



OFFICE *of* INSPECTOR GENERAL  
**SEMIANNUAL REPORT**  
*to* **CONGRESS**

APRIL 1, 2019 *to* SEPTEMBER 30, 2019

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# FOREWORD

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*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, 2019 to September 30, 2019. The products described in this report illustrate the OIG's continual efforts to promote efficiency and effectiveness, and demonstrate the impact our work has had on the agency's programs and operations.*

*As always, much of our work is focused on the top management and performance challenges facing the agency (defined on page 21 of this report), and ensuring the agency works towards meeting its mission to provide public access to records in NARA's custody and control. The OIG continues to present timely, comprehensive, and insightful audit and investigative findings to help decision makers at NARA improve the Agency. This report summarizes our efforts and the critical information we provided to management to make NARA a better organization.*

*In addition to the products we issued this period, we continued to improve the focus and direction of the OIG. Specifically we issued the first-ever comprehensive OIG Policy Manual to drive specific OIG policy, which may differ from the agency. We also published a new Annual Work Plan so management and staff would know our planned efforts for the coming period. Additionally, we completed work on and issued a new Strategic Plan reflecting new goals and approaches to our work. Finally, during this period we continued to encourage and push staff to become even more active in the larger Federal OIG community. This enabled us to enhance our knowledge, and network to learn about new capabilities and tools in the OIG community which might be of benefit. This includes work with the Council of Counsels to the Inspectors General, where my counsel serves as the Chair; and the Council of the Inspectors General on Integrity and Efficiency's Small Agencies OIG Working Group, Investigations Committee, and Audit Committee.*

*I thank my staff for their ongoing exceptional efforts, and I would also like to thank NARA leadership and their staff for their continued support of the OIG mission.*



*James Springs*  
Inspector General

# Table of Contents

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Foreword.....	<i>i</i>
Executive Summary .....	2
Other Matters Affecting OIG Operations .....	5
Introduction .....	6
Activities .....	8
Audits and Reports .....	12
<b>Audit of NARA's Oversight of Electronic Records Management in the Federal Government</b> .....	13
<b>Accessioning Expected Records</b> .....	14
<b>Improper Payments Requirements FY 2018</b> .....	14
<b>Quarterly Open Recommendations Reports</b> .....	14
Investigations.....	15
<b>Significant Investigations and Updates</b> .....	15
<b>Investigations of Senior Government Employees</b> .....	18
<b>Significant Referrals</b> .....	18
<b>Oversight</b> .....	18
<b>Hotline Information</b> .....	20
Top Ten Management Challenges .....	21
Reporting Requirements .....	26
<b>Open Audit Recommendations</b> .....	31

*Visit [www.archives.gov/oig/](http://www.archives.gov/oig/) to learn more about the National Archives Office of Inspector General.*

# *Executive Summary*

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This is the 61st 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.<sup>1</sup> The Office of Audits is tracking \$131,816 in questioned costs and \$45,360,034 in funds to be put to better use for which no management decision has been made.

### **Audits of Programs and Operations**

- **Audit of NARA's Oversight of Electronic Records Management in the Federal Government.** Longstanding issues continue to exist, and internal controls were still not adequate to ensure Federal agencies are transferring high-value Federal records to NARA as required to protect permanent Federal electronic records from loss or destruction. NARA has not identified all Federal agencies subject to the Federal Records Act. Further, NARA does not know the records that are outstanding that should be coming to NARA, and does not have a mechanism in place to determine what records have not come to NARA that should have. NARA's inspection of Federal agencies' record keeping programs and practices also needs to be strengthened. As a result, permanent electronic records are still at a significant risk of loss and destruction. These findings significantly affect NARA's ability to fulfill its statutory role as records manager for the Federal Government and adversely affects its mission of safeguarding and preserving essential records of the Federal government and its ability to meet its strategic goals. These deficiencies represent a material weakness in electronic records management. (OIG Audit Report No. 19-AUD-10, dated June 11, 2019. See page 13.)

### **Other Reports Concerning NARA Programs and Operations**

- **Accessioning Expected Records.** Internal controls were not adequate to ensure records were effectively transferred to, and timely accessioned into, NARA. As a result, NARA did not always seek overdue electronic records transfers from Federal agencies, nor ensure agencies adhered to their responsibilities for transferring permanent analog records. (OIG Report No. 19-R-11, dated June 25, 2019. See page 14.)
- **Improper Payments Requirements FY 2018.** NARA was in compliance with IPERA for FY 2018. (OIG Report No. 19-R-09, dated June 3, 2019. See page 14.)
- **Quarterly Open Recommendations Reports.** Every quarter the OIG issues reports to each NARA office summarizing their open audit recommendations, including data on

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<sup>1</sup> 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.

# *Executive Summary*

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new, closed, subsumed, and open audit recommendations at the end of the quarter. (See page 14.)

## **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.

- Unexplained Differences in Purchase Card Transaction Data - On June 25, 2019 the OIG expressed concerns to the Archivist about incorrect purchase card transaction data transmitted to the OIG during the annual assessment of the agency's purchase card program for fiscal years (FY) 2017 and 2018. To date, NARA has yet to provide sufficient explanation of data in CitiDirect reports or why a difference in FY18 and FY17 purchase card data continues to exist. We are particularly concerned about NARA's lack of understanding about the cause of these differences, and slow response to our inquiries related to this matter.
- 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. The Whistleblower Protection Coordinator also visited seven NARA field offices to deliver in-person training and answer questions.
- 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 NARA 304 on leave and absence, NARA 402 on conference-related expenses, NARA 802 on use and monitoring of information technology equipment and resources, NARA 309 on awards and recognition, NARA 356 on NARA's Performance Management System, Interim Guidance 300-40 on discipline and adverse actions, NARA 327 on pay administration, NARA 305 on phased retirement, and NARA 330 on Senior Level pay and awards.
- Responded to 28 requests from NARA for reviews of proposed legislation, Office of Management and Budget (OMB) regulations, congressional testimony, and other items.

