

Office of the Inspector General

SEMIANNUAL REPORT TO THE CONGRESS

April 1, 2004 Through September 30, 2004



U.S. Government Printing Office U.S. Government Printing Office U.S. Government Printing Office U.S. Government Printing Office
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THE GOVERNMENT PRINTING OFFICE

For more than a century, the mission of the Government Printing Office (GPO) under the public printing and documents statutes of Title 44, U.S. Code, has been to fulfill the needs of the Federal Government for information products and to distribute those products to the public. As GPO transforms into a 21st century digital information processing facility, it remains dedicated to producing, procuring, and disseminating Government information products in a wide range of formats including print, CD-ROM, and online. GPO's electronic and traditional technologies enable it to facilitate the re-engineering of information products to satisfy the Government's changing information requirements, and to preserve and protect public access to Government information.

- GPO provides print and electronic information products and services to Congress and Federal agencies. For Congress, GPO maintains a capability to fully support the information product needs of the legislative process.
- GPO disseminates Government information to the public in print and electronic formats and to Federal depository libraries nationwide where information may be used by the public free of charge
- GPO is advancing dissemination of Government information in electronic formats. GPO Access is one of the leading Federal sites on the Internet. More than 250,000 Federal Government document titles from more than 70 Federal databases from all branches of the Government are available to the public at www.access.gpo.gov.
- GPO programs are designed to reduce the need for duplicative production facilities, achieve significant taxpayer savings through a centralized production and procurement system, and enhance public access to Government information.

THE OFFICE OF INSPECTOR GENERAL

The Office of the Inspector General (OIG) was created by the Government Printing Office Inspector General Act of 1988, Title II of Public Law 100-504 (October 18, 1988).

OIG Mission

The mission of the OIG is to provide leadership and coordination, and to recommend policies to prevent and detect fraud, waste, abuse and mismanagement, as well as to promote economy, efficiency, and effectiveness in GPO's program and operations. The OIG offers an independent and objective means of keeping the Public Printer and the Congress fully informed about problems and deficiencies relating to the administration and operations of the GPO. To meet these responsibilities, the OIG conducts audits, evaluations, investigations, and inspections. The OIG is dedicated to assisting the GPO improve its efficiency and effectiveness as the GPO transforms into a 21st century digital information processing facility.

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FROM THE INSPECTOR GENERAL

I am pleased to provide this Semiannual Report to Congress for the period April 1, 2004 through September 30, 2004. Having joined GPO as its Inspector General on October 4, 2004, I am excited to be a part of the ongoing efforts by the OIG to assist the Public Printer and his executive management team in continuing to pursue an aggressive transformation of the agency.

This report highlights significant accomplishments achieved during the reporting period and outlines some of the issues on which our office will focus during the next six months. By all accounts, the transformation of GPO into a 21st century digital information processing entity will enhance GPO's ability to meet the needs of each of the three branches of the federal government for all types of information products. As the OIG focuses on key transformation issues, we will be better positioned to support GPO's goals in this effort, while helping GPO prepare for necessary budget and operational decisions related to programs and services, and ensure that GPO's funds and resources are utilized most effectively.

Earlier this year, the Government Accountability Office (GAO) issued a report to Congress concerning GPO's ongoing transformation efforts. The GAO recognized that printing and information dissemination by the federal government are undergoing significant change due to technological innovation and advancements in electronic document creation. Federal agencies have begun to publish documents directly to the Web, as well as print and disseminate information directly, without utilizing GPO services.

In addition, an increasing number of government documents are created and managed electronically, allowing the public to obtain government information from Web sites, rather than purchasing paper copies. The result has been a significant decline in GPO printing volumes, document sales, and revenues. These changes are creating challenges for GPO's long-standing system for centralized printing and dissemination and its interactions with customer agencies. In light of these challenges, GAO offered several suggestions for GPO to consider, including the following:

- Develop a business plan focused on information dissemination as its primary goal, rather than printing.
- Collect data to demonstrate that the services it provides—printing and publishing as well as information dissemination to the public through its library system and Web site—add value to its customers.
- Establish partnerships with other agencies that disseminate information and enhance its current partnerships.
- Ensure that its internal operations—including technology, management information systems, and training—are adequate for efficient and effective management of core business functions and for service to its customers.

