology (IT) Security

IT Security has been a material weakness at NARA for years. While management has developed an action plan, NARA does not expect to fully implement it until FY 2023. Many issues stem from underdeveloped or ineffectively implemented policies and procedures and put the agency's mission and the national security information in its custody at risk.

4. Expanding Public Access to Records

Records that cannot be accessed have little use, and NARA has committed to put the nation's archives online. However, NARA's historic digitization approaches were not large enough to make significant progress. Further, NARA must process or physically control the records and know what they are. However, more than 18 percent of NARA's analog holdings (by series) have not been processed, so the public does not have effective access to them.

5. Meeting Storage Needs of Growing Quantities of Records

NARA is running out of room and is challenged with acquiring sufficient archival space to store its current volume of textual records and digital storage of electronic records.

6. Preservation Needs of Records

Every day all of NARA's holdings age and slowly degrade. Preserving records is a fundamental element of NARA's duties to the public, as NARA cannot provide access to records unless it can preserve them for as long as needed.

7. Improving Project and Contract Management

NARA faces significant challenges concerning project and contract management. NARA does not effectively identify and track the agency's acquisition workforce or coordinate with program areas when designating Contracting Officer Representatives (CORs).

8. Physical and Holdings Security

People continue to steal documents and artifacts from NARA for their monetary and historical value. Further, the priceless history represented in these records are threatened by fire and other manmade and natural disasters. NARA's security has improved, but more work is needed.

9. Human Resources Management

NARA's employees are the backbone of the agency. However, NARA is challenged to correct past deficiencies in Human Capital practices, including Human Resources data.

10. Enterprise Risk Management

Federal managers are supposed to effectively manage risks by implementing Enterprise Risk Management (ERM) practices and internal controls. However, NARA management has not made ERM a strategic priority and has yet to implement an effective ERM program.

Reporting Requirements

MANDATED BY THE INSPECTOR GENERAL ACT OF 1978, AS AMENDED, AND OTHER LAWS

IG Act § or Law	Subject	Page(s)
§ 4(a)(2)	Review of legislation and regulations	5, 9, 12
§ 5(a)(1)	Significant problems, abuses, and deficiencies discovered during the reporting period	2–5, 14–24
§ 5(a)(2)	Significant recommendations for corrective action	2–5, 14–18, 32–34
§ 5(a)(3)	Prior significant recommendations on which corrective action has not been completed	32–34
§ 5(a)(4)	Summary of prosecutorial referrals and convictions	19–23, 28
§ 5(a)(5)	Information or assistance refused and reported to agency head	31
§ 5(a)(6)	List of audit, inspection, and evaluation reports issued	29
§ 5(a)(7)	Summaries of significant reports	2–5, 14–24
§ 5(a)(8)	Questioned costs in audits, inspections, and evaluations	30
§ 5(a)(9)	Funds put to better use in audits, inspections, and evaluations	30
§ 5(a)(10)	Prior audit, inspection, and evaluation reports with no management decision, no management comment, or unimplemented recommendations	32–34
§ 5(a)(11)	Significant revised management decisions	31
§ 5(a)(12)	Significant management decisions with which the OIG disagreed	31
§§ 5(a)(14), (15), (16)	Reporting on OIG peer review	11–12
§ 5(a)(17)	Statistical table on investigations and referrals	28
§ 5(a)(18)	Description of metrics used in § 5(a)(17) table	28
§ 5(a)(19)	Reporting on substantiated investigations of senior government employees	21
§ 5(a)(20)	Reporting on substantiated whistleblower retaliations	31
§ 5(a)(21)	Reporting on agency attempts to interfere with OIG independence	31
§ 5(a)(22)(A)	Closed inspections, evaluations, and audits not disclosed to the public	31
§ 5(a)(22)(B)	Closed investigations of senior government employees not disclosed to the public	21
P.L. 110-181	Annex on completed contract audit reports	29
P.L. 104-106	Open audit recommendations	32–34

Reporting Requirements

SUMMARY OF INVESTIGATIONS AND PROSECUTORIAL REFERRALS Requirement 5(a)(4), (17), and (18)

<i>Investigative Workload</i>	
Hotline and complaints received and opened this reporting period	179
Hotlines and complaints referred to other parties during this reporting period	29
Investigations opened this reporting period	13
Investigations closed this reporting period	8
Investigative reports issued this reporting period	15
<i>Investigative Results</i>	
Total individuals referred to DOJ for prosecution	4
Individuals referred to DOJ – accepted for prosecution	0
Individuals referred to DOJ – declined for prosecution	7
Individuals referred DOJ – pending prosecution decision	1
Total individuals referred to state and local authorities for prosecution	0
Individuals referred to state and local authorities – accepted for prosecution	0
Individuals referred to state and local authorities – declined for prosecution	0
Individuals referred state and local authorities – pending prosecution decision	0
Arrest	0
Indictments and information	0
Convictions	0
Fines, restitutions, judgments, and other civil and administrative recoveries	\$0
<i>Administrative Remedies</i>	
Employee(s) terminated	0
Employee(s) resigned	0
Employee(s) suspended	0
Employee(s) given letter of reprimand or warnings/counseled	1
Employee(s) taking a reduction in grade in lieu of administrative action	0
Contractor (s) removed	0
Individual(s) barred from NARA facilities	0

