



Office of Inspector General
U.S. Government Accountability Office

SEMIANNUAL REPORT TO CONGRESS

April 1, 2018, through September 30, 2018



October 2018
OIG-19-1SP



O I G

Office of Inspector General

United States Government Accountability Office

October 18, 2018

To: Gene L. Dodaro
Comptroller General of the United States

From: Adam R. Trzeciak
Inspector General

Subject: Semiannual Report to Congress—April 1, 2018, through September 30, 2018

I am pleased to submit this report in accordance with Section 5 of the Government Accountability Office Act of 2008.¹ The report summarizes the activities of the Office of Inspector General (OIG) for the second reporting period of fiscal year 2018. 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, we issued three audit reports, and initiated planning or fieldwork for three audits. We also closed 9 investigations and opened 12 investigations. In addition, we processed 93 hotline complaints, many of which were referred to other OIGs for action because the matters involved were within their jurisdictions. OIG continues to focus on GAO management challenge areas—such as human capital management and information technology. Other continuing priorities include contract management operations and strengthening controls for ensuring the quality and reliability of GAO's DATA Act submissions.

To enhance public access to and transparency of our work, we post our audit, evaluation, and semiannual reports on [oversight.gov](https://www.oversight.gov), a publicly accessible, text-searchable website containing the latest public reports from contributing federal Inspectors General. In addition, OIG reports are included in the listing of available updates on GAO's GovDelivery subscription page, where the public can subscribe to receive them by email. Moving forward, we will continue to look for innovative ways to use data and technology to enhance and target our oversight efforts and the transparency of our work.

None of the achievements of this office would be possible without the dedication and professionalism of my team in their continuing efforts to help GAO improve its operations. The accomplishments reported in the attachments below are the result of their efforts.

Finally, I thank GAO's Executive Committee, managers, and staff for their cooperation and sustained commitment to the important work of our office. My team remains committed to helping GAO improve its operations.

Attachments

¹ 31 U.S.C. § 705 (2012).

INTRODUCTION

THE UNITED STATES GOVERNMENT ACCOUNTABILITY OFFICE

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

THE OFFICE OF INSPECTOR GENERAL

This year marks the 10th anniversary of the Government Accountability Office Act of 2008, which established GAO's Office of Inspector General (OIG). As a statutory OIG, we independently conduct audits, evaluations, and other reviews of GAO programs and operations and make recommendations to promote economy, efficiency, and effectiveness in GAO. We also investigate allegations of fraud, waste, and abuse, including the possible violation of law or regulation, within GAO.

OIG STRATEGIC PUBLICATIONS

STRATEGIC PLAN

The OIG's [Strategic Plan for Fiscal Years 2016-2020](#) identifies the vision, goals, objectives, and strategies for our activities under the authority of the Government Accountability Office Act of 2008, to promote efficiency, effectiveness, and integrity in GAO programs and operations. As discussed in the plan, the OIG supports GAO and Congress by helping to protect GAO programs and operations from fraud, waste, and abuse. Independent and objective audits, evaluations, and investigations are our primary methods for assessing GAO programs and operations and identifying risks to GAO, enhancing its ability to protect and maximize its resources.

BIENNIAL WORK PLAN—FISCAL YEARS 2019 AND 2020

The OIG's biennial work plan provides a brief description of audits and other work planned for fiscal years 2019 and 2020 and an overview of our investigations program. In addition, the plan sets forth OIG's formal strategy for identifying priority issues and managing our workload and resources.

TOP MANAGEMENT CHALLENGES FACING GAO

Similar to other federal agencies, GAO faces mission challenges including (1) managing a quality workforce, (2) improving the efficiency of GAO engagements, and (3) ensuring the confidentiality, integrity, and availability of GAO's information technology services. GAO's management challenges are primarily self-identified. Progress in addressing these

challenges is monitored through the agency’s annual performance and accountability process and OIG audits and evaluations. Each year, the OIG is asked to comment on management’s assessment and reporting of GAO’s challenges for its annual [Performance and Accountability Report](#). Our work has resulted in improved reporting and transparency of GAO’s management challenges and the efforts under way to mitigate the risk these challenges pose to GAO’s ability to efficiently and effectively support Congress and the American people.

