



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

APRIL 1, 2018 *to* SEPTEMBER 30, 2018



NATIONAL  
ARCHIVES



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INSPECTOR GENERAL  
NATIONAL ARCHIVES

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# FOREWORD

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*I am pleased to present our 59th 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, 2018 to September 30, 2018. This year we mark the 40th anniversary of the Inspector General Act and the creation of the original 12 Offices of Inspectors General. Our office was created in the Act's 1988 amendments. Since then, we have been part of a community that has grown to include 73 statutory Inspectors General who collectively oversee the operations of nearly every aspect of the Federal Government. Every six months we provide Congress with a report detailing our independent oversight of NARA. In the years to come, we look forward to providing independent and effective oversight of NARA, and working with the Council of Inspectors General on Integrity and Efficiency on important issues cutting across our Government.*

*The audits, investigations, and other 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. Our goal is simple, assist the agency in meeting its mission by making programs and operations more efficient and effective; detect and prevent fraud, waste, and abuse; and help ensure taxpayer dollars are spent in the most economical manner.*

*This semiannual report contains dynamic OIG audits and investigations providing management with critical information to change the direction and focus of programs and operations. For example, we audited NARA's Human Capital office and found NARA did not effectively perform its delegated duties. Specifically, the office operated without a strategic plan, and lacked documentation supporting its objectives, priorities, and specific plans to execute its responsibilities. There were missing or ineffective internal controls; a lack of standardized processes, guidance, and training; and ineffective systems marred with data integrity issues. Further, the office had a negative culture resulting in allegations of a hostile work environment. These included claims of retaliation, harassment, and discrimination. As a result of these findings, management took prompt actions to significantly change the direction of the program, and announced a plan to implement a shared service arrangement.*

*Additionally, during the period we continued an investigation of a researcher's theft of personal artifacts, such as dog tags, of downed World War II Airmen. These were artifacts recovered from aircraft wreckage, including planes shot down behind enemy lines. Some showed the scars of war such as dents and charring from fires. When our agents executed a search warrant at the researcher's residence, they found a number of historically significant artifacts, and information used to track down and retrieve items sold across the United States and Europe. In January 2018, the researcher pleaded guilty to one count of theft. In this reporting period the researcher was sentenced to imprisonment, community service, and ordered to pay restitution. Further, the researcher was banned from entering NARA facilities for life. As a result of this investigation, management strengthened internal controls and changed the way these artifacts are served to researchers.*

*I continue to be extremely proud of the hard work and tireless efforts of my staff, and commend their efforts. I am also appreciative of management's efforts to assist the OIG in completion of our audit and investigative efforts.*



James Springs  
Inspector General

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*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 59th 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, including the Electronic Records Archives (ERA). During the reporting period, the OIG issued the following audits and other non-audit reports. 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.

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

- **Audit of NARA's Human Capital Practices.** NARA's Human Capital office did not effectively perform its delegated duties. Specifically, it operated without a strategic plan and lacked documentation supporting its objectives, priorities, and specific plans to execute delegated responsibilities. We also found non-existent or ineffective internal controls; a negative culture within the organization resulting in allegations of a hostile work environment, including claims of retaliation, harassment, and discrimination; lack of standardized processes, guidance, and training; and ineffective systems marred with data integrity issues. These conditions existed due to the absence of clear leadership and guidance within Human Capital. The inability for Human Capital leadership to strategically act and recognize the magnitude of problems within the organization significantly contributed to the organization's deterioration and lack of confidence by NARA offices who rely on them for hiring and staffing and to support NARA's strategic goal "To Build Our Future Through Our People." (OIG Audit Report No. 18-AUD-09, dated June 4, 2018. See page 12.)
- **Audit of NARA's FY 2017 Compliance with Improper Payment Requirements.** NARA was fully compliant with Improper Payments Elimination and Recovery Act of 2010 (IPERA) requirements to report information on improper payments to the President and Congress through their annual Performance and Accountability Report (PAR) or Agency Financial Report (AFR), and to conduct program specific risk assessments. We also found NARA's reporting on IPERA and the Do Not Pay Initiative was accurate and complete. (OIG Audit Report No. 18-AUD-10, dated May 15, 2018. See page 12.)
- **Audit of Research Services' Analog Processing.** While Research Services has made progress in implementing controls to improve its analog processing program, additional controls are needed to enhance Research Services' processing efforts to meet strategic goals. Processing rates must be improved to meet strategic goals and there was duplication of efforts in processing, inconsistencies in quality control activities and documentation, lack of adherence to internal control reporting requirements, and a lack of data verification within the Performance Management and Reporting System (PMRS). These conditions were caused by an employee learning curve on the new Research Services Processing Manual, startup time for new process implementation, lack of

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awareness of certain agency reporting requirements, and according to NARA, resource constraints. As a result, Research Services may be challenged in addressing its processing backlog and meeting strategic goals. (OIG Audit Report No. 18-AUD-11, dated August 6, 2018. See page 13.)

- **Audit of NARA’s Continuity of Operations (COOP) Readiness.** NARA is progressing toward a more mature, agency-wide continuity of operations (COOP) program. However, multiple opportunities for improvement exist. Not all of NARA’s COOP personnel are telework-ready or telework-capable, NARA was operating without a valid Memorandum of Understanding (MOU) for its alternate facility, the Information Technology (IT) inventory and network diagrams at the alternate facility were inaccurate or outdated, and Staff Accountability and Personnel Readiness Data submissions during continuity exercises were not always completed and accurately tracked. These weaknesses are attributed to inconsistently developed or implemented policies and procedures, previously discovered weaknesses not being mitigated in a timely manner, and a lack of coordination and communication. Without improvements, NARA may not be able to ensure its full compliance with federal and internal continuity requirements, and may not develop and sustain a mature COOP program. (OIG Audit Report No. 18-AUD-14, dated August 20, 2018. See page 13.)