The numbers in the table above were compiled by our electronic case management system and only reference actions that happened within the reporting period. If the case was a joint case worked with another investigative office, the statistics above show the total numbers for the case and do not apportion numbers to each office. Investigative reports include only Reports of Investigation for numbered investigations.

Reporting Requirements

LIST OF AUDIT, INSPECTION, AND EVALUATION REPORTS ISSUED Requirement 5(a)(6)

Report No.	Title	Date	Questioned Costs	Unsupported Costs	Funds Put to Better Use
20-AUD-08	Audit of NARA's FY 2019 Financial Statements	4/22/2020	\$0	\$0	\$0
20-AUD-09	Management Letter: Control Deficiencies Identified during Audit of NARA's FY 2019 Financial Statements	4/22/2020	\$0	\$0	\$0
20-AUD-10	Audit of NARA's Compliance with the Requirements of the Improper Payments Elimination and Recovery Act of 2010 for FY 2019	5/14/2020	\$0	\$0	\$0
20-AUD-12	Audit of NARA's Personnel Security and Suitability Program	6/18/2020	\$0	\$0	\$0
20-AUD-15	Audit of NARA's Cybersecurity Risk Management Process	8/27/2020	\$0	\$0	\$0

LIST OF OTHER REPORTS ISSUED

Report No.	Title	Date
20-R-11	NARA's Use of the 2017 Women's March Image	5/15/2020
20-R-13	Purchase Card Risk Assessment	7/1/2020
20-R-14	2020 3rd Quarter Open Recommendations Report	8/4/2020
20-R-16	Review of NARA's COVID-19 Plans to Begin Safely Reopening Offices across the Country	9/30/2020
20-R-17	Compendium of Open Audit Recommendations to NARA as of September 30, 2020	9/30/2020

ANNEX ON COMPLETED CONTRACT AUDIT REPORTS

Section 845 of the 2008 Defense Authorization Act, Public Law 110-181, requires certain information on completed contract audit reports containing significant audit findings be included as an annex to this report. While the OIG conducted audit work involving contracts during this period, they were generally program audits as opposed to contract audits.

Reporting Requirements

AUDIT, INSPECTION, AND EVALUATION REPORTS WITH QUESTIONED COSTS

Requirement 5(a)(8)

Category	Number of Reports	DOLLAR VALUE	
		Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period	1	\$131,816	\$0
B. Which were issued during the reporting period	0	\$0	\$0
Subtotals (A + B)	1	\$131,816	\$0
C. For which a management decision has been made during the reporting period	0	\$0	\$0
(i) dollar value of disallowed cost	0	\$0	\$0
(ii) dollar value of costs not disallowed	0	\$0	\$0
D. For which no management decision has been made by the end of the reporting period	1	\$131,816	\$0
E. For which no management decision was made within 6 months	1	\$131,816	\$0

AUDIT, INSPECTION, AND EVALUATION REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

Requirement 5(a)(9)

Category	Number	Dollar Value
A. For which no management decision has been made by the commencement of the reporting period (see note below)	2	\$45,360,034
B. Which were issued during the reporting period	0	\$0
Subtotals (A + B)	2	\$45,360,034
C. For which a management decision has been made during the reporting period	1	\$7,289
(i) dollar value of recommendations that were agreed to by management	1	\$7,289
Based on proposed management action	0	\$0
Based on proposed legislative action	0	\$0
(ii) dollar value of recommendations that were not agreed to by management	0	\$0
D. For which no management decision has been made by the end of the reporting period	2	\$45,352,745
E. For which no management decision was made within 6 months of issuance	2	\$45,352,745

Reporting Requirements

OTHER REQUIRED INFORMATION

REQUIREMENT	CATEGORY	SUMMARY
5(a)(5)	Information or assistance refused	None.
5(a)(10)	Prior audit reports with no management decision	Management has concurred or disagreed with all issued reports.
5(a)(11)	Significant revised management decisions	None.
5(a)(12)	Significant management decisions with which the OIG disagreed	None.
5(a)(20)	Detailed description of instances of whistleblower retaliation, including consequences for the offender	No closed investigations this period substantiated whistleblower retaliation.
5(a)(21)(A)	Agency attempts to interfere with OIG independence with budget constraints designed to limit the OIG's capabilities	None.
5(a)(21)(B)	Agency attempts to interfere with OIG independence by resisting or objecting to oversight activities, or restricting or significantly delaying access to information	None rising to this level.
5(a)(22)	Closed inspections, evaluations, and audits not disclosed to the public	All closed audits were disclosed to the public, other products which were not are summarized throughout this report.



