



The Library of Congress
Office of the Inspector General
Semiannual Report to the Congress
September 2014



This semiannual report features images of the Library of Congress's Magna Carta exhibitions. The Magna Carta first visited the Library when it was entrusted to the Library of Congress for safekeeping during World War II, on November 28, 1939. The Library will welcome back the Magna Carta with a new exhibit that opens on the 75th anniversary of the Library's first exhibit and commemorates the 800th anniversary of the signing of the document. This Magna Carta is one of four copies from 1215 that exist today and is on loan from the Lincoln Cathedral in England. To learn more about the history of the Library and the Magna Carta visit the Library's exhibition Web site at: <http://www.loc.gov/exhibits/>.



LIBRARY OF CONGRESS

September 30, 2014

MESSAGE FROM THE INSPECTOR GENERAL

In the last six months, we issued reports on the Open World Leadership Center's FY13 financial statements audit and physical security at the Library's Landover Warehouse facility. We also continued a facilities planning review; oversaw an audit of information technology system certification and accreditation efforts; worked with the United States Attorney's Office on an investigation of a former Library contractor; and on July 28th, 2014, the Librarian appointed me as the new Inspector General.

During the next six months, we will report on the Library's processing of born-digital collection items in the eDeposit program; use of the life cycle systems development process; an information technology consulting services contract; and collections policy management of the Prints and Photographs division. We will also oversee and report on the work of two information technology contractors conducting audits of Information Technology Steering Committee governance and the Library's digitization efforts. Additionally, we will report on the results of the Library's Financial Hosting Environment and fiscal year (FY) 2014 financial statements audit.

The Library implemented eleven of our recommendations from prior semiannual periods, including three recommendations from reports that were not for public release.

We are pleased to report that between FY 2002 and FY 2014 the OIG has identified \$62,550,770 in funds questioned or put to better use.

Our publicly released reports are available online at www.loc.gov/about/oig. We appreciate the cooperative spirit Library staff have shown during our reviews.

Kurt W. Hyde
Inspector General

FRONT COVER: THE DOME OF THE LIBRARY OF CONGRESS WITH A VIEW OF THE CAPITOL AND MAGNA CARTA BACKGROUND OVERLAY.

PHOTOGRAPH: CAROL HIGHSMITH, BETWEEN 1980 AND 2006.
PHOTOGRAPH: COURTESY OF LINCOLN CATHEDRAL, LONDON, ENGLAND

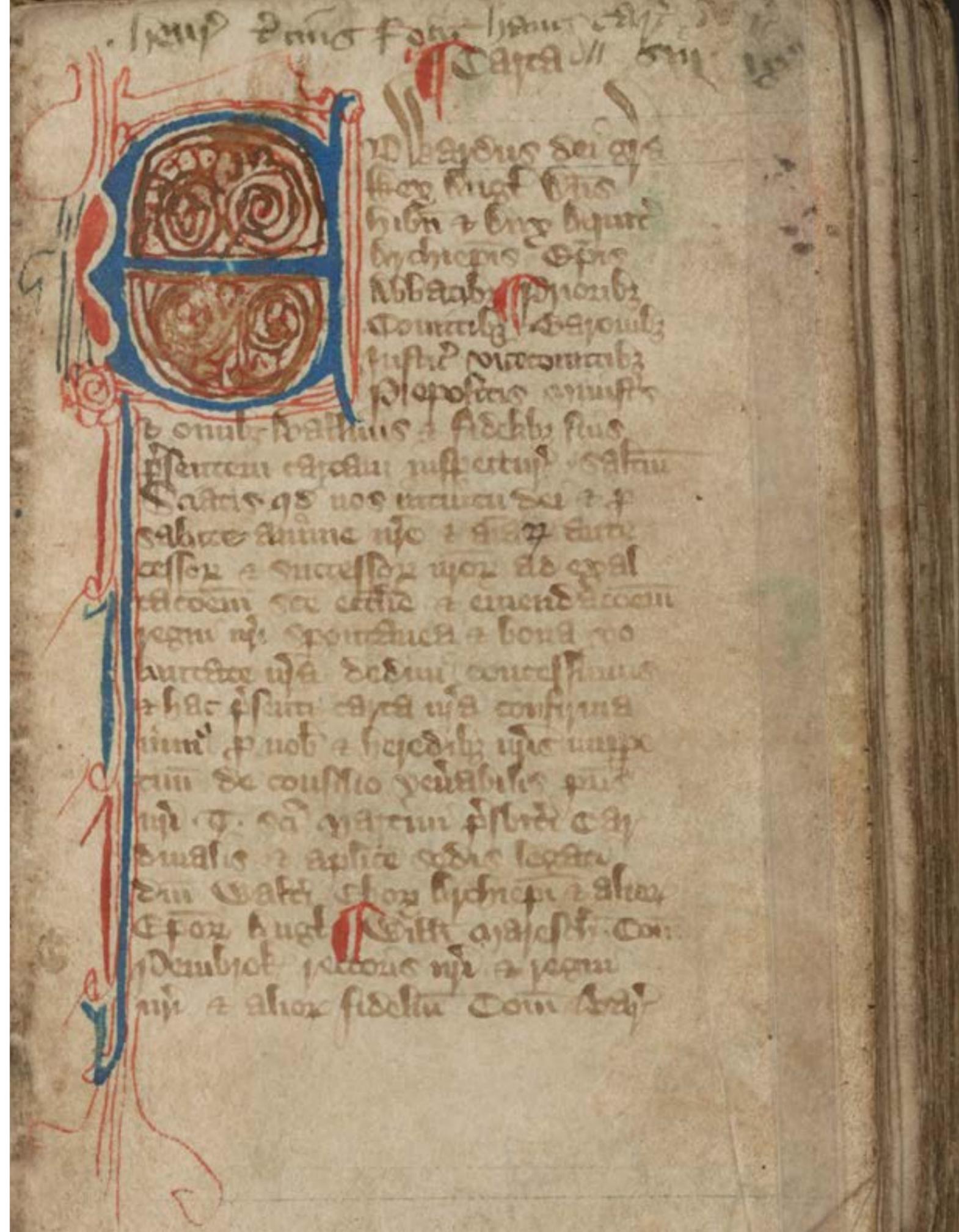
ABOVE: LORD LOTHIAN, BRITISH AMBASSADOR TO THE UNITED STATES AND LIBRARIAN OF CONGRESS ARCHIBALD MACLEISH TRANSFERRING THE MAGNA CARTA TO THE LIBRARY OF CONGRESS IN 1939.

PHOTOGRAPH: HARRIS AND EWING, PHOTOGRAPHERS

REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, THE LIBRARY OF CONGRESS.

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RIGHT: MAGNA CARTA CUM STATUTIS ANGLIAE THIS MINATURE MANUSCRIPT OF THE MAGNA CARTA DATES FROM THE 14TH CENTURY. WITH ITS INTRICATE COLORED PEN WORK AND ORIGINAL PIGSKIN WRAPPER, IT IS AMONG THE LAW LIBRARY'S RAREST BOOKS.

ENGLAND, 14TH CENTURY.

REPOSITORY: LAW LIBRARY, LIBRARY OF CONGRESS

PROFILES

LIBRARY OF CONGRESS

The Library of Congress (Library) is the research and information arm of the United States' national legislature and the world's largest storehouse of knowledge. The mission of the Library is to support the Congress in fulfilling its constitutional duties and to further the progress of knowledge and creativity for the benefit of the American people. The mission is accomplished through more than 3,300 employees and contractors and more than \$800 million in annual appropriated funds and other financing sources.

Founded in 1800, the Library is also the nation's oldest federal cultural institution, holding more than 158 million items on 838 miles of shelves. These items include books, manuscripts, maps, prints and photographs, printed music, sound recordings, films, and microforms. Half of the Library's collections are from outside the United States, representing 470 languages. In addition to its three Capitol Hill buildings and Taylor Street Annex in Washington, DC, the Library operates six overseas offices and stores collections material in purpose-built facilities in Maryland, Illinois, and at the National Audio-Visual Conservation Center in Culpeper, Virginia. More than 52.3 million files representing original source analog items have been digitized and are accessible at www.loc.gov. The Library also holds a rapidly expanding collection of born-digital content.