# *Executive Summary*

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## 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 typically limited overviews of potential areas of agency vulnerabilities, and are used to alert management to issues. Accordingly, they do not follow any set standards or procedures. The Inspector General has decided not to post these assessments online as they do not represent fully explored or detailed audit or investigative efforts, but are indications of potential fraud, waste, abuse, or other issues. However, they are summarized in this report. These products contain observations, but do not include recommendations for corrective action. The outcomes from these limited efforts may be referred for consideration of a possible audit, or be incorporated into an investigation. In this period, the OI received and reviewed 208 complaints and other intake actions, opened 6 new investigations, and closed 6 existing investigations.

The cost savings calculations attributed to OI work product for this period has totaled over \$365,000. 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 were calculated as three years' worth of the offending behavior.

During this period, the OI recovered a collection of historically significant original World War II interrogation reports of German military members, which were appraised at \$17,500. These artifacts were donated to be preserved by NARA.

Other highlights for this reporting period include:

- 100 percent of our closed or completed investigations resulted in referrals for criminal, civil, and/or administrative action.
- We recovered four military identification “dog tags,” which were reported as stolen from NARA.
- In a limited assessment of NARA employees who drive Government-owned vehicles in the National Capital Area, we identified vulnerabilities in the current controls NARA uses for verifying employee driver’s licenses prior to authorizing their use of a Government-owned vehicle.
- We continue to monitor misuse of NARA information technology and work closely with the agency to address identified misuse.

# 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, we have learned NARA file searches for Freedom of Information Act (FOIA) requests and other searches actually search through 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. Further, it has come to light that 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 non-disclosure and confidentiality agreements, the fact these types of disclosures may happen puts OIG operations at risk.

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.

Accordingly, the OIG has begun to investigate how we can move to a more independent and secure IT system to meet our operational needs. Any such project will require funding, and we have begun the process to request additional funds necessary.



# *Introduction*

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## **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 five 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 fiscal year (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, 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 2019, NARA was appropriated \$391 million, including \$373 million for operating expenses, \$7.5 million for repairs and restoration of NARA-owned buildings, \$6 million for the National Historical Publications and Records Commission (NHPRC), and \$4.8 million for IG operations. With approximately 2,652 full-time equivalents (FTEs), NARA operates 44 facilities nationwide.



# *Introduction*

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## **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 2019, Congress provided \$4.8 million for the OIG's appropriation, including authorization for 24 FTEs. During this period budget uncertainty prevented the OIG from hiring to replace all staff who have retired or moved to other agencies. However, we were able to hire two new auditors, with one auditor due to report in the next period. At the close of the period the OIG had 19 FTEs on board, including an Inspector General, 10 FTEs devoted to audits, six FTEs devoted to investigations, an administrative assistant, and a counsel to the Inspector General.

# *Activities*

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## **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.

### **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 multi-agency 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.

### **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.

### **CIGIE Training Institute**

The OIG counsel continued to work with the CIGIE Training Institute. In this period OIG counsel taught IG Authorities and also briefed several new IGs on related laws and authorities.

# *Activities*

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## **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 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 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, 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 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.

## **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.

## **Oversight.gov Information Sharing**

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

## **FAEC Annual Conference**

The OA was a major participant on the planning committee of the 2019 FAEC Annual Conference, including preparing a program and coordinating sessions for the conference. OA personnel determined topics, choose speakers, and were essential to running a highly successful conference with over 600 total attendees.

# *Activities*

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## **FAEC Audit Peer Review Guide Revision Working Group (Peer Review WG)**

The OA regularly attends and participates in the FAEC Peer Review WG. The Peer Review WG updates the Audit Peer Review Guide, including updates related to the updated Yellow Book.

## **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.



# *Activities*

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## **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 National Labor Relations Board (NRLB). In its report issued March 15, 2017, the NARA OIG received a peer review rating of pass for its system of quality control for FY 2016. The next peer review of the OIG's audit function is scheduled to be conducted by the Federal Trade Commission in FY 2020.

### **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, multi-day, 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.

### **NARA OIG Peer Review of Other OIGs**

The NARA OIG Office of Audits conducted a peer review of the Export-Import Bank (EXIM) of the United States for the period ending March 31, 2017. In this report, issued on September 8, 2017, the EXIM audit organization received a rating of pass for its system of quality control.

## **Response to Congressional Items**

The OIG continues to keep Congress informed about agency and OIG activities, including alerting Congressional staff to issues with OIG spending. 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. The OIG also worked with the Congressional Research Service to answer questions about the interaction between OIGs and parent agencies.

During the period the OIG also answered information requests from a member of Congress concerning multiple investigations and other constituent inquiries. We also worked with Congressional staffers to clarify and address an issue concerning potentially illegitimate public comments on proposed regulations.

# *Audits and Reports*

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## Audit and Reports Overview

During this reporting period, the OIG issued one final audit, 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 non-audit reports:

- Oversight and Management of Contracts, assessing the control environment of NARA's leadership and its organizational alignment to the acquisition functions, as well as the coordination, collaboration, and communication of the Chief Acquisition Officer across NARA's enterprise.
- NARA's Classified Systems, determining whether NARA's classified systems are properly managed and adequately secured.
- Cybersecurity Risk Management, determining whether NARA's classified systems are adequately managed and secured in accordance with Federal and NARA policies and guidelines.
- Compliance with the Digital Accountability and Transparency Act (DATA Act), reviewing and assessing a sampling of spending data submitted under the DATA Act to assess the completeness, timeliness, utility, and accuracy of the data.
- FY 2019 Compliance with the Federal Information Security Modernization Act (FISMA), assessing the adequacy of controls over information security and compliance with information security policies, procedures, standards, and guidelines.
- Controls over Loans of Holdings, determining whether proper controls are in place for loans of NARA holdings.
- Consolidated Audit of FY 2019 Financial Statements, rendering an opinion on whether NARA's consolidated financial statements are presented fairly in all material respects.
- Personnel Security and Suitability Program, evaluating controls over the adjudication of background investigations at NARA and determining if adjudication actions were completed timely and in accordance with policy.