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

- **NARA’s Compliance with Binding Operational Directive 18-01.** Overall, NARA is making significant progress toward implementing Binding Operational Directive (BOD) 18-01 with “.gov” websites and emails. Based on June 2018 scans, NARA was 94% compliant with the website portion and 73% compliant with the email portion of the BOD. However, there are two categories, one in websites and one in emails, that were not incorporated into the compliance percentages as required. As a result, NARA cannot ensure the accuracy of those June 2018 scans. Further, NARA is not providing the appropriate oversight of its third-party websites and is not ensuring all emails sent on behalf of the agency by third-party vendors are compliant with BOD 18-01. (OIG Audit Report No. 18-SR-12, dated August 7, 2018. See page 14.)
- **NARA’s Plans to Make Electronic Records Archives-Congressional Records Instance Records (ERA-CRI) Available to the Public.** With the increase in volume of electronic records from Congress, NARA needs to start planning on how it will fulfill its goal of making access happen as it relates to electronic congressional records. The planning may include the need for additional resources, as well as updating the roles and responsibilities of current staff members, along with updating policies and procedures. It will also include incorporating the ERA-CRI into the upgraded ERA 2.0 system. (OIG Report No. 18-SR-13, dated August 17, 2018. See page 15.)

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## **Management Assistance and Other Work**

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

- Continued running the newly renamed 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 to comment on, interpret, and implement new legislation. Further, the coordinator traveled to five NARA field sites to teach employees in person about whistleblower rights and options.
- Responded to multiple requests for OIG records under the Freedom of Information Act (FOIA). During this period the OIG assisted in drafting motions in a multi-agency FOIA related lawsuit.
- Provided substantial suggestions for improving several draft NARA directives and policy documents, including documents covering bringing food and drinks near archival and Federal Records Center holdings, performance management and administrative grievances, debarment, and discipline and adverse actions.
- Responded to 40 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 management letters detailing specific issues or vulnerabilities we observe. Assessments are typically preliminary 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. In this period the OI received and reviewed 178 complaints and other intake actions, opened seven new investigations, and closed 13 existing investigations.

This fiscal year, cost savings calculations attributed to OI work product has exceeded \$500,000. These funds were primarily attributed to the salaries of employees that were not paid due to suspensions, terminations, and resignations. For actions where the employee no longer works for NARA as a result of the investigation, we calculated the savings as one year's worth of the offending employee's salary. Cost savings also 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.

Other highlights for this reporting period include:

- The criminal conviction, sentencing, and lifetime ban of a former NARA researcher who previously pleaded guilty to the theft of NARA artifacts.
- The execution of a Federal search warrant on a private residence and storage unit for the recovery of potentially stolen NARA holdings.
- The arrest of an individual whom the investigation identified was responsible for making a bomb threat to the National Archives at Boston, MA.

Additionally, we continue to monitor misuse of NARA information technology resources, and work closely with the agency to address identified issues.

# *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) 2017, NARA had more than 58 million online visits in addition to hosting 6.1 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 2018, NARA was appropriated \$403 million, including \$385 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 2,856 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 2018, 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, a new Special Agent in Charge was hired. At the close of the period the OIG had 17 FTEs on board, including an Inspector General, nine FTEs devoted to audits, five 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 assisting in creating 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 a vice 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.

# *Activities*

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## **CIGIE Training Institute**

The OIG counsel continued to work with the CIGIE Training Institute. In this period OIG counsel taught several sections of the IG Investigator Training Program at the Federal Law Enforcement Training Center in Glynco, GA.

## **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 IT 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.

## **IG Commemoration Working Group (IG WG)**

The OA regularly attends and participates in the IG WC. This ad-hoc working group is tasked with planning and coordinating events to celebrate the 40th anniversary of the IG act that created the first Offices of Inspector General at large departments; the 30th anniversary of the amendments that extended the reach of the IG Act to designated entities; and the 10th anniversary of the IG Act amendments that created CIGIE. OA serves on the Branding Subcommittee of the IGWG and led the efforts to create logos, themes, banners, etc. to be used throughout the commemorative events.

## **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 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.

# *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 2019.

### **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 by communicating and meeting with congressional staff and responding to various requests. This period the OIG actively worked with the CIGIE Legislation Committee to present potential issues with various pieces of potential legislation affecting whistleblowers and the Antideficiency Act, and help communicate the views of CIGIE to relevant Congressional committees.

