The Library of Congress
Office of the Inspector General

Semiannual Report to the Congress
September 30, 2012

BUILDING FOR LIBRARY OF CONGRESS.
VIEW FROM SENATE WING OF CAPITOL.

GENERAL DRAWING.

This semiannual report features the architecture of the Library of Congress, including artist renderings from an 1873 competition for the design of a separate Library of Congress building. Since its establishment in 1800, the Library was housed in the U.S. Capitol building. In 1886, after many proposals and much controversy, Congress authorized construction of a new Library building in the style of the Italian Renaissance in accordance with a design prepared by Washington, DC architects John L. Smithmeyer and Paul J. Pelz. When the Library of Congress building opened its doors to the public on November 1, 1897, it was hailed as a glorious national monument and "the largest, the costliest, and the safest" library building in the world.

After nearly a century of use, the Congress appropriated funds in 1984 to restore the building to its 19th century splendor while modernizing it for use in the 21st century. The building, named the Thomas Jefferson Building in 1980, reopened in 1997 on its 100th anniversary. The Library of Congress continues to share with the public its unparalleled research collections and the remarkable beauty of its art and architecture.

The vintage photograph on the cover of this report depicts the Thomas Jefferson Building and is typical of stereograph cards popular during the mid-19th century. The double photographs, when viewed through a stereograph device, create the illusion of a three-dimensional image.

LIBRARY OF CONGRESS

September 30, 2012

A Message From the Inspector General

Over the last six months we prepared reports on procurement and disposal of information technology workstations, collections security and management of the Asian Division, a contractor claim, and the financial statements of the Open World Leadership Center and James Madison Council Fund for fiscal year (FY) 2011. We also prepared a comprehensive evaluation tool for the Library's overseas offices. During this period, investigations focused on misuse of Library computers, an employee conflict of interest, travel card abuse, financial fraud, defacement of Library collections, and other matters. We also assisted outside law enforcement organizations, recovered fraudulently obtained surplus Library books, and identified overcharges by a Library contractor. Finally, we responded to two Congressional inquiries and testified before the Committee on House Administration on our March 2012 report on the Library's contracting activities.

In the next six months, we will report on in-progress reviews of performance-based budgeting, facilities management, collections development, cloud computing/virtualization technology, the Library's FY 2012 financial statements, and several investigative cases including a significant theft case.

This period, our reviews identified $355,190 in funds to be put to better use, recoveries of $1 million in contractor overcharges, and $1,848 in misappropriated books. We are pleased to report that the Library implemented 55 of our recommendations from prior semiannual periods.

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.

Karl W. Schornagel
Inspector General
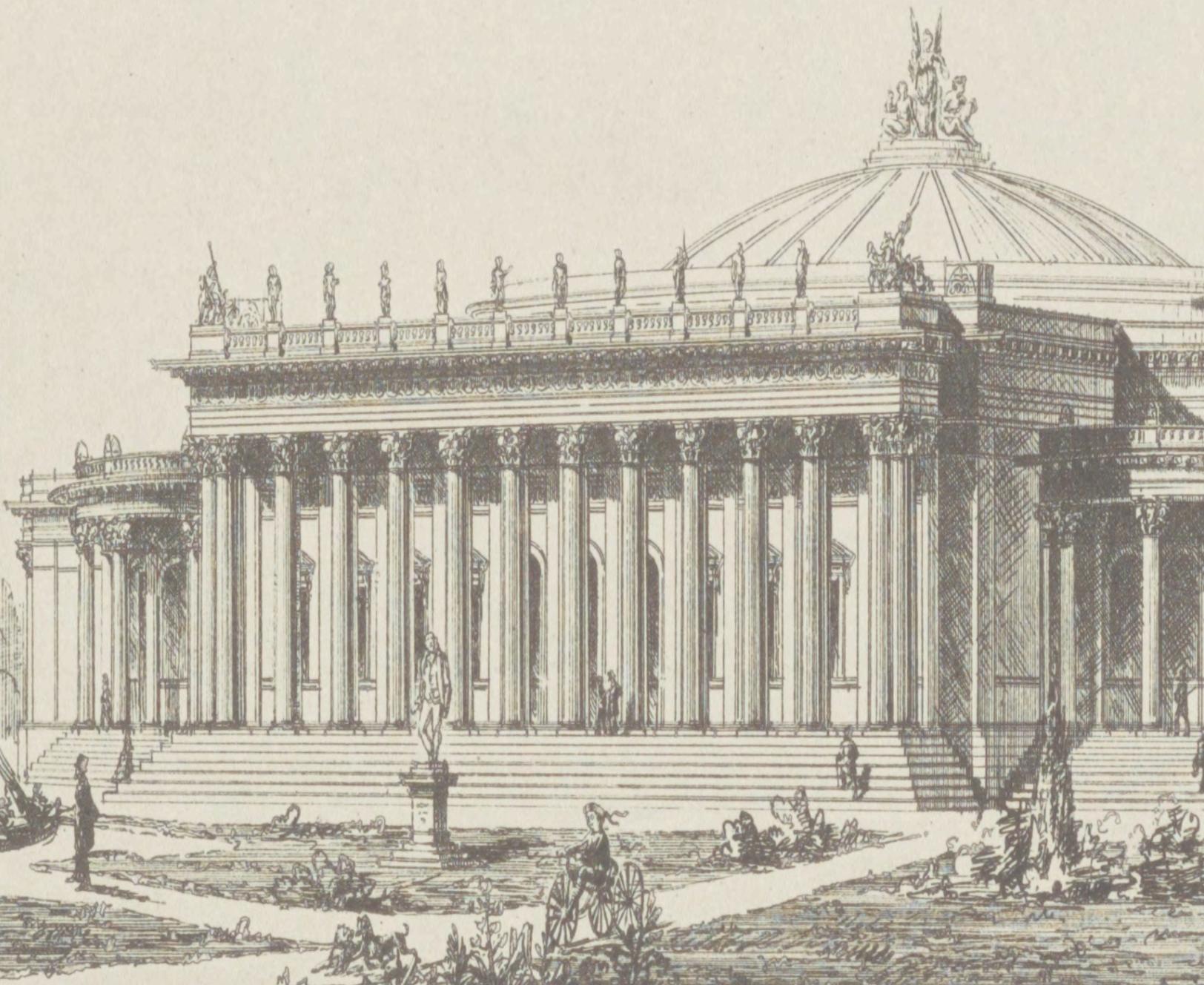
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In Summary . . .

Audits, Surveys, and Reviews

During this period, we conducted an audit to evaluate Library of Congress (Library) performance in managing the lifecycle of equipment used for the Library's information technology (IT) workstations. These workstations include computers, computer monitors, and software for Library office functions, among other things.

Our work revealed that the Library continues to manage the workstations according to industry standards. However, notwithstanding the positive work being done, our audit showed that senior management must become substantially involved in correcting the persistent problems identified in previous Office of the Inspector General (OIG) reports concerning new and excess IT equipment. These issues include unnecessary purchases and aging of IT inventory, and an inefficient computer disposal process.

We identified unopened IT equipment in inventory with expired warranty coverage. We also found violations of the bona fide needs rule, a statutory rule that restricts the use of appropriated funds, for various purchases of IT items. Among other actions, we recommended that Information Technology Services (ITS) take steps to inform service and support units about IT equipment available in inventory, and work in consultation with the Office of the Chief Financial Officer's Budget Office and the Office of the General Counsel to establish a procedure that ensures IT equipment purchases conform to bona fide needs rule restrictions. We identified $355,190 in funds to be put to better use by improving management of IT equipment.

During our fieldwork, we noted that computer disk sanitization was performed in the Library's Madison Building on Capitol Hill, and computers were transported back and forth between that building and the Maryland warehouse twice during out-processing. This disk sanitization procedure added time, cost, and risk to the disposal process. We recommended implementation of a more efficient and effective solution for sanitizing the hard disks of excess computers.

The Library's Asian Division (AD) manages one of the most comprehensive collections of Asian language materials in the world. We completed a performance audit during this period to evaluate AD management's protection of the division's collection materials and its control over daily operations. We focused on six major performance areas: 1) strategic acquisition planning, 2) physical security, 3) contract administration, 4) policy and procedure maintenance, 5) volunteers and personally identifiable information (PII), and 6) internal control.

We identified improvements for acquisition procedures, physical security, and inventory control for the AD's most valuable items. We also noted violations of Library policy on Contracting Officer's Representatives and that AD's policy and procedure manuals were outdated, unconsolidated, and inconsistent with Library of Congress Regulations. An OIG investigation found a volunteer performing unauthorized work on a personal project for an AD supervisor and our audit fieldwork identified unnecessary volunteer PII maintained by the division. Lastly, we found the AD's assessment of its internal control program did not accurately reflect those areas' internal control environments.

AD management has a long history of turnover in the Chief position and recent high-turnover in senior staff. However, the new Chief and Acting Assistant Chief, appointed this fiscal year (FY), are making commendable progress. We recommended that AD management effect changes in the operational areas identified by our report to improve management and stewardship of its collections. The AD significantly agreed with our findings and recommendations. This audit report is not available to the public because it identified specific vulnerabilities in collections security.

We also contracted with the consulting firm of CliftonLarsonAllen, LLP, to perform audits of the Open World Leadership Center (a separate legislative branch entity) and the James Madison Council Fund's FY 2011 consolidated financial statements.

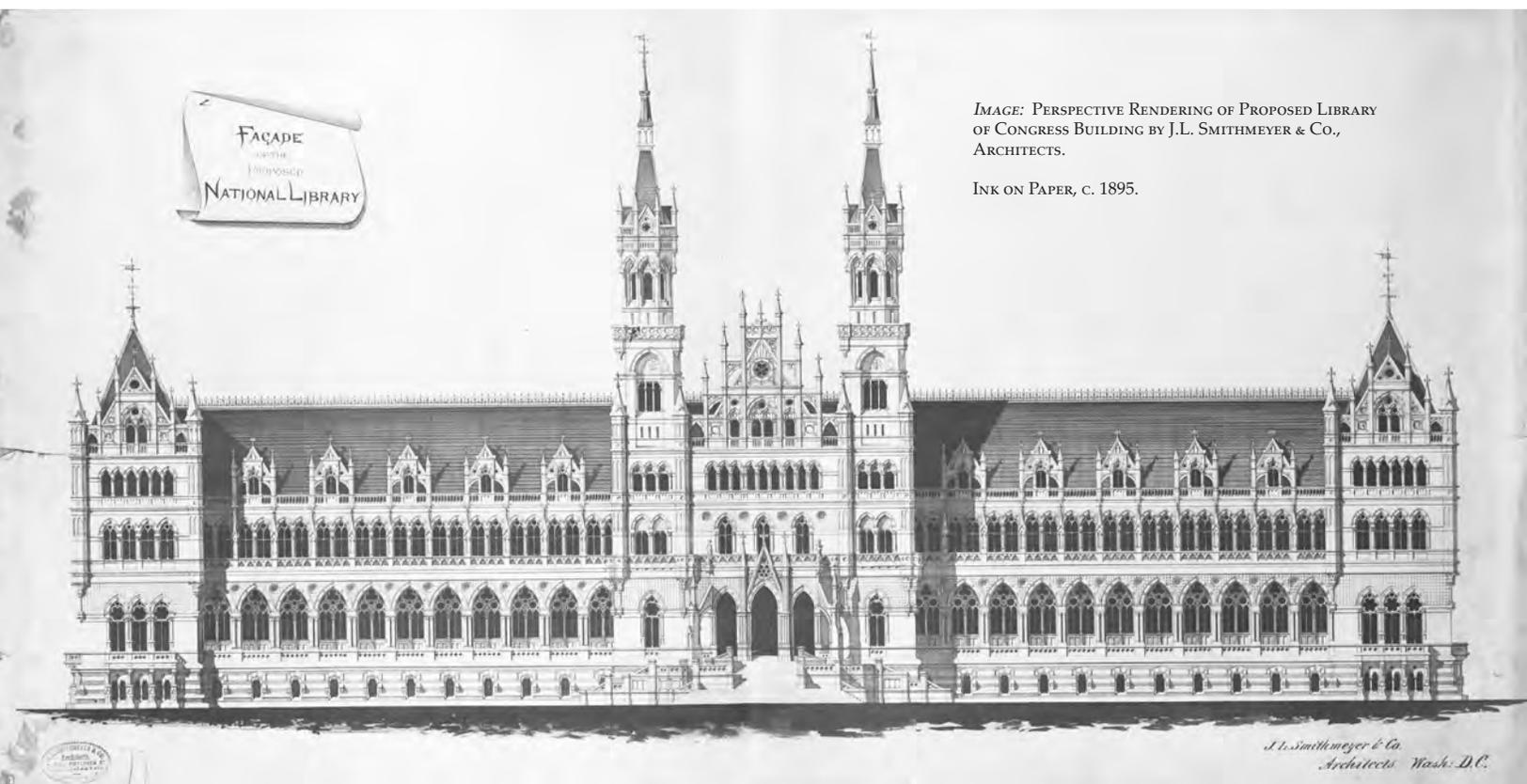These reports are further discussed beginning on page 15.

IMAGE: PERSPECTIVE RENDERING OF PROPOSED LIBRARY OF CONGRESS BUILDING BY J.L. SMITHMEYER & CO., ARCHITECTS.

INK ON PAPER, C. 1895.

Investigations

Kenneth R. Keeler, Assistant Inspector General for Investigations, retired during this semiannual period, marking the culmination of an accomplished career in law enforcement. His career at the Library included numerous high-quality criminal, civil, and administrative investigations that helped the Library ensure accountability, maintain high standards of ethical conduct, and resulted in successful prosecutions for crimes such as child pornography and theft, and recoveries of stolen Library collections and funds.

During this reporting period, OIG investigators discovered that a Library security contractor providing services to the Library's reading rooms and public areas routinely charged the Library for relief services performed by guards assigned to "roving" posts, contrary to the contract. Based on the investigation, the U.S. Attorney for the District of Columbia reached an agreement with the contractor to pay the government a $1 million settlement.

OIG investigators revealed that a Library manager used Library contractors and volunteers to provide extensive personal services. Additionally, one contractor filed a substantial claim against the Library for the cost of the personal services performed for this Library manager. Many of the issues uncovered by the investigation were addressed by a subsequent OIG audit (see page 17).

The Library's Security Operations Center reported to OIG that an employee's computer was repeatedly accessing Web sites containing pornography. An OIG investigation confirmed that the employee regularly accessed Web sites containing pornography using Library equipment. A suspension is pending.

Above: Perspective Rendering of Proposed Library of Congress Building by F. Schumann, Architect.

Ink on Paper, c. 1873.

A Library employee admitted to using a government travel card for personal expenses, and also used reimbursed travel funds that should have been used to pay monthly travel card charges, to pay for personal expenses. The employee entered into an alternative discipline agreement with management, which states that for purposes of the record and progressive discipline, his file will reflect a 20-day suspension.

One of the Library's overseas offices uncovered a series of fraudulent vouchers submitted by Library employees for payment. The Library management investigation led to the revocation of security clearances of two Foreign Service nationals and consequently, termination of their employment.

After receiving an allegation from a citizen that a bookstore in Maryland was selling books marked "Not for Resale" and "Library of Congress – Surplus Book," the OIG initiated an investigation. Investigators identified more than 90 books fraudulently obtained from the Library's Surplus Books Program and returned the volumes to the Library. The individual who obtained the books from the Library was previously debarred from the Surplus Books Program.

The OIG also received information about a possible foreign counter intelligence threat and referred the case to the Federal Bureau of Investigation.

An OIG investigation confirmed that a researcher defaced more than 20 Library books. Library management revoked research privileges after the patron refused to make restitution of $700 to replace the books.

Internal Revenue Service special agents requested assistance from the OIG to search for a Library patron using reading room computers to commit financial crimes. The patron was wanted for a series of scams and frauds and there were outstanding arrest warrants for the suspect. The suspect was later apprehended in Washington, DC.