# *Audits and Reports*

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## Audit Summaries

### Audit of NARA's Oversight of Electronic Records Management in the Federal Government

Although NARA made progress in implementing changes to address weaknesses previously identified in its electronic records management activities, the OIG found longstanding issues continue to exist and internal controls were still not adequate to ensure Federal agencies are transferring high valued Federal records to NARA as required to protect permanent Federal electronic records from loss or destruction. Specifically, we found:

- NARA has not identified all Federal agencies subject to the Federal Records Act;
- the universe of scheduled electronic records accessioned into NARA holdings has not been adequately identified;
- NARA lacks an approach to adequately identify possible gaps in permanent electronic records scheduled accessions; and
- NARA's inspection of Federal agencies' record keeping programs and practices needs to be strengthened.

We attributed these conditions to:

- NARA was not effectively exercising its oversight authority;
- legacy permanent disposition authorities were not entered into NARA's tracking database in a timely manner;
- a lack of communication between offices;
- NARA's use of antiquated data systems;
- NARA not exercising established controls;
- NARA's best practices not being codified; and
- Inadequate strategic planning for NARA's inspections.

As a result, permanent electronic records are still at a significant risk of loss and destruction. These findings significantly affect NARA's ability to fulfill its statutory role as records manager for the Federal Government and adversely affects its mission of safeguarding and preserving essential and important records of the Federal Government and its strategic goal of "Make Access Happen."

NARA 101 Part 7, Agency Services Organization states the agency is tasked to lead records management throughout the Federal Government, with an emphasis on electronic records; and to assess the effectiveness of Federal records management policies and programs. In addition, NARA is responsible for promulgating Federal records management policies, procedures, regulations, and guidance on records creation, management, and disposition of records in all media.

These deficiencies combined represent a material weakness in electronic records management and will continue to have a negative impact unless improvements are made. The report contains 10 recommendations to strengthen management and oversight controls over electronic records management in the Federal government, and to ensure records of permanent historical value are archived for future use. (OIG Audit Report No. 19-AUD-10, dated June 11, 2019.)

# *Audits and Reports*

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## **Summaries of Other Reports**

### **Accessioning Expected Records**

Internal controls were not adequate to ensure records were effectively transferred and timely accessioned into NARA. As a result, NARA did not always seek overdue electronic records transfers from Federal agencies, nor ensure agencies adhered to their responsibilities for transferring permanent analog records. Specifically, in total, NARA's Federal Records Centers store almost 424,000 cubic feet of records currently eligible to accession into NARA's holdings as opposed to being "temporarily" stored in the Records Centers under the originating agency's legal custody. Most records became overdue because an agency takes no action on the Transfer Requests in Electronic Records Archives. Also, problems with the transfer (e.g. mix of temporary and permanent records, or missing finding aids) cause delay. We found agencies generally do not follow the requirement to request to retain records longer in writing to NARA. Additionally, these overdue records are permanent records NARA should have in its possession and be able to process and make available to the public. Further, these records are not, in most instances, stored within appropriate archival space per NARA standards, increasing their preservation risk. Further, these inefficient practices cost other Federal agencies over \$1.5 million dollars a year by incurring unnecessary expenses to pay NARA to store records that NARA should already have legal custody of. Management has initiated efforts to address this area, and the OIG made two suggestions in this report. (OIG Report No. 19-R-11, dated June 25, 2019.)

### **Improper Payments Requirements FY 2018**

NARA was in compliance with IPERA for FY 2018. NARA published its Annual Financial Report (AFR) for FY 2018, including a section on IPERA that concluded NARA did not meet the threshold for significant improper payments. NARA was not required to perform risk assessments of its programs in FY 2018. Risk assessments completed in FY 2017 determined none of NARA's programs or activities were susceptible to significant risk of improper payments. (OIG Report No. 19-R-09, dated June 3, 2019.)

### **2019 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. 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 the recommendations. (OIG Report Nos. 19-R-08, 19-R-11, and 19-R-14.)



# *Investigations*

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## **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 of areas with the potential for fraud. Assessments are typically designed to proactively review limited aspects of NARA's programs and operations such as contract compliance and telework adherence. They are intended to be quick reviews of potential issues, and are not designed to be in-depth, detailed accounts. Accordingly, they do not follow any set standards or procedures. The purpose is to alert management to issues. 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:***

#### **Contractor Transportation Company Violated Terms of Bill of Lading**

The OI investigated allegations against a transportation company contracted by NARA to ship records between two Federal Records Centers. The original company completed at least four dozen deliveries without incident. However, during the 2018 holiday season the company outsourced the contract through multiple levels of subcontractors. The investigation determined this practice was permissible, but the subcontractor violated the *Bill of Lading* in its transport and delivery of two shipments of records. Specifically, the records arrived late, in different vehicles, with different drivers, with the NARA seals either broken or missing, and with the *Bill of Lading* altered so that the seal number of the missing NARA seal was not visible. The United States Attorney's Office declined criminal prosecution. The report was previously forwarded to NARA administration. In response, during this reporting period, NARA developed and implemented significant improvements to the agency's shipping process. These included revising standard contract terms to disallow more than one level of subcontracting, and instituting a new form addressing tampering with NARA locks and seals.