# *Audits and Reports*

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## **Audit and Reports Overview**

During this reporting period, the OIG issued four final audits, and two 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:

- Select NARA IT Contracts for Provisioned IT Services (Oversight and Management of Contracts), determining whether NARA provides effective oversight and management of certain contracts. This includes determining whether NARA can demonstrate monitoring contractor performance according to Federal requirements and guidance, NARA policies and procedures, and the terms of the contract.
- NARA's Oversight of Electronic Records Management in the Federal Government, determining whether weaknesses identified in the Audit of NARA's Oversight of Electronic Records Management in the Federal Government (OIG Audit Report 10-04, dated April 2, 2010) still exist and program/internal controls are adequate to meet the mission of electronic records management.
- NARA's Purchase Card Program (PCP), determining whether internal controls for NARA's PCP are adequately designed and appropriately implemented to effectively deter fraud, waste, or abuse; the PCP has effective oversight and management; and the PCP is operating in compliance with applicable laws, regulations, and agency policies.
- Presidential Libraries' Analog Processing, determining whether weaknesses identified in the Audit of Processing of Textual Records (OIG Audit Report No. 13-14, dated September 18, 2013) still exist and internal controls are adequate to meet the mission of processing textual records at the Presidential Libraries. Also, we will evaluate the impact of digitization on processing.
- Consolidated Audit of NARA's FY18 Financial Statements, rendering an opinion on whether NARA's consolidated financial statements are presented fairly in all material respects. The contractor will issue reports on its conclusion based on the testing of internal controls and compliance with laws and regulations.
- NARA's Compliance with FISMA, assessing the adequacy of controls over information security and compliance with information security policies, procedures, standards, and guidelines. The project will include tests of the effectiveness of information security control techniques.
- NARA's Classified Systems, determining whether NARA's classified systems are properly managed and adequately secured. We will seek to determine whether the security of NARA's classified systems are compliant with federal and NARA security policies and guidelines.

# *Audits and Reports*

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## **Audit Summaries**

### **Audit of NARA's Human Capital Practices**

NARA's Human Capital did not effectively perform its delegated duties. Specifically, we found the organization to be operating without a strategic plan and a lack of documentation supporting its objectives, priorities, and specific plans to execute delegated responsibilities. We also found non-existent or ineffective internal controls; a negative culture within the organization resulting in allegations of a hostile work environment, including claims of retaliation, harassment, and discrimination; lack of standardized processes, guidance, and training; and ineffective systems marred with data integrity issues. These conditions existed due to the absence of clear leadership and guidance within Human Capital. The inability for Human Capital leadership to strategically act and recognize the magnitude of problems within the organization significantly contributed to the organization's deterioration and lack of confidence by NARA offices who rely on them for hiring and staffing and to support NARA's strategic goal "To Build Our Future Through Our People."

In September 2017, NARA announced a major transition in Human Capital with the migration to a new shared service provider for human resources systems and services. The migration is expected to occur in Fiscal Year (FY) 2019. The provider will provide new systems for personnel, recruitment, and time and attendance. The provider's staff will also provide human resources services, including staffing and recruitment, employee benefits, workers compensation, and payroll services. NARA stated these steps were necessary to improve the timeliness of the hiring process and provide better human capital services. A new shared service provider will provide NARA with standardized processes and service-level agreements ensuring more NARA hiring actions are completed within the 80-day standard. Until NARA successfully completes the migration to the new shared service provider, the deficiencies identified during the audit represent a material weakness in Human Capital and will continue to have a negative impact on NARA's performance.

The report made six recommendations to strengthen Human Capital's control environment. (OIG Audit Report No. 18-AUD-09, dated June 4, 2018.)

### **Audit of NARA's FY 2017 Compliance with Improper Payment Requirements**

We found NARA to be compliant with improper payment requirements. Specifically, NARA was fully compliant with IPERA requirements to report information on improper payments to the President and Congress through their annual Performance and Accountability Reports (PAR) or Agency Financial Reports (AFR), and to conduct program specific risk assessments. We also found NARA's reporting on improper payments (reporting on IPERA and the Do Not Pay Initiative) was accurate and complete.

NARA has a risk assessment process in place for determining whether NARA has programs or activities susceptible to significant improper payments. NARA also has procedures in place to identify, estimate and report on improper payments. Based on their risk assessments, NARA

# *Audits and Reports*

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determined the programs and activities reviewed were not susceptible to significant improper payments, and therefore NARA was not required to perform four of six IPERA requirements. NARA also reported that payment recovery audits would not be cost-effective and appropriately notified OMB. NARA ensured improper payments in FY 2017 did not exceed 1.5 percent of program outlays, and concluded FY 2017's improper pay rate was less than 1 percent. As a result, it appears NARA is adequately safeguarding those funds against improper payments. (OIG Audit Report No. 18-AUD-10, dated May 15, 2018.)

## **Audit of Research Services' Analog Processing**

While Research Services has made progress in implementing controls to improve its analog processing program, additional controls are needed to enhance Research Services' processing efforts to meet strategic goals. Specifically, we found processing rates must be improved to meet strategic goals; duplication of efforts in processing; inconsistencies in quality control activities and documentation; lack of adherence to internal control reporting requirements; and lack of data verification within the Performance Management and Reporting System (PMRS). These conditions were caused by an employee learning curve on the new Research Services Processing Manual, startup time for new process implementation, lack of awareness of certain agency reporting requirements, and according to NARA, resource constraints. As a result, Research Services may be challenged in addressing its processing backlog and meeting strategic goals.

We also found all means of efficiencies between processing and digitization have not been identified as Research Services has not considered digitization in its basic processing assessments. This condition occurred as NARA did not consider digitization as a standard of basic processing. As a result, Research Services loses the opportunity to further digitization efforts and improve tracking and prioritization of series for digitization. Further, NARA's Imaging Digitization Lab is not organizationally aligned with the Research Services archival units for whom the lab performs digitization work. The Imaging Digitization Lab was not realigned under Research Services archival units as management may not have sufficiently evaluated the organization's structure during a May 2014 reorganization effort of other digitization labs. Realigning the Imaging Digitization Lab under Research Services would better structure textual digitization processes within the archival unit, eliminate organizational barriers, and create efficiencies. We also found adding digitization to the processing workflow would increase processing times by nearly ten times the current rate. Further, we determined while NARA digitization partners can further digitization goals, the digitization partnerships can also deter processing goals without effective communications and planning between Research Services and the Office of Innovation.