The OIG assisted the U.S. Capitol Police (USCP) concerning a criminal complaint of a false fire alarm which led to the evacuation of the Library's Thomas Jefferson Building. After investigators determined that the suspect was not a Library employee, the case was referred back to the USCP.

Investigators also followed up on a reading room arrest reported in our March 2012 Semiannual Report to the Congress. The defendant was sentenced to prison and probation.

These investigations are further discussed beginning on page 24.

OTHER ACTIVITIES

The Library received a claim for costs incurred from a Library food service vendor. The Library subsequently asked the OIG to conduct an evaluation to determine if the claimed costs were allowable. We evaluated the costs to determine their reasonableness and allowability in accordance with government acquisition regulations and the terms of the contract. We determined that there was insufficient documentation in the contract file to make a determination of allowable costs. However, we identified several questionable legal aspects of the arrangement between the Library and the vendor and notified Library management of these issues.

Also during this period, we developed a self-audit program for Library Services' Overseas Operations Division and its six international field offices to allow evaluation of field offices without traveling to the sites. With the assistance of the Overseas Operations Division, we developed a three-part operational audit questionnaire that focuses on field office functions. The questionnaire will assist OIG in efficiently targeting areas for future audit work and raise awareness on effective program controls for overseas operations.

The Inspector General (IG) was selected by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), a consortium of 73 federal statutory IGs, to be the Vice Chair of its Audit Committee. The mission of the CIGIE Audit Committee is to provide leadership to and serve as a resource for the federal IG community. Specifically, the Audit Committee sponsors and
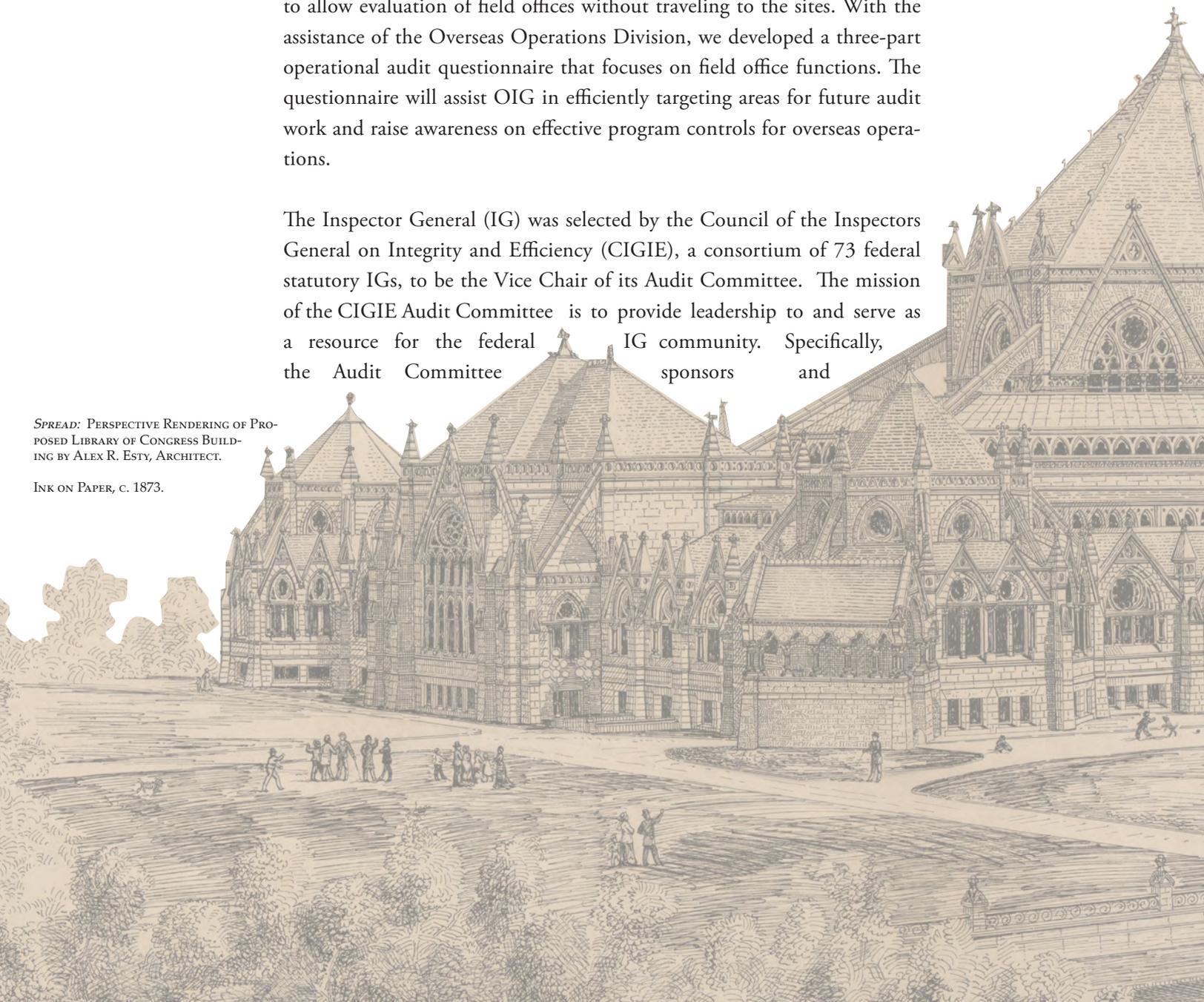
coordinates audit-related activities that address multi-agency or government-wide issues, maintains professional standards for OIG audit activities, and administers the audit peer review program. In addition, the Audit Committee serves as a resource for the IG community and offers insight and leadership on government-wide issues such as improper payment initiatives. The IG is also an active member of CIGIE's Investigations and Legislation Committees. As part of the IG's service on the Audit Committee, the OIG is conducting quality assurance oversight of CIGIE's FY 2012 financial statements audit.

During this period, the OIG responded to two Congressional inquiries regarding open audit recommendations and reporting serious or flagrant problems to Congress.

The Committee on House Administration conducted a hearing on an OIG audit of the Office of Contracts Management that appeared in our March 2012 semiannual report. Library management and the IG testified at the hearing.

These activities are discussed further beginning on page 29.
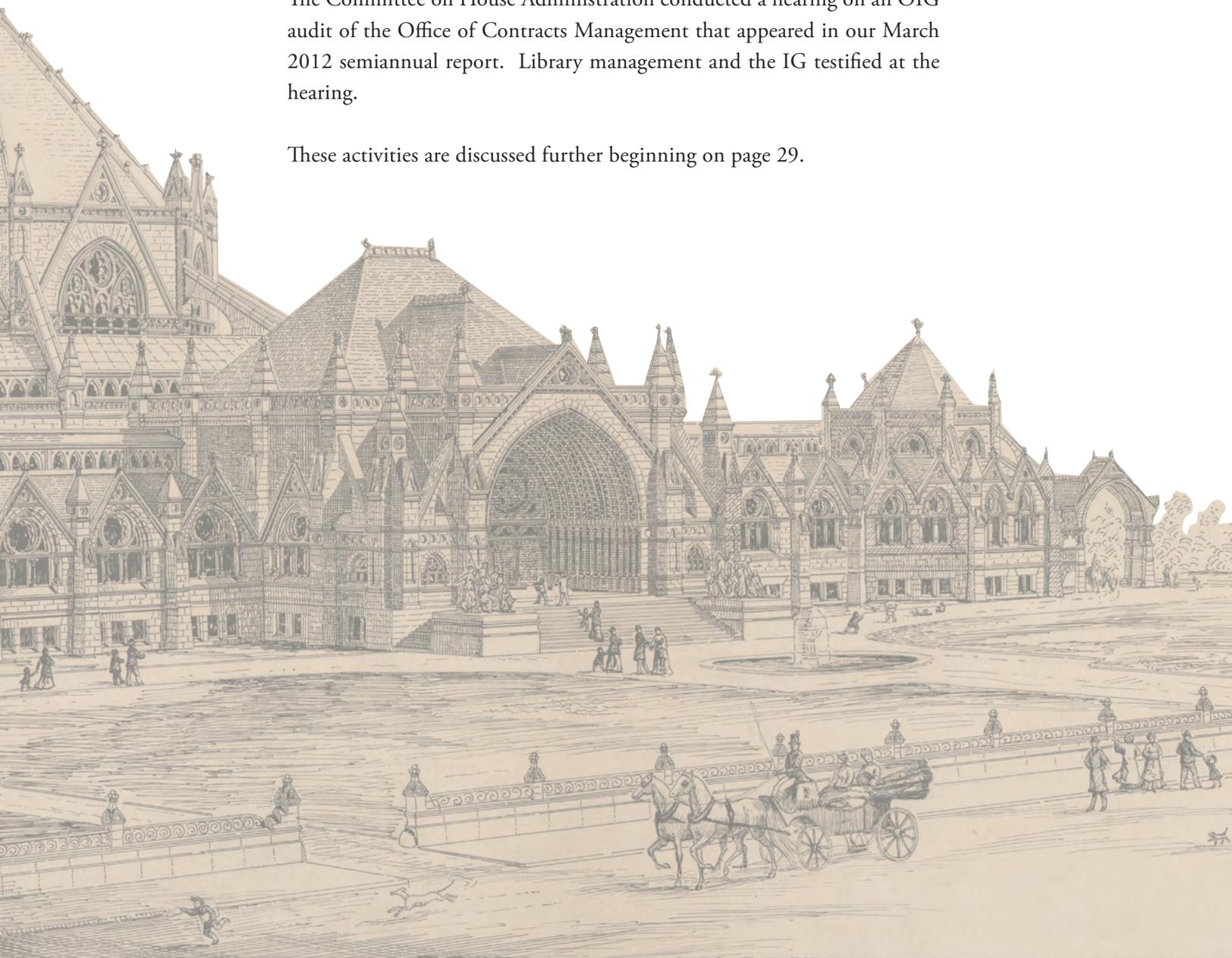
Top Management Challenges

This section provides a collective summary of issues that have been covered over several years of OIG reviews that, in our view, represent long-term challenges for the Library of Congress.

Facilities

Collections Storage—The Library currently faces a challenge in its mission to properly store and preserve its collections. The floors in the stacks of the Jefferson and Adams buildings are now being used to store the general collections and the Library is double- and triple-shelving materials. There are upwards of a million overflow volumes. The original construction schedule for Fort Meade collection storage modules would have provided space to house these collections and space for continuing expansion, but the last module intended to store general collections was completed in 2005 and filled in 2011. Modules 3 and 4, completed in 2009, were intended for special format collections, which include items such as maps, globes, manuscripts, prints and photographs, sheet music, and more. The modules were scheduled to be filled by October 2012. No funding has been appropriated for future modules at this time.

Although the Library is seriously addressing the overflow issue by installing shelving for high-density storage at its Landover warehouse, this facility will only be able to house about a million volumes. As the Library adds about 250,000 books and periodicals to the collections each year, the shortage of space will continue to grow. Further exacerbating this issue is the lack of secure storage for some rare and valuable collections. 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 environmental point of view.

Reading Room Space Allocations—The Internet age has allowed the Library to increase public access to its collections by digitizing and placing them online. The Library, through various cutting-edge programs, including the National Digital Information Infrastructure and Preservation Program is at the forefront of preserving digital content. Today, the Library's Web site, www.loc.gov, is among the Internet's most visited, with billions of page hits annually, and unrivaled depth and richness of content. However, this shift in access modalities has resulted in a significant decrease in the in-person use of Library materials and resources.

Consequently, there is a significant amount of underutilized reading room space. Despite the downward trend in readership, the Library has delayed making decisions about possibly consolidating reading rooms. Better utilization of reading room space could result in significant economy and efficiency by shifting space to collections storage.

Conference and Training Rooms—An OIG audit identified an increasing number of conference and training facilities in the Library's James Madison Memorial Building. In 2008 there were more than 120 such facilities in the building totaling more than 42,000 square feet which were, in many cases, underutilized. Consolidating and centrally locating and managing conference and training rooms, as the Copyright Office has done, would make a substantial contribution toward efficiency in the Library's use of floor 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 FY 2010, the Library obligated $107 million for IT-related expenditures (37% of its discretionary budget) for services, hardware, software, and maintenance. We followed up in detail on this report during the

last semiannual period (ending March 2012). In general, we found that the Library had implemented, or was implementing, most of our recommendations, although progress was slower than we had expected. We believe Library management's continued focus on implementing these recommendations will result in substantial long-term efficiencies.

In 2002, the Library opened a new Alternate Computing Facility (ACF). The purpose of the facility was to provide backup storage for data located on Capitol Hill and a recovery mechanism for important software applications so that the Library could resume business, at least in a limited capacity, in the absence of its Capitol Hill data center. In 2009, we reported that it was unclear whether or not the ACF could successfully provide service to its customers in the event of a catastrophic failure of the main data center. Although the Library has developed plans for testing, there have been significant delays, and exceedingly restricted resources could result in further delays. As the Library's financial system is now cross-servicing four external clients, delays in failover testing become increasingly important.

One OIG report was issued during this semiannual period to address IT related management challenges. A detailed description of this work begins on page 15 of this report.

Performance Reporting

As a result of an OIG audit, 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 format, 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.
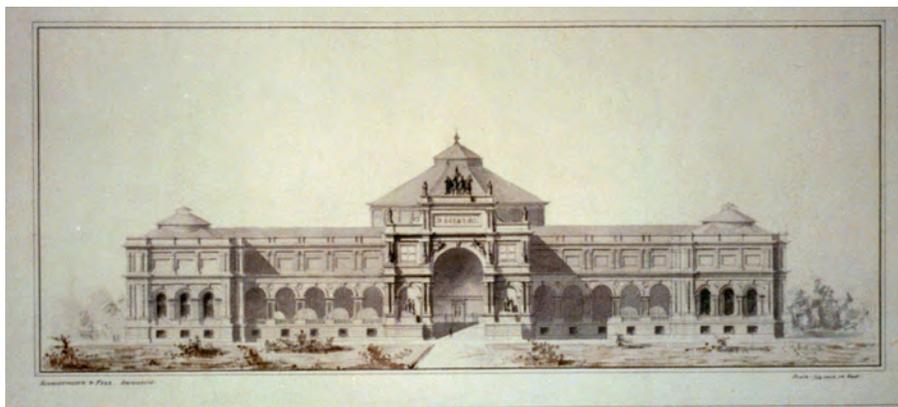
Left: Perspective Rendering of Proposed Library of Congress Building by Smithmeyer & Pelz, Architects.

Graphite, Wash, and Ink on Paper, c. 1873.

Recognizing that the Library has developed a robust planning and budgeting framework, it still has work to do to improve these processes. Following the lessons learned by the executive agencies' GPRA experiences, Library management should be able to tailor its GPRA approach to fit its unique operations and maximize the benefits of its GPRA efforts.

In passing the GPRA Modernization Act of 2010 (GPRAMA), 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. The Library has not yet developed a mechanism for evaluating programs, provided a framework for assuring consistent, valid, and verifiable metrics, or established a methodology to relate resource allocations to program performance. To its credit, Library management is in the process of designing a more comprehensive performance management approach for FY 2014 to address these challenges. To ensure success, the Library must design and implement a GPRA framework that efficiently provides valid and reliable performance metrics to support management decision-making.

Contracting

A series of OIG reports dating back to 2002 document weaknesses that have beset the Library's contracting function. Principal areas of concern include questionable understanding of federal contracting by participants in the contracting chain ranging from the service units to the contracting office; poorly trained staff; a lack of continuity in leadership in the Office of Contracts Management; a technically questionable financial system contracting module; and ineffective contract review 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.

Work we conducted during the last semiannual period (ending March 2012) concluded that the weaknesses we have reported in the Library's contracting function continue, and in fact, the function has further deteriorated since our last report in 2008.

