

Office of Inspector General
U.S. Government Accountability Office

SEMIANNUAL REPORT

October 1, 2013 –
March 31, 2014



Serving the Congress and the Nation



Memorandum

Date: April 30, 2014

To: Comptroller General Gene L. Dodaro

From: Inspector General Adam R. Trzeciak

Subject: *Semiannual Report—October 1, 2013, through March 31, 2014*

I am submitting this report in accordance with Section 5 of the Government Accountability Office Act of 2008 (GAO Act).¹ The report summarizes the activities of the Office of Inspector General (OIG) for the first reporting period of fiscal year 2014.

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

During this reporting period, OIG completed fieldwork on one audit and continued or began fieldwork on two additional audits. OIG closed four investigations and opened three investigations. OIG also processed 185 hotline complaints, which generally involved other federal and state programs. I continued to brief new GAO employees on the audit and investigative functions of GAO's OIG. In addition, OIG staff remained active in the OIG community through participation on Council of Inspectors General on Integrity and Efficiency committees and working groups. Details of these activities and other OIG accomplishments are provided below.

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

¹31 U.S.C. § 705 (2012).

INTRODUCTION

THE UNITED STATES GOVERNMENT ACCOUNTABILITY OFFICE

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

THE OFFICE OF INSPECTOR GENERAL

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

ACTIVITIES OF THE OFFICE OF INSPECTOR GENERAL

AUDITS

We completed fieldwork on an audit of GAO's undercover funds and provided management with our draft report for comment. The objective of this audit was to determine the effectiveness of controls over GAO's undercover funds. We continued to perform fieldwork on an audit of GAO's Federal Employees' Compensation Act program, and we began an audit of GAO's privacy program.

COMPLAINTS AND INVESTIGATIONS

The OIG's hotline continues to be our primary source of complaints or information for identifying suspected fraud and other problems, abuses, and deficiencies relating to the administration of GAO's programs and operations. As shown in table 1, we processed 185 hotline complaints during this 6-month reporting period. Of those, 3 complaints led to OIG investigations.

Table 1: Summary of OIG Hotline Complaint Activities, October 1, 2013, through March 31, 2014

Hotline complaints open at the start of the reporting period	33
New hotline complaints received this reporting period	152
Total hotline complaints	185
Complaints closed (referred to other GAO offices)	4
Complaints closed (referred to FraudNet ^a)	9
Complaints closed (insufficient information/no basis)	124
Complaints closed (no jurisdiction and referred to appropriate agency OIG or other law enforcement offices)	33
Complaints closed (converted to investigations)	3
Total hotline complaints open at the end of the reporting period	12

Source: OIG.

^aFraudNet is a government-wide hotline operated by GAO staff that receives complaints of fraud, waste, and abuse of federal funds spent by other federal agencies.

Table 1 identifies 124 complaints that were closed due to insufficient information or no basis upon which to open an investigation. These complaints generally involved other federal and state programs, not GAO programs and operations. We report them here because, typically, the OIG spends considerable time evaluating the issues contained in a complaint in order to redirect the complainant to the appropriate administrative or law enforcement organization with proper jurisdiction over the allegations in the complaint.

As shown in table 2, there were 17 open investigations during this reporting period. At the end of the reporting period, 13 investigations remained open.

Table 2: Summary of OIG Investigations, October 1, 2013, through March 31, 2014	
Investigations open at the start of the reporting period	14
New investigations initiated this reporting period	3
Total investigations	17
Investigations closed this reporting period	4
Total investigations open at the end of the reporting period	13

Source: OIG.

We closed an investigation involving an employee’s unauthorized release of nonpublic information. The employee, a manager, leaked a document regarding a congressional request for GAO work. Our investigation identified the source of the leak, and the employee admitted making the unauthorized disclosure. We referred the matter to agency management for administrative action during the prior reporting period. In this reporting period, GAO management imposed a 5-day suspension on the employee.

We also closed an investigation regarding an allegation of an employee’s time and attendance abuse. The investigation determined that the employee, a manager, did not work 192 hours of claimed and paid work time during a 13-month period in 2012 and 2013. This represented more than \$12,000 in false claims. The Department of Justice declined prosecution, and we referred our investigative findings to GAO management for appropriate action. The employee resigned before management’s final action.

We closed the remaining investigations after OIG staff determined that the allegations could not be substantiated.

OTHER ACTIVITIES

ACTIVITIES WITHIN GAO

The IG discusses the duties, responsibilities, and authorities of the GAO OIG with participants in GAO’s new employee orientation program. The IG’s Counsel collaborated with GAO’s Learning Center to revise the agency’s fraud awareness course for agency staff. Furthermore, OIG processed one Freedom of Information Act request, which we addressed in accordance with procedures set forth in 4 C.F.R. Part 81.