The report made seven recommendations to strengthen Research Services' control environment, streamline archival functions, better align agency functions and units, and ensure consistency with agency policy. (OIG Audit Report No. 18-AUD-11, dated August 6, 2018.)

## **Audit of NARA's Continuity of Operations (COOP) Readiness**

NARA is continuously progressing toward a more mature, agency-wide continuity of operations (COOP) program. However, opportunities for improvement exist in COOP planning and

# *Audits and Reports*

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preparation, Information Systems Contingency Planning (ISCP), management of essential documents, training, and the submission process for required documentation. Specifically, we found not all of NARA's COOP personnel are telework-ready or telework-capable; NARA was operating without a valid Memorandum of Understanding (MOU) for its alternate facility; the Information Technology (IT) inventory and network diagrams at the alternate facility were inaccurate or outdated; and Staff Accountability and Personnel Readiness Data submissions during continuity exercises were not always completed and accurately tracked.

We also found contingency planning for information systems supporting essential functions remains a challenge. Weaknesses continue to exist in NARA's identification of mission-critical systems, management of information system inventory and system security categorization, and maintenance of ISCP documents in accordance with NARA policy and federal guidance. Although COOP Plans for the Headquarters (HQ) and field sites were generally maintained up-to-date, other Emergency Response Plans, including the Occupant Emergency Plans (OEPs), Pandemic Influenza Plans (PIP), and Records Emergency Plans (REPs), were not always maintained in accordance with federal guidance and NARA policies and procedures.

While NARA tracks the overall number of employees who take annual COOP training, it does not track the training status based on the designated role of the employee (senior leadership, staff with assigned COOP roles, and all other staff). We also found there is a lack of mission-specific training tailored to each NARA organization supporting the essential functions. Finally, NARA does not ensure the Standard Form 2050 (SF-2050), Reconstitution Questionnaire, is reviewed and submitted to the General Services Administration (GSA) for NARA's headquarters on an annual basis as required. These weaknesses are attributed to inconsistently developed or implemented policies and procedures, previously discovered weaknesses not being mitigated in a timely manner, and a lack of coordination and communication. Without improvements, NARA may not be able to ensure its full compliance with federal and internal continuity requirements, and may not develop and sustain a mature COOP program.

The report made a total of 30 recommendations relating to COOP planning and preparation, ISCP, management of essential COOP documents, COOP training, and the submission process for required COOP documentation. These recommendations, if implemented will strengthen NARA's COOP program and provide additional assurance that NARA can continue its essential functions with minimal disruptions in the event of an emergency or disaster. (OIG Audit Report No. 18-AUD-14, dated August 20, 2018.)

## **Summaries of Other Major Reports**

### **NARA's Compliance with Binding Operational Directive 18-01**

Overall, NARA is making significant progress toward implementing Binding Operational Directive (BOD) 18-01 with ".gov" websites and emails. Based on the June 9, 2018 cyber hygiene scans, NARA is 94% compliant with the website portion and 73% compliant with the email portion of the BOD. However, there are two categories, one in websites and one in emails, that are not incorporated into the compliance percentages as required. As a result, NARA cannot

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ensure the accuracy of the scan results indicating 94% of websites and 73% of emails are compliant with BOD 18-01.

NARA is not ensuring all websites including those operated by a third party on behalf of NARA are compliant with BOD 18-01. NARA is not providing the appropriate oversight of its third-party websites. This is especially concerning considering NARA has several third party hosted websites that collect either proprietary or Personally Identifiable Information (PII). BOD 18-01 applies to internet-facing agency information systems, which encompasses those systems directly managed by an agency as well as those operated on an agency's behalf. BOD 18-01's primary focus is on agency mail and web infrastructure, regardless of domain suffix. By not verifying all websites are compliant with BOD 18-01, NARA cannot ensure the confidentiality and integrity of internet-delivered data is protected for users of its websites.

NARA is not ensuring all emails sent on behalf of the agency by third-party vendors are compliant with BOD 18-01. NARA is not providing the appropriate oversight of its vendors that send emails on its behalf. While DHS reported NARA is 73% compliant with the email portion of BOD 18-01 as of June 9, 2018, this percentage does not include those vendors that send emails on behalf of NARA. According to NARA's Information Security personnel, there are two vendors currently sending emails on behalf of NARA. Information Services is working to ensure the two vendors meet BOD 18-01 requirements. We noted there are other vendors who send emails on behalf of NARA that Information Services is not aware of. For example, NARA's Continuity of Operations Planning (COOP) vendor website sends emails on behalf of NARA to NARA employees notifying them when the COOP plan has been activated. Without ensuring all emails are compliant with BOD 18-01, NARA lacks assurance the integrity and confidentiality of such emails are maintained.

The report made three suggestions as NARA continues progress toward fully implementing BOD 18-01. (OIG Audit Report No. 18-SR-12, dated August 7, 2018.)