The Committee on House Administration conducted a hearing on our recent report of the Library's contracts function (see page 31). Based on testimony and discussions with the Deputy Librarian about management actions in response to our report, we believe the Library is on its way to making substantial improvements to its contracting activities. Total improvement in the Library's contracting function is the only acceptable outcome. We will actively monitor and report on progress in this area.

Profiles

Library of Congress

The Library of Congress 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 4,000 employees and contractors, and $800 million in annual appropriated funds and other financing sources.

Founded in 1800, the Library of Congress is also the nation's oldest federal cultural institution, holding more than 151 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 and at the National Audio Visual Conservation Center in Culpeper, Virginia. Nearly 31.4 million original source analog items have been digitized and are accessible at www.loc.gov. The Library also holds an exponentially expanding collection of digital-born 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.
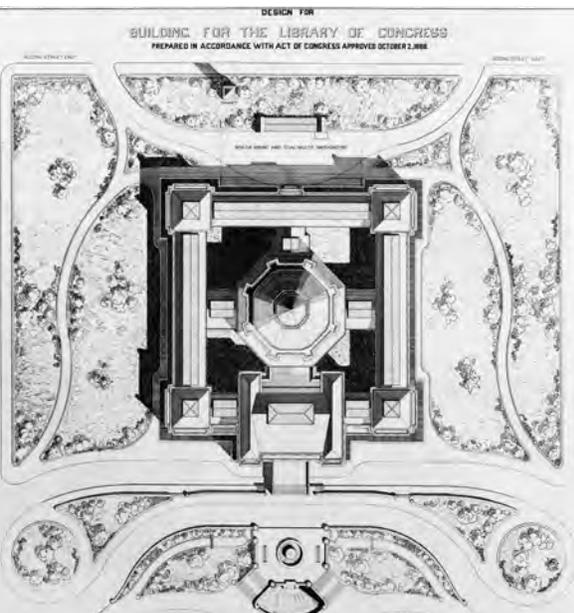
The U.S. Copyright Office administers the copyright laws of the nation and registers copyrightable material; its deposits of intellectual material (books, music, and movies) substantially contribute to the Library's collections.

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 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, the Office of Contracts and Grants Management, and the Office of Opportunity, Inclusiveness, and Compliance.

Last year, services provided by the Library included:

- Fulfilling 550,590 reference requests,
- Circulating 25 million disc, cassette, and Braille items to more than 800,000 blind and physically handicapped patrons,
- Registering 670,044 copyright claims,
- Receiving 22,000 items daily and adding more than 10,000 items daily to its collections,
- Responding to more than 763,000 congressional reference requests and delivering to Congress more than 1 million research products and approximately 30,000 volumes from the Library's collections, and
- Providing to Congress access to more than 8,100 reports on legislative issues and preparing more than 1,600 tailored analyses.

The Library of Congress also recorded 73.4 million visits and 512 million page-views of its primary source files on its Web site, and received 1.7 million on-site visitors.

Office of the Inspector General

The establishment of statutory federal IGs began in 1978 to empower independent audit and investigative organizations to focus on fraud, waste, and abuse within federal agencies. The Library of Congress 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:

- Conduct and supervise audits and investigations relating to the Library of Congress,
- 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 of Congress.

The IG is a member of CIGIE, a unified council of all federal statutory Inspectors General, and serves on the council's Audit, Investigations, and Legislation Committees.

This Semiannual Report to the Congress is a part of the OIG's statutory reporting requirement and is organized to address the major functions of the office including:

- Significant audits, investigations, and other reviews and 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.
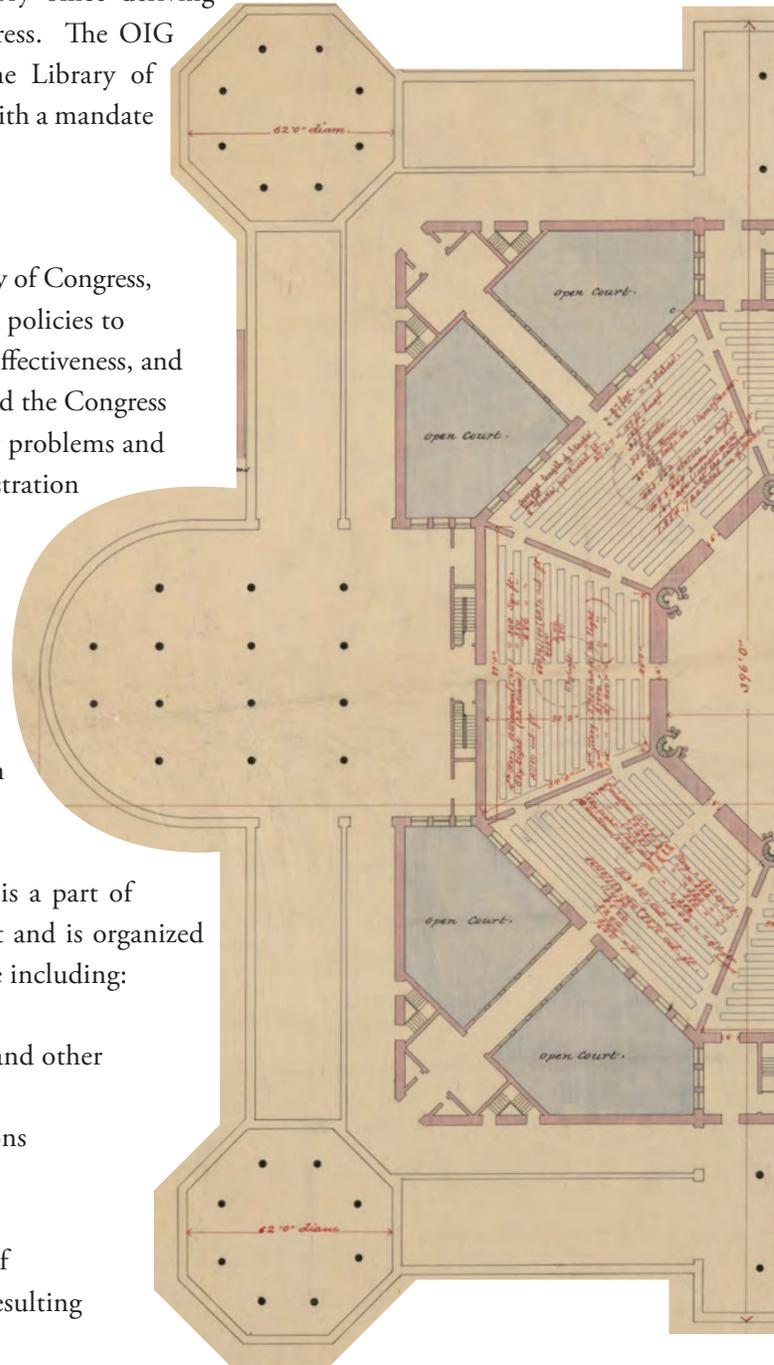
Above: Plan and Sections of Proposed Library of Congress Building by Alex R. Esty, Architect.

Color Ink and Wash on Linen, c. 1880.

Audits are in-depth reviews that address the efficiency, effectiveness, and economy of the Library's programs, activities, and functions; provide information to responsible parties to improve public accountability; facilitate oversight and decision-making; and initiate corrective action as needed.

Some audits address whether financial statements fairly present financial positions, results of operations, and cash flows. They also assess whether an entity has adequate internal control systems and complies with applicable laws and regulations. The OIG also performs related types of reviews such as inspections and attestations.

Investigations are typically based on 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 rear cover of this report.

Our staff is educated and certified in various disciplines. We are, collectively, four certified public accountants (CPA), one attorney, one certified internal auditor (CIA), two certified information systems auditors (CISA), one certified computer examiner (CCE), one access data certified examiner (ACE), one seized computer evidence recovery specialist (SCERS), three special agents, an investigator, and other highly qualified staff.

OIG reports are available at www.loc.gov/about/oig.
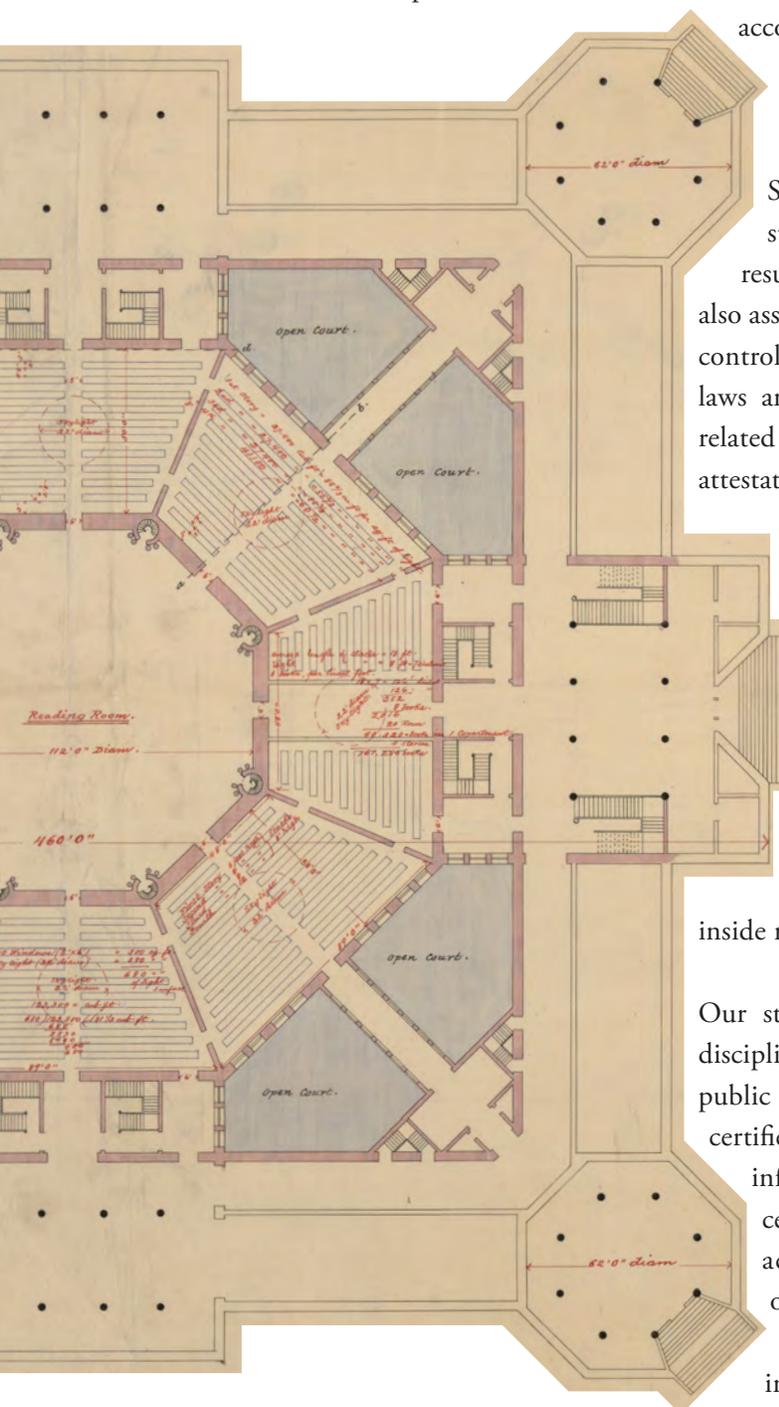
Audits, Surveys, and Reviews

Information Technology Services
Integrated Support Services

Improvements Needed to Prevent Wasteful Procurement and Inefficient Disposal of IT Workstations

IT equipment provides the Library of Congress with a critical means for performing its many and varied activities. Accordingly, that equipment must be diligently managed to ensure the Library continues to effectively and efficiently serve the Congress and the American people.

We undertook this audit to evaluate the Library's performance in managing the lifecycle of equipment used for the Library's IT workstations. Those workstations include computers, computer monitors, and software for Library office functions, among other things. Our work revealed that the Library continues to manage the workstations according to industry standards by upgrading computers to Microsoft Corporation's Windows 7 operating system, using leading system management software, installing hard disk encryption to laptops, and making IT equipment purchases through the FedBid reverse-auction marketplace.

However, notwithstanding the positive work being done, our work showed that senior management must become substantially involved in correcting persistent problems identified in previous OIG reports that affect the Library's new and excess IT equipment. Communication and coordination among Information Technology Services (ITS), Integrated Support Services (ISS), and the service and support units must considerably improve to prevent purchasing new IT equipment items when the same or equivalent items are already available in the Library's inventory.

Further details on our audit results are as follows.

A Lack of Inventory Controls Has Resulted in Unnecessary Purchases and Aging IT Inventory–The Library is overstocked with IT equipment items in inventory that are aging, and warranty coverage for many of the items has expired. Among other reasons, this situation exists because ITS and ISS were not effectively working in coordination with service and support units on addressing IT equipment needs. As a result, more
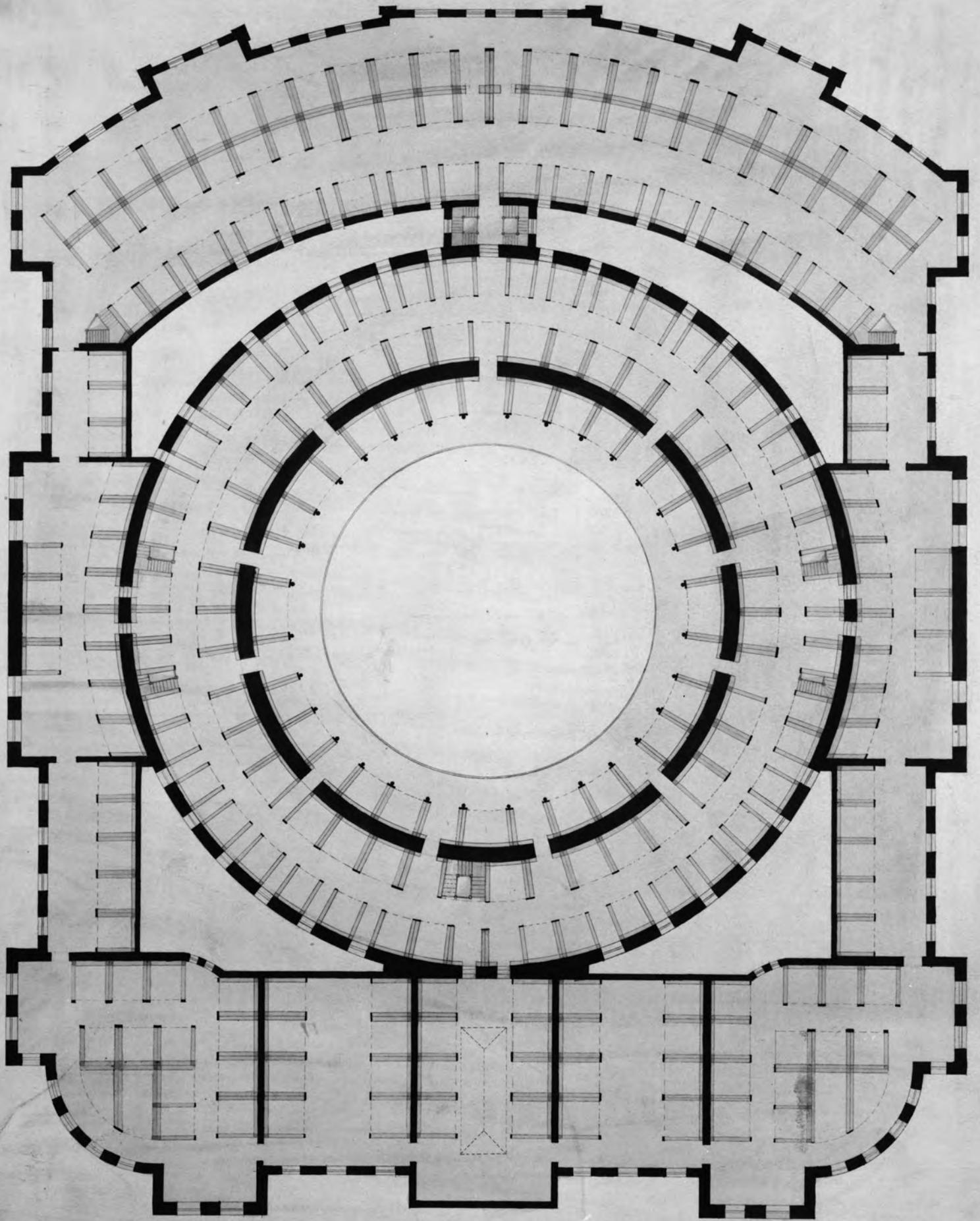
PLAN OF TOP STORY

than $91,000 in purchases were made for laptops, printers, monitors, and scanners from August 2008 to May 2012 even though the same or equivalent items were available in inventory. Moreover, the Library is in violation of the bona fide needs rule, a statutory rule that restricts the use of appropriated funds, regarding various purchases of IT items. We believe that $355,190 in IT purchases made with end of the year funding represents wasted funds that could have been put to better use. Among other actions, we recommended that ITS take steps to keep service and support units informed about IT equipment which is available in inventory, and work in consultation with the Office of the Chief Financial Officer's Budget Office and the Office of General Counsel to establish a procedure that ensures ITS purchases of IT equipment conform to bona fide needs rule restrictions.