ACTIVITIES WITHIN THE INSPECTOR GENERAL COMMUNITY

OIG participated in the Council of Inspectors General on Integrity and Efficiency (CIGIE), a council of federal inspectors general that promotes collaboration on integrity, economy, and efficiency issues that transcend individual agencies. The IG and Deputy IG regularly participated in monthly CIGIE meetings, quarterly Legislative Branch Inspectors General meetings, and periodic meetings with other OIGs designed to address issues common to smaller OIGs. The Deputy IG participated in quarterly Deputy IG meetings. The Assistant Inspector General for Investigations (AIGI) regularly participated in quarterly CIGIE Investigations Committee and AIGI Committee meetings. The IG Counsel also participated in monthly Council of Counsels to Inspectors General meetings.

AUDIT PEER REVIEW ACTIVITIES

Government Auditing Standards require that each organization performing audits in accordance with these standards must have an external peer review. The objectives of a peer review are to determine whether an effective quality control system has been established in the office and if policies, procedures, and applicable government auditing standards are followed. Peer reviews must be performed at least once every 3 years by reviewers independent of the audit organization being reviewed. The OIG is scheduled for a peer review in fiscal year 2015.

ACTIVITIES WITHIN THE UNITED STATES COMMISSION ON CIVIL RIGHTS

The Consolidated and Further Continuing Appropriations Act of 2012² designated the Inspector General of the Government Accountability Office to serve as the Inspector General of the U.S. Commission on Civil Rights (Commission). The Inspector General's statutory authority over the Commission ends in 2014.³

GAO ACTIONS ON OIG RECOMMENDATIONS

Timely resolution of outstanding audit recommendations continues to be a priority for both our office and the agency. Table 3 presents the status of actions planned and taken by GAO in response to open recommendations, as of March 31, 2014.

²Pub. L. No. 112-55, 125 Stat. 552, 628 (Nov. 18, 2011).

³Consolidated Appropriations Act of 2014, Pub. L. No. 113-76, 128 Stat. 5 (Jan. 17, 2014).

Table 3: Status of Agency Actions on Open Recommendations, as of March 31, 2014

OIG audit reports	Open recommendations	Status of actions planned and taken by GAO in response to the recommendations
<p><i>Human Capital: Opportunities Exist to Strengthen Controls over Recruitment, Relocation, and Retention Incentives</i>, OIG-12-5 (Aug. 28, 2012)</p>	<p>Incorporate the use of recruitment, relocation, and retention incentives into GAO's strategic human capital planning to specify a plan for their use, the results GAO expects to achieve, and the measures that will be used to assess their effectiveness.</p>	<p>GAO issued its <i>Human Capital Strategic Plan 2013-2015</i> in July 2013. The updated plan identified the use of incentives to recruit and retain staff with critical skills as initiatives intended to support the agency's recruitment and hiring goals. GAO is continuing efforts to develop an action plan, which specifies (1) how the agency intends to use recruitment, relocation, and retention incentives in support of its recruitment and hiring goals, (2) the results the agency expects to achieve, and (3) the measures that it will use to gauge the effectiveness of these incentives. GAO expects to complete its action plan by June 30, 2014.</p>
<p><i>Security Clearances: Actions Needed to Strengthen Controls over Top Secret Security Clearance Requirements</i>, OIG-13-3 (Sept. 27, 2013)</p>	<p>Establish and implement detailed procedures that define consistent criteria and processes to ensure that the agency's position designation and position sensitivity policies are carried out.</p> <p>Establish procedures to ensure that decisions to grant top secret security clearances are grounded in written justifications.</p>	<p>GAO is in the final phase of establishing consistent criteria and a process for evaluating a position's need for a security clearance. Specifically, GAO is developing and implementing a standard form that is intended to document unit heads' (1) assessment using consistent criteria of whether a given position requires access to classified information and (2) detailed justifications explaining an employee's need for a security clearance.</p> <p>GAO is updating and revising its personnel security program policy and directive with detailed procedures that define the consistent criteria and process for evaluating and documenting a position's need for a security clearance.</p>

Source: OIG.

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

To report fraud and other serious problems, abuses, and deficiencies relating to GAO programs and operations, do one of the following. (You may do so anonymously.)

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

Obtaining Copies of OIG Reports and Testimony

To obtain copies of OIG reports and testimony, go to GAO's website: www.gao.gov/about/workforce/ig.html.