## **NARA's Plans to Make Electronic Records Archives-Congressional Records Instance (ERA-CRI) Records Available to the Public**

Based on an OIG request for information about open records in ERA-CRI that have crossed, or are approaching the 20 or 30 year thresholds under the relevant access rules, NARA estimates there are fewer than 100 accessions of Senate records that could be open for request. These potentially open accessions cover records created through 1998. However, rough estimates suggest the number of accessions open for request will increase considerably in less than 10 years. For example, the Center estimates there will be approximately 340 potentially open accessions of records created from 2003-2006.

The Center's primary means of promoting access to records is by describing them in the National Archives Catalog (NAC). Under the current description plan NARA is currently describing the records of the 98th Congress (1983-1984). To date, NARA has not reached the point of describing records that contain a significant volume of electronic records. When the description plan reaches that point, NARA expects public demand for those records to follow the publishing of their description in the NAC. A NARA official indicated the agency responds to public

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requests for textual and electronic records that have not yet been described in the NAC. Currently, there is a 14-year difference between when a record gets described in the NAC and when it has past the Senate's 20-year threshold where it could potentially be made public. If the description plan continues at its present pace (i.e., one Congress described each fiscal year), this difference will be reduced each year.

With the increase in the volume of electronic records from the last few Congresses, and an increase going forward in the number of records in ERA-CRI that will cross the 20 and 30 year thresholds under the relevant access rules, NARA will need to start planning on how it will fulfill NARA's goal of making access happen as it relates to electronic congressional records. The planning may include the need for additional resources, as well as updating the roles and responsibilities of current staff members, along with updating policies and procedures. It will also include incorporating the ERA-CRI into the upgraded ERA 2.0 system. (OIG Report No. 18-SR-13, dated August 17, 2018.)



# *Investigations*

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## **Investigations Overview**

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 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 suggestions, they generally do not make recommendations for corrective action.

## **Significant Investigations and Updates**

### **NARA Employee Viewing Pornography at Work**

The OI identified a NARA employee whose at-work computer usage indicated potential violation of NARA's policy against viewing pornography and other sexually explicit images in the workplace. The investigation substantiated that for at least one year, the employee spent more than an hour a day viewing pornographic and sexually explicit images on the internet on their workplace computer. Moreover, the employee frequently requested, and was approved for credit hours to extend their workday. During the time the employee was working credit hours, they either viewed more pornography and sexually explicit materials, or performed work that was not accomplished during their regularly scheduled work day when they were viewing pornography. The report has been forwarded to NARA administration for review and appropriate disciplinary action.

### **Incomplete or Inconsistent Transportation Policy**

In April 2018, the OI received an allegation a transportation contractor violated the terms of its *Bill of Lading* with NARA by taking on additional, non-NARA freight for transportation along with cargo belonging to NARA. The investigation was unable to substantiate the allegation due to multiple weaknesses in NARA's transportation policy, including multiple Standard Operating Procedures in effect at the various Federal Records Centers, and *Bill of Lading* language that did not explicitly convey NARA's policy restricting shared freight. The systemic weaknesses discovered as part of the investigation have been reported to NARA administration for review and consideration.

### **Theft of Historic Photographic Prints**

Five World War II-era photographic prints from NARA's collection were discovered for sale at a public auction house. The OI stopped the auction, obtained the prints, and determined they were part of NARA's archival collection of original Dorothea Lange photographs. The investigation traced the documents to a private collector, who led the OI to believe they still possessed

# Investigations

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potentially substantial quantities of NARA records. In September 2018, the OI obtained and, in conjunction with the Library of Congress Office of Inspector General, executed a Federal search warrant on the collector's residence, seizing hundreds of additional photographs. The photographs are being individually reviewed by NARA subject matter experts, and the collector was referred to the DOJ for criminal prosecution.

## **Misuse of Accountable Property**

A NARA facility recently ordered a number of new office chairs to replace decades-old and broken office chairs. Prior to officially classifying the chairs for disposal as required, the old chairs were made available to staff members who wanted to have them as auxiliary chairs in their offices. An official at the facility took three of the chairs and transported them to their residence for private use. During the investigation, the official acknowledged taking the chairs in ignorance of their status as Government accountable property. The official turned the chairs over to investigators, who returned them to the facility. The matter will be referred to NARA administration for potential remedial action.

## **Theft of World War II Era Personal Artifacts of Downed Airmen**

In a previous Semiannual Report, the OI reported executing a Federal search warrant on the private residence of a researcher suspected of stealing military "dog tags" and documents, originally belonging to American airmen who had been downed in World War II. The search warrant yielded a number of historically significant artifacts, and information used to track down and retrieve additional items that were sold to customers across the United States and Europe. In January 2018, the researcher pleaded guilty to one count of theft, and in this reporting period in April 2018, was sentenced to 364 days imprisonment followed by 36 months of supervised release (the first eight months on home detention), 100 hours of community service, and to pay restitution in the amount of \$43,456.96. Further, the researcher's one-year ban on entering NARA facilities was extended to a lifetime ban.

## **Bomb Threat at the National Archives in Boston**

In a previous Semiannual Report, the OI reported that in August 2017, the National Archives at Boston, Massachusetts, received an electronic mail threat that shrapnel bombs were placed in the facility. The OI coordinated with both the local Waltham (Boston) Police Department and the Federal Bureau of Investigation, and was able to provide significant information leading to the previously reported arrest of the individual responsible for the threat. In May 2018, the individual pleaded guilty to charges of cyberstalking, distribution of child pornography, making hoax bomb threats, computer fraud and abuse, and aggravated identity theft.