SEMIANNUAL REPORTS TO CONGRESS

Our [Semiannual Reports to Congress](#) describe OIG’s work on identifying problems, abuses, deficiencies, remedies, and investigative outcomes relating to the administration of GAO programs and operations that were disclosed during the reporting period. In this semiannual report, we present the results of our work for the reporting period April 1, 2018, through September 30, 2018, including product and performance statistics for both audits and investigations. We also provide an overview of each report issued and actions taken or initiated by GAO in response to the report, as of the end of the reporting period.

ACTIVITIES OF THE OFFICE OF INSPECTOR GENERAL

GAO and OIG management work cooperatively in fulfilling the role of the OIG. In that light, there were no attempts by GAO to resist, object to, or interfere with IG independence or delay OIG access to information during the reporting period.

Timely resolution of outstanding recommendations continues to be a priority for both our office and the agency. GAO concurred with all OIG recommendations and provided agency comments within 60 days of each OIG audit report’s issuance date. Table 1 provides fiscal year summary statistics for unimplemented OIG recommendations as of September 30, 2018.

Table 1: Fiscal Year Summary Statistics Related to Unimplemented OIG Recommendations, as of September 30, 2018

Fiscal Year	Number of Reports with Unimplemented Recommendations	Number of Unimplemented Recommendations
2017 and prior	0	0
2018	2	5
Total	2	5

Source: OIG assessment as of September 30, 2018.

AUDITS AND EVALUATIONS

All OIG audit and evaluation reports, with the exception of reports on GAO's compliance with Federal Information Security Modernization Act of 2014 (FISMA) requirements, are fully disclosed to the public. Due to the sensitive nature of issues identified, only summary pages of our FISMA reports are made publicly available. No evaluation reports were issued during the reporting period.

OIG Reports, Status of Current Period Recommendations, and Other Work

We issued three audit reports ([OIG-18-3](#), [OIG-18-4](#), and [OIG-18-5](#)) containing a total of 11 recommendations during the period. GAO agreed with our recommendations in each report and completed actions addressing 8 of our 11 recommendations. Table 2 identifies each report issued during the period, its objective, and the number and status of recommendations made, as of September 30, 2018. See attachment II for a summary of each audit report issued during the current reporting period.

Table 2: Status of Agency Actions on OIG Audit Reports Issued in Current Reporting Period (April 1, 2018, through September 30, 2018)

OIG Reports	Audit Objective	Number of Recommendations	Status of Recommendations
<i>DEBT AND INTEREST WAIVERS: Procedures are Needed to Ensure Decisions are Consistent with Federal Requirements</i> OIG-18-3 (May 21, 2018)	To evaluate the extent to which GAO has established controls for ensuring uniform standards are applied in debt and interest waiver decisions consistent with federal requirements.	3	Closed / Implemented GAO has taken actions that address the intent of our recommendations. Specifically, GAO's human capital office (HCO) has established standard operating procedures (SOP) for processing and documenting debt and interest waiver decisions. The SOP provides the level of detail needed to help ensure consistent application of federal debt and interest waiver standards. HCO has also outlined specific factors the Chief Human Capital Officer should use to guide consideration of equity when making waiver decisions and has taken steps to establish clearly defined procedures governing electronic debt and interest waiver records management consistent with GAO's recordkeeping requirements.
<i>INFORMATION SECURITY: Review of GAO's Program and Practices for Fiscal Years 2016 and 2017</i> OIG-18-4 (July 17, 2018)	To assess GAO's compliance with Federal Information Security Modernization Act of 2014 (FISMA) requirements.	3	Open / In-progress GAO agreed with our recommendations and is actively working to enhance its Enterprise Risk Management Program Plan and processes to ensure its Information Technology (IT) investments support the agency's Strategic Plan and IT Strategy with an emphasis on monitoring and risk management.

OIG Reports	Audit Objective	Number of Recommendations	Status of Recommendations
			GAO's plans to complete several significant efforts in fiscal year 2019 (including updates to its virtual desktop infrastructure and document management system, migration to Windows 10, and completion of failover capability testing) will require effective enterprise risk management for success.
<i>CONTRACT CLOSEOUT: GAO has Taken Steps to Strengthen Contract Closeout Controls, but Additional Actions are Needed</i> OIG-18-5 (August 27 2018)	To assess the extent to which GAO maintained effective contract closeout controls for reducing financial, operational, and compliance risks through fiscal year 2017.	5	Closed / Implemented GAO has taken actions that address the intent of our recommendations. Specifically, GAO has updated its standard operating procedures for acquisition management and procurement operations to reflect its migration to the agency's new integrated financial and procurement system and to address identification of contract type, records retention, and implementation of monitoring and closeout procedures specific to flexibly priced contracts.