#### **Newly-Discovered Trove of Historical Materials to be Donated to NARA**

As previously reported, the OI received historically significant artifacts from a private citizen who discovered them in his family's residence. The citizen's relative, a U.S. Army interrogator, had records of his interviews of German officials after the end of World War II. The records included original German transcripts, English translations, and photographs related to World War II. The OI obtained the artifacts, and NARA's subject matter experts analyzed them, determining they should be preserved and added to NARA's collection. The artifacts were valued at \$17,500.

# *Investigations*

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## *Open and Completed Significant Investigations:*

### **Unsupported Claim of Hours Worked**

The OI investigated allegations that a NARA employee committed time and attendance fraud by falsely stating they worked eight hours on a day they did not report to work, and they occasionally did not work a full day. The employee did not come in to work on the day in question, but subsequently certified time records claiming a full day's work. The employee had initially applied for annual leave to cover the day, but rescinded the request. During the investigation, the employee provided conflicting accounts for the discrepancy. However, there was no evidence to support any of the conflicting accounts provided by the employee. The investigation determined the employee did not comply with the relevant procedures or record-keeping requirements, and certified and submitted a false time sheet. There was insufficient evidence to determine if the employee was arriving late and departing early, because NARA does not maintain reliable badge-in and badge-out records. The United States Attorney's Office declined criminal prosecution. In response to the investigation, the employee received a *Letter of Counseling* and was charged eight hours of annual leave.

### **Potential Threat to Specially-Protected Holdings**

The OI received an allegation a NARA employee was seen on multiple occasions transporting boxes of unknown content from a Presidential Library. The employee had recently failed a mandatory background credit check, causing them to lose unsupervised access to the facility's specially-protected holdings. The investigation determined that not all of the relevant security videotape of the employee had been preserved for review, and the facility did not have a complete inventory of its specially-protected holdings until the end of the investigation. Facility staff are not permitted to remove items from the facility without permission, but employees are not required to pass through a magnetometer or other screening process when they leave the facility. After reviewing the video evidence that remained, interviewing members of the facility's staff, and conducting voluntary searches of the employee's office, vehicle, and residence, the investigation concluded that there was no evidence that the employee had removed anything other than personal effects from the facility.

### **Misuse of Travel Card**

The OI investigated allegations a NARA employee used their Government-issued travel card to obtain unauthorized cash advances, in the same amount, two months in a row, while not in travel status. At the time of the first cash advance, the employee explained their spouse had inadvertently used the Government travel card instead of a personal credit card to withdraw cash for the employee before an official work trip that was later canceled. The employee was required to re-take travel card training, secure the Government travel card, and pay the value of the cash advance. After the second cash advance, the employee claimed their nephew had used the card without permission. The investigation revealed the employee had not secured the card, the spouse had used the card on both occasions for personal withdrawals, and the employee had not been honest and forthright in their explanations. The United States Attorney's Office declined criminal prosecution. The OI reported the results to NARA management to determine whether corrective action may be warranted.

# *Investigations*

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## **Stolen Military Identification “Dog Tags” Recovered**

The OI initiated an investigation concerning allegations that several American servicemen’s military identification “dog tags” from World War II-era records were stolen from NARA by a NARA researcher. In April 2019, the OI executed several search warrants, which led to the recovery of the missing dog tags. The OI also interviewed the NARA researcher, who admitted to stealing the dog tags. In May 2019, the OI arrested the NARA researcher, and they were charged in the U.S. District Court for the District of Maryland with one count of misdemeanor theft. The NARA researcher is scheduled to enter their plea in October 2019.

## **Employee Created *GoFundMe.com* Account During Furlough**

Following the partial shut-down of the Federal Government from December 2018 and into January 2019, the OI received an allegation that a furloughed NARA employee had created a *Gofundme.com* account soliciting funds for support of themselves and their children. The employee allegedly misused their position by identifying themselves as a Federal employee and issuing a blanket solicitation for funds that might come from subordinates, contractors, or other prohibited sources. It was further alleged that the employee had given misleading information regarding their number of children. The investigation determined that, at the time that the *Gofundme.com* account was created, neither NARA nor the Office of Personnel Management had issued clear ethics guidance concerning the rules governing employees who are in non-pay status and who seek financial assistance through crowdfunding campaigns such as *Gofundme.com*. The investigation also established that the employee had not made any misrepresentations about the number of children in their solicitation.

## **Vandalism and Theft at Gerald Ford Museum**

Two individuals vandalized the memorial inscription on former U.S. President Gerald Ford’s gravesite by prying off and stealing one of the bronze letters. The OI worked in collaboration with local law enforcement officials. The two individuals identified were charged in a Michigan District Court with misdemeanor theft. In July 2019, the individuals agreed to participate in a pre-trial diversion program, which required them to pay restitution and to perform court-mandated community service at the Gerald R. Ford Museum.

## **Arson at The National Archives Building in Washington, DC**

An individual set a fire with gasoline and a blanket against the main NARA building located in downtown Washington, DC. The OI, in collaboration with other Federal and local law enforcement, identified and located the individual responsible for the fire. In the days leading up to their arrest, the individual called various Federal law enforcement agencies to report that they had set the NARA building in Washington, DC, on fire. The individual also made several posts on a social media account admitting they set the fire. In May 2019, the suspect was interviewed, and after making additional admissions, was arrested. In May 2019, the individual was indicted by the U.S. District Court for the District of Columbia, and was charged with one count of arson. In July 2019, the individual accepted a plea bargain and was sentenced to one year and one day of incarceration, and supervised release for three years afterwards.

# *Investigations*

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## *Investigations of Senior Government Employees*

None this reporting period.