## **Shipping Company Violated Contract Terms**

In a previous Semiannual Report, the OI reported that in July 2017, NARA holdings of Federal tax return documents were reported to have been tampered with *en route* during shipping. Our investigation determined that the documents were not tampered with. However, the trucking company removed NARA locks and seals in order to add a load from a private customer, and made part of the shipment by train. Both of these actions were violations of the terms of the *Bill of Lading*. Criminal and civil actions were pursued, but both were declined. In this reporting period, the company was given a one-year ban on Federal contracts.

# Investigations

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## NARA Employee Threatened Gun Violence in the Workplace

In a previous Semiannual Report, the OI reported that during a meeting with a supervisor, a NARA employee threatened a co-worker with gun violence stemming from an ongoing personal dispute. After leaving the meeting, the NARA employee immediately made additional confrontational comments to other NARA employees. Local officials declined to prosecute criminally; however, the results of this investigation were forwarded to NARA for potential administrative actions against the employee. The employee was allowed to return to work after a period of administrative leave, was issued a *Letter of Reprimand*, and was offered mediation through RESOLVE.

## Investigations of Senior Government Employees<sup>1</sup>

### Road Rage Incident Carried-Over to Archives II Parking Lot

Following a traffic incident away from the jobsite in which a senior NARA employee cut-off a junior NARA employee in traffic, the senior employee followed the junior employee and menaced them in the NARA parking lot. The senior employee threatened the junior employee with physical violence and with termination of their employment. The OI referred this matter to the agency's Anti-Harassment Committee (the Committee), which substantiated the incident. The Committee determined that, because the initial incident had occurred off-campus, and the on-campus incident did not escalate beyond an oral confrontation, a lesser disciplinary action would be taken against the aggressor.

## Significant Referrals

### Excessive Personal Use of Government Computer During Official Work Hours

The OI referred an allegation that an employee recently misused their office computer on multiple occasions by spending an excessive amount of work time on the internet reading personal electronic mail, visiting social media sites, the *USAJobs* website, and various sports and commercial websites. The agency reviewed the supporting documentation provided by OI, and issued the employee a *Letter of Warning*, and noted that their manager would exercise closer supervision of the employee's time in the future.

### Excessive Personal Telephone Use in the Workplace

The OI referred a complaint alleging that an employee, who was already counseled regarding their excessive personal telephone use in the office, ignored the counseling and continued the behavior. In response to our referral, the agency reviewed the employee's telephone call logs and met with the employee and their union representative. The employee acknowledged and apologized for the persistent misconduct, and was given a *Letter of Warning* for their personnel file for one year.

### Undeclared Outside Employment

During an unrelated investigation, the OI determined an employee had secondary employment outside of NARA, but had not submitted the mandatory *Form 3015 – Application to Engage in*

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<sup>1</sup> A senior government employee is defined as anyone occupying a position classified at or above GS-15, or for those not on the General Schedule, whose rate of basic pay is equal to or greater than 120% of the GS-15 minimum.

# *Investigations*

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*Outside Employment, Business, or Professional Activities (Form 3015)*. The OI referred this matter to the Office of the General Counsel, which confirmed the employee's outside employment, offered them the opportunity to remedy the oversight, reviewed the completed *Form 3015*, and determined that there was no conflict of interest with the employee's NARA position. No punitive action was taken.

## **Systemic Failure of the Exit Clearance Process**

Some former NARA employees and/or contractors were still able to log-in to NARA computer systems months after their employment with NARA had ended. The OI referred this issue to the agency, which determined there was likely a systemic failure to timely report, and to out-process departed employees and contractors with respect to their online systems' access authorizations. The process is undergoing review and has been referred to the OIG Audit Division for potential follow-up.

## **Oversight**

### **Assessment of Long-Distance Telework and Locality Pay**

The OI performed a limited assessment of long distance telework employees to determine whether, as required under current policy, they were reporting to their assigned duty stations twice per pay period in order to earn locality pay. The assessment focused on six NARA employees who earned locality pay for duty stations that are not associated with their telework locations. For the period of time under review, three of the six failed to meet the requirement of in-person reporting to their assigned duty stations twice per pay period. The agency is currently reviewing the assessment for action and response.

### **Assessment of Downloaded Applications on NARA-Issued Cellular Telephones**

The OI performed a limited assessment to determine whether unauthorized mobile device applications (apps) were downloaded and installed by employees on their NARA-issued cellphones. The assessment determined that almost 1,000 different, unauthorized apps were present on approximately 600 cellphones. Concerns included misuse of official work time, as well as threats to NARA information technology security such as risks to personally-identifiable information and meta-data. The agency response noted new standards for approved apps are scheduled to be released in December 2018, and information technology security awareness training will be expanded and enhanced explicitly to cover the concerns identified in the assessment.

### **Assessment of Post-Employment Cellphone Disposition**

The OI performed a limited assessment of former employees to determine whether NARA was still paying monthly telephone charges for those employees' NARA-issued cellphones. Current policy requires departing employees to turn-in their NARA-issued cellphones to Information Services, which subsequently contacts their service provider to have the service discontinued. NARA's cellphone numbers are not reassigned when employees depart. Using data analytics, the OI determined NARA was still paying monthly cellphone bills for 13 former employees' cellphones, and in several cases were doing so since calendar year 2017. In response to the assessment, the agency canceled payment service on all 13 relict cellphone accounts, and implemented an enhanced process and controls for deactivation of cellphones for future employee departures.

# 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 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	178
Hotline and Complaints referred to NARA or another entity	28

## 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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## Overview

We conduct and supervise 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 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.

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 initial, limited implementation in 2018 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.