Source: OIG assessment as of September 30, 2018.

While we did not identify cost savings, actions taken to implement OIG recommendations will lead to future efficiencies. For example, our audit of debt and interest waivers found that clear policies and actionable procedures were needed to ensure that GAO acts in the best interests of the government, and that its waiver decisions are consistent with the principles of equity, fairness, and the interests of the United States as required by federal law.

During the period, we also initiated an audit to assess GAO telework eligibility and began planning for audits of GAO's information security program and practices for fiscal year 2018 and GAO's compliance with the DATA Act. We also reviewed GAO's management challenges disclosure in the agency's Performance and Accountability Report (PAR). Based on our review of the draft PAR, discussions with agency staff regarding the management challenges, our institutional knowledge of GAO, and prior work performed in one or more of the challenge areas, we provided GAO our views regarding its management challenges, which are also included in the agency's PAR.

Copies of OIG reports are available at gao.gov and oversight.gov.

Status of Prior Period Unimplemented OIG Audit Recommendations

At the end of the prior reporting period (March 31, 2018), there were four unimplemented recommendations from two prior audits.² During the current period, we closed two prior

² OIG, *Semiannual Report—Oct. 1, 2017, through Mar. 31, 2018* [OIG-18-2SP](#) (Apr. 20, 2018).

period recommendations. GAO has efforts under way to address the two remaining prior period recommendations.

Table 3 summarizes the status of actions planned or taken in response to recommendations made in prior reporting periods, as of September 30, 2018.

Table 3: Status of Agency Actions on Prior Period Unimplemented OIG Recommendations, as of September 30, 2018

OIG reports	Recommendations	Status of actions planned or taken by GAO in response to the recommendations
<p><i>Information Security: Review of GAO's Program and Practices for Fiscal Years 2014 and 2015, OIG-16-2 (March 28, 2016)</i></p>	<p>Establish fully operational equipment and capacity to increase the disaster recovery capabilities at the Alternate Computing Facility (ACF) and the ability to quickly take over system operations for all mission-essential information systems and components after loss of the GAO headquarters facility.</p>	<p>Recommendation: Closed</p> <p>GAO is in the final phase of enhancing the failover capability at its ACF to include the agency's web applications and databases. However, as discussed in our current FISMA report (OIG-18-4), actions currently planned or under way to update key mission critical systems will directly impact the agency's ACF capacity and capability needs. Considering these efforts and the relationship between our prior and current recommendations regarding the ACF and mission-essential systems, we have agreed to close this recommendation.</p>
<p><i>Law Enforcement Availability Pay: Premium Pay Compensation Not Supported by Agency Need, OIG-18-2 (March 26, 2018)</i></p>	<p>Evaluate the need for criminal investigators to work or be available to work beyond a 40-hour workweek in support of GAO's investigative needs. If the evaluation determines the work beyond a 40-hour workweek is not consistent with GAO's needs or the intent of the LEAP Act to compensate criminal investigators for working excessive and unusual hours, implement actions to remedy the situation.</p>	<p>Recommendation: Open</p> <p>GAO's Forensic Audits and Investigative Service (FAIS) plans to incorporate its evaluation of criminal investigators' work and availability beyond a 40-hour workweek into its fiscal year 2019 and 2020 workforce planning process, which is expected to begin in mid-September 2018. FAIS anticipates sharing its results with the OIG in late October 2018.</p>
	<p>Modify WEBTA to ensure that the year-to-date cumulative calculation of criminal investigators' annual average of unscheduled duty hours complies with the substantial hours requirement for determining eligibility for LEAP premium pay.</p>	<p>Recommendation: Open</p> <p>FAIS is continuing to work with HCO, Information Systems and Technology Services (ISTS), and Office of General Council (OGC) to develop and implement a solution for correctly calculating whether criminal investigators are meeting the LEAP substantial hours requirement. Revised WEBTA business rules have been developed for implementation by the WEBTA vendor. Completion date cannot be estimated at this time.</p>