The Library's core organizational components are:

- The Office of the Librarian,
- Library Services,
- The U.S. Copyright Office,
- The Congressional Research Service,
- The Law Library,
- The Office of Strategic Initiatives, and
- The Office of Support Operations.

The Office of the Librarian provides leadership and executive management to the Library, overseeing the implementation and management of the Library's mission to support the Congress in fulfilling its constitutional duties and to further the progress of knowledge and creativity for the benefit of the American people.

Library Services performs the traditional functions of a national library: acquisitions, cataloging, preservation, and reference services for both digital and conventional collections. It operates the National Library Service for the Blind and Physically Handicapped and the American Folklife Center, among other programs.

The U.S. Copyright Office administers the copyright laws of the nation and registers copyrightable material; its deposits of intellectual material such as books, music, and movies substantially contribute to the Library's collections.

The Congressional Research Service supports the legislative process by providing exclusively to Congress, objective, confidential assessments of public-policy issues and legislative options for addressing those issues.

The Law Library assists Congress and the legislative process by supporting comprehensive research on foreign, comparative, international, and U.S. law, and other legal reference services.

The Office of Strategic Initiatives directs the national program for long-term preservation of digital cultural assets, leads a collaborative institution-wide effort to develop consolidated digital future plans, and integrates the delivery of information technology (IT) services.

The Office of Support Operations provides centralized leadership and oversight of infrastructure services and includes: Human Resources Services, Integrated Support Services, the Office of Security and Emergency Preparedness, and the Office of Opportunity, Inclusiveness, and Compliance.

In FY 2013, services provided by the Library included:

- Fulfilling 513,946 reference requests;
- Circulating 25 million disc, cassette, and Braille items to more than 800,000 blind and physically handicapped patrons;
- Registering 496,599 copyright claims;
- Receiving 15,000 items daily and adding more than 12,000 items daily to its collections;
- Responding to more than 636,000 congressional reference requests and delivering to Congress more than 1 million research products and approximately 23,000 volumes from the Library's collections; and
- Providing to Congress access to more than 9,000 reports on legislative issues and preparing more than 2,900 tailored analyses.

The Library of Congress also recorded 84 million visits and 519 million page-views of its primary source files on its Web site, and received 1.6 million on-site visitors.

OFFICE OF THE INSPECTOR GENERAL

The Library of Congress Office of the Inspector General (OIG) was established in 1988 as a non-statutory office deriving its authority from the Librarian of Congress. The OIG became statutory with the passage of *The Library of Congress Inspector General Act of 2005*, with a mandate to:

- Independently conduct and supervise audits and investigations of fraud, waste, and abuse, relating to the Library,
- Lead, coordinate, and recommend policies to promote economy, efficiency, and effectiveness, and
- Keep the Librarian of Congress and the Congress fully and currently informed about problems and deficiencies relating to the administration and operations of the Library.

The Inspector General (IG) is a member of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), a unified council of all federal statutory IGs. This Semiannual Report to the Congress is a part of the OIG's statutory reporting requirements and is organized to address the major functions of the office including:

- Significant audits, investigations, and other activities of the OIG,
- Review of legislation and regulations affecting the Library, and
- Library decisions on OIG recommendations and the status of implementation, along with any resulting monetary benefits.

The Audits Division conducts in-depth reviews that address the efficiency, effectiveness, and economy of the Library's programs, activities, and functions; provides information to responsible parties to improve public accountability; facilitates oversight and decision-making; and initiates corrective action as needed.

RIGHT: CHRISTOPHER SAXTON (B. 1542). LONDON AREA MAP IN AN ATLAS OF ENGLAND AND WALES. LONDON, ENGLAND, 1579. RUNNYMEDE, WHERE THE MAGNA CARTA WAS SEALED IN 1215, WAS SITUATED BETWEEN LONDON, WHICH WAS UNDER THE CONTROL OF THE BARONS, AND KING JOHN'S CASTLE IN WINDSOR.

REPOSITORY: GEOGRAPHY AND MAP DIVISION, LIBRARY OF CONGRESS

The Audits Division also contracts with an independent accounting firm that addresses whether financial statements fairly present financial positions, results of operations, and budgetary resources. The firm also assesses whether the Library and other entities have adequate financial reporting internal control systems that comply with applicable laws and regulations.

The Investigations Division addresses alleged or suspected wrongdoing by agency employees, contractors, or others responsible for handling federal resources. Violations of Library regulations or fraud committed against the Library can result in administrative sanctions and criminal or civil prosecution. Contact information for the OIG Hotline is located on the inside back cover of this report.

Our staff are educated and certified in various disciplines. We are, collectively, four certified public accountants, one attorney, one certified internal auditor, two certified information systems auditors, one certified computer examiner, one access data certified examiner, one certified forensic accountant, four seized computer evidence recovery specialists, four special agents, and other highly qualified staff.

OIG reports are available at www.loc.gov/about/oig.



INSPECTOR GENERAL APPOINTED

On July 28, 2014, the Librarian of Congress appointed Kurt W. Hyde as Inspector General of the Library of Congress.

A certified public accountant, Mr. Hyde has extensive experience in the federal government, public, and private sectors. Mr. Hyde holds a bachelor of science degree in Accounting from Virginia Polytechnic Institute and State University (Virginia Tech).

Before joining the Library of Congress, Mr. Hyde was the Deputy Inspector General for Audit and Evaluations at the Special Inspector General for the Troubled Asset Relief Program, a sophisticated, white collar law enforcement agency established to prevent waste, fraud, and abuse in the \$700 billion program. Similarly, he was the Deputy Assistant Inspector General for the Resolution Trust Corporation during the savings and loan financial crisis in the 1990s. Other government service entailed executive and management positions at the Department of Transportation Office of Inspector General and the Government Accountability Office.

In the private sector, Mr. Hyde was a partner in the government services practice at a Big 5 accounting and consulting firm where he advised the Centers for Medicare and Medicaid on their implementation of Medicare Advantage and other government clients on customer centric solutions. He also consulted to non-profits, including New Leaders for New Schools whose mission is to develop transformational leaders for primary and secondary schools.

TOP MANAGEMENT CHALLENGES

This section provides a collective summary of issues covered by OIG that, in our view, represent long-term challenges for the Library of Congress.

COLLECTIONS STORAGE

A major component of the Library's mission is to properly store and preserve its collections. During the last semiannual period, we conducted a review of the Library's processing, storage, and accessibility of materials and found that it poses a serious and growing challenge for the Library. As of September 30, 2012, eighteen percent of the collections were in arrearage and not readily available to researchers. Some items, received as far back as the 1980s, remain unprocessed.

In addition to accessibility, the rate of collection impacts storage facilities and the condition of the materials. As the Library adds about 250,000 books and periodicals to the collections each year, the space shortage will increase. The Library's three Capitol Hill buildings are collectively at 110 percent of their capacity, causing premature damage and deterioration to some of the buildings and its materials. The floors in the stacks of the Jefferson and Adams buildings are now used to store the general collections, and the Library is forced to double- and triple-shelve materials. Further exacerbating the storage issue is the lack of secure storage for some rare and valuable collection materials. The Law Library and the Music and Asian Divisions, among others, have been forced to store some of their rare materials in less-than-optimal conditions from a security and preservation point of view.

In 2002, collections storage modules at the Library's Fort Meade location were to provide space for the growing collections. Additional modules were completed in 2005 and 2009 and include both general collection items and special collection materials such as maps, globes, manuscripts, prints and photographs, and sheet music. They are nearly filled to capacity. The FY 2014 appropriation included funding for construction of a fifth module, however, the resulting space will not accommodate the growing collections. The House included language to provide funding for high-density shelving at the Library's Packard Campus in Culpeper, Virginia for FY 2015. At the time of this report, the funding has not been appropriated.