### *Significant Referrals*

#### **Aggressive, Erratic Employee Terminated**

The OI received information that a NARA employee characterized by co-workers as aggressive and emotionally volatile, began to exhibit odd, furtive, behaviors in public areas, drawing the attention of security staff. The employee's behavior escalated to the point they were reported as potentially exhibiting the signs-to-look-out-for in someone who might commit an act of workplace violence. The employee was temporarily banned from NARA facilities, and subsequently terminated.

### *Oversight*

#### **Barriers to Appropriate Sentences For Thefts of NARA Holdings**

In the course of several OI investigations of thefts of NARA artifacts resulting in criminal prosecutions, various officials have commented on the disparity in the Federal sentencing guideline for thefts from NARA holdings. Thefts from a national cemetery or veteran's memorial have enhanced sentences to account for the severity of the crime. Also, thefts of "cultural heritage resources" from the national park system; a National Historic Landmark; a national monument, memorial, marine sanctuary, cemetery or veterans memorial; a museum; or the World Heritage List also have enhanced sentences. These enhanced sentences acknowledge the unique cultural and national value of the items stolen. NARA's accessioned holdings are not included in these sentencing enhancements. Therefore, the recommended sentencing range under the sentencing guidelines is not reflective of the severity of the crime. The OI undertook a limited assessment to demonstrate the impact that allowing for similar sentencing enhancements for the theft of NARA artifacts (such as classifying them as "cultural heritage resources") would have on sentencing. Enhanced sentences could deter theft and appropriately punish those who steal NARA artifacts. The assessment was forwarded to NARA management.

#### **Review of Access to Special Holdings at Two Presidential Libraries**

The OI conducted a limited assessment of compliance with appropriate regulations regarding unescorted access to specially-protected holdings at two Presidential libraries. NARA policy restricts unescorted employee access to the Presidential libraries' specially-protected holdings to those who have security clearances, and to those who have passed a security check adjudicated by the NARA Security Management Division. Both Presidential libraries were in compliance with their understanding and application of the appropriate regulations. However, the Security Management Division did not have complete paperwork for every cleared employee, and the name of one employee who had been censured for having a lower-than-acceptable credit score remained on the Presidential library's list of cleared employees instead of being removed pending re-adjudication. The assessment has been forwarded to NARA administration for review and appropriate action.

# *Investigations*

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## **NPRC Releases of Personally-Identifiable Information**

The OI undertook a limited assessment of the National Personnel Records Center's (NPRC's) unintentional releases of personally-identifiable information (PII) as part of its response to records requests from veterans and other private citizens. The assessment's goals were to determine whether PII releases were concentrated among identifiable employees, to assess the nature and consistency of the Center's corrective actions, and to review the vulnerability of the PII. The assessment did not find that PII releases were concentrated among identifiable employees. Additionally, the assessment determined that the problem of inadvertent PII releases has been recognized for many years, and NPRC's policy has evolved into a practical and consistent system of accountability. The assessment further determined that reporting of these releases was addressed by a 2014 opinion from the NARA's Office of General Counsel that NPRC's disclosures were "low risk" because they were paper disclosures rather than electronic. The assessment's findings were forwarded to the Archivist of the United States for review.

## **Driver's License Verification for Employees Who Drive Government-Owned Vehicles**

The OI performed a limited assessment of NARA employees who drive Government-owned vehicles (GOVs) in the National Capital Area, to confirm that all corresponding drivers possess current/valid state or District of Columbia driver's licenses (as appropriate), and to ensure that NARA was in compliance with internal requirements. The assessment identified one driver with an out-of-state driver's license, one driver with no driver's license at all, and other inconsistencies. The assessment further revealed that current controls do not allow for adequate verification of valid driver's licenses for employees using NARA GOVs. This was especially concerning for operators who have six-month blanket authorization to operate a GOV, which may be convenient but may place NARA in a vulnerable position. Other problems identified included use of outdated versions of forms in some of the reviewed facilities and confusion regarding the retention regulations that govern forms, some of which may have been prematurely destroyed. The assessment's findings were forwarded to the Archivist of the United States for review.



# Investigations

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## 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 <http://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](mailto:oig.hotline@nara.gov)
- **By facsimile**  
(301) 837-0879
- **By online referral form**  
<http://www.archives.gov/oig/referral-form/index.html>

The OI promptly and carefully reviews calls, letters, and email to the Hotline. Hotline intakes which 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	208
Hotline and Complaints referred to NARA or another entity	93

## 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](http://www.archives.gov/oig/contractor-form/index.html).

# *Top Ten Management Challenges*

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Each year, Federal Inspectors General are required to identify and report on the top challenges facing their respective agencies. The most significant management and performance challenges facing NARA are based on legislative mandates and our experience and observations from our oversight work. We conduct independent audits, investigations, and other reviews in order to make NARA a better agency, hold people accountable, and prevent problems before they happen. To fulfill this mission, we focus our oversight work on areas we believe represent the agency's most significant challenges. Here are NARA's top ten management challenges.

## **1. Electronic Records Archives**

Electronic records are the future of government archiving, and the vast volumes of electronic records that will need to be preserved are simply staggering. NARA's plan to tackle this mission critical issue is the Electronic Records Archives (ERA) system. Initially billed as a solution for storing files in any format for indefinite future access, the program has been fraught with delays, cost overruns, funding shortfalls, and technical short-comings virtually since inception. As a result, many core requirements from initial plans have never been addressed, and the ERA lacks the capabilities originally envisioned. ERA faces many challenges going forward, including the predicted massive growth in the amount and diversity of digital materials NARA will have to preserve. This is coming at the same time stakeholders expect expanded capabilities, such as online access and searching, that drive openness and cultivate public participation.