OIG reports	Recommendations	Status of actions planned or taken by GAO in response to the recommendations
	Determine, in accordance with the LEAP Act and FAIS policy, whether to cancel the fiscal year 2017 LEAP certifications for the five criminal investigators who did not meet the substantial hours requirement as reported and suspend the entitlement to LEAP premium pay for an appropriate period.	Recommendation: Closed In consultation with officials from the Human Capital Office and the Office of General Counsel, FAIS determined that, in accordance with the LEAP Act and relevant regulations and policy, as well as case law, it would not be appropriate to cancel the fiscal year 2017 LEAP certifications or suspend the entitlement to LEAP for the five criminal investigators who did not meet the substantial hours requirement.

Source: OIG assessment as of September 30, 2018.

COMPLAINTS AND INVESTIGATIONS

The OIG hotline is 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 4, we processed 93 hotline complaints during this 6-month reporting period.

Table 4: Summary of OIG Hotline Complaint Activity, April 1, 2018, through September 30, 2018

Hotline complaints open at the start of the reporting period	3
New hotline complaints received this reporting period	90
Total hotline complaints	93
Complaints closed (referred to other GAO offices)	7
Complaints closed (referred to FraudNet ^a)	2
Complaints closed (no jurisdiction and referred by the GAO/OIG to appropriate agency OIG or other law enforcement offices ^b)	68
Complaints converted to investigations	11
Total hotline complaints open at the end of the reporting period	5

Source: OIG hotline summary statistics as of September 30, 2018.

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

^bFraudNet was provided a copy of each referral made outside of GAO.

In addition to the 93 hotline complaints shown in Table 4, we received 80 complaints that we closed due to insufficient information or no basis for us to open an investigation. These complaints generally did not involve GAO programs and operations, and lacked either (1) sufficient merit to warrant direct OIG referral to another federal or state organization, or (2) actionable information.

As shown in table 5, there were 29 open investigations during this reporting period. At the end of the reporting period, 20 investigations remained open. The OIG issued one Report of Investigation and referred one investigation for criminal prosecution.

Table 5: Summary of OIG Investigations, April 1, 2018, through September 30, 2018

Investigations open at the start of the reporting period	17
New investigations initiated this reporting period	12
Total investigations	29
Investigations closed this reporting period	9
Total investigations open at the end of the reporting period	20
Total investigative reports issued during reporting period^a	1
Referred to Department of Justice	1
Referred to state/local prosecutor	0
Total referrals for criminal prosecution	1
Total indictments/information obtained during reporting period	0

Source: OIG investigative activity statistics as of September 30, 2018.

^aFor reporting purposes, we identify the same investigative report issued to multiple recipients (e.g., a prosecutor and GAO management) as a single report.

Investigations Closed in the Current Period

Four of the nine investigations closed during the reporting period related to investigations publicly disclosed in prior periods, and are summarized below.

(G-15-0129-O) – Conspiracy to Commit Wire Fraud. This investigation resulted in a GAO employee charged with one count of conspiracy to commit wire fraud. Our investigation was predicated on information derived from an OIG audit of the GAO Purchase Card Program. The subject employee was issued a GAO purchase card. Subsequently, the OIG identified that the employee made personal purchases with the GAO-issued purchase card. Additionally, the employee subcontracted with a government contractor that provided goods and services to GAO. The OIG investigation found that the GAO employee asked the contractor to falsely represent, to a mortgage company, that the GAO employee’s daughter was employed by the contractor. The contractor agreed to help the GAO employee. The GAO employee, the daughter, and the contractor knowingly made numerous false representations to the mortgage company. On July 19, 2017, the OIG referred the matter to agency management for administrative consideration. GAO management issued a decision to place the employee on unpaid, indefinite suspension. However, the employee retired prior to the suspension. During this reporting period, both the former employee and contractor were sentenced to 36 months of probation and a \$1,000 fine, each. We conducted this investigation jointly with the Federal Bureau of Investigation.

(G-17-0023-HL-O) – Time and Attendance Fraud. Our investigation identified that on numerous occasions the employee fraudulently claimed “Work Time,” for the period January 23, 2017, through March 31, 2017. Routinely throughout the period of investigation, the employee falsified time and attendance reports to claim a greater number of hours of “work time” than actually worked. On October 23, 2017, we issued our

investigative report to GAO management for administrative consideration with a response due by December 26, 2017 (60 days). On March 23, 2018, agency management issued the employee a 7 day suspension without pay.