The Library is addressing the overflow through a number of interim measures. In 2014, a revised collections policy was implemented, whereby the Library retains only one copy of most new U.S. monographs received for the General Collections and existing additional copies already in the General Collections are now being considered for withdrawal. New duplicate volumes and withdrawn books are made available to nonprofit book distribution organizations through the Duplicate Materials Exchange Program and the Surplus Books Program. The Library is also pursuing alternative methods of shelving at its Capitol Hill facilities and working with the Architect of the Capitol to lease additional storage space.

INFORMATION TECHNOLOGY INFRASTRUCTURE

In 2009, we issued an audit report that focused broadly on the Library's plan for managing its IT infrastructure investments. The audit looked at: 1) whether the Library's IT Strategic Plan aligned with its overall strategic plan, 2) the validity and integrity of the IT plan, 3) the appropriateness and effectiveness of the Library's IT organizational structure and placement, and 4) the extent to which relevant recommendations made by the National Research Council in a 2000 report were implemented by the Library. We made a series of recommendations about: 1) maturing the Library's IT strategic planning process, 2) making IT investments from a cost/benefit and institution-wide perspective, 3) considering organizational changes, 4) implementing an enterprise architecture program for planning future technology, and 5) improving customer service.

In late 2011, we issued a follow-up report, finding that the Library was implementing our recommendations, but the progress was slower than anticipated. The implementation of these recommendations has been delayed several times and pushed out to FY 2015.

In FY 2014, we engaged CliftonLarsonAllen, LLP (CliftonLarsonAllen) to perform a review of the Library's Alternate Computing Facility, the Systems Development Lifecycle, and Certification and Accreditation. CliftonLarsonAllen identified issues similar to those we identified in our previous reports of the Library's IT infrastructure investments. Also in FY 2014, the OIG awarded a task order to assess the Library's current digitization plan and its impact on the strategic planning, enterprise architecture, budgeting, performance management, and IT governance infrastructure processes. Additionally, we issued a second task order to determine whether the design of the Library's internal control system provides assurance that oversight by the Information Technology Steering Committee is sufficient to identify and oversee qualifying IT systems.

In 2014, the U.S. House of Representatives Legislative Branch Subcommittee on Appropriations tasked the Government Accountability Office (GAO) with evaluating, among other items, the Library's strategic planning, governance structure, security, and capital planning and investment control processes for IT. As part of this evaluation, GAO will also review the Copyright Office's proposed modernization upgrade. GAO anticipates issuing their results in March 2015.

BUILDING DIGITAL COLLECTIONS

As the world's largest library, the Library of Congress must constantly develop and provide access to its universal collections in both print and electronic formats. With the exponential growth of born-digital materials, the Library faces the challenge of collecting and providing long-term preservation and access to these unique works. Born-digital materials represent works that do not natively exist in print or analog form (e.g., an electronic book with no print counterpart).

In July of 2000, the National Academy of Sciences issued the report *LC21, A Digital Strategy for the Library of Congress*. The report found that the Library lagged significantly in receiving and archiving digital materials and that Library leadership had not internalized, expressed, or equipped the Library with the right tools to implement a long-term strategy for the stewardship of digital materials.

In our 2009 IT Strategic Planning report, we stated that the Library still lacked a unified policy for digitization, which resulted in scattered, sometimes conflicting, efforts by various Service Units to digitize portions of their collections. To date, no Library-wide digitization plan has been issued.

The growth of the Library's digitizing projects has created new challenges related to producing and preserving materials in digital format over the long term. For example, the Library faces issues related to providing access to digital works that are outside of the public domain.

The Library is taking some action. Currently, the Web Governance Board is discussing the content strategy for the Library's Web presence, which includes setting Library-wide priorities for digitization, and the Office of the Librarian has established a new process for handling third-party digitization proposals. More information about the process is available on the Library's public Web site.

As part of our audit focus on this top management challenge, the OIG initiated an audit of the Library's eDeposit program effort. In addition, OIG contracted with HMS Technologies, Inc. (HMS) to audit the Library's digitization efforts in FY 2015. The objectives for this audit are to perform an evaluation of the Library's current efforts to digitize its existing collections to determine whether there is an effective and efficient Library-wide digitization process. The contractor will also review the Library's digitization efforts to assess how they interface with strategic planning, enterprise architecture, budgeting, performance management, and IT governance. HMS will also assess the coordination between the Library Services and Office of Strategic Initiatives (OSI) service units and identify issues that may be negatively affecting the Library's ability to achieve its digitization goals.

PERFORMANCE MANAGEMENT

As a result of several OIG audits, and at the direction of Congress, the Library adopted a planning, budgeting, and management system based on the Government Performance and Results Act (GPRA). In its initial stages, the Library established a GPRA-styled strategic planning process, linked its planning and budgeting to its strategic planning, initiated GPRA-styled annual program plans, and introduced performance management to its workforce. The adoption of a GPRA-styled management approach will allow the Library to better analyze and report its activities and more successfully compete for diminishing discretionary funding.

In passing the GPRA Modernization Act of 2010, Congress made adjustments to assure that agencies more efficiently manage their GPRA efforts, improve the quality of performance metrics, and clearly disclose the accuracy of performance data.

We commend the Library's Strategic Planning Office for measures taken to increase the validity and reliability of performance metrics and the Office of the Chief Financial Officer for including greater detail on the Library's performance goals and targets in the Library's Financial Statements. These efforts support informed management decision-making and transparency in Library programs.

In 2012, the Deputy Librarian launched a new *Planning and Budgeting Framework*, creating 64 program elements to comprehensively define, for the first time, all of the programs, services, and activities it accomplishes and offers. This approach incorporated a three-year *Information Technology Plan*, *Human Capital Management Plan*, and a *Facilities Plan* that align with service unit performance goals. The *Planning and Budgeting Framework*

was targeted for implementation in FY 2014. However, the target was not met because the Library delayed the implementation as a result of initiating the Futures Program.

The Futures Program will provide the basis for defining and implementing a new strategic plan for the Library in 2016. The action plan for the Futures Program, originally targeted for completion in June 2014, is not complete and the Office of the Librarian was unable to provide a new target date for its completion.

At the direction of Congress, the Library adopted GPRA-styled performance management. The Library was late in initiating its performance management apparatus compared to other federal agencies and now has experienced a serious roadblock. The current hiatus jeopardizes the progress that has been made and will delay critical improvements in related areas, such as in IT governance, cost management, and infrastructure support of program initiatives.

The need for alignment of critical resources is especially important for cross cutting service units, such as Information Technology Services (ITS), Human Resources Services (HRS), and facilities (Integrated Support Services (ISS)), that support all Library efforts. It is unclear why the Library believes that the initiation of a new strategic plan would inhibit the implementation of sound performance management processes.

Immediately before the printing of this semiannual report, the Librarian issued a working draft of its *Strategic Plan Revision and Planning Documents, November 2014*, which includes a performance management framework that further develops the planning and budgeting structure established in October 2012. The imperative will be for the Librarian to ensure this process is finalized and implemented.

CONTRACTING

A series of OIG reports dating back to 2002 document weaknesses in the Library's contracting function. Historically, principal areas of concern include a questionable understanding of federal contracting by participants in the contracting chain (ranging from the service units to the Office of Contracts and Grants Management (OCGM)), poorly trained staff, lack of continuity in leadership in OCGM, an inefficient financial system contracting module, and ineffective contract review quality assurance procedures. These deficiencies may prevent the Library from obtaining the best value in contracts and expose the Library to an unacceptably high risk of inefficiency and waste of funds.

We are pleased to report that the Library has begun to take action to address its ongoing contracting weaknesses. Specifically, in 2013, the Library appointed a new OCGM Director, who brings extensive federal contracting and legal experience to the Library. In response to an Office of Management and Budget 2009 memorandum that asked agencies to reduce their use of high-risk contracting authorities, the Director took actions to mitigate the Library's exposure to high-risk contract vehicles.

These actions include heightened oversight where circumstances call for contract strategies involving increased risk, and enhanced development and training programs aligned with Federal Acquisition Certification programs. The Director is also requiring competition advocate reviews for proposed contract actions that limit competition and he has implemented a senior level review process for proposed time and material or labor hour contracts. The reviews consider the justification for the proposed contract type and strategies to avoid or mitigate risk.