The ERA is a "system of systems," with the ERA Base System the main point for receiving and storing records from Federal agencies. NARA has recognized problems with the ERA Base System's reliability, scalability, usability, and costs have prevented it from being adequate for NARA's current and expected future workload. These problems, combined with advances in technology (particularly cloud computing), led NARA to determine it is essential to evolve the ERA Base System. This will allow NARA to fix and re-factor current capabilities, as well as adapt and expand new capabilities to meet the expected demands of a rapidly growing backlog of digital material. Named ERA 2.0, this is an on-going development effort with limited implementation and estimated lifecycle costs of \$86 million. The ERA 2.0 Project Plan also includes subsuming some of NARA's legacy IT systems and deploying a classified ERA 2.0 in FY 2020. However, until ERA 2.0's functionality is put into full production, the current ERA's longstanding deficiencies may continue to impact NARA.

## **2. Improving Records Management**

While the ERA system is intended to handle electronic records received by NARA, the agency needs to ensure the proper electronic and traditional records are in fact preserved and sent to NARA in the first place. NARA must work with Federal agencies to ensure proper appraisal, scheduling, and transfer of permanent records in all formats. The major challenge is how best to accomplish this in a rapidly changing technological environment.

The Office of Management and Budget (OMB) M-19-21, *Transition to Electronic Records*, establishes new goals for electronic recordkeeping to support government-wide efforts to transition to a fully electronic (paperless) Government. M-19-21 directs agencies to manage *all* of their permanent records in electronic format by December 31, 2022. Agencies are also required to:

# *Top Ten Management Challenges*

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- (1) convert all temporary records to electronic format or store them in commercial storage facilities after December 31, 2022,
- (2) continue to manage email records in electronic format and continue efforts to manage permanent *electronic* records electronically by December 31, 2019 (both of these goals were established in 2012),
- (3) manage all permanent records electronically *and with appropriate metadata* – that meets NARA standards – by 2022, and
- (4) either stop producing temporary records in analog formats by 2022 or prepare to store future temporary records in commercial facilities.

M-19-21 also directs agencies who operate their own records storage facilities to transfer their records to the Federal Records Centers Program or a commercial storage facility and close their agency-owned facilities by December 31, 2022.

NARA and the rest of the government is challenged with meeting these deadlines while determining how best to manage electronic records and make e-Government work more effectively.

### **3. Information Technology (IT) Security**

NARA's challenges in IT Security continue to mount against the agency's goals to accomplish its mission as the nation's record keeper. Over the past decade, annual Federal Information Security Modernization Act (FISMA) assessments have consistently identified areas in need of significant improvement. NARA labeled IT Security a "material weakness" under the Federal Managers' Financial Integrity Act (FMFIA) from 2007 to 2019 with exceptions in 2013 and 2014, when it was considered a "reportable issue." While management has developed an action plan to resolve identified control deficiencies, NARA does not expect to fully implement it until FY 2023.

Many of NARA's issues stem from control weaknesses which contribute to underdeveloped or ineffectively implemented policies, and the Chief Information Officer's (CIO's) lack of insight into NARA's overall IT architecture and security. Further, NARA's IT systems oftentimes bypass the formal security assessment and authorization requirements before commencing operations, putting data security and system functionality at risk. Adding to the challenge, the CIO does not report directly to the agency head. These conditions cause current security and performance problems, and inhibit NARA from effectively establishing a strategy for the next generation of NARA's network.

While NARA has introduced initiatives to promote a mature program, real progress will not be made until NARA establishes an effective system of internal control for information security. NARA's mission relies on the confidentiality, integrity, and availability of our electronic records and IT systems. NARA must ensure the security of its data and systems, or risk undermining the agency's credibility and ability to carry out its mission.



# *Top Ten Management Challenges*

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## **4. Expanding Public Access to Records**

Records that cannot be accessed have little use, and the public expects more and more records to be online. NARA's strategic goal to "Make Access Happen" affirms public access as NARA's core purpose, and NARA has committed to digitize the nation's archives and make them available online. This goal is a massive undertaking involving billions of pages, films and photographic media, and other records. However, NARA's historic digitization approaches were not large enough to make significant progress. Other attempts have had issues as well. For example, poor planning and system limitations kept millions of records digitized by NARA partners from being made accessible to the public in an efficient and timely manner. NARA must ensure the appropriate management, controls, and resources are in place to successfully implement an effective digitization strategy and expand public access to records.

At a basic level, in order to "Make Access Happen" NARA must gain physical and intellectual control over its holdings. That is, NARA must physically control the records and know what they are. This initial step is referred to as archival processing. However, approximately 20 percent of NARA's textual holdings (by series) have not been processed, so the public does not have efficient and effective access to them. Thus, the agency has begun an initiative to accelerate archival processing to increase the records available for research. To meet its mission, NARA must work to ensure it has the processes and resources necessary to establish intellectual control over this backlog of unprocessed records. This work includes standardizing processing procedures across the agency, strengthening internal controls, and monitoring performance.

## **5. Meeting Storage Needs of Growing Quantities of Records**

NARA is running out of room and is challenged in acquiring sufficient archival space to store its current volume of textual records. Even with the rise of electronic records and the requirements of M-19-21, Transition to Electronic Records, there are still decades worth of paper records still scheduled to come to NARA. Currently space limitations affect NARA's accessioning, processing, preservation, and other internal efforts. By law, the Archivist is responsible for the custody, control, operation, and protection of NARA's buildings used for the storage of Federal records. NARA regulations require these facilities to meet certain physical and environmental requirements. Without additional space, NARA may have to house historical records in space not meeting its own requirements. The challenge is to ensure NARA's and other agencies' facilities comply with NARA regulations or to effectively mitigate risks to records stored in sub-standard facilities.

Additionally, the agency is also challenged to meet data storage requirements for electronic records. NARA's in-house data storage is reaching capacity, impacting the agency's digitization efforts and other IT programs. Increasing amounts of electronic data storage are necessary for NARA to meet its mission. Without adequate storage, NARA cannot continue accepting, storing, and processing electronic records or make them available to the public. NARA is challenged to develop an enduring enterprise-wide data storage management solution appropriate for handling the nation's history while complying with OMB's Federal Data Center Consolidation Initiative, which focuses on reducing the energy and real estate footprint.