(G-18-0010-HL-S) – Improper Use of Government-Provided IT Equipment and Resources. This investigation was predicated on a hotline complaint from another GAO employee that a GAO analyst was viewing pornography at work, using GAO Information Technology (IT) resources. The OIG investigation corroborated the allegation. The subject accessed, downloaded, stored, viewed, displayed, or printed sexually explicit or suggestive images of adults utilizing GAO’s IT resources in violation of GAO policies. On March 23, 2018, we issued our investigative report to GAO management for administrative consideration with a response due by May 22, 2018 (60 days). On May 23, 2018, management proposed to suspend the employee for 3 calendar days.

(G-18-0060-HL-S) – Improper Use of Government-Provided IT Equipment and Resources. This investigation was predicated on an anonymous hotline complaint regarding the improper use of government-provided IT equipment and resources by a GAO employee. The OIG investigation corroborated the allegation. The subject used GAO IT resources to facilitate “for profit” business activities in violation of GAO policies. On March 30, 2018, we issued our investigative report to GAO management for administrative consideration with a response due by May 29, 2018 (60 days). On May 29, 2018, GAO management provided the employee with a written admonishment.

Five of the nine investigations closed during the period were not previously disclosed publicly. A summary of these five investigations is provided in table 6 below.



Table 6: Closed Investigations Not Previously Disclosed Publicly, April 1, 2018, to September 30, 2018

Subject	Results	Completed
1. Ethics Concern. Anonymous hotline complaint that a supervisor inappropriately accepted a gift from a subordinate. (G-18-0040-HL-S) (GS-15 or above equivalent)	Our investigation identified the subordinate had in fact given the supervisor a travel mug. However, the supervisor returned the mug after our investigation. This investigation was closed.	May 1, 2018
2. Sexual Harassment. Complaint from GAO employee that management did not follow policies/procedures in handling their allegation of sexual harassment. (G-18-0021-HL-P)	Our review identified management did not follow established policies and procedures related to this complaint. We shared the results of our review with agency officials. Finally, we provided our results to the OIG Office of Audit for consideration in future work. This investigation was closed.	May 3, 2018

Subject	Results	Completed
3. Fraudulent Overtime. Complaint from a GAO employee that staff was inappropriately charging overtime. (G-16-0277-P)	Our investigation did not substantiate the allegation. The matter was referred to agency management for consideration. Management revised time and attendance policies, as well as communicated with staff about proper overtime charges. This investigation was closed.	July 31, 2018
4. Fraudulent Time and Attendance. Anonymous hotline complaint that a field office assistant director attended personal appointments during working hours. (G-18-0160-HL-P) (GS15 or above equivalent)	Our investigation did not substantiate the allegation. This investigation was closed.	August 23, 2018
5. Unnecessary Overtime Charges. Complaint from a GAO employee that staff working on an offsite, reimbursable engagement charged unnecessary overtime. (G-17-0048-P)	Our investigation did not substantiate the allegation. The matter was referred to agency management for consideration. Management identified specific steps that would be taken to ensure appropriate time charges. This investigation was closed.	September 14, 2018

Source: OIG investigative activity statistics as of September 30, 2018.

As shown in table 6, our office closed two investigations involving a GS-15-level or above employee during the reporting period. The first allegation was substantiated (see table 6, #1) and the other was not substantiated (see table 6, #4). In addition, we did not receive any allegations of whistleblower retaliation during the reporting period. The GAO IG has no statutory authority to investigate allegations of whistleblower retaliation. Although GAO is not subject to the Whistleblower Protection Act or the Whistleblower Protection Enhancement Act, GAO personnel management system controls are intended to protect GAO employees from prohibited personnel practices.