As the Library takes steps to optimize competition and reduce contract risk, the OIG will continue to monitor and report on contracting activities and associated weaknesses.

RIGHT: THIS CHARTER WAS GRANTED BY THE RUSSIAN EMPRESS CATHERINE II AND IS SIMILAR IN CONTENT TO THE ENGLISH MAGNA CARTA. INITIALLY ONLY INTENDED FOR NOBILITY, THE CHARTER CONTAINED IDEAS OF LIBERTY THAT WERE LATER INTERPRETED AND EXTENDED TO OTHERS. THE PRINTING AT RIGHT IS HAND WRITTEN IN GOLD AND SURROUNDED BY ENGRAVED COATS OF ARMS OF THE PROVINCES OF THE RUSSIAN EMPIRE. ST. PETERSBURG, RUSSIA, 1785.

REPOSITORY: LAW LIBRARY OF CONGRESS



AUDITS, SURVEYS, AND REVIEWS

OFFICE OF SUPPORT OPERATIONS

LANDOVER CENTER ANNEX BUILDING SECURITY

AUDIT REPORT NO. 2014-PA-105
SEPTEMBER 2014

OIG conducted an audit to assess the effectiveness of building security at the Library's Landover Center Annex (Landover). The Library uses Landover as a multipurpose facility for storing collections, warehousing non-collections materials, receiving and processing deliveries destined for Capitol Hill, and processing collections bound for other Library facilities.

Management agreed with all of our findings and recommendations, but we are not including details about this audit in our semiannual report because of the sensitive nature of the information contained in the report. The report was not issued for public release, but OIG will continue to monitor Library progress on our recommendations as part of our future semiannual reporting process.

INFORMATION TECHNOLOGY SERVICES

CERTIFICATION AND ACCREDITATION POLICIES AND PROCEDURES

AUDIT REPORT NO. 2013-IT-102
OCTOBER 2014¹

Certification and accreditation (C&A) is a systematic process for testing and evaluating information systems to determine whether they meet specified security requirements. The Library's IT Security Directive-01 requires each system and application to undergo a C&A every three years and whenever a significant change occurs affecting a system or application.

In order to evaluate the efficiency and effectiveness of the Library's current C&A practice, we engaged CliftonLarsonAllen to perform an audit of the Library's C&A process to determine its compliance with policies and industry standards and to identify opportunities for cost savings. In its report, CliftonLarsonAllen noted three internal control and operating issues and made recommendations accordingly. Management agreed with all the recommendations with one exception.

¹ THE AUDIT WAS COMPLETED AND THE DRAFT REPORT WAS ISSUED DURING THIS SEMIANNUAL PERIOD, BUT THE FINAL MANAGEMENT RESPONSES WERE RECEIVED SHORTLY AFTER THE SEMIANNUAL CUT-OFF.

We have not included details about this audit in this semiannual report because of the sensitive nature of the information contained in the report. The report was not issued for public release, but OIG will continue to monitor Library progress on CliftonLarsonAllen's recommendations as part of our future semiannual reporting process.

OPEN WORLD LEADERSHIP CENTER

FISCAL YEAR 2013 FINANCIAL STATEMENTS

AUDIT REPORT NO. 2013-FN-103
JULY 2014

The mission of the Open World Leadership Center (Open World) is to enhance understanding and capabilities for cooperation between the United States and the countries of Eurasia. Open World conducts one of the largest U.S. exchange programs for Eurasia, through which nearly 7,000 volunteer American families in all 50 states have hosted thousands of emerging leaders from former Soviet Republic countries.

Open World is an independent entity in the legislative branch governed by a board of trustees. Board members consist of members of Congress and private citizens. Serving the board of trustees is an audit committee comprised of three members with extensive experience in Congress, federal agency operations, finance, and accounting. The audit committee provides oversight by assuring that Open World management appropriately carries out its responsibilities for internal control, financial reporting, compliance with laws and regulations, ethics, and economies and efficiencies.

Under contract with the OIG, the accounting firm CliftonLarsonAllen audited Open World's FY 2013 financial statements and issued its Independent Auditor's Report. The audit included Open World's balance sheets and the related statements of net cost, changes in net position, and combined statements of budgetary resources for FY 2013. The auditors concluded that the financial statements were presented fairly in all material respects, and in conformity with U.S. generally accepted accounting principles. The firm's auditors also performed tests of compliance with laws and regulations and considered internal controls over financial reporting. In its audit of Open World, CliftonLarsonAllen found no material weaknesses in financial reporting internal controls and no reportable noncompliance with the laws and regulations it tested.

OTHER OIG AUDIT ACTIVITIES

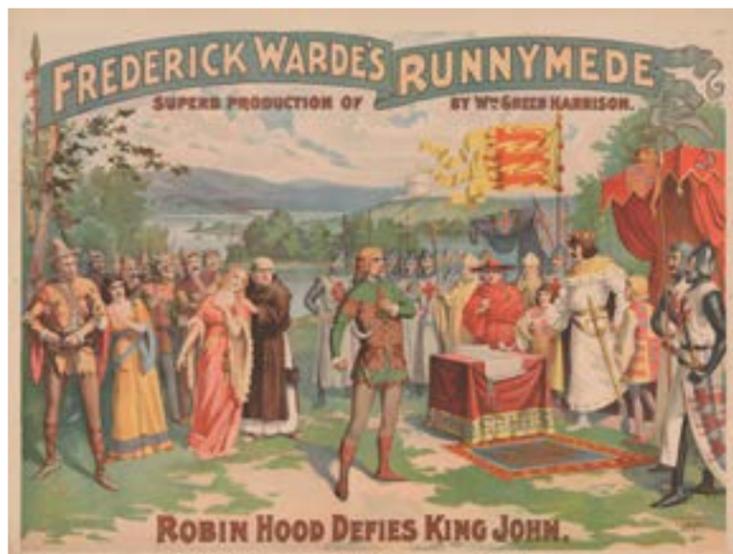
NON-AUDIT SERVICES

COR ALERT

During this semiannual period, the OIG issued an alert to Library managers and Contracting Officer's Representatives (COR) titled *Poor Practices, Fraud Indicators, and Related Mitigating Contract Processes—Contract Administration*. The alert is a tool that illustrates best practices in contract administration and lists several fraud indicators. This was the first of a series of COR Alerts that the OIG plans to release to assist CORs in managing their contracts.

ALERT TO MANAGEMENT OF HIGH RISK CONTRACT ISSUES

The OIG also issued a memorandum to ITS and the OCGM regarding high-risk labor-hour contracts. Under a labor-hour contract, the Government pays fixed-hour labor rates that include wages, overhead, general administrative costs, and profit. The contractor makes a good faith effort to meet the government's needs within the ceiling price and the government assumes risk on cost overruns. Because these contracts do not include a positive profit incentive to the contractor for cost control or labor efficiency, appropriate government monitoring of contractor performance is required to give reasonable assurance that efficient methods and effective cost controls are being used. Although our work is still on-going, we identified some high-risk labor charging activities that, with changes to the contract, can be eliminated or mitigated. We formally alerted management of our initial findings and management made immediate improvements.



LEFT: ROBIN HOOD DEFIES KING JOHN, WHO IS SEEN WITH THE MAGNA CARTA IN
FREDERICK WARDE'S PRODUCTION OF RUNNYMEDE BY WM. GREER HARRISON.
CINCINNATI AND NEW YORK: STROBRIDGE LITHOGRAPH CO., CA. 1895.

REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS

INVESTIGATIONS

During the reporting period, we opened 24 investigations and closed 24. We forwarded two investigations to Library management for administrative action. Two investigations were forwarded to the Department of Justice for criminal prosecution; one was declined and one is pending. Investigation case and Hotline activities are detailed below.