Reporting Requirements

SUMMARY OF OPEN AUDIT RECOMMENDATIONS

An important responsibility of the OIG is to follow up on previous issued reports with outstanding recommendations. During this period, 56 audit recommendations were closed. At the close of the period, there were 268 total open recommendations.

Report Number	Date Issued	Title	Number of Open Recommendations
09-15	9/29/2009	Work at Home System	1
10-04	4/2/2010	Oversight of Electronic Records Management in the Federal Government	1
11-02	11/8/2010	Network Vulnerability and Penetration Testing	2
12-09	5/10/2012	Data Center Consolidation Initiative	5
12-10	9/13/2012	Follow-up Review of OIG Audit Report 08-01: Audit of the Process of Safeguarding and Accounting for Presidential Library Artifacts	4
12-11	8/27/2012	Network Discovery and Assessment	3
12-15	7/23/2012	Classified Systems	3
13-01	12/10/2012	Internal Controls Program	1
13-08	7/9/2013	Preservation Program (Textual)	8
13-10	7/9/2013	Archival Facilities	5
13-11	9/19/2013	Base ERA's Ability to Ingest Records	2
13-14	9/18/2013	Processing of Textual Records	2
14-01	1/30/2014	Management and Oversight of NARA's Energy Savings Performance Contracts (ESPCs)	1
14-08	4/17/2014	Capital Planning and Investment Control (CPIC) Process	7
14-10	5/9/2014	Enterprise Wireless Access	2
15-02	11/12/2014	Mobile Device Management <i>Funds Put to Better Use - \$2,745</i>	4

Reporting Requirements

Report Number	Date Issued	Title	Number of Open Recommendations
15-03	2/6/2015	Specially Protected Holdings	16
15-11	5/5/2015	Digitization Storage and Transfer Capabilities	1
15-13	8/24/2015	Human Resources Systems and Data Accuracy	2
15-14	9/29/2015	Space Management (Textual)	1
15-15	9/30/2015	Assessment of Cable Infrastructure	7
16-01	10/19/2015	Web Hosting Environment	16
16-02	1/16/2016	Compliance with FISMA, As Amended	6
16-05	3/25/2016	Publicly Accessible Websites	9
16-07	5/17/2016	Refile Processes at Selected Federal Records Centers	5
17-AUD-01	10/28/2016	Enterprise-Wide Risk Assessment of NARA's Internal Controls	7
17-AUD-03	11/4/2016	Compliance with the Federal Managers Financial Integrity Act for FY15	10
17-AUD-04	11/18/2016	Management Control over Microsoft Access Applications and Databases	4
17-AUD-06	11/15/2016	Procurement Program	16
17-AUD-07	2/19/2017	Compliance with Homeland Security Presidential Directive 12	3
17-AUD-08	3/15/2017	Adoption and Management of Cloud Computing	9
17-AUD-16	9/27/2017	FOIA Program	1
18-AUD-04	2/26/2018	Office of the Federal Register's Administration of the Electoral College Process	2
18-AUD-06	3/29/2018	Legacy Systems <i>Funds Put to Better Use - \$45,350,000</i>	7
18-AUD-09	6/4/2018	Human Capital Practices	4

Reporting Requirements

Report Number	Date Issued	Title	Number of Open Recommendations
18-AUD-14	8/20/2018	Continuity of Operations (COOP) Readiness	3
19-AUD-01	11/15/2018	Audit of NARA's FY 2018 Financial Statements	4
19-AUD-02	12/21/2018	Oversight of FY 2018 FISMA Assessment	19
19-AUD-03	12/20/2018	Presidential Libraries' Analog Processing	6
19-AUD-07	3/29/2019	Purchase Card Program <i>Questioned Costs - \$131,816</i>	9
19-AUD-10	6/11/2019	Oversight of Electronic Records Management in the Federal Government	5
20-AUD-03	12/12/2019	Classified Information Systems	11
20-AUD-06	3/4/2020	Oversight and Management of Information Technology Contracts	7
20-AUD-08	4/22/2020	Audit of NARA's FY 2019 Financial Statements	10
20-AUD-09	4/22/2020	Management Letter: Control Deficiencies Identified during Audit of NARA's FY 2019 Financial Statements	1
20-R-11	5/15/2020	Use of the 2017 Women's March Image	1
20-AUD-12	6/18/2020	Personnel Security and Suitability Program	11
20-AUD-15	8/27/2020	Cybersecurity Risk Management Process	2