A Significant Element of the Computer Disposal Process Remains Highly Inefficient—Weaknesses in disposing of excess computers described in our March 2009 report, *Inventory Management Problems Continue, Senior Management Attention is Crucial* (Report No. 2009-PA-102) continue to exist. More than 1,100 computers at the end of their lifecycle were sitting idle in the Library's Landover warehouse in May 2012, awaiting sanitization of their hard drives. ISS performed computer disk sanitization in the Madison Building on Capitol Hill, which meant that computers were transported back and forth between that building and the Landover, Maryland warehouse twice during excess computer out-processing. The disk sanitization procedure adds time, costs, and risk to an already time-consuming computer disposal process and reduces future utility of the equipment. In response to our audit, ISS began sanitizing hard drives in the Landover warehouse instead of the Madison building in June 2012. We recommended that ISS and ITS work collaboratively to identify and implement an efficient and effective solution for sanitizing the hard disks of excess computers before the computers are initially transported to the Landover warehouse.

Management concurred with our findings.

Asian Division

Opportunities Exist to Improve the Security and Management of the Asian Division Collections

Audit Report No. 2011-PA-108
September 2012

The Asian Division (AD) manages one of the most comprehensive collections of Asian language materials in the world. Effective management of the AD is essential to ensure that this unique collection remains available

to support Congress and continues to benefit the American people. This report provides the results of our performance audit to evaluate AD management's protection of the division's collection materials and its control over daily operations. We focused on six major performance areas: 1) strategic acquisition planning, 2) physical security, 3) contract administration, 4) policy and procedure maintenance, 5) volunteers and personally identifiable information (PII), and 6) operating internal control.

AD management is working to overcome a long history of turnover in the Chief position and recent turnover in senior staff. Although it is making progress in developing an environment which conforms to applicable Library regulations, we found a variety of problems that AD management must address. The following is a summary of our findings and recommendations.

Comply with Acquisition Policies—We identified improvements for the AD's acquisition procedures. First, the AD did not establish an acquisition strategy document for FY 2011. Second, we found inadequate documentation for processing donor gifts. We recommended that AD management finalize its acquisition strategy document and train staff to process recommendations for acquisitions and gifts.

Improve Physical Security and Inventory Control for the Most Valuable Collection Items—We observed opportunities to improve physical security and inventory control for the AD's most valuable items. The AD has not cataloged, photographed, or inventoried these items. As a result,
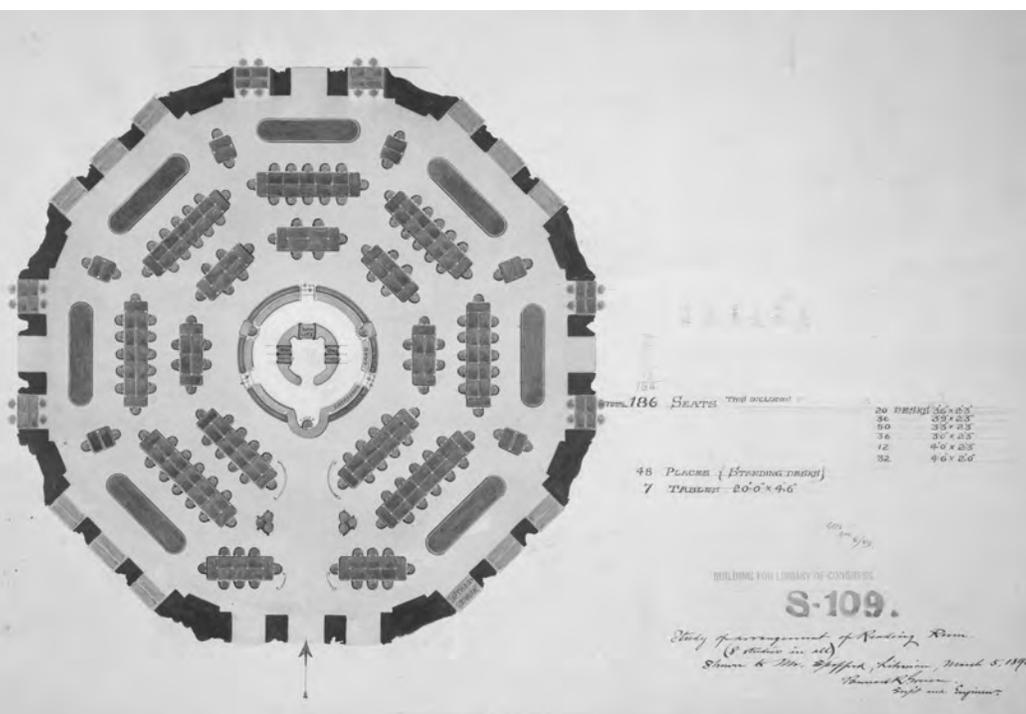
Above: Arrangement Study of the Main Reading Room by Smithmeyer & Pelz, Architects.
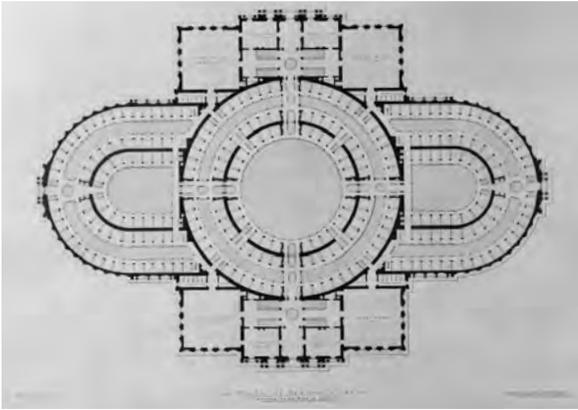
Graphite, Ink, and Watercolor on Paper, c. 1889-1896.

it would not be able to positively identify rare and valuable collection items that were lost or stolen. We recommended that AD officials select a manageable number of its most valuable items and catalog, photograph, and account for these items during annual inventories.

Comply with Library Contracting Policy—We found violations of Library policy by AD Contracting Officer's Representatives (COR) and recommended only resident staff who have completed the Library's mandatory COR training monitor AD contracts.

Update Policy and Consolidate Procedure Manuals—The AD's policy and procedure manuals are outdated, unconsolidated, and are inconsistent with prevailing Library of Congress Regulations. We recommended that the AD update policies and procedures to ensure they are consistent with Library policies and consolidate them into one user-friendly manual.

Strengthen Oversight of Volunteers and Personally Identifiable Information—AD management should improve volunteer oversight. An OIG investigation determined that one volunteer performed unauthorized work on a personal project for an AD supervisor. Additionally, volunteer agreements include volunteers' social security numbers in violation of Library PII policy. We recommended that the AD develop alternative identification numbers for volunteers to protect their PII.

Address Weaknesses in Administrative Internal Controls—We found the AD's assessment of its inventory controls and secure collections modules in icpManager—the Library's internal control program system—did not accurately reflect those areas' internal control environment. We recommended that AD management objectively assess internal control risks affecting its operational areas, and accurately report the results.

Management significantly agreed with our recommendations.

Wagon Porch
and
Drive.

CIRCULAR
READING ROOM.

HALL.   HALL.

HALL.   HALL.

HALL.

CORRIDOR   CORRIDOR

CORRIDOR   CORRIDOR

VESTIBULE   VESTIBULE

VESTIBULE.

W.C.   W.C.

Office   Office
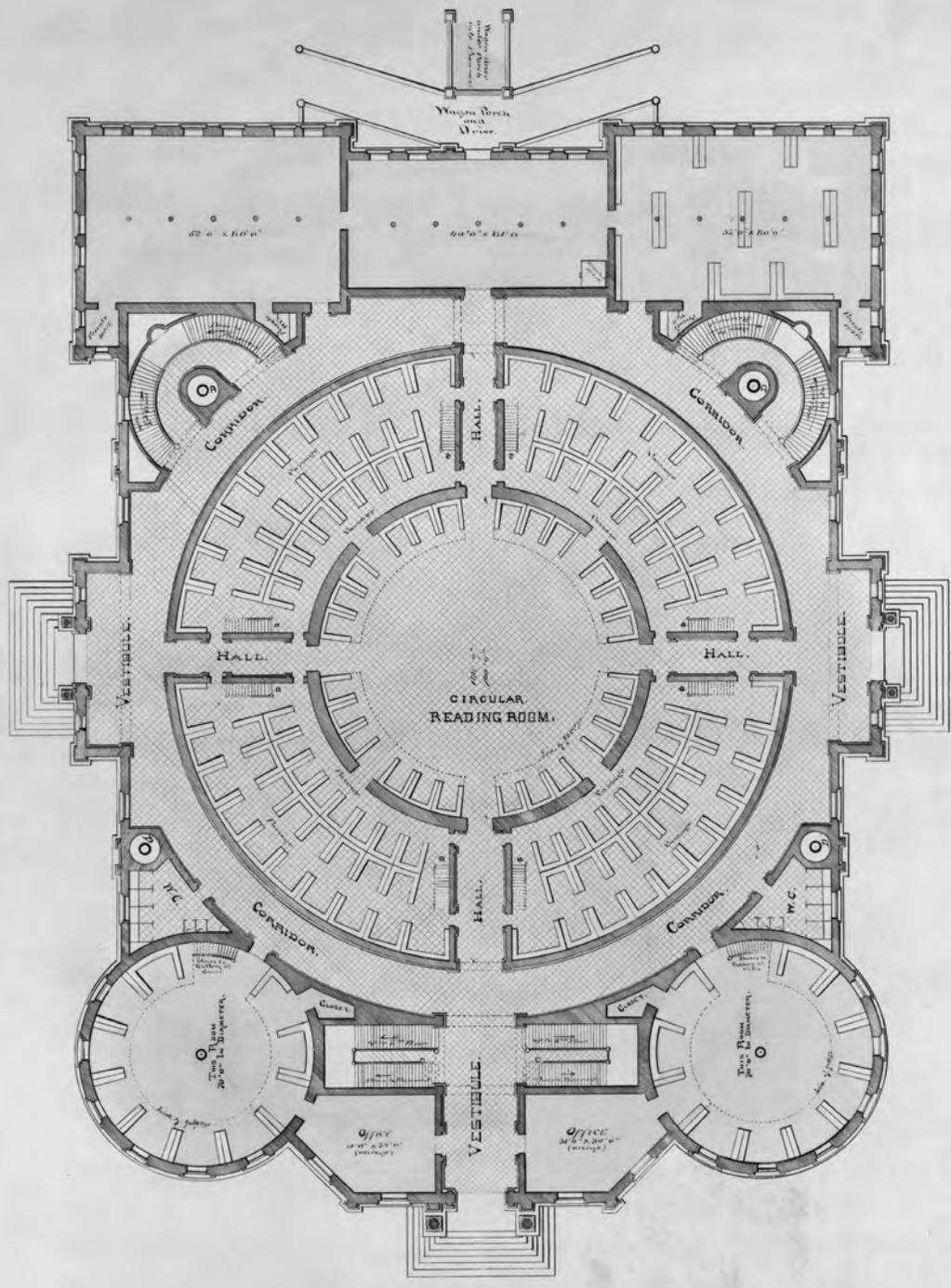
Note {
(A) Stairs to the several Stories of Bookstacks.
(B) Smoke and Ventilating Stacks.
}

—— GROUND FLOOR PLAN. ——

—— DESIGN FOR A NEW BUILDING ——
FOR THE
—— LIBRARY OF CONGRESS. ——

—— SCALE 1in = 16 feet ——

—— LEON BEAVER, ARCHITECT. ——
—— DAYTON, OHIO. ——
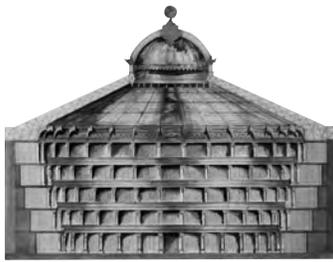
Open World Leadership Center

Fiscal Year 2011 Financial Statements

Audit Report No. 2011-FN-103
July 2012

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 and the Baltic States. In pursuing its mission, Open World has developed a network of leaders in those regions who have gained significant, firsthand exposure to America's democratic, accountable government and free-market system.

Since Open World's founding by the Congress in 1999, it has emerged as a unique resource for Members of Congress and their staff by assisting Congress in its foreign policy oversight responsibilities. In this capacity, Open World conducts one of the largest U.S. exchange programs for Eurasia, through which some 6,100 volunteer American families in all 50 states have hosted thousands of emerging leaders from former Soviet Union countries. As a result of these exchanges, hundreds of projects and beneficial partnerships have been initiated and enhanced.

Open World is an independent entity in the legislative branch governed by a board of trustees. Board members consist of Members of the Congress and private citizens. Serving the board of trustees is the Audit Committee, comprised of three members with extensive experience in Congress, federal agency operations, finance, and accounting. The Audit Committee provides oversight by assuring 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 of CliftonLarsonAllen, LLP (CLA) audited Open World's FY 2011 financial statements and issued its Independent Auditor's Report. The audit included Open World's balance sheet and the related statements of net cost, changes in net position, and combined statement of budgetary resources for FY 2011. The auditors concluded that the financial statements were presented fairly in all material respects, and in conformity with U.S. Generally Accepted Accounting

Principles (GAAP). The firm's auditors also performed tests of compliance with laws and regulations, and considered internal controls over financial reporting and compliance. In its audit of Open World, CLA found no material weaknesses in internal control and no reportable noncompliance with the laws and regulations it tested.

James Madison Council Fund

Fiscal Year 2011 Financial Statements

Audit Report No. 2011-FN-101
July 2012

The James Madison Council is an advisory body of public-spirited individuals who contribute ideas, expertise, and financial support to promote the Library's collections and programs. The James Madison Council Fund (Fund) was established in 1989 to encourage contributions not only for current programs, but permanent endowments that will impact collections and programs in the future.

Under contract with our office, CLA audited the Fund's FY 2011 financial statements and issued its Independent Auditor's Report. The audit included the Fund's statement of financial position as of September 30, 2011, and the related statements of activities and cash flows. The auditors concluded that the financial statements were presented fairly, in all material respects, and in conformity with GAAP. The auditors found no significant deficiencies in internal control over financial reporting, nor any instances of noncompliance with laws and regulations that are required to be reported under Generally Accepted Government Auditing Standards. However, CLA found a material weakness in internal control over financial reporting relating to the recording of contributions receivable; specifically, a bequest naming the Fund as a beneficiary was recognized as revenue that should not have been recorded.

For the preceding two audits, we performed the following steps to ensure the quality of CLA's work:

• Evaluated the qualifications and independence of the auditors,
• Reviewed the auditor's approach and planning of the audits,
• Reviewed significant workpapers,
• Monitored the progress of the audits at key points,
• Coordinated meetings with Library management to discuss progress, findings, and recommendations,
• Performed other procedures we deemed necessary, and
• Reviewed and accepted CLA's report.