TABLE 1: INVESTIGATION CASE ACTIVITY

	CRIMINAL/CIVIL	ADMINISTRATIVE	TOTAL
From Prior Reporting Period	26	9	35
Opened	10	14	24
Closed	12	12	24
End of Period	24	11	35

TABLE 2: HOTLINE ACTIVITY

	COUNT
Allegations received	25
Referred to management	5
Opened as investigations	9
Opened as audit	0
Referred by audit division	1
Closed with no action	10

SIGNIFICANT CRIMINAL, CIVIL, AND ADMINISTRATIVE INVESTIGATIONS

SPLIT PURCHASES

An anonymous letter was sent to the OIG Investigations Division stating that at the end of Fiscal Year 2013, the Office of Support Operations (OSO) had misused their Government purchase cards by engaging in split purchases to buy computer equipment. An investigation determined that a senior employee within OSO knowingly directed the purchase card holders to make the split purchases, totaling nearly \$40,000. Management has requested an additional investigation be conducted into related issues.

MISUSE OF GOVERNMENT PROPERTY AND TIME

OIG received an allegation from Library management that an employee was operating a personal business and using government resources while on duty. Forensic analysis of the employee's work e-mail account and computer activity indicated that the employee worked on this business using a government computer during official work hours. In addition, as part of this business, the employee attempted to acquire Personally Identifiable Information from other Library employees through e-mail solicitation. The employee resigned prior to management's final determination.

REFERRALS AND ASSISTANCE TO OTHER LAW ENFORCEMENT AGENCIES

The OIG received a request to assist the Department of Labor OIG in a case involving a potential copyright holder.

We also assisted the U.S Marshals Service to locate a felon wanted in the state of Washington for charges involving a hate crime and assault. The individual was a Library patron and was arrested in a Library reading room. The felon was extradited to Washington State to stand trial.

The OIG acted as the liaison between the Library and the Federal Bureau of Investigations (FBI) for a Distributed Denial of Service attack that hit the Library's Copyright servers in 2010. A Distributed Denial of Service attack is an attempt by two or more people to make a machine or network unavailable to its intended users. Sentencing is scheduled and the FBI asked OIG to assist in gathering victim impact statements in September.

FOLLOW-UP ON INVESTIGATIVE ISSUES FROM PRIOR SEMIANNUAL REPORTS

STOLEN CIVIL WAR PHOTOGRAPH RETURNED

We reported in our March 2014 Semiannual Report to the Congress that a Civil War photograph donated to the Library may have been stolen property. An OIG investigation confirmed the theft and revealed that the person likely responsible for the original theft was deceased. The OIG referred the matter to the Office of the Librarian who returned the photograph to its original owner, the Ohio Historical Society.

PIRATED TALKING BOOKS

We investigated the Internet sales of pirated copies of several talking books produced by the National Library Service for the Blind and Physically Handicapped. As a result of our investigation and coordination with the Department of Homeland Security and the East Midlands Regional Asset Recovery Team in Nottingham, England, a British citizen was arrested for violations of Copyright and Patent laws. The OIG continues to support the East Midlands Regional Asset Recovery Team in their prosecution of this international case.

OTHER OIG INVESTIGATIONS ACTIVITIES

OIG HOTLINE WEB PAGE UPGRADE

OIG Investigations upgraded its Hotline to conform with the Hotlines of other agencies' OIGs. The migration from an e-mail to a web form will greatly diminish the amount of spam received, allowing OIG to more efficiently monitor and effectively address incoming complaints.

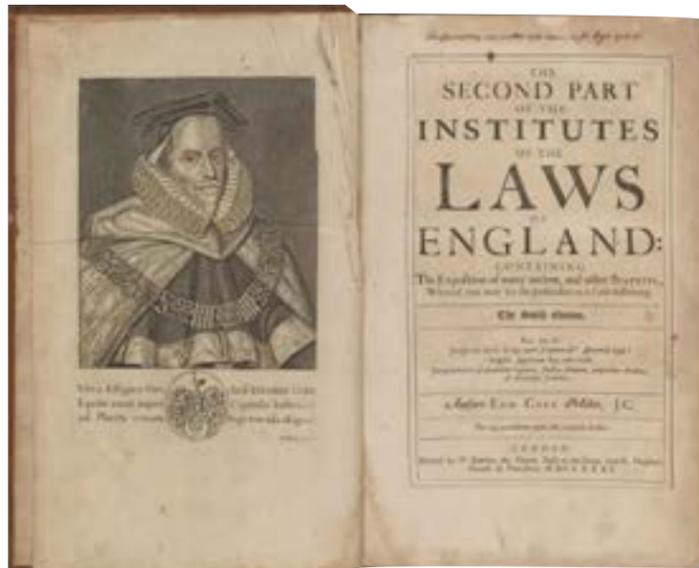
ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS PRESENTS AT INSTITUTE OF INTERNAL AUDITORS

At the request of the Inspector General for the House of Representatives, the Library's Assistant Inspector General for Investigations presented at an Institute of Internal Auditors continuing professional education seminar. The presentation, *When Audits Become Investigations*, was presented to an audience of over 250 internal auditors.

REVIEW OF LEGISLATION AND REGULATIONS

TABLE 3: REVIEW OF LIBRARY OF CONGRESS REGULATIONS (LCRs) AND DIRECTIVES

REVIEWED	COMMENTS BY THE OFFICE OF THE INSPECTOR GENERAL
LCR 2113 Voluntary Services Agreement	We suggested that service units provide a copy of each Voluntary Service Agreement to HRS, or another designated office, to create a master file for all agreements with an efficient means for access and filing. We also suggested that volunteers working at a Library facility for a period of more than 2 days have an Employee Suitability Check.
LCR 1615-1 Asset Control of Accountable Property Owned by the Congress	We suggested that the Chief Financial Officer and Service Unit heads identify additional non-capitalized property for tracking and inventory purposes. Further, we recommended Service Unit heads receive a report on inventory variances. We also suggested that all reports of missing or stolen property be reported to the Office of the Inspector General. We recommended that the LCR include a policy on the disposal of personal property.



ABOVE AND RIGHT: SIR EDWARD COKE, THE SECOND PART OF THE INSTITUTES OF THE LAWS OF ENGLAND. LONDON, ENGLAND, 1681. THE SECOND PART OF COKE'S INSTITUTES CONTAINS COKE'S FAMOUS INTERPRETATION OF THE MAGNA CARTA WHICH PLACED THAT MEDIEVAL CHARTER SQUARELY IN THE CENTER OF ENGLISH CONSTITUTIONAL LAW.

REPOSITORY: THE THOMAS JEFFERSON COLLECTION, LIBRARY OF CONGRESS.



UNIMPLEMENTED RECOMMENDATIONS²

TABLE 4A: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Office of the Librarian				
Raiser's Edge Software Program	2006-IT-302 December 2007	Development Office	III	System managers for Raiser's Edge should regularly review the system's transaction logs for suspect data events—The Office of the Librarian and ITS have commenced work on the continuous monitoring pilot for Raiser's Edge, and expect completion in the first quarter of FY15.
Multi-Sector Workforce	2010-PA-105 March 2011	Office of the General Counsel	III.1	Create a policy using Internal Revenue Service rules to properly classify workers as independent contractors or employees and require service units to submit documentation to the OCGM for nonpersonal contract services—HRS and the Human Capital Planning Board have concluded review of OIG recommendations pertaining to the multi-sector workforce, endorsing existing policy to achieve objectives. Responsibility for LCR-2111 is assigned to OCGM in the new Library of Congress Manual (LCM). ³ The target completion date is FY 2015.
Performance-based Budgeting III	2013-PA-101 March 2013	Library-wide	II.2	Add to the management discussion and analysis (MD&A) disclosures an explanation of how management ensures the accuracy and reliability of the data used to measure progress towards each of its performance goals, including an identification of the means used to verify and validate measured values, the data sources, the required level of data accuracy, data limitations, and compensating measures for any limitations to reaching the required level of accuracy—Beginning with the FY14 financial statements, the report will describe the process used to validate and certify accuracy of the performance information recorded in the MD&A section. The target date for completion is the first quarter of FY15.
Performance-based Budgeting III	2013-PA-101 March 2013	Library-wide	II.3	Develop a separate performance accountability report (PAR) to fit the Library's compliance with the spirit of GPRA and the Modernization Act and fully disclose to stakeholders and the public the annual results of its performance management efforts. The Library should place this report on its public web site—The Library publishes its financial statements on its public website and will continue to refine the draft PAR. Full implementation is anticipated in the second quarter of FY16.