The Public Printer recognizes the challenges identified by GAO and has already incorporated many of GAO's recommendations into the blueprint for GPO's ongoing transformation efforts. The OIG remains dedicated to working with the Public Printer to help the GPO improve its efficiency and effectiveness as the GPO continues to realize its transformation goals.

Included among the areas to which the OIG will devote considerable attention in the months ahead are:

- **Contracting Processes.** Internal controls over GPO's contracting processes and systems need improvement to help reduce the potential for waste, fraud, abuse and mismanagement. The OIG will continue to work with GPO management to ensure that adequate internal controls are in place. In fact, during this reporting period, the Office of Audits analyzed and recommended improvements in the controls over the Information Dissemination Sales Order Program, the procurement process of the Denver Regional Printing and Procurement Office, the Printing Procurement Department's contract modifications, and the processing of customer agencies' credit card charges.

Additionally, the Office of Investigations made significant strides in developing cases and presenting the results to U.S. Attorneys' Offices (USAOs) across the United States. For example, one investigation into allegations of false claims and false statements was accepted for civil prosecution. In that case, the total amount of contracts under question is \$244,000. A second investigation into allegations of false claims, false statements, and product substitution is being handled by another USAO for civil prosecution. The value of all contracts under question in this investigation amounted to \$5 million dollars. Settlement negotiations are currently underway between the contractor and the USAO. In addition to USAO referrals, investigative results have been forwarded to GPO management for administrative actions to recover funds fraudulently obtained through GPO contracts.

- **Information Technology Vulnerabilities.** Several systemic vulnerabilities in GPO's IT security systems were identified during a recent annual testing. IT issues have been a long-standing "reportable condition" in GPO's annual financial audit reports. The OIG is working in partnership with the Office of Information Technology and Systems to address these issues. Moreover, planned IT upgrades are a critical part of GPO's 21st century transformation, and will require monitoring and collaboration to ensure that these developments are not future vulnerabilities for the GPO.

The complexity and diversity of the OIG universe will continue to increase as the Public Printer leads GPO through this period of unprecedented change. In response, the OIG must adapt, not only to meet current and evolving obligations, but also to serve as a positive change agent to help facilitate this transformation process in a manner that ensures that the public is protected from waste, fraud, abuse, and mismanagement. Moreover, due to limited resources in these tight fiscal times, the OIG must be vigilant in prioritizing its audits, investigations, and inspections to provide the greatest value to GPO's mission. I look forward to meeting these challenges.

GREGORY A. BROWER
Inspector General
U.S. Government Printing Office
202-512-0039

GPO OFFICE OF INSPECTOR GENERAL SUMMARY OF DOLLAR FINDINGS

Reporting Period April 1, 2004 through September 30, 2004

	Questioned/ Unsupported Costs	Funds Put to Better Use	Amounts Recovered	Potential Agency Cost Saving	Funds At Issue	Total OIG Findings
Office of Audits	\$150,296	\$16,000				\$166,296
Office of Investigations	\$2.31M		\$20,683	\$98K		\$2.428M



EXECUTIVE SUMMARY

HIGHLIGHTS OF THE SEMIANNUAL REPORT

During this reporting period, the OIG continued to advance a cooperative relationship with GPO management in developing sound business practices and supporting GPO managers and the Public Printer's return-on-investment philosophy. The OIG continues to work with other OIGs by helping spearhead the initial peer reviews of Offices of Investigations.