BUILDING FOR LIBRARY OF CONGRESS.

PLASTER AND STUCCO WORK.
READING ROOM, DOME & LANTERN.

61
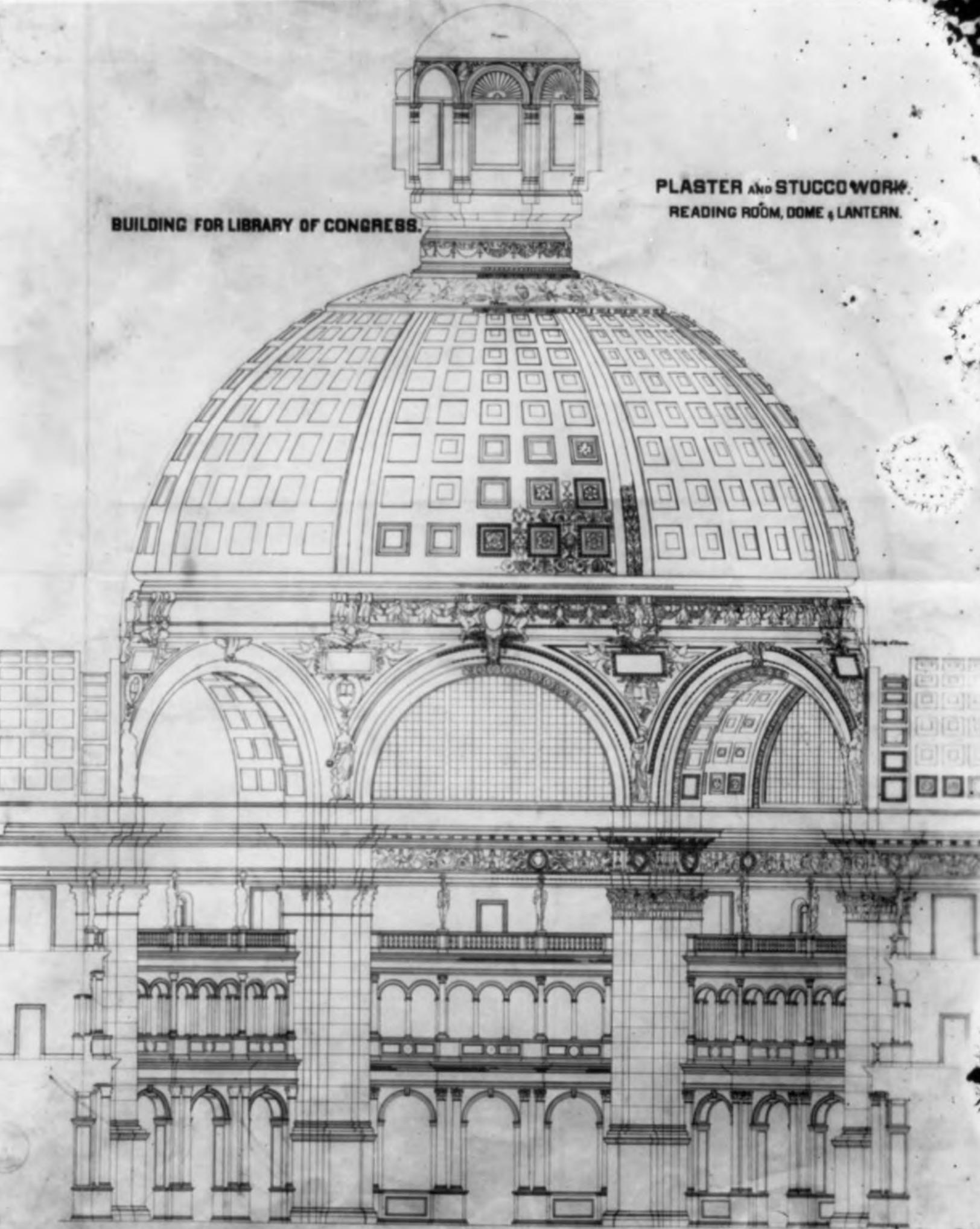
INVESTIGATIONS

During this reporting period, we opened 27 investigations and closed 31. We forwarded six investigations to Library management for administrative action. Three investigations were forwarded to the Department of Justice for criminal prosecution and none are 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	17	10	27
Closed	13	18	31
End of Period	30	1	31

TABLE 2: HOTLINE ACTIVITY	
	COUNT
Allegations received	19
Referred to management	6
Opened as investigations	5
Opened as audit	0
Closed with no action	8

Assistant Inspector General for Investigations Retires

Kenneth R. Keeler, Assistant Inspector General for Investigations, retired in May, marking the culmination of an accomplished career in law enforcement. Mr. Keeler joined the Library of Congress OIG in February 1995, managed the Library's investigative function in the Office of Security for six years, then returned to the OIG in 2005 when the OIG received statutory operating authority.

His career at the Library included numerous high-quality criminal, civil, and administrative investigations that helped the Library ensure accountability and maintain high standards of ethical conduct. He received a Library OIG Special Act Award for Superior Federal Service for his outstanding leadership on an investigation of over billing on a government contract. Mr. Keeler was also recognized by the U.S. Attorney for the District of Columbia for meritorious service and the highest standards of professional law enforcement in the pursuit of justice for three cases that resulted in five convictions on criminal charges for identity and property theft, and embezzlement. He was responsible for many other successful criminal and civil investigations, several involving proactive efforts, resulting in successful prosecutions for crimes such as child pornography and theft that resulted in restitution of government funds, penalties, and recoveries of stolen Library collections.

Thomas E. Williams, Special Agent in Charge, replaces Mr. Keeler as head of the OIG Office of Investigations. Mr. Williams brings to the OIG a broad spectrum of government and private sector investigative experience and substantial credentials in information technology forensics.

Above: View of Stair Hall Dome by Smithmeyer & Pelz, Architects.

Graphite on Tracing Paper, c. 1873-1892.
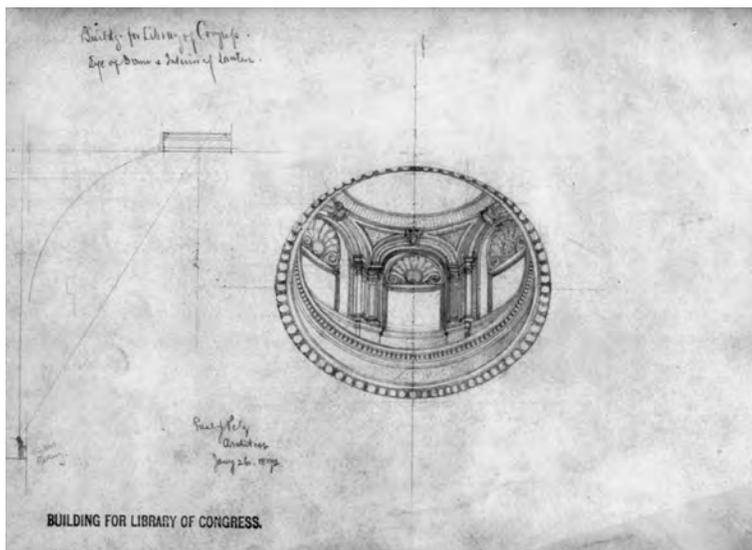
Significant Criminal and Administrative Investigations

Security Contractor Overbilling

The Library contracts with Securiguard, Inc. (Securiguard), for security guard services including roving and relief guards for Library reading rooms and public areas. Under contracts executed in 2003 and 2008, the company pro-

vided security guard personnel to fill roving guards and stationary relief guards, among other services. As part of its contractual agreement, Securiguard was to provide guard relief at no charge to the Library.

The OIG extensively analyzed Securiguard's contracts, timekeeping records, and invoices for the contract years 2008 to 2010. The documentation and analysis revealed that Securiguard routinely charged the Library for non-billable relief services by assigning these services to roving officers during their regular billable shifts. This practice occurred over several years and resulted in significant overbilling to the Library.

Working with the U.S. Attorney for the District of Columbia, OIG investigators successfully demonstrated their case and Securiguard will pay a $1 million settlement to resolve this matter.

Conflict of Interest

The OIG received a complaint about a Library manager abusing contractors, volunteers, and subordinates; misusing authority; and potentially committing fraud. Our investigation revealed that the manager used Library contractors and volunteers to provide extensive personal services, including researching, editing, and scanning materials for the manager's personal projects and publications, as well as running personal errands and paying for airline tickets and other travel expenses.

Of note was the manager's relationship with a subcontractor working under a cooperative agreement the Library had with another library. The subcontractor later became a contractor for the Library, receiving two contract awards from another Library of Congress division. The vendor filed a substantial claim against the Library for the personal services performed for the Library manager.

We also determined that another Library vendor published books for the manager and conducted personal services such as banking transactions, travel arrangements, and hotel reservations.

The case was presented to the U.S. Attorney's Office for the District of Columbia and to the Superior Court of the District of Columbia, but was declined for prosecution. The employee retired at the conclusion of our investigation.

Many of the issues uncovered by the investigation including significant issues with acquisition policies and procedures, physical security and inventory control, oversight of volunteers and PII, and weaknesses in administrative internal controls, were addressed by an OIG audit (see page 17).

Misuse of Library Computer

The Library's Security Operations Center reported that an employee's computer was repeatedly accessing Web sites containing pornography, and possibly child pornography. An OIG investigation confirmed that the employee regularly accessed inappropriate Web sites containing adult pornography and nudity using the Library's infrastructure. A suspension is pending.

Abuse of Government Travel Card

The Office of the Chief Financial Officer alerted OIG investigators that a Library employee was potentially using a government travel card inappropriately. The employee admitted using the travel card for personal expenses and using reimbursed travel funds, intended to pay monthly travel card charges, to pay for personal expenses. The employee entered into an alternative dispute agreement with Library management and their employee record will reflect a 20-day suspension.

Voucher Fraud

One of the Library's overseas offices identified a series of fraudulent vouchers submitted by Library employees for payment. The OIG was kept apprised of management's investigation which led to the revocation of security clearances of two Foreign Service nationals and consequently, termination of their employment. We recommended, and the Library agreed, that OIG personnel brief overseas staff prior to assignment overseas, or during home training sessions, concerning internal controls and fraud.

Recovery of Misappropriated Books

The OIG initiated an investigation after receiving an allegation from a citizen that a bookstore in Maryland was selling books marked "Not for Resale" and "Library of Congress – Surplus Book." The OIG visited the bookstore and identified 91 children's books with the restrictive markings. Many of the books had the "Not for Resale" stamp either crossed out or otherwise concealed. We returned the 91 books to the Library and confirmed that the books were fraudulently obtained from the Library's Surplus Books Program. The bookstore owner was not involved in the fraudulent activity, and was cooperative. The individual who obtained the books from the Library was previously debarred from the Surplus Books Program. The recovered books had a retail value of $1,848.

Foreign Counter Intelligence Investigation of Former Library of Congress Employee

The OIG referred a case to the Federal Bureau of Investigation (FBI) upon receiving information about a possible foreign counter intelligence threat. The FBI is conducting an investigation into the matter.

Assistance to the IRS in Fugitive Search

Internal Revenue Service special agents requested assistance from the OIG to search for a patron who had used Library reading room computers to commit financial crimes. The patron was wanted for a series of scams and frauds and there were outstanding arrest warrants for the suspect in Massachusetts and Florida. The patron was later apprehended in Washington, DC.

Patron Defaces Books

Based on a review of Library research materials, Library Services alerted OIG of a researcher defacing collection items. The OIG analyzed evidence left by the researcher to confirm the patron's identity. Once identified and interviewed by investigators, the researcher admitted to defacing more than 20 Library research books. Library management revoked research privileges after the patron refused to make a $700 restitution.

Assistance to U.S. Capitol Police on False Evacuation

OIG assisted the U.S. Capitol Police (USCP) concerning a criminal complaint of a false fire alarm which led to the evacuation of the Library's Thomas Jefferson Building. Witness interviews and extensive analysis of security camera footage allowed OIG investigators to decipher the incident and obtain a still photo of the suspect. After investigators determined that the suspect was not a Library employee, the case was referred back to the USCP.

Follow-up on Investigative Issue from Prior Semiannual Report

Reading Room Arrest

A defendant previously arrested at the Library (OIG March 2012 Semiannual Report, page 29) was sentenced in Pennsylvania to an additional two to five years in prison for accessing child pornography materials at the Library, violating parole restrictions, and failing to report as a Megan's Law offender. The defendant was sentenced to five additional years of probation after completing the prison term.

Other Activities

FAME Food Management, Inc. Claimed Costs

June 2012

During FY 2011, the Library was in the process of recompeting its no-cost food services contract with FAME Food Management, Inc. (FAME). Due to various unforeseen circumstances, the Library was unable to effect a transition to a new vendor as of the expiration date of the previous contract. As a result, it extended FAME's contract for a period of three months. FAME subsequently presented the Library with a claim for certain costs it incurred during this interim period. The Library asked the OIG to review the claim to determine if the claimed costs were allowable.

We evaluated the costs to determine their reasonableness and allowability in accordance with government acquisition regulations and the terms of the contract. We were unable to find sufficient supporting information in the contract file to make a determination on allowability of costs, and the lack of specificity about applicable laws made us question the validity of the contract vehicle used during the interim period.

The information we collected called into question several legal aspects of the arrangement between the Library and the contractor during the interim period. Specifically, we questioned whether the contract's continuity of services clause was appropriate for implementing a service proposal for the interim period. Additionally, the contract modification to extend the food service was not signed by the contractor.

We recommended that the contracting officer work with the Office of the General Counsel to examine these matters and to determine an appropriate response.

Overseas Offices
Audit Program Questionnaire

September 2012

Library Services' Overseas Operations Division and its six international field offices devote their activities to accomplishing the Library's goal of acquiring a universal collection of knowledge. The
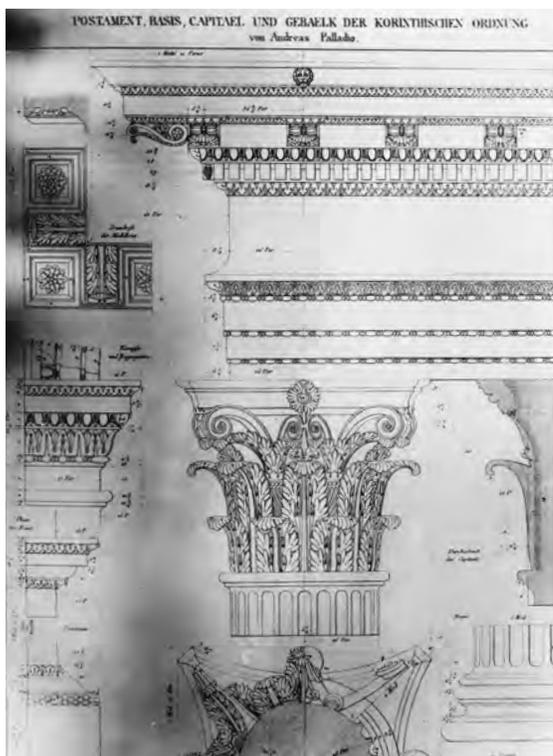
Above: Reproduction of Architectural Decorations for the Library of Congress Building, Originally by Andrea Palladio.

Photographic Print Reproduction, c. 1940-1970.

offices in Cairo, Islamabad, Jakarta, Nairobi, New Delhi, and Rio de Janeiro maintain a network of vendors searching out materials through purchase, exchange, and gift. The field offices also acquire materials for other libraries and research institutions through the Cooperative Acquisitions Program (CAP). The Library of Congress operates CAP on a cost-recovery basis.

Resident in U.S. embassies, senior Library officials manage field office operations with staffs largely populated by local residents. The Department of State's financial management systems record direct operating expenses and pass those and overhead costs along to the Library's financial management system. In the past, the OIG occasionally visited the field offices to conduct site audits to evaluate field office compliance with Library policies and procedures.