² THESE STATUS UPDATES ARE MANAGEMENT ASSERTIONS AND HAVE NOT BEEN AUDITED.

³ THE LCM WILL INCLUDE LIBRARY-WIDE HANDBOOKS AND TECHNICAL GUIDANCE, ENCOMPASSING THE ENTIRE BODY OF THE LIBRARY'S GOVERNING DOCUMENTS. THE LIBRARIAN'S OFFICE COMPLETED ITS INITIAL REVIEW LAST SPRING AND THE OFFICE OF THE GENERAL COUNSEL AND HRS WERE CONDUCTING THEIR REVIEWS AT THE TIME OF THIS PUBLICATION.

TABLE 4A: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Office of Contracts and Grants Management				
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts and Grants Management	I.A.2	Rewrite the Contracts Operating Instructions (COI) manual deleting those policies that merely restate the Federal Acquisition Regulations (FAR) and draft specific guidance geared toward the Library's acquisition activities. Organize the COI so that it is easily accessible—The OCGM Director updated and submitted consolidated contracting policies and procedures, Contract Technical Guidance (LCTG), and a Contracts Handbook for non-contracting personnel as part of the LCM initiative and is awaiting formal review. The target date for completion is aligned with the launch of the LCM. The target completion date is FY 2015.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts and Grants Management	I.F.2	Rewrite COI 1003 to be a more comprehensive oversight policy and contract review process—The oversight and review process of COI 1003 is in section 4.7203 of the new LCTG. Training was provided to staff based on the updates. The target completion date is dependent on the LCM publication. The target completion date is FY 2015.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts and Grants Management	II.G.1	Develop directives that clearly set forth the policy and constraints for using LCR 2111—LCR 2111 was revised and incorporated into section 5730-37.102 of the consolidated LCTG. The accompanying Form 52 was also updated and incorporated into section 5730-53.2 of the LCTG, which corresponds to FAR subpart 53.2 Forms. Responsibility for review and award of actions under LCR 2111 was transitioned to the Office of Grants Management and full implementation is expected with the publication of the LCM. The target completion date is FY 2015.
Improper Payments II	2011-SP-101 May 2011	Office of Contracts and Grants Management	I.2	OCGM and the Office of the Chief Financial Officer (OCFO) should update directives to officially reflect the current spending limit for micro purchases of \$3,000—The Purchase Card Technical Guidance is in draft, awaiting review. It reflects the current micropurchase threshold of \$3,000 for supplies and \$2,500 for services. The technical guides will be published as part of the LCM. The target completion date is FY 2015.
Office of Opportunity, Inclusiveness, and Compliance				
Equal Employment Opportunity Complaints Office	2001-PA-104 February 2003	Office of Opportunity, Inclusiveness, and Compliance	I	Evaluate and revise LCR 2010-3.1—The House Oversight Committee did not act on the Library's proposed legislative initiative. Evaluation and revision of LCR 2010-3.1 by Library management is complete. The Office of Workforce Development, Office of General Counsel and Office of Opportunity, Inclusiveness, and Compliance (OIC) are currently negotiating with the collective bargaining units on final revisions and language. The estimated target date for completion is the second quarter of FY15.

UNIMPLEMENTED RECOMMENDATIONS

TABLE 4A: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Office of Opportunity, Inclusiveness, and Compliance continued				
Follow-Up Review of the Office of Opportunity, Inclusiveness, and Compliance	2011-PA-106 June 2011	Office of Opportunity, Inclusiveness, and Compliance	II.2.b	OIC, in collaboration with the Library's Human Capital Management Flexibilities Working Group, should complete the barrier identification and elimination process initiated with the Multi-Year Affirmative Employment Program Plan (MYAEPP) by assessing the success of the plan—The Human Capital Planning Board concluded that eliminating barriers is best accomplished through a master recruitment plan for vacancies. The MYAEPP Revisioning Working Group completed its assessment, and recommended developing a plan that will sustain a diverse workforce, promote awareness and inclusiveness in the workplace, and highlight the diversity in Library collections and programs. The target completion date is the first quarter of FY15.
Office of Support Operations				
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.1	Determine whether centralizing teleworking policy authority in a Telework Coordinator would add value to the program—The Executive Committee is reviewing the final revisions to the revised telework regulation. This regulation will establish a Telework Steering Committee (TSC) to assess the effectiveness of the Library's telework strategy, review emerging best practices in other government agencies and the private sector, assess infrastructure equipment, recommend processes to address changes in technology, and facilitate telework objectives. The target date for completion is the first quarter of FY15.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.3	Collect data on and evaluate the costs and benefits of teleworking to determine whether it provides a cost-effective means to perform specific work requirements—Under the revised telework regulation, the TSC will conduct a cost-benefit analysis in the second quarter of FY15.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.4	Develop a telework health and safety checklist and incorporate it into telework agreement forms—Under the revised telework regulation, the TSC will develop a health and safety checklist, which each teleworking employee must complete and submit to his/her immediate supervisor. The target completion date is the second quarter of FY15.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.5	Develop an interactive telework training program and require teleworkers and their managers to successfully complete it before beginning telework—The Executive Committee is reviewing the revised telework regulation. The target date for completion is the first quarter of FY15.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.6	Revise LCR 2014-8 to address the permissibility of accessing sensitive, unclassified, and "For Official Use Only" data at offsite locations—The Executive Committee is reviewing the revised telework regulation. The target date for completion is the first quarter of FY15.

TABLE 4A: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Telework Program	2010-PA-102 June 2011	Office of Support Operations	II.1	Review positions to determine whether they are prone to telework and do not create an additional burden on other areas—The revised telework regulation will require that the nature of the work required of the position is suitable for telework and that it does not adversely affect the workload or effectiveness of the teleworker, the supervisor, or other employees. The Executive Committee is reviewing the revised telework regulation with an estimated completion date in the first quarter of FY15.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	II.2	Institute policies requiring the availability of teleworkers by e-mail, telephone, and in person when needed, including the use of remote call coverage for positions involving frequent telephone use—The revised telework regulation will require teleworkers to be available for timely contact by telephone and e-mail during duty hours. The Executive Committee is reviewing the revised telework regulation with an estimated completion date of the first quarter of FY15.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	IV.1.a	Require employees who are expected to telework during a Continuity of Operations (COOP) event to have adequate training, infrastructure support, and practice—The Library of Congress' Remote Environment, a key infrastructure support element that gives employees the ability to telework during a COOP event, was incorporated into COOP training and drill objectives. A COOP exercise for key infrastructure support will occur in the first quarter of FY15.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	IV.1.b	Implement a telework agreement that provides for a COOP event—The revised telework regulation allows for episodic telework arrangements, including COOP events. The Executive Committee is reviewing the revised telework regulation with an estimated completion date in the first quarter of FY15.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	IV.2	Incorporate teleworking scenarios in COOP exercises—The Library of Congress' Remote Environment, was incorporated into COOP training and drill objectives by COOP planners. A COOP exercise is scheduled for key infrastructure support and the Library is working to identify and incorporate users of sensitive information. The completed user list and drill are anticipated for the first quarter of FY15.
Library Services				
Top Treasures Security and Preservation Controls	2008-PA-103 January 2009	Library Services	I.a	Establish criteria for specifically defining top treasure collection items and a clear process to nominate or transfer collection items to the category—Discussions with chiefs of custodial divisions about item and collection security are ongoing and being coordinated by the Office of the Librarian. A revised version of the LCR was distributed to service unit heads for approval. The target completion date is the first quarter of FY15.