Matters Referred for Prosecution

During the period, we conducted an investigation of allegations that a GAO analyst failed to disclose bankruptcy filings, submitted fraudulent financial disclosure forms and fraudulently received Social Security Administration disability benefits while employed by GAO. This investigation was predicated on a hotline complaint from another GAO employee. The OIG investigation corroborated the allegation. The subject did not notify GAO of two bankruptcy filings and did not accurately report significant debts on their financial disclosures for seven of nine such filings. The subject admitted to receiving “overpayments” from SSA totaling approximately \$33,125. The analyst reached a settlement agreement with the U.S. Attorney’s Office for the Eastern District of Virginia. On September 6, 2018, we issued our investigative report to GAO management for administrative consideration with a response due by November 5, 2018 (60 days). GAO

management is reviewing this matter for any appropriate administrative action(s). The investigation remains open pending a management response. (G-18-0069-HL-O)

OTHER ACTIVITIES

Congressional Matters

At the request of Senate Appropriations Committee staff, we provided a briefing to congressional staff on our current GAO information security program and practices report. (OIG-18-4)

Activities within GAO

OIG leadership discusses the duties, responsibilities, and authorities of the OIG with participants in GAO's new employee orientation program. In addition, OIG leadership attends weekly senior staff meetings, and meets periodically with the external financial statement auditor and the GAO Audit Advisory Committee.

During the current reporting period we received and processed no access requests under GAO's access regulation, 4 C.F.R. Part 81.

Activities within the Inspector General Community

We continued to participate on the Council of Inspectors General on Integrity and Efficiency (CIGIE), a council of federal inspectors general that promotes collaboration on issues of economy, efficiency, and effectiveness that transcend individual agencies. OIG leadership 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 Assistant Inspector General for Investigations (AIGI) participated in monthly CIGIE Investigations Committee meetings, quarterly AIGI meetings, and various investigative working groups. The Counsel to the Inspector General participated in monthly CIGIE Legislation Committee meetings and Council of Counsels to Inspectors General meetings.

In addition, we responded to requests from OIGs for support in developing internal operating policies and procedures. We continue to increase public access to and transparency of our work by posting our audit, evaluation, and semiannual reports on both GAO and CIGIE websites, gao.gov and oversight.gov, respectively. Oversight.gov is a publicly accessible, text-searchable website containing public reports from contributing federal Inspectors General who are CIGIE members.

Audit Peer Review Activities

Government Auditing Standards require that each organization performing audits in accordance with these standards 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 of OIGs must be performed at least once every 3 years by

reviewers independent of the audit organization being reviewed. The reviews are conducted in accordance with guidelines established by CIGIE. Audit organizations can receive a rating of pass; pass with deficiencies; or fail.

In September 2018, we received the results of our most recent audit peer review, which was conducted by the National Credit Union Administration OIG for the period ending March 31, 2018. We received a rating of “pass.” A copy of our peer review report is posted on our website at gao.gov. We will receive our next peer review in fiscal year 2021. In September 2018, we began a peer review of the Corporation for National and Community Service OIG.

DEBT AND INTEREST WAIVERS: Procedures are Needed to Ensure Decisions are Consistent with Federal Requirements [OIG-18-3](#) (May 21, 2018)

This report addresses the extent to which GAO has established controls for ensuring uniform standards are applied in debt and interest waiver decisions consistent with federal requirements.

What OIG Found

GAO had not established actionable procedures to help ensure that it meets federal requirements when deciding when and how to waive debt or interest. Specifically, GAO has not developed effective procedures needed to ensure that debt and interest waiver decisions made by the Chief Human Capital Officer are consistent with the principles of equity, fairness, and the interests of the United States, as required by federal law. In addition, the Human Capital Office was unable to provide documentation for many of the debt waiver decisions reviewed or the documentation provided did not support the debt waiver decisions that were made—which limit management’s assurance that GAO’s use of waivers meets federal requirements.

What OIG Recommended

OIG made three recommendations intended to help ensure that debt and interest waiver decisions are consistent with federal requirements: (1) develop and implement procedures to consider equity in debt waiver decisions and to waive interest on debts consistent with federal standards and applicable laws, (2) develop and implement procedures to help ensure that Human Capital Office staff properly identify and maintain waiver information created or received as evidence of GAO’s waiver activities, consistent with GAO’s debt collection policy and *Standards for Internal Control in the Federal Government*, and (3) enforce compliance with the requirements of GAO’s official electronic records management system for debt and interest waiver records. GAO agreed with our recommendations. Following our report, GAO completed actions that addressed the intent of our recommendations.