As part of its ongoing efforts to maximize budgetary resources, the OIG with the assistance of Library Services' Overseas Operations Division revamped its approach to auditing field office operations. OIG developed an extensive three-part operational audit questionnaire that focuses on field office functions including personnel administration and payroll, CAP deposits, acquisitions, correspondence, operations, shipping, travel expense and accounting, cash management, and vehicle control and accountability. Based on field office responses, OIG will conduct follow-up inquiries using video conferencing, email, and telecommunications to obtain audit evidence and evaluate internal controls, compliance with laws and regulations, financial management, and performance management. OIG will implement this new audit methodology as part of its FY 2013 audit plan.

Inspector General Responds to Congressional Inquiries

April-August 2012

The OIG responded to a request from Representative Darrell Issa, Chair, House Committee on Oversight and Government Reform, about information on open and unimplemented recommendations and recommendations with estimated cost savings. The Congressman requested that OIG identify and report on the three most important open and unimplemented recommendations, and the number of recommendations accepted and implemented by the Library since April 2011.

In a separate inquiry, Representative Issa requested information about OIG reporting to the Congress about serious or flagrant Library issues.

Inspector General Testifies on Library-Wide Acquisitions

The IG testified before the Committee on House Administration (CHA), Subcommittee on Oversight, at the hearing "Library of Congress: 2012 Inspector General Report on Library-Wide Acquisitions" July 19, 2012 concerning the Library's contracting activities. The testimony was based on an audit report the OIG issued on this topic in March 2012. The OIG contracted with Jefferson Solutions, a consulting firm with extensive expertise in the federal acquisitions process, to perform the evaluation of the Library's Office of Contracts Management. The Deputy Librarian, the Chief of Support Operations, and the IG testified on the status of the more than 50 recommendations identified in the report.

Additionally, the OIG received follow-up questions concerning the hearing from Subcommittee Chairman Phil Gingrey. The questions involved the qualifications of the contract firm who conducted the 2012 review, OIG verification of the accuracy of the contractor's findings, sole source contracts, Federal Acquisition Regulation applicability, OIG resources, project planning, and reporting.

The IG's testimony and redacted report, *Ongoing Weaknesses in the Acquisition Function Require a Senior Management Solution,* March 2012, can be accessed on the OIG Web site at www.loc.gov/about/oig or from the Library of Congress Web site at www.loc.gov under "Inspector General."

IG Participates in CIGIE Committees

The IG was selected to participate on the Legislation Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and became Vice Chair of the Council's Audit Committee. The CIGIE Audit Committee provides leadership for the federal audit community, sponsors and coordinates multi-agency and government-wide audits, develops and maintains professional standards for OIG audit activities, and provides oversight for auditor training.

The Audit Committee was actively engaged in reporting the successes of the Chief Financial Officers Act of 1990 and recommended legislative changes to improve the Act. The report was sent to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform as well as the Comptroller General of the United States.

Opposite Above: From Drawings of Leaded Glass Work, Skylights, and Octagon Windows by Smithmeyer & Pelz, Architects.

Ink and Watercolor on Linen, c. 1895.

MISCELLANEOUS.
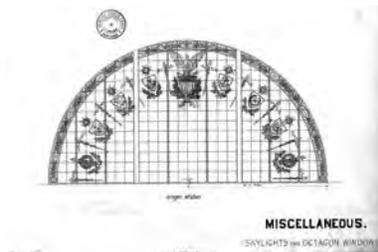
An Audit Committee working group explored a proposal offered by the Office of Management and Budget involving CIGIE and the Single Audit Clearinghouse, and issued a white paper on its results. Specifically, the white paper described the legal underpinnings of the Single Audit Act and the Clearinghouse; the operations, needs, and challenges of the Clearinghouse and the expectations of its users; and the possible roles that CIGIE could play related to the Clearinghouse.

The Audit Committee Chair, along with two other representatives from the IG community, served on the Comptroller General's Advisory Council on Government Auditing Standards, and was instrumental in the issuance of the revision of the Government Auditing Standards. These professional standards serve as a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services.

The Audit Committee continued to administer CIGIE's audit peer review program to promote OIG compliance with Government Auditing Standards and CIGIE's *Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General.* The Audit Committee updated the CIGIE peer review schedule; considered and approved, as appropriate, requests for peer review extensions and schedule adjustments; and began planning the Committee's approach for updating the peer review guide in light of the recent revision of the Government Auditing Standards.

The Audit Committee worked with the Government Accountability Office (GAO) to host the annual CIGIE/GAO Financial Statements Audit Conference. The conference covered issues related to annual financial statements audits and related standards.

The Audit Committee supported CIGIE's efforts to engage contractor services for conducting CIGIE's annual financial audit. Specifically, the Audit Committee Vice Chair assisted in defining the statement of work and served as the Contracting Officer's Representative for the CIGIE financial audit. As part of the IG's service on the Audit Committee, the OIG is conducting quality assurance oversight of CIGIE's FY 2012 financial statements audit.

The IG is also continuing active membership on CIGIE's Investigations Committee.

Table 3: Review of Library of Congress Regulations (LCRs) and Directives

LCR Reviewed	Comments by the Office of the Inspector General
LCR 2020-7 Alternative Dispute Resolution Process for Non-Bargaining Unit Employees	We suggested clarifying the current language by providing specifics about when the stay of management action would be put into place.
LCR 1600 Information Resource Management Policy and Responsibilities	We recommended that the Enterprise Architect report directly to the Deputy Librarian, otherwise the Information Technology Steering Committee should continue to provide oversight.
LCR 2012-2 Service in the Uniformed Services	We suggested the National Oceanic and Atmospheric Administration Commissioned Corps be included as part of the uniformed services. We also suggested that guidance be included for managers specifying the amount of days of paid military leave allowable for reservists/guard members.
LCR 219-5 Functions and Organization of the Office of Special Events and Public Programs	We offered no comments regarding this LCR.
LCR 1120 Special Events	We offered no comments regarding this LCR.
LCR 1620 Information Technology Security Policy of the Library of Congress	We offered no comments regarding this LCR.
Office of the General Counsel (OGC) Directive 10-02 Litigation-Implementation of Settlement Agreements	We recommended that a separate subsection be added to include the matters pertaining to the OIG, either arising from OIG investigations or pertaining to its employees and operations. Many civil and criminal matters arising from OIG investigations will be handled primarily by the Department of Justice, rather than OGC. We also suggested that this directive, which covers settlement agreements in Administrative Claims and Federal Court Claims, exclude OIG employment and operational disputes.
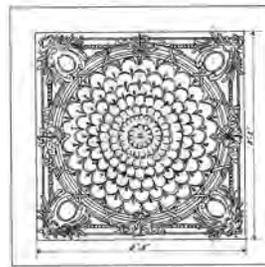
Above: From Drawings of Leaded Glass Work, Skylights, and Octagon Windows by Smithmeyer & Pelz, Architects.

Ink and Watercolor on Linen, c. 1895.

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 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—Information Technology Steering Committee (ITSC) is working to move Raiser's Edge into ArcSight to commence recommended reviews. The target date for completion is December 2012.
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 on the test to the Office of Contracts Management (OCM) for nonpersonal contract services—Management has not made progress on implementing this recommendation.
Office of Support Operations (OSO)				
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.1	The Library should determine if centralizing teleworking policy-making authority in a Telework Coordinator would add value to the program—The Executive Committee (EC) did not agree with appointing a Telework Coordinator but did establish a committee to provide recommendations. This has been placed on the Human Capital Planning Board (HCPB) agenda for action in FY 2013.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.3	The Library should 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—OSO conducted a Library-wide survey of service and support units' teleworking practices and provided the results to the HCPB for analysis and a conclusion by the end of FY 2013.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.4	The Library should develop a telework health and safety checklist and incorporate it into its telework agreement forms—The HCPB will determine how to best implement this recommendation and targets implementation for the end of FY 2013.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.5	The Library should develop an interactive telework training program and require teleworkers and their managers to successfully complete it before beginning telework—Human Resources Services (HRS) will design a Library-specific course for managers, and a companion course for staff for release in the second quarter of FY 2013.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.6	The Library should revise LCR 2014-8 to address the permissibility of accessing sensitive, unclassified, and "For Official Use Only" data at offsite locations—Management did not concur that the LCR should be revised, but agreed to review the regulation and amend if appropriate. This item has been referred to the HCPB for inclusion on its FY 2013 agenda.

Unimplemented Recommendations

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 Support Operations (OSO) Continued				
Telework Program	2010-PA-102 June 2011	Office of Support Operations	II.1	The Library should review positions to determine if they are prone to telework and do not create an additional burden on other areas—Service and support units (SU)s have identified positions approved for telework and validated impact on the work of the unit. The information collected will be considered by the HCPB in its FY 2013 review of telework issues.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	II.2	The Library should institute policies requiring the availability of teleworkers by email, telephone, and in person when needed including the use of remote call coverage for positions involving frequent telephone use—The Library-specific telework training program being developed by HRS will address requirements for teleworker availability. HRS will implement in second quarter FY 2013.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	IV.1.a	The Library should require employees who are expected to telework during a Continuity of Operations (COOP) event to have adequate training, infrastructure support, and practice—The Office of Security and Emergency Preparedness's (OSEP)'s target date for Library-wide COOP roll-out is second quarter FY 2013.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	IV.1.b	The Library should have a telework agreement in place that provides for a COOP event—OSEP's target date for Library-wide COOP roll-out is second quarter FY 2013.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	IV.2	The Library should incorporate teleworking scenarios in the Library's COOP exercises—OSEP's target date for Library-wide COOP roll-out is second quarter FY 2013.
Office of Contracts Management (OCM)				
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.A.1	Establish a support component to ensure effective and efficient performance of critical functions that support the OCM. The position should be staffed with a senior, experienced General Schedule (GS) 1102, Grade 14—OCM developed a recruitment strategy for this position with a target date for completion in December 2012, based on availability of funds.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.A.2	Rewrite the Contracts Operating Instructions (COI) manual deleting those policies that merely restate the Federal Acquisition Regulation and draft specific guidance geared toward the Library's acquisition activities. Organize the COI so that it is easily accessible—A multi-disciplinary team was established FY 2012 to evaluate current acquisition policy and create new policies, operating procedures, templates, and desktop references where applicable. The target date for completion is December 2012.

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
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.B.1	Fill the Director slot with a permanent, qualified, and experienced acquisition professional. This will signal the importance of the acquisition function within the Library and provide much-needed guidance and leadership to the OCM—OCM is developing a recruitment strategy based on availability of funds. The target date for completion is December 2012.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.F.1	Strengthen the oversight process by putting a more rigorous Contract Review Board (CRB) process in place—OCM will strengthen oversight of the CRB process by implementing a more rigorous quality assurance program. The target date for completion is December 2012.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.F.2	Rewrite COI 1003 to be a more comprehensive Oversight Policy and Contract Review Process—COI 1004 issued by the Chief of Contracts December 2011 significantly enhances and defines the review and oversight responsibilities during the pre-award phase. COI 1003 will be updated to reflect the products produced from COI 1004. The target date for completion is December 2012.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.A.1	Institute a set of controls to ensure COI 1002, Acquisition Planning Policy, is adhered to—COI 1002, Acquisition Planning Policy will be rewritten to incorporate recent changes to the Library-wide acquisition planning process. OCM will establish controls and procedures to ensure adherence and compliance with all applicable directives. The target date for completion is December 2012.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.G.1	Develop directives that clearly set forth the policy and constraints for using LCR 2111—The Office of the General Counsel (OGC) is working on revisions to LCR 2111 and its accompanying form (LW 3/63) and will coordinate with OCM. Once the LCR is approved for implementation, OCM will issue guidance that clearly sets forth the policy and constraints. The target date for implementation by the end of FY 2013.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.H.2	Utilize performance-based acquisition methodologies as a method to promote thinking in terms of outcomes and deliverables—OCM agrees there is a need to incorporate performance-based contracting methodologies in the acquisition planning and acquisition strategy process with service units. The target date for completion is December 2012.

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 Contracts Management (OCM) Continued				
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.I.2	Ensure that the contracting officer and management carefully review the use and exercise of options—The OCM quality assurance program will include review of the use and exercise of options. This will be included in policies and procedures drafted by the multidisciplinary team. The target date for completion is December 2012.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.J.1	Ensure Momentum is properly configured to meet contracting specialists' needs—OCM is regularly engaged with the system owner to identify contracting specialists' needs, requirements, and challenges. System requirements will be defined to include use of the Momentum system. The target date for completion is December 2012.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.J.2	Modify Momentum acquisitions to create all of the different types of contract documents needed—OSO engaged an outside consultant to conduct a program assessment of OCM to identify challenges, best practices, and make recommendations for improvement for more efficient contract management. The target date for implementation is December 2012.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.A.4	Develop an automated tool to enable customers to quickly and easily track progress of their requisitions and to further promote effective communication—OSO engaged an outside consultant to conduct a program assessment of OCM to identify challenges, best practices, and make recommendations for automating and tracking the contracts process. The target date for implementation is December 2012.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts 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 (SU)s—OCM will create 1) a Desk Guide for executive leadership and 2) Standard Operating Procedures (SOP) for SU procurement staff. The target date for completion is December 2012.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.B.4	Develop a procurement process SOP so that customers understand that a good procurement package includes a statement of work, market research, independent government cost estimate (IGCE), and the evaluation factors used in the evaluation process. The SOP should include a procurement package checklist—OSO established a multidisciplinary team to evaluate current acquisition policy and create new policies, operating procedures, templates, and desktop references where applicable. The target date for completion is December 2012.

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
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.D.1	Develop a knowledge center in a SharePoint environment for the acquisition workforce, providing them with a single point of entry to Web sites, electronic tools, reporting, templates, policy, people, organizations, wikis, blogs, and discussion groups relevant to their mission—OSO engaged an outside consultant to conduct a program assessment of OCM to identify challenges, best practices, and make recommendations for automating and tracking the contracts process. The target date for implementation is December 2012.
Improper Payments II	2011-SP-101 May 2011	Office of Contracts Management	I.2	OCM 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—OCFO and OCM drafted a directive reflecting the current limit for micro-purchases and submitted it for OGC review. The target date for issuance is the second quarter of FY 2013.
Improper Payments II	2011-SP-101 May 2011	Office of Contracts Management	II	HRS and OCM should enhance information they collect and maintain on employees and contractors and develop internal control procedures to identify situations where a conflict of interest may exist—In May 2012, HRS implemented the National Finance Center Person Model containing non-employee data. During first quarter FY 2013, SUs will be trained to enter and update non-employee information.
Human Resources Services (HRS)				
Multi-Sector Workforce	2010-PA-105 March 2011	Human Resources Services	I	Develop and implement a structured procedure that provides a uniform method for making in/outsource personnel determinations. This procedure should provide the means to identify which activities are inherently governmental and which service provider represents the best value to the Library—OSO completed its review of field data and best practices. The HCPB will assess OSO findings and make recommendations to the EC during FY 2013.
Office of Opportunity, Inclusiveness, and Compliance (OIC)				
Equal Employment Opportunity Complaints Office	2001-PA-104 February 2003	Office of Opportunity, Inclusiveness, and Compliance	I	Evaluate and revise LCR 2010-3.1—LCR 2010-3.1 was revised and approved by the EC and now awaits bargaining with unions. The target completion date is December 2012.
Dispute Resolution Center	2002-PA-104 September 2003	Office of Opportunity, Inclusiveness, and Compliance	III	Revise LCR 2020-7 to allow complainants to use dispute resolution during the formal complaint process—LCR 2020-7 with proposed revisions has been reviewed by the LCR Working Group and sent to the EC for approval. The target date for completion is December 2012.