# *Top Ten Management Challenges*

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## **6. Preservation Needs of Records**

Every day NARA's holdings age and slowly degrade. This is true for all records, not just paper, as time affects the physical media electronic and audiovisual records are stored on as well. Further, as computer programs become obsolete, the records stored in those formats may become impossible to use. Preserving records is a fundamental element of NARA's duties to the country, as NARA cannot provide access to records unless it can preserve them for as long as needed. NARA's new Preservation Strategy (2019–2022) emerged from the findings of an FY 2018 Preservation Programs internal review. The aim of the review was to critically evaluate preservation needs across NARA with a view to recommending how Preservation Programs can meet the challenges facing NARA now and in the future. The review identified many issues that needed consideration, including: supporting the delivery of increasing volumes of electronic records to the American public online (NARA's Strategic Goal 1); climate instability, which will require reassessing how NARA preserves its holdings; and working with fixed or reduced resources. Without action, pieces of the unique history of America will be lost.

## **7. Improving Project and Contract Management**

NARA faces significant challenges concerning project and contract management. For example, there have been cost and schedule overruns, contract requirements are not always well defined, large dollar IT contracts have lacked adequate oversight, contractor performance is not consistently evaluated and reported, and IT projects are not always carried out in accordance with guidelines. This affects whether or not NARA obtains the right goods and services at the right price. NARA is challenged with instilling the proper management structure, function, coordination, and visibility to adequately align acquisition functions with NARA's mission and needs. A significant part of this challenge is NARA's acquisition workforce. Strengthening the acquisition workforce is essential to improving contractor management and oversight. However, NARA does not effectively identify and track the agency's acquisition workforce, or coordinate with program areas when designating CORs. This has led to using CORs without proper certifications. NARA is challenged to strengthen internal controls over acquisition functions and provide better oversight and management of its procurement activities to ensure it effectively and efficiently adheres to Federal and internal guidance.

The OIG has encountered multiple examples of project management issues. For example, NARA relied on end-of-life servers, hindering IT modernization efforts. Further, NARA did not document briefings to its senior management oversight group during the development of NARA's largest IT project, the ERA system, and there is little evidence the group identified or took appropriate corrective actions. However, NARA spent more than \$23 million and 3.5 years developing solutions to correct deficiencies in the ERA Base System. Its successor, the ERA 2.0 project, continued to experience challenges including funding and aligning with NARA's System Development Life Cycle (SDLC) policy. Additionally, despite spending approximately \$2.8 million over the past 12 years, NARA has not fully implemented all of the requirements in Homeland Security Presidential Directive-12. The GAO also reported NARA inconsistently used earned value management (EVM), a project management approach providing objective reports of project status and early warning signs of cost and schedule overruns. Inconsistent use of key disciplines like EVM limits NARA's ability to effectively manage projects and accurately

# *Top Ten Management Challenges*

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report on their progress.

## **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 is threatened by fire and other man-made and natural disasters. Yet the threats do not stop there as NARA holds troves of national security information as well. NARA must ensure the safety and security of people and records in our facilities. NARA's security posture has improved with the implementation of the Holdings Protection Team and stricter access controls. However, NARA's challenge is to run an effective Holdings Protection Program in an environment where new threats emerge and adversaries are continuously adapting.

## **9. Human Resources Management**

NARA's employees are the backbone of the agency, and one of NARA's strategic goals is to "build our future through our people." In May 2019, NARA completed the migration of staffing, classification, employee benefits, and workers' compensation functions to the Department of Treasury, Bureau of the Fiscal Service, Administrative Resource Center (ARC). NARA is challenged to correct past deficiencies in Human Capital practices, including HR data and electronic Official Personnel Folders (eOPF), to enable support of NARA's mission. NARA's ability to attract, recruit, and retain employees is critical to many of the other top management challenges, but NARA continues to lack adequate policies and procedures making it difficult to manage human capital effectively and efficiently.

## **10. Enterprise Risk Management**

OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control is designed to ensure Federal managers effectively manage risks. It does this by implementing Enterprise Risk Management (ERM) practices and internal controls. An effective ERM capability:

- creates and protects value;
- is an integral part of organizational processes and decision making;
- is dynamic, iterative, and responsive to change; and
- facilitates continual improvement of the organization.

However, NARA management has not made ERM a strategic priority and has yet to implement an ERM program that clearly identifies, prioritizes, and manages risks. As a result, management's internal control activities and assurance statements continue to be based on work at the individual function, program, and office level. Without an effective ERM process in place that clearly identifies, categorizes, and assesses the effectiveness of controls related to key risks, the Archivist's annual assurance statement to the President and Congress might not clearly reflect NARA's current internal control environment, including risks. NARA's challenge is to ensure the agency complies with the requirements of OMB Circular A-123, and develops and fully implements an ERM capability to effectively identify, manage, and mitigate critical agency risks.