UNIMPLEMENTED RECOMMENDATIONS

TABLE 4A: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Library Services				
Surplus Books Program	2010-PA-106 September 2011	Library Services	I.c.1	Update LCR 1816 to include designing a serialized document that is counterfeit resistant, reassigning the responsible office to ensure oversight, documenting accountability, and implementing procedures to more appropriately account for and retire used passes. Revise the LCR to implement a pass designed for specific Surplus Books Program (SBP) use—The Acquisitions & Bibliographic Access Directorate will convene the appropriate Library units to determine how to accomplish the original recommendation or to determine if the original recommendation is no longer feasible. If determined appropriate, LCR 1816 will be revised according to procedures in place for the LCM. The target completion date for determination is the second quarter of FY15.
Surplus Books Program	2010-PA-106 September 2011	Library Services	II.a.1	SBP management should implement the use of a software application to collect and analyze program operating data—There is no new activity to report because the ITS specialist assigned to the project is still being called to address other assignments. The estimated completion date is the third quarter of FY15.
Office of Strategic Initiatives				
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.2.C	Account for all IT costs, including computer security as part of the IT budgetary process—The Office of the Librarian continues its information resources management plan implementation and IT spending and investment reviews. The results of these reviews and current Library-wide planning will determine whether any organizational or resource allocation changes are warranted. The target implementation date is the first quarter of FY15.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.3.A	Separate the IT support functions from OSI and establish the Office of the Chief Information Officer (CIO) from the ITS Directorate and other IT support functions of OSI. The CIO will report directly to the Librarian or Deputy Librarian with duties, responsibilities, and authority consistent with best practices—The Office of the Librarian continues its information resources management plan implementation and IT spending and investment reviews. The results of these reviews and current Library-wide planning will determine whether any organizational or resource allocation changes are warranted. The target implementation date is the first quarter of FY 15.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.5.A	Implement service level agreements to manage customer expectations—The current strategic planning process overseen by the Strategic Planning Office has a provision for ITS to provide support to service units according to their documented requirements. This recommendation is pending further guidance from the strategic planning process with a target completion date in the first quarter of FY 15.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.5.F	Develop a set of metrics for ongoing use to measure performance. These metrics should change and evolve over time. As one area shows improvement new metrics should be developed for other areas—A comprehensive set of metrics was established as part of the new IT help desk contract. ITS is currently aggregating performance results. The target date for completion is the second quarter of FY15.

TABLE 4A: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Library-Wide Computing Efficiencies	2013-IT-101 March 2013	Information Technology Services	I.1	Collect data on efficiency levels of servers, maintain comprehensive server inventory data in a central repository, and continuously track data on the power used by the data center—ITS is in the process of configuring efficiency tracking on critical servers using the inventory tracking system. The target date for completion is the second quarter of FY15.
Library-Wide Computing Efficiencies	2013-IT-101 March 2013	Information Technology Services	I.2	Report to the Deputy Librarian the progress made in adopting the specific recommendations of the outside consultant's report on server virtualization, and the steps and time frames it will take to implement such recommendations and the Library's return on investment/cost savings to be achieved—ITS identified recommendations from the consultant's report that are viable for implementation in the context of other strategic technology initiatives, ongoing operational activities, and fiscal and personnel resource constraints at the Library. As part of this activity ITS documented its reasoning for not implementing some of the recommendations from the report and sent this to OIG. OIG subsequently requested additional information and ITS is preparing the response. The anticipated completion date is the first quarter of FY15.
Library-Wide Computing Efficiencies	2013-IT-101 March 2013	Information Technology Services	II.1	Develop an enterprise-wide plan to guide management decision-making on possible cloud solutions—ITS has developed a plan to guide decision-making on potential cloud solutions. This plan will be fully vetted with Library management and stakeholders over the next several months with a target date for completion in the second quarter of FY15.
Library-Wide Computing Efficiencies	2013-IT-101 March 2013	Information Technology Services	II.2	Instruct ITS to take the lead in initiating evaluations of viable cloud computing solutions for the Library—ITS has developed a plan to guide decision-making on potential cloud solutions. This plan will be fully vetted with Library management and stakeholders over the next several months with a target date for completion in the second quarter of FY15.
Enterprise wide Web Search Strategy	2013-IT102 September 2013	Office of the Librarian, OSI, LS	II	Library Services should collaborate with the Web Governance Board and ITS to evaluate whether there is usable data in the XML database and, if so, develop a plan to migrate the data stored to the new web search platform—Library Services has completed a review of the content in the XML database and will work with the Web Governance Board representatives to assess if data should be migrated to Project ONE. Specific data to be migrated will be included in the Project ONE FY15 plan, currently in draft for release in the first quarter of FY15.

IMPLEMENTED AND CLOSED RECOMMENDATIONS³

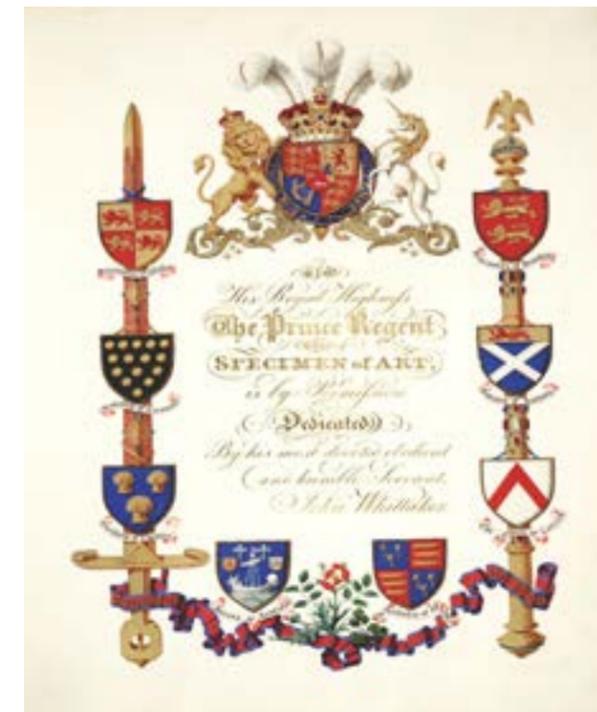
TABLE 4B: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Office of the Librarian				
Performance-based Budgeting III	2013-PA-101 March 2013	Library-wide	II.1	Incorporate in the financial statements, where applicable, MD&A information about unmet performance targets and related goals, plans, and schedules for achieving them, assessments of practicality and feasibility of the goals, and disclosure of the action that management must take for success—The FY13 Financial Statements included more comprehensive MD&A statements and plans are underway to further improve this section of the financial statements reporting for FY14 and FY15.
Office of Contracts and Grants Management				
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts and Grants Management	I.A.1	Establish a support component to ensure effective and efficient performance of critical functions that support the OCGM. The position should be staffed with a senior, experienced General Schedule 1102, Grade 14—OCGM hired a General Schedule 1102, Grade 14 to serve as Supervisory Contracting Officer ensuring effective and efficient performance of critical functions supporting OCGM.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts and Grants Management	III.B.1	Restructure the Alert Handbook into a series of user-friendly, PowerPoint® customer service training packages directed at two levels, executive leadership and service units—A series of instruction for Contracting staff, CORs, and service unit staff was developed and delivered. The Director, OCGM also implemented a project to review and update OCGM websites which will contribute to the LCM Governing Documents Initiative. The Office of the Librarian was unable to provide a target completion date for the manual.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts and Grants Management	III.B.4	Develop a procurement process standard operating procedure so that customers understand that a good procurement package includes a statement of work, market research, independent government cost estimate, and the evaluation factors used in the evaluation process. The procedure should include a procurement package checklist—Training materials on statements of work, market research, independent government cost estimate, and evaluation factors have been loaded to the OCGM website.
Office of Strategic Initiatives				
Information Technology Workstation Management	2012-PA-101 September 2012	Information Technology Services	I.1	ITS should improve its communications and transparency with service units regarding the IT equipment which is available in inventory—ITS now posts approved hardware specifications and indicates available inventory on the intranet and updates it periodically.

⁴THESE STATUS UPDATES ARE MANAGEMENT ASSERTIONS AND HAVE NOT BEEN AUDITED.