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.

### **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) requires agencies to eliminate paper and use electronic recordkeeping to the fullest extent possible. Agencies were required to manage both permanent and temporary email records in an accessible electronic format by December 31,

# *Top Ten Management Challenges*

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2016, and must manage all permanent electronic records in an electronic format by December 31, 2019. 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.

To illustrate, a 2015 GAO study found NARA's plan to move agencies toward automated records management left out required metadata requirements. While NARA did subsequently issue metadata guidance, that is only one example of a complicated issue.

### **3. Information Technology Security**

NARA's challenges in IT Security have been recognized for over a decade, and every year more risks are identified. Annual Federal Information Security Modernization Act (FISMA) assessments consistently identify areas in need of significant improvement. NARA labeled IT Security a "material weakness" under the Federal Managers' Financial Integrity Act (FMFIA) from 2007 to 2018 with exceptions of 2013 and 2014, when it was considered a "reportable issue." While management has developed an action plan to resolve their control deficiencies, NARA does not expect to fully implement it until FY 2020.

Many of NARA's issues stem from the Chief Information Officer (CIO)'s lack of insight into NARA's overall IT architecture and security. This is compounded by NARA's reliance on contractors to manage both its in-house and externally hosted systems, and a lack of properly qualified Contracting Officer's Representatives overseeing the contractors. 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.

### **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 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.

# *Top Ten Management Challenges*

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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 21 percent of NARA’s textual holdings 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 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 ever-increasing volume of textual records. Even with the rise of electronic records, there are decades worth of paper records still scheduled to come to NARA. Thus, every year for the foreseeable future NARA will need more and more space. 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 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.

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

Every day NARA’s holdings age and slowly degrade. This is true for all records, not just paper, as the physical media electronic and audiovisual records are stored on are affected 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. According to management, NARA does not have the resources to adequately address the growth in holdings needing preservation action. This has created a backlog of records needing preservation, and the backlog remains steady. NARA is challenged to address this backlog and future preservation needs, including the data integrity of electronic records. Complicating this, the ERA system is NARA’s primary tool for preserving electronic records, but it does not have the ability to address record formats when the programs they were

# *Top Ten Management Challenges*

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saved in become obsolete (see OIG Challenge #1). The challenge of ensuring storage facilities meet environmental standards for preserving records (see OIG Challenge #5) also plays a critical role in preserving records. 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. NARA relied on end-of-life servers, hindering IT modernization efforts. 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. 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. Further, the lapsed Information System Security Officer (ISSO) contract left many of NARA's systems without a designated ISSO for over a year, putting the security of the systems and their data at risk. 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 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

# *Top Ten Management Challenges*

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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." However, the agency has no comprehensive and cohesive approach to human capital management. NARA's ability to attract, recruit, and retain employees is critical to many of the other top management challenges, but NARA lacks adequate policies and procedures making it difficult to manage human capital effectively and efficiently. NARA has announced a plan to migrate their human resources services to a shared service provider, the Department of Treasury, Bureau of the Fiscal Service, Administrative Resource Center (BFS/ARC). NARA expects this move to improve the timeliness of the hiring process and provide better human capital services.

## **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	4, 8, 10
§ 5(a)(1)	Significant problems, abuses, and deficiencies discovered during the reporting period	2-3, 12-16, 17-20
§ 5(a)(2)	Significant recommendations for corrective action	2-3, 12-16
§ 5(a)(3)	Prior significant recommendations on which corrective action has not been completed	32-35
§ 5(a)(4)	Summary of prosecutorial referrals and convictions	17-20, 28
§ 5(a)(5)	Information or assistance refused and reported to agency head	31
§ 5(a)(6)	List of audit, inspection, and evaluation reports issued	29
§ 5(a)(7)	Summaries of significant reports	2-3, 12-16, 17-20
§ 5(a)(8)	Questioned costs in audits, inspections, and evaluations	29
§ 5(a)(9)	Funds put to better use in audits, inspections, and evaluations	30
§ 5(a)(10)	Prior audit, inspection, and evaluation reports with no management decision, no management comment, or unimplemented recommendations	31, 32-35
§ 5(a)(11)	Significant revised management decisions	31
§ 5(a)(12)	Significant management decisions with which the OIG disagreed	31
§§ 5(a)(14), (15), (16)	Reporting on OIG peer review	10
§ 5(a)(17)	Statistical table on investigations and referrals	28
§ 5(a)(18)	Description of metrics used in § 5(a)(17) table	28
§ 5(a)(19)	Reporting on substantiated investigations of senior government employees	19
§ 5(a)(20)	Reporting on substantiated whistleblower retaliations	31
§ 5(a)(21)	Reporting on agency attempts to interfere with OIG independence	31
§ 5(a)(22)(A)	Closed inspections, evaluations, and audits not disclosed to the public	17-20
§ 5(a)(22)(B)	Closed investigations of senior government employees not disclosed to the public	17-20
P.L. 110-181	Annex on completed contract audit reports	31
P.L. 104-106	Open audit recommendations	32-35