# *Reporting Requirements*

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

<b>IG Act § or Law</b>	<b>Subject</b>	<b>Page(s)</b>
§ 4(a)(2)	Review of legislation and regulations	3, 8, 11
§ 5(a)(1)	Significant problems, abuses, and deficiencies discovered during the reporting period	2–5, 13–18
§ 5(a)(2)	Significant recommendations for corrective action	2, 13, 31–33
§ 5(a)(3)	Prior significant recommendations on which corrective action has not been completed	31–33
§ 5(a)(4)	Summary of prosecutorial referrals and convictions	15–17, 27
§ 5(a)(5)	Information or assistance refused and reported to agency head	30
§ 5(a)(6)	List of audit, inspection, and evaluation reports issued	28
§ 5(a)(7)	Summaries of significant reports	2–5, 13–18
§ 5(a)(8)	Questioned costs in audits, inspections, and evaluations	28
§ 5(a)(9)	Funds put to better use in audits, inspections, and evaluations	29
§ 5(a)(10)	Prior audit, inspection, and evaluation reports with no management decision, no management comment, or unimplemented recommendations	30
§ 5(a)(11)	Significant revised management decisions	30
§ 5(a)(12)	Significant management decisions with which the OIG disagreed	30
§§ 5(a)(14), (15), (16)	Reporting on OIG peer review	11
§ 5(a)(17)	Statistical table on investigations and referrals	27
§ 5(a)(18)	Description of metrics used in § 5(a)(17) table	27
§ 5(a)(19)	Reporting on substantiated investigations of senior government employees	18
§ 5(a)(20)	Reporting on substantiated whistleblower retaliations	30
§ 5(a)(21)	Reporting on agency attempts to interfere with OIG independence	30
§ 5(a)(22)(A)	Closed inspections, evaluations, and audits not disclosed to the public	30
§ 5(a)(22)(B)	Closed investigations of senior government employees not disclosed to the public	18
P.L. 110-181	Annex on completed contract audit reports	29
P.L. 104-106	Open audit recommendations	31–33

# 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	208
Hotlines and complaints referred to other parties during this reporting period	68
Investigations opened this reporting period	4
Investigations closed this reporting period	6
Investigative reports issued this reporting period	6
<i>Investigative Results</i>	
Total individuals referred to DOJ for prosecution	7
Individuals referred to DOJ – accepted for prosecution	3
Individuals referred to DOJ – declined for prosecution	8
Individuals referred DOJ – pending prosecution decision	1
Total individuals referred to state and local authorities for prosecution	2
Individuals referred to state and local authorities – accepted for prosecution	2
Individuals referred to state and local authorities – declined for prosecution	0
Individuals referred state and local authorities – pending prosecution decision	0
Arrest	4
Indictments and information	1
Convictions	3
Fines, restitutions, judgments, and other civil and administrative recoveries	\$367,250
<i>Administrative Remedies</i>	
Employee(s) terminated	1
Employee(s) resigned	0
Employee(s) suspended	0
Employee(s) given letter of reprimand or warnings/counseled	7
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
19-AUD-10	Oversight of Electronic Records Management in the Federal Government	6/11/2019	\$0	\$0	\$0

## LIST OF OTHER REPORTS ISSUED

Report No.	Title	Date
19-R-08	2019 2 <sup>nd</sup> Quarter Open Recommendations Report	5/10/2019
19-R-09	Improper Payments Requirements FY 2018	6/3/2019
19-R-11	Accessioning Expected Records	6/25/2019
19-R-12	2019 3 <sup>rd</sup> Quarter Open Recommendations Report	7/15/2019
19-R-14	2019 4 <sup>th</sup> Quarter Open Recommendations Report	9/30/2019

## 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

# Reporting Requirements

## **AUDIT, INSPECTION, AND EVALUATION REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE Requirement 5(a)(9)**

<b>Category</b>	<b>Number</b>	<b>Dollar Value</b>
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	0	\$0
(i) dollar value of recommendations that were agreed to by management	0	\$0
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	\$45,360,034
E. For which no management decision was made within 6 months of issuance	2	\$45,360,034

### **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 the ERA and other contracts during this period, they were generally program audits as opposed to contract audits.

# 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. The OIG, in concert with the agency, has continued working to close recommendations. During this period, 65 audit recommendations were closed and 1 was subsumed into another recommendations. At the close of the period, there were 293 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	4
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	5
12-11	8/27/2012	Network Discovery and Assessment	4
12-15	7/23/2012	Classified Systems	4
13-01	12/10/2012	Internal Controls Program	1
13-08	7/9/2013	Preservation Program (Textual)	10
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	5

# Reporting Requirements

Report Number	Date Issued	Title	Number of Open Recommendations
15-02	11/12/2014	Mobile Device Management <i>Funds Put to Better Use - \$10,034</i>	6
15-03	2/6/2015	Specially Protected Holdings	18
15-11	5/5/2015	Digitization Storage and Transfer Capabilities	1
15-13	8/24/2015	Human Resources Systems and Data Accuracy	3
15-14	9/29/2015	Space Management (Textual)	1
15-15	9/30/2015	Assessment of Cable Infrastructure	8
16-01	10/19/2015	Web Hosting Environment	20
16-02	1/16/2016	Compliance with FISMA, As Amended	7
16-05	3/25/2016	Publicly-Accessible Websites	12
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-02	11/4/2016	Information System Inventory	8
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	19
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	10
17-AUD-12	6/19/2017	Online Access to Digitized Holdings	1
17-AUD-16	9/27/2017	FOIA Program	2
18-AUD-02	11/8/2017	Compliance under the Digital Accountability and Transparency Act of 2014	2

# Reporting Requirements

Report Number	Date Issued	Title	Number of Open Recommendations
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>	13
18-AUD-09	6/4/2018	Human Capital Practices	4
18-AUD-11	8/6/2018	Research Services' Analog Processing	1
18-AUD-14	8/20/2018	Continuity of Operations (COOP) Readiness	12
19-AUD-01	11/15/2018	FY 2018 Consolidated Financial Statements	8
19-AUD-02	12/21/2018	Oversight of FY 2018 FISMA Assessment	24
19-AUD-03	12/20/2018	Presidential Libraries' Analog Processing	6
19-AUD-07	3/29/2019	Purchase Card Program <i>Funds Put to Better Use - \$131,816</i>	9
19-AUD-10	6/11/2019	Oversight of Electronic Records Management in the Federal Government	10



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