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 (OIC) 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 (HCMFWG) should complete the barrier identification and elimination process initiated with the Multi-Year Affirmative Employment Program Plan by assessing the success of the plan—OIC will present to the HCPB a proposed action plan for review and decision. The HCPB will include this on its FY 2013 agenda with a target completion of third quarter FY 2013.
Library Services (LS)				
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—The draft LCR was revised, updated, and finalized. It is now under review by the LCR Working Group with a target completion date of October 2012.
NLS Requirements	2011-PA-104 October 2011	Library Services	V	National Library Service for the Blind and Physically Handicapped (NLS) should explore the cost/benefits of testing Digital Talking Book Machine (DTBM) inventories as part of its periodic site visits to network regional libraries to ensure that the machines provided to the agencies are being appropriately accounted for—NLS expects to incorporate the DTBM inventory review into all consultant visits in FY 2013.
Surplus Books Program	2010-PA-106 September 2011	Library Services	I.b.2	Create and maintain a perpetual inventory listing of all Congressional franking labels on hand with management periodically physically inventorying the labels—Surplus Books Program (SBP) management has presented Information Technology Services (ITS) with a high-level requirements document for automation of SBP functions, including this requirement. ITS estimates that this automation project will be completed by December 2013.
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. Also revise the LCR to implement a pass designed for specific SBP use—LCR 1816 is under review for updating due to the police merger. OGC is working on this and several other regulations affected by the merger with a target for completion in first quarter FY 2013.

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
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—SBP management has presented ITS with a high-level requirements document for automation of SBP functions, including this requirement. ITS estimates that this automation project will be completed by December 2013.
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—No action will be taken on this recommendation until the SBP moves back to its permanent space, scheduled for calendar year 2013.
Performance-based Budgeting	2010-PA-107 January 2011	Library Services	II.2	Design and implement an internal control system that will ensure that valid and verifiable data will be collected and used to measure program performance—LS has not made progress in addressing this recommendation.
Office of Strategic Initiatives (OSI)				
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.2.C	All information technology (IT) costs including computer security should be accounted for as part of the IT budgetary process—The Office of the Librarian continues its information resources management (IRM) plan implementation and IT spending and investment reviews. The results of these reviews will determine whether any organizational or resource allocation changes are warranted.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.2.D	The Library should develop a cost-benefit analysis (analysis of alternatives) (CBA) process for all IT investments and include risk criteria—ITS has developed the criteria for instances when CBA need to be completed and templates to support the process. ITS will propose to the Deputy Librarian issuing a Library-wide directive requiring a documented CBA for all new IT projects that exceed $100,000. The target date for completion is December 2012.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.2.E	The Library should develop a methodology to maintain and track all Library IT expenses—ITS and the OCFO disagree with this recommendation and state current processes are effective for controlling costs and preventing inappropriate and unnecessary acquisitions.
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 Chief Operating Officer with duties, responsibilities, and authority consistent with best practices—The Office of the Librarian continues its IRM plan implementation and IT spending and investment reviews. The results of these reviews will determine whether any organizational or resource allocation changes are warranted.

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 Strategic Initiatives (OSI) Continued				
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.4.D	Include all Enterprise Architecture (EA) costs in a single budget line item for the entire Library to avoid creating a burdensome or costly process for system owners—Library management does not believe that the administrative overhead required to create a separate cost center for a single individual is justified.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.5.A	Implement Service Level Agreements (SLAs) to manage customer expectations—Footprints was implemented in June 2012 to support ITS service requests. ITS is in the process of determining what tasks will be required to implement meaningful and effective SLAs. The target completion date is June 2013.
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—ITS will propose to the Deputy Librarian that all Library SUs migrate to a single help desk system (Footprints). The target date for completion is December 2012.
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—ITS is in the process of determining what tasks are required to develop meaningful and effective metrics to measure customer service performance. The target date for completion is June 2013.
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 is in the process of determining what tasks are required to develop meaningful and effective metrics to measure customer service performance. The target date for completion is June 2013.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	II.1	Coordinate with service and support units to identify and prioritize the legacy systems/applications that require certification and accreditation (C&A) evaluations, and determine how the required evaluations should be funded—ITS proposed changes to LCR 1620 to address the C&A of legacy systems and those changes are under OGC review. The target completion date is the first quarter of FY 2013.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	III.3	Develop an LCR that establishes the responsibilities of the Architecture Review Board (ARB)—The LCR establishing the responsibilities of the ARB was sent to the Executive Committee for approval. The target completion date is the first quarter FY 2013.
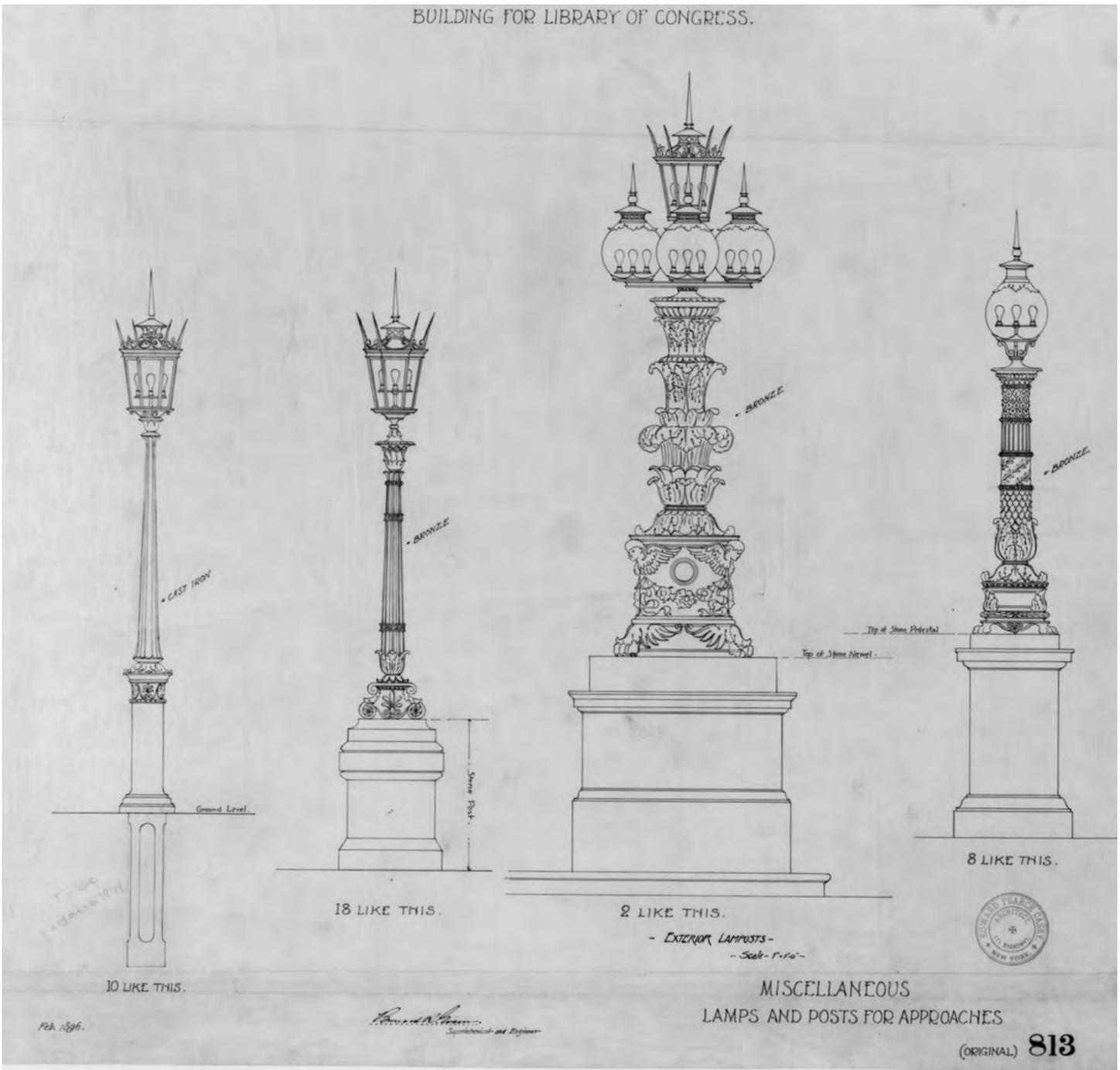
Above: Lamp and Post Decorations for the Library of Congress Building by Smithmeyer & Pelz, Architects.

Ink on Linen, c. 1889-1896.

Implemented and Closed Recommendations

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 Support Operations (OSO)				
Retention of Federal Records	2009-PA-104 March 2010	Office of Systems Services	I.b	Initiate a program to provide active oversight of SUs' record keeping practices. Ensure that the oversight program's design provides adequate assurance that SUs' practices comply with the Federal Records Act and National Archives and Records Administration regulations—Integrated Support Services (ISS) completed its Library-wide rollout of the online Records Management Training program in June 2012.
Retention of Federal Records	2009-PA-104 March 2010	Office of Systems Services	I.c	Develop and implement a training program on federal records management for Library staff—ISS completed its Library-wide rollout of the online Records Management Training program in June 2012.
Retention of Federal Records	2009-PA-104 March 2010	Office of Systems Services	II	Perform a CBA to determine whether the Library should implement an electronic record-keeping system—The Library will be required by the National Archives and Records Administration to implement an email records management system by 2016 and an entity-wide electronic records management system by 2019.
Office of Contracts Management (OCM)				
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.B.2	Examine the need for both a Director and Chief of Contracts position. If retained, both roles and responsibilities should be clearly defined—The Library reviewed best practices of similar legislative branch agencies and found that both positions are appropriate to the organization. Clearly defined position descriptions are in place.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.C.1	Define and implement an organizational structure for the OCM that provides a reasonable supervisory span of control—In May 2012, OCM hired two additional GS-14 Supervisory Contracting Specialists for a total of three supervisors, establishing an appropriate span of control.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.D.1	Develop a balanced scorecard approach to measure the effectiveness of the contracting function—OCM implemented a performance dashboard to track monthly key operational performance metrics.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.E.1	Quickly develop and implement a rigorous training program—OCM developed and funded a training curriculum commensurate with Office of Federal Procurement Policy requirements. Certification and developmental training is ongoing with a total of 1,200 certification training hours completed as of June 2012.

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.E.2	Develop training goals for all staff—OCM developed training goals for 1102- and 1105-series staff. The 1102 series staff will achieve certification within 12-14 months. 83% of the 1102-series Contracting Specialists hired between February 2011 and May 2012 are certified as Federal Acquisition Certification in Contracting Program (FAC-C) Levels I, II, or III. The 1105-series staff are also scheduled for certification training.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.E.3	Ensure all staff members have individual development plans—OCM implemented a Performance Management Program including Individual Development Plans requiring mid-year reviews and performance improvements as appropriate.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.E.4	Develop and implement an orientation/mentoring program for new employees—OCM developed and implemented an orientation program for new and existing Contracts staff.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	I.G.1	Institute internal controls requiring at least a peer review by a supervisor or a contracting officer with a minimum of a FAC-C Level I certification on all procurement actions over the micro-purchase threshold—Awards over and under the micro-purchase threshold are now reviewed by a GS-14 supervisor or contracting officer.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.B.1	Provide outreach training to those customers needing a better understanding of their acquisition-related duties and responsibilities—OCM provided during FY 2012: 1) Federal Acquisition Regulations (FAR) Immersion Training to Library Contracting Officer Representatives (COR); 2) FAR-COR training Library-wide; 3) Market research and IGCE training to CORs and OCM staff; 4) assistance to SU program managers to validate COR lists and guidance on latest COR certification requirements; and 5) updated Intranet site to include a virtual help desk.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.C.1	Conduct intensive training for all in the acquisition chain regarding limits on sole source contracting, developing proper justifications, and emphasizing the benefits of competition—OCM implemented: 1) FAC-COR training including instruction on sole source contracting, developing proper justifications, and the benefits of competition, 2) an enhanced intranet site with a virtual help desk, and 3) realigned the Competition Advocate Program with OGC online instructions and guidance on competitive awards and sole source justifications.

IMPLEMENTED AND CLOSED RECOMMENDATIONS

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 Contracts Management (OCM) Continued				
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.C.2	Create a method to track all sole source procurements and develop a plan to target a certain percentage of those procurements for conversion to a competitive track—OCM now tracks competitive and sole source procurements as part of its performance metrics. Management does not agree with establishing target conversion percentages. OCM will partner with SUs to identify acquisitions that may be converted to competitive awards.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.C.3	Develop directives on appropriate use of sole source contracting and FAR synopsis requirements—FAR synopsis requirements are now codified. OCM realigned the Competition Advocate Program and implemented new program guidance on the use and justification for sole source awards.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.C.4	Implement a set of controls to ensure higher-level approval (i.e., Chief of Contracting) is obtained at the acquisition planning stage for all sole source procurements above the micro-purchase threshold—The Competition Advocate Program was realigned to the OGC online instructions and guidance on competitive awards and sole source justifications to implement this.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.C.5	Ensure that performance plans contain performance standards related to obtaining competition and that staff are rated accordingly—OCM staff performance plans now require compliance with all FAR standards, including full and open competition as appropriate.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.C.6	Develop a competition advocate program so that opportunities for competition are not missed—OCM realigned the Competition Advocate Program with the OGC online instructions and guidance on competitive awards and sole source justifications. Program requirements for competitive and sole source procurements have been communicated to SUs and program guidance, levels of approvals, and justification templates are on the OGC Intranet site.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.D.1	Establish a control process to prevent inadequate IGCEs from being used—OCM implemented a two-pronged approach to establishing a control process by: 1) implementing ICGE training for CORs and OCM staff, and 2) requiring contracting officers to validate the sufficiency of each ICGE.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.D.2	Develop clear guidance and IGCE templates for customers—OCM updated and enhanced its Intranet site to include IGCE templates and guidance for customers.

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
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.E.1	Provide training for all in the acquisition chain for the preparation of IGCEs—FAR-COR training includes instruction on preparing an IGCE. IGCE-specific training was held for all OCM staff and CORs and added to the procurement curriculum.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.E.2	Ensure that providing fair and reasonable cost estimates/price analysis is included in performance plans for contracting officers and considered during performance reviews—Contract Specialist performance plans require proficiency in the solicitation, negotiation, and award process, and are factors considered during performance reviews.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.F.1	Provide training on proper use and applicability of labor hour contracts and the requirement to prepare a determination and finding (D&F)—OCM implemented in-house training on the proper use of labor hour contracts and required documentation.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.F.2	Develop a D&F template for contracting officers—OCM has developed and implemented a D&F template for contracting officers.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.G.2	Ensure that the contracting officer and management officials approving contracts pay special attention to all contracts that fall under LCR 2111 when conducting reviews—LCR 2111 prescribes the levels of review and approval signatures required for awards based on amount and the former employment status of the contractor. OCM quality review will monitor.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.H.1	Ensure all staff are trained on the different procurement vehicles and contract types available and on their appropriate use—OCM implemented training on the types of procurement vehicles and their use as part of ongoing certification training.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.I.1	Provide training for all in the acquisition chain regarding limits on the use of options and the level of documentation required when they are included or exercised—OCM supervisors will provide continuous team training to assure options are properly used. The use of options and the level of documentation required will be included in acquisition planning sessions with SUs.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.J.3	Conduct spot check reviews that solicitations are being prepared in Momentum—Solicitations are prepared in Momentum and staff inform the system owner of any system issues.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.J.4	Develop a contracting specialist performance standard for "creating and documenting all required actions in Momentum"—Contracting specialists only use Momentum for preparing and executing procurement actions and inform the system owner of any system issues.