INFORMATION SECURITY: Review of GAO’s Program and Practices for Fiscal Years 2016 and 2017 [OIG-18-4](#) (July 17, 2018)

This report addresses GAO’s fiscal year 2016 and 2017 compliance with Federal Information Security Modernization Act of 2014 (FISMA) requirements.

What OIG Found

During the period reviewed, GAO continued efforts to improve upon existing capabilities and strengthen its information security controls, particularly in the areas of identity and access management, security training, and continuous monitoring. Our report identifies specific areas, such as configuration management and contingency planning, where additional efforts are needed to further strengthen GAO’s information security consistent with FISMA requirements. The issues we identified in this report also highlight how gaps in GAO’s implementation of an enterprise-wide risk management program may have contributed to the challenges and heightened risks identified during our audit.

Due to the sensitive nature of our findings, a full report on the results of our audit was prepared for internal GAO use only.

What OIG Recommended

OIG made three recommendations to the Comptroller General intended to help GAO more fully implement federal information security requirements. Specifically, we recommended that GAO document (1) a process to evaluate current and future enterprise IT investment portfolio assets, including risks, and ensure alignment with GAO's IT Strategy for fiscal years 2017-2019 and (2) its plans, policies, and procedures for identifying, prioritizing, and mitigating operational risk related to establishing full failover capabilities at the agency's alternate computing facility in the event of a disaster and preparing for end-of-support upgrades for Windows 7. In addition, we recommended that GAO document and implement a process to identify and track hardware and software interdependencies for GAO's system inventory including vendor support data.

GAO agreed with our recommendations and actions are under way to mitigate the control risks identified in our work and address our recommendations.

***CONTRACT CLOSEOUT: GAO has Taken Steps to Strengthen Contract Closeout Controls, but Additional Actions are Needed* [OIG-18-5](#) (August 27, 2018)**

This report addresses the extent to which GAO maintained effective contract closeout controls for reducing financial, operational, and compliance risks through fiscal year 2017.

What OIG Found

Contract closeout involves a number of tasks, such as verifying that goods or services were provided, making final payment to the contractor, and deobligating excess funds. As of September 2015, GAO identified over 1,800 contracts awaiting closeout, worth more than half a billion dollars. We attributed this to weak controls noted in our 2016 contract management audit report. Following our report, GAO reduced its backlog of contracts awaiting closeout, and as of June 2017, had a closeout backlog of 390 contracts with a total obligated amount of \$330.8 million. GAO's success was due, in large part, to (1) the addition of staff assigned specifically to complete backlogged closeouts, and (2) management oversight and monitoring through periodic backlog contract closeout status reports. In addition, GAO developed and implemented a checklist to document the closeout of those contracts with award dates in or after fiscal year 2015. We found that the steps GAO took to improve its contract closeout process had a positive effect on ensuring its compliance with federal and agency requirements.

However, we identified areas where additional actions are needed to further strengthen GAO's contract closeout controls and reduce contract risk consistent with the Federal Acquisition Regulation (FAR) and GAO policy. These actions pertain to three areas: records retention, accuracy of contract type information in GAO's procurement system, and risks that GAO's new contract closeout checklist does not fully cover key closeout requirements. In addition, we found that while GAO migrated to a new shared service provider and financial management/procurement system in fiscal year 2018, it has not fully

updated its acquisition policies and procedures to reflect its processes and controls within the new system.

What OIG Recommended

OIG made five recommendations intended to further strengthen GAO's closeout processes, controls, and related documentation to help ensure compliance with federal and agency requirements. Specifically, we recommended that GAO develop, document, and implement processes to ensure that records are maintained in accordance with agency record retention policy; clearly identify and accurately record the contract type; and closely monitor flexibly-priced contracts. In addition, we recommended that GAO update its closeout checklist to ensure that required monitoring of flexibly-priced contracts is performed prior to closeout, and complete the update of GAO's Standard Operating Procedures to fully reflect the agency's migration to its new shared service provider and system. GAO agreed with our recommendations and completed actions during the reporting period that addressed the intent of our recommendations.

OIG Mission

Our mission is to protect GAO's integrity through audits, investigations, and other work focused on promoting the economy, efficiency, and effectiveness in GAO programs and operations, and to keep the Comptroller General and Congress informed of fraud and other serious problems relating to the administration of GAO programs and operations.

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, you can do one of the following (anonymously, if you choose):

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

Obtaining Copies of OIG Reports and Testimonies

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