# 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	178
Hotlines and complaints referred to other parties during this reporting period	28
Investigations opened this reporting period	7
Investigations closed this reporting period	13
Investigative reports issued this reporting period	12
<i>Investigative Results</i>	
Total individuals referred to DOJ for prosecution	3
Individuals referred to DOJ – accepted for prosecution	1
Individuals referred to DOJ – declined for prosecution	1
Individuals referred DOJ – pending prosecution decision	1
Total individuals referred to state and local authorities for prosecution	0
Individuals referred to state and local authorities – accepted for prosecution	0
Individuals referred to state and local authorities – declined for prosecution	0
Individuals referred state and local authorities – pending prosecution decision	0
Arrest	0
Indictments and information	0
Convictions	1
Fines, restitutions, judgments, and other civil and administrative recoveries	\$43,456.96
<i>Administrative Remedies</i>	
Employee(s) terminated	0
Employee(s) resigned	0
Employee(s) suspended	0
Employee(s) given letter of reprimand or warnings/counseled	3
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
18-AUD-09	Audit of NARA's Human Capital Practices	6/4/2018	\$0	\$0	\$0
18-AUD-10	Audit of NARA's FY 2017 Compliance with Improper Payment Requirements	5/15/2018	\$0	\$0	\$0
18-AUD-11	Audit of Research Services' Analog Processing	8/6/2018	\$0	\$0	\$0
18-AUD-14	Audit of NARA's Continuity of Operations (COOP) Readiness	8/20/2018	\$0	\$0	\$0

## LIST OF OTHER REPORTS ISSUED

Report No.	Title	Date
18-SR-12	NARA's Compliance with Binding Operational Directive 18-01	8/7/2018
18-SR-13	NARA's Plans to Make Electronic Records Archives-Congressional Records Instance Records Available to the Public	8/17/2018

## 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	0	\$0	\$0
B. Which were issued during the reporting period	0	\$0	\$0
Subtotals (A + B)	0	\$0	\$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	0	\$0	\$0
E. For which no management decision was made within 6 months	0	\$0	\$0

# Reporting Requirements

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

Category	Number	Dollar Value
A. For which no management decision has been made by the commencement of the reporting period (see note below)	5	\$45,504,136
B. Which were issued during the reporting period	0	\$0
Subtotals (A + B)	5	\$45,504,136
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	1	\$50,000
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	5	\$45,454,136
E. For which no management decision was made within 6 months of issuance	5	\$45,454,136



# 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 concluding in this period.
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.



## 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

## SUMMARY OF REPORTS MORE THAN SIX MONTHS OLD PENDING CORRECTIVE ACTION

### Audit Recommendations Where NARA Has Assumed Risk

The OIG closed the following audit recommendation as management has decided to assume the risk of not completely addressing the identified issue. While we believe our audit recommendation will help NARA's operations, the agency has decided appropriate controls are in place and the actions it has taken mitigate weaknesses and risks to an appropriate level.

Report Number	Title and Date	Rec. No.	Recommendation
08-07	Audit of the Researcher Registration ID Card Program <i>October 26, 2007</i>	3	Require periodic monitoring of the Archives I and Archives II database. A log recording the date of the review and corrective action taken should be maintained.

### 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 in a timely manner. During this period, 36 audit recommendations were either closed or subsumed into other recommendations. The agency continues to make reducing open audit recommendations a priority. At the close of the period, there were 49 audits with 346 total open recommendations.

Report Number	Date Issued	Title	Number of Open Recommendations
08-02	11/14/2007	Purchase Card Program	1
09-15	9/29/2009	Work at Home System	1
10-04	4/2/2010	Oversight of Electronic Records Management in the Federal Government	2
11-02	11/8/2010	Network Vulnerability and Penetration Testing	8
11-15	7/7/2011	Drug Testing Program	3
11-20	9/30/2011	Telework Program	2
12-09	5/10/2012	Data Center Consolidation Initiative	5

# Reporting Requirements

Report Number	Date Issued	Title	Number of Open Recommendations
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	8
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)	11
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	5
14-01	1/30/2014	Management and Oversight of NARA's Energy Savings Performance Contracts (ESPCs)	1
14-05	3/11/2014	Field Offices Acquisition Activity	2
14-08	4/17/2014	Capital Planning and Investment Control (CPIC) Process	7
14-09	5/1/2014	Conference-Related Activities and Expenses	3
14-10	5/9/2014	Enterprise Wireless Access	9
14-11	5/5/2014	Special Telework Arrangements at NARA <i>Funds Put to Better Use - \$59,361</i>	6
15-01	10/24/2014	Information Security Program	1
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
15-10	3/30/2015	Digitization Partnerships	3
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)	6

# Reporting Requirements

Report Number	Date Issued	Title	Number of Open Recommendations
15-15	9/30/2015	Assessment of Cable Infrastructure	8
16-01	10/19/2015	Web Hosting Environment	21
16-02	1/16/2016	Compliance with FISMA, As Amended	16
16-05	3/25/2016	Publicly-Accessible Websites	16
16-07	5/17/2016	Refile Processes at Selected Federal Records Centers	9
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	21
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 <i>Funds Put to Better Use - \$12,000</i>	3
17-AUD-16	9/27/2017	FOIA Program	12
18-AUD-02	11/8/2017	Compliance under the Digital Accountability and Transparency Act of 2014	2
18-AUD-03	11/14/2017	FY 2017 Consolidated Financial Statements <i>Funds Put to Better Use - \$22,741</i>	5
18-AUD-04	2/26/2018	Office of the Federal Register's Administration of the Electoral College Process	6
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	6

# *Reporting Requirements*

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<b>Report Number</b>	<b>Date Issued</b>	<b>Title</b>	<b>Number of Open Recommendations</b>
18-AUD-11	8/6/2018	Research Services' Analog Processing	7
18-AUD-14	8/20/2018	Continuity of Operations (COOP) Readiness	30