Implemented and Closed Recommendations

Subject	Report No. Issue Date	Office	Rec. No.	Summary of Recommendation and Action
Office of Contracts Management (OCM) Continued				
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.J.5	Provide necessary training on the proper use of Momentum acquisitions to appropriate Library users—The system owner (OCFO) provides training for Momentum via its help desk and its Web site.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	II.J.6	Track "Contracting Specialist Use of Momentum" as a performance metric—Management disputes the value of this as a metric. Recommendation closed since Momentum is the requisite system.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.A.1	Develop a customer survey tool in order to solicit customer feedback—OCM updated and enhanced its Intranet site to include a customer survey tool for customer feedback.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.A.2	Revise performance plans to emphasize sound, pro-active communication with customers—OCM performance plans now include accountability for communication with customers.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.A.3	The Chief of Contracts should develop and implement a plan to improve OCM's communication and relationships with customers—OCM implemented a communications strategy that includes regularly scheduled meetings with customers, monthly meetings with the Contracts Working Group, hotline number, email, and customer survey via the OCM Intranet site.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.B.2	Provide outreach training to those customers needing a better understanding of their acquisition-related duties and responsibilities—OCM provided: 1) week-long FAR Immersion Training to Library CORs, 2) FAR-COR training Library-wide, 3) guidance on the latest COR certification requirements, and 4) a virtual help desk with information about the contracts process.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.B.3	Require Library senior leadership to enforce customer training/performance of acquisition-related roles—OCM distributed guidance to senior level management for new COR certification requirements, met with SU directors to discuss COR responsibilities, and partnered with OCFO/Strategic Planning Office to implement vulnerability assessment statements for CORs.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.C.1	Rapidly develop a COR training program and institute a process to record and monitor COR training—OCM implemented FAC-COR Level II certification training. The Library's learning management system tracks COR training and certification. All CORs must successfully complete certification training by January 2014 to retain their status.

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
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.C.2	Appoint CORs only after they have taken the requisite training—The Library revised COR requirements, implemented FAC-COR training, and now assigns CORs based on FAC-COR certification requirements. All CORs must have completed certification training by January 2014.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts Management	III.C.3	Track "Percentage of COR Certifications" as a performance metric—Tracking of COR certifications implemented. SUs notified when staff do not pass the test so retesting or retraining occur.
Improper Payments II	2011-SP-101 May 2011	Office of Contracts Management	I.1	Provide the Office of Business Enterprises (OBE) with alternative ordering methods such as blanket purchase agreements (BPA) to meet their purchase turnaround requirements—BPAs established for OBE June 2012.
Human Resources Services (HRS)				
Employment Incentives and Flexibilities	2010-PA-103 July 2010	Human Resources Services	I.1.b	Require managers to complete on-line refresher training annually on material in the Supervisors Handbook, similar to the annual training required of all Library employees on IT security awareness—The Library implemented the Essential Supervisory Skills training course on basic supervisory competencies which is mandatory for all supervisors.
Workforce Acquisitions	2009-PA-101 November 2009	Human Resources Services	II.1	Prepare performance appraisals which compare employees' actual accomplishments with corresponding performance requirements—HRS implemented a Library-wide performance program in FY 2011 and completed its first performance cycle for the period 9/2011-8/2012.
Multi-Sector Workforce	2010-PA-105 March 2011	Human Resources Services	II	Establish a system to collect and maintain data representing the total composition of the Library's direct hire and contractor workforce. Ensure that the data maintained in the system is current, complete, and accurate at all times—In May 2012, HRS implemented the National Finance Center Person Model containing non-employee data to accomplish this.
Office of Opportunity, Inclusiveness, and Compliance (OIC)				
Follow-Up Review of the Office of Opportunity, Inclusiveness, and Compliance	2011-PA-106 June 2011	Office of Opportunity, Inclusiveness, and Compliance	II.1	OIC in collaboration with the HCMFWG should implement 2008 recommendation to track performance evaluations to determine whether there is consistency among groups—The EC does not agree that the Library should track performance evaluations to determine consistency among groups. This recommendation is closed with no ation.
Follow-Up Review of the Office of Opportunity, Inclusiveness, and Compliance	2011-PA-106 June 2011	Office of Opportunity, Inclusiveness, and Compliance	V	OIC should make the Library's "No Fear" data available to staff—The No Fear Act is not applicable to the Library and the EC has declined the recommendation. This recommendation is closed with no ation.

Implemented and Closed Recommendations

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
Library Services (LS)				
NLS Requirements	2011-PA-104 October 2011	Library Services	IV	The NLS should apply Statement of Federal Financial Accounting Standards Number 4, Managerial Cost Accounting Concepts, to reports it issues regarding the Talking Book Program's cost—NLS reviewed the cost accounting standard and determined that it would need to conduct a study costing $80,000 to $120,000 to comply with minimal benefits derived. NLS decided to revise reporting language to disclose that equipment costs include direct costs only and are not intended to reflect overall costs of the program. OIG agrees with NLS.
Rare Book and Special Collections Security	2008-PA-101 March 2009	Library Services	I.f	Reevaluate background investigation procedures for Rare Book and Special Collections Division (RBSCD)'s management and periodically update background investigations—Background investigations for RBSCD's management officials are completed. Periodic updates of background investigations will be initiated when Office of Personnel Management issues federal agencies implementing guidance for recent changes to 5 CFR Part 731, Regulations for Conducting Periodic Reinvestigations for Public Trust Positions.
Surplus Books Program	2010-PA-106 September 2011	Library Services	I.a.2	Develop and implement a uniform program participant application that requires completion of all eligibility information including the applicant's Internal Revenue Service-issued tax identification number—LS in consultation with OGC developed and implemented the recommended application form and a guidelines document.
Office of Strategic Initiatives (OSI)				
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.1.A	Create a process to ensure that the IT Strategic Plan aligns directly with, flows from, and includes the same goals as the Library's Strategic Plan—OSI issued its FY 2011-2016 Strategic Plan in December 2011 which aligns with the Library's mission and goals.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.1.D	The Library should continue to develop an enterprise architecture that will lead to the creation of a transformational guide—The Library implemented this with its Information Resources Management Plan and its Library-wide technology initiatives, such as the Project One and Web Delivery Infrastructure projects.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	I.2.A	ITS should maintain a collective IT portfolio which lists and prioritizes all IT investments requiring upgrade or implementation. The portfolio should not be limited to investments which meet one of the six vetting/approval criteria of the ITSC—ITS implemented a comprehensive project portfolio repository that identifies and prioritizes IT projects that do not meet the ITSC threshold for review.

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.2.B	The CIO, as head of the Library's IT strategic planning, should develop a structured procedure which continuously identifies and prevents duplicative IT costs throughout the Library by consolidating IT services—The CIO (as head of the ITSC) implemented Library-wide IT investment policies and procedures that align with the Library's strategic objectives and serve to prevent duplicative IT costs.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	II.2	Verify that all Library systems are up-to-date regarding C&A and authority to operate requirements, and take appropriate action to ensure the systems' compliance with those requirements is maintained in the future—ITS now includes the Deputy Librarian in quarterly reporting to designated approving authorities on IT system accreditation non-compliance.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	III.1	Increase communication and directional oversight of the Library's ongoing EA development by having the Chief Architect provide updates at each ITSC meeting—The Chief Architect now attends all ITSC meetings and provides updates on EA activities.
Information Technology Strategic Planning Follow-up	2011-IT-103 December 2011	Information Technology Services	III.2	Continually review, update, and approve annual objectives and tasks for EA development, and review performance metrics regarding the achievement of those milestones—The Chief Architect now attends all ITSC meetings and provides updates on EA activities.
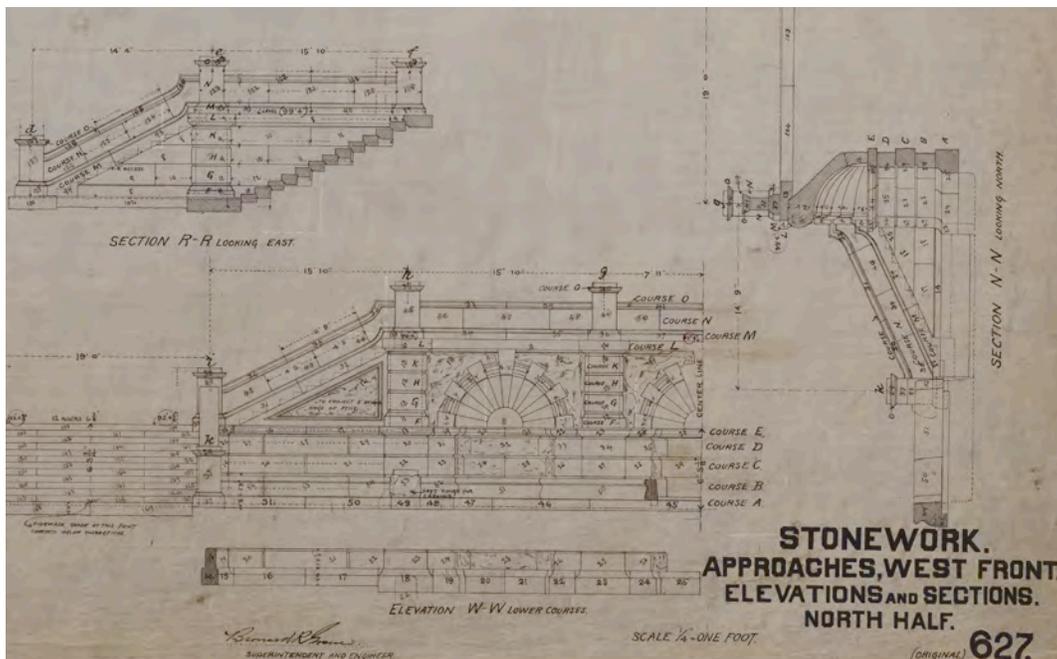
ABOVE: NEPTUNE PLAZA STONEWORK FOR THE THOMAS JEFFERSON BUILDING BY SMITHMEYER & PELZ, ARCHITECTS.

INK ON LINEN, C. 1894.

Funds Questioned or Put to Better Use

Table 5: 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	1	$355,190[*]
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 6: Audits with Questioned Costs

	Number of Audit Reports	Total Questioned 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:	1	$771,163[**]

[*] Information Technology Services, Integrated Support Services: *Improvements Needed to Prevent Wasteful Procurement and Inefficient Disposal of IT Workstations,* Report No. 2012-PA-101, September 2012 (see page 15).

[**] Office of Strategic Initiatives, Information Technology Services: *Inadequate Contract Oversight Exposed the Library to Questionable Contractor Payments,* Audit Report No. 2011-PA-109, March 2012 (see page 19 of our March 2012 Semiannual Report).

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

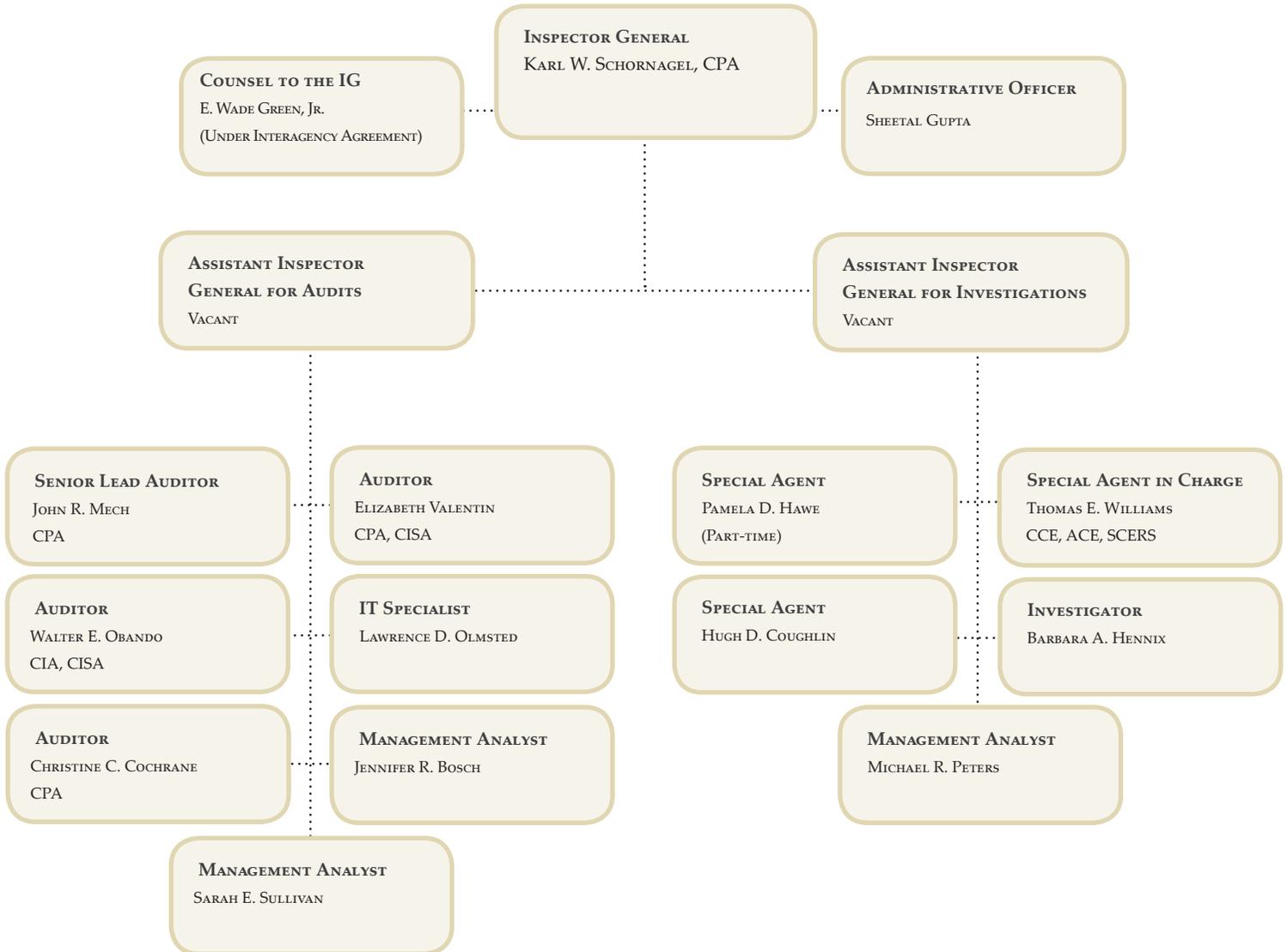During the reporting period there were no significant revised management decisions.

Significant Management Decisions with Which OIG Disagrees

During this reporting period there were no significant management decisions with which OIG 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 management asserts it has implemented during the period appear in table 4B. In order to confirm that recommendations have been 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

Inspector General
Karl W. Schornagel, CPA

Counsel to the IG
E. Wade Green, Jr.
(Under Interagency Agreement)

Administrative Officer
Sheetal Gupta

Assistant Inspector General for Audits
Vacant

Assistant Inspector General for Investigations
Vacant

Senior Lead Auditor
John R. Mech
CPA

Auditor
Elizabeth Valentin
CPA, CISA

Special Agent
Pamela D. Hawe
(Part-time)

Special Agent in Charge
Thomas E. Williams
CCE, ACE, SCERS

Auditor
Walter E. Obando
CIA, CISA

IT Specialist
Lawrence D. Olmsted

Special Agent
Hugh D. Coughlin

Investigator
Barbara A. Hennix

Auditor
Christine C. Cochrane
CPA

Management Analyst
Jennifer R. Bosch

Management Analyst
Michael R. Peters

Management Analyst
Sarah E. Sullivan

INSPECTOR GENERAL HOTLINE

HELP PROMOTE INTEGRITY, ECONOMY, AND EFFICIENCY

REPORT SUSPECTED FRAUD, WASTE, ABUSE, OR MISMANAGEMENT

COMPLAINTS MAY BE MADE ANONYMOUSLY

INSPECTOR GENERAL

LIBRARY OF CONGRESS

101 INDEPENDENCE AVENUE, S.E.

LM-630

WASHINGTON, DC 20540-1060

MAIN TELEPHONE NUMBER:	(202) 707-6314
FAX NUMBER:	(202) 707-6032
HOTLINE TELEPHONE NUMBER:	(202) 707-6306
HOTLINE EMAIL:	oighotline@loc.gov
P.O. BOX:	15051 S.E. Station
	Washington, DC 20003-9997