TABLE 4B: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.5.D	Rather than offering the new help desk system as an interface, ITS should require all technology offices throughout the Library to use a standard help desk system to take advantage of economies of scale—The Footprints Service Core is available to all Service Units. A process for engaging and developing a Service Unit workspace in Footprints is also available.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.5.G	Conduct regular customer surveys and open informational meetings—ITS now conducts regular customer surveys as well as open informational meetings. The Enhanced Help Desk Project went into production in the fourth quarter of FY14.
Library Services				
Surplus Books Program	2010-PA-106 September 2011	Library Services	II.c.1	LS management should collect the required data to conduct an analysis to determine whether the Library derives tangible benefits from processing other agencies' surplus material transfers—SBP has not accepted transfers from other agencies since October 2011 and expects to keep that policy in effect. The revised policy was disseminated to the federal library community through a posting on the Surplus Book website, which is the official venue for making announcements about the program. The announcement can be found at http://www.loc.gov/acq/fedsur.html .



LEFT: MAGNA CARTA REGIS JOHANNIS XV. A BEAUTIFULLY ILLUSTRATED TEXT OF THE MAGNA CARTA PRINTED IN GOLD ON WHITE VELLUM. LONDON, ENGLAND C. 1816-1818

REPOSITORY: LAW LIBRARY, LIBRARY OF CONGRESS

FUNDS QUESTIONED OR PUT TO BETTER USE

TABLE 5: FY02-PRESENT FUNDS QUESTIONED OR PUT TO BETTER USE

FUNDS QUESTIONED AND PUT TO BETTER USE	RATIO: FUNDS QUESTIONED AND PUT TO BETTER USE TO OIG DISCRETIONARY BUDGET ⁵
\$62,550,770	2.6:1

TABLE 6: FY14 AUDITS WITH RECOMMENDATIONS FOR BETTER USE OF FUNDS

	NUMBER OF AUDIT REPORTS	TOTAL FUNDS PUT TO BETTER USE
No management decision was made by the start of the period:	-	-
Issued during the period:	-	-
In need of management decision during the period:	-	-
Management decision made during the reporting period:		
Value of recommendations agreed to by management	-	-
Value of recommendations not agreed to by management	-	-
No management decision made by the end of the reporting period:		
Less than 6 months old:	-	-
More than 6 months old:	-	-

TABLE 7: FY14 AUDITS WITH QUESTIONED COSTS

	NUMBER OF AUDIT REPORTS	TOTAL QUES- TIONED COSTS
No management decision made by the start of the period:	-	-
Issued during the period:	-	-
In need of management decision during the period:	-	-
Management decision made during the reporting period:		
Value of recommendations agreed to by management	-	-
Value of recommendations not agreed to by management	-	-
No management decision made by the end of the reporting period:		
Less than 6 months old:	-	-
More than 6 months old:	-	-

⁵TOTAL BUDGET MINUS (1) UNREIMBURSED COST OF MANDATORY FINANCIAL STATEMENTS AUDITS, INCLUDING THE COST OF OIG STAFF TO OVERSEE FINANCIAL STATEMENT ACTIVITY, AND (2) ANY UNOBLIGATED FUNDS RETURNED TO THE LIBRARY FOR RESOURCE REALLOCATION.

INSTANCES WHERE INFORMATION OR ASSISTANCE REQUESTS WERE REFUSED

No information or assistance requests were refused during this period.

STATUS OF RECOMMENDATIONS WITHOUT MANAGEMENT DECISIONS

During the reporting period, there were no recommendations more than six months old without management decisions.

SIGNIFICANT REVISED MANAGEMENT DECISIONS

During the reporting period, there were no significant revised management decisions.

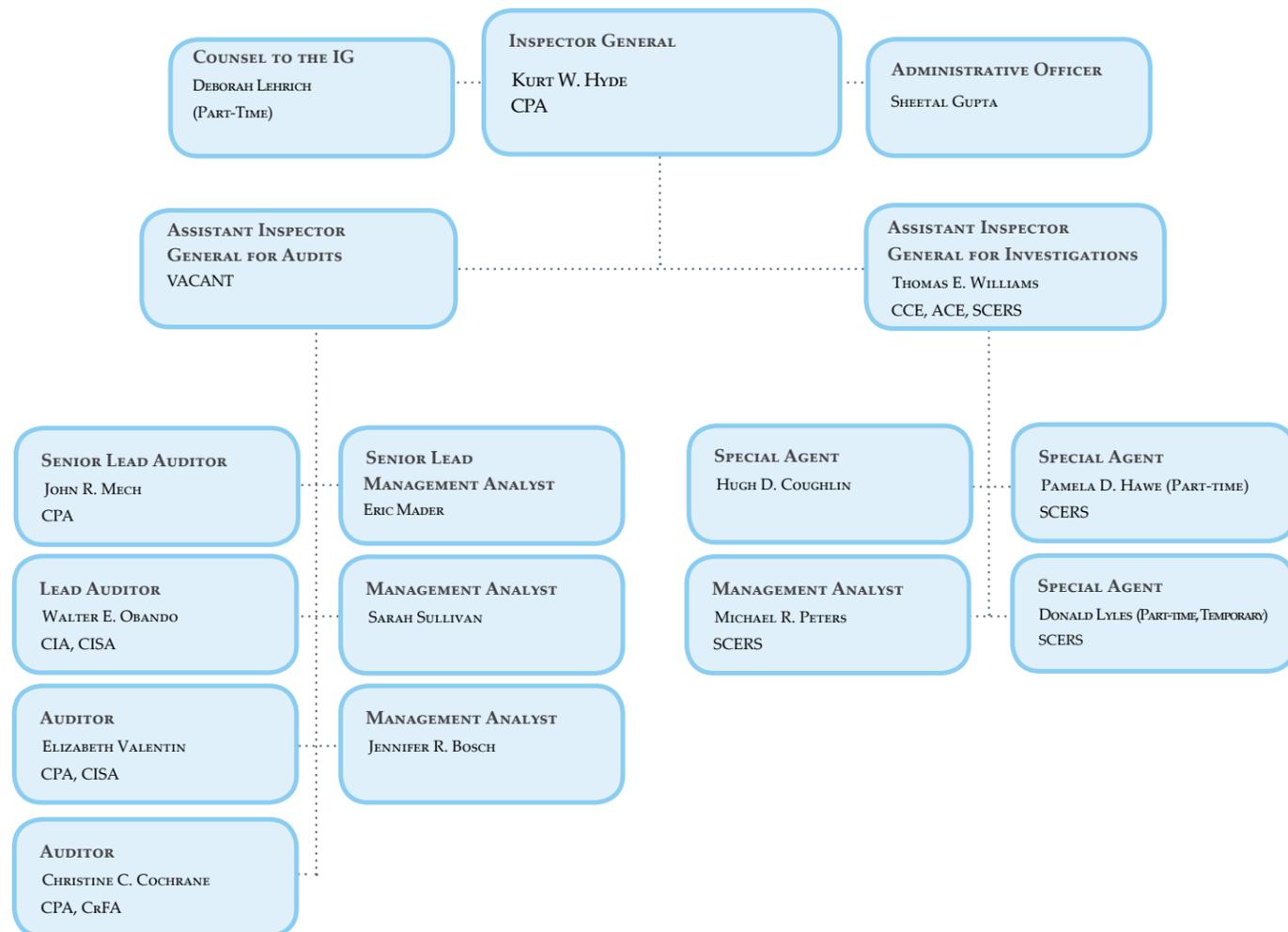
SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREES

During the reporting period, there were no significant management decisions with which we disagreed.

FOLLOW-UP ON PRIOR PERIOD RECOMMENDATIONS

In this semiannual period, we followed up on all open recommendations from our prior semiannual period. Management's comments on the status of individual recommendations appear in table 4A. Recommendations that management asserts it implemented during the period appear in table 4B. In order to confirm that recommendations were implemented as reported, we perform periodic follow-up on selected projects to verify implementation; however, all assertions contained in table 4B are the representations of management.

OIG ORGANIZATIONAL CHART



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ANY INFORMATION YOU PROVIDE WILL BE HELD IN CONFIDENCE.
HOWEVER, PROVIDING YOUR NAME AND A MEANS OF COMMUNICATING
WITH YOU MAY ENHANCE OUR ABILITY TO INVESTIGATE.



LIBRARY OF CONGRESS

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