The *Office of Audits* issued five audit reports and one contract claim report to GPO officials during the six-month reporting period ending September 30, 2004. These reports made 30 recommendations for improvements, including cost efficiencies that represent \$16,000 in potential savings for GPO. The contract claim report questioned \$150,296. The Office of Audits also issued two Evaluation Reports to Congress. Further, the Office of Audits has one review that is in a work-in-progress status.

The *Office of Investigations* opened 11 investigative cases in response to 26 new complaints, and closed or referred 18 matters. A previous investigation into allegations of false claims involving \$5 million dollars in contracts over the past three years was referred to by a U.S. Attorney's Office for civil prosecution and negotiations for settlement are underway. Overall, the Office of Investigations has recovered in excess of \$20,000 through investigative efforts, has helped realize GPO cost savings of \$98,000, and

is questioning costs of approximately \$2.3 million dollars. One of the main efforts, resulting in cost savings of \$69,000, has been in the area of the Office of Workers' Compensation Benefits.

The *Office of Administration and Inspections* issued two sensitive reports concerning the blank U.S. Passports produced by the GPO. The first report examined cost recovery issues related to blank passport production and made four recommendations to GPO management. The second report examined the security of transporting blank passports to Department of State locations and made four recommendations to GPO management. Additionally, the Office of Administration and Inspections issued two reports concerning the implementation of the Public Key Infrastructure at GPO, which included 82 comments that identified critical flaws that required attention to ensure the security and integrity of the implementation process.



MANAGEMENT INITIATIVES

Annual Internal Control Report

GPO Instruction 825.18A prescribes the policies and standards and assigns responsibilities for conducting vulnerability assessments and internal control reviews of programs and activities of the GPO. Pursuant to this directive, GPO shall maintain effective systems of accounting and management control. GPO's managers are responsible for continuously monitoring and improving the effectiveness of management controls associated with their programs, functions, and activities through the performance of vulnerability assessments and internal control reviews. The Inspector General uses management's assessments and reviews to assist in the formulation of the appropriate tests and detailed scope of audit work.

The OIG completed a draft compilation of management's internal control submissions pursuant to GPO Instruction 825.18A during this reporting period. The final compilation will be submitted to support the Public Printer's letter to the financial statement auditors as to the adequacy of GPO's internal controls. To meet GPO's schedule for the timely issuance of its annual audited financial statements and the related auditor's report, the OIG's report on internal controls will be issued within the first two weeks of the new fiscal year.

Personnel Matters

There were several personnel developments during this reporting period. Marc Nichols resigned as Inspector General on August 2, 2004. Upon Mr. Nichols' resignation, Jackie Goff was appointed as Acting Inspector General and remained in the position through the end of this semiannual reporting period.

On October 4, 2004, the Public Printer appointed Gregory A. Brower to serve as the Inspector General of GPO. Mr. Brower comes to the GPO from the U.S. Department of Justice where he served as Legislative Counsel in the Executive Office for U.S. Attorneys. An attorney, he has significant experience in the civil, criminal, administrative, and legislative arenas. Mr. Brower is a graduate of the University of California, Berkeley, and The George Washington University's law school, and is a former naval officer.

Tracie Briggs, auditor for the Office of Audits, accepted a promotion and transferred to the Office of the Comptroller.

After completing internships at the GPO, recent graduates, Nathaniel Brown and Corey Morris, joined the OIG staff. Mr. Brown, a graduate of West Virginia University Institute of Technology, will work with the Office of Investigations. Mr. Morris graduated from Florida Agricultural and Mechanical University and will work with the Office of Administration and Inspections.

Jackie Goff, Deputy Inspector General and Counsel, and Glenn Griser, Assistant Inspector General for Audits, both retired at the end of the 2004 fiscal year. Ms. Goff will remain as a consultant for several months to help Mr. Brower transition into his role as Inspector General.



OFFICE OF AUDITS

The Office of Audits (OA), as required by the Inspector General Act Amendments of 1988, conducts independent and objective performance audits, financial audits, and special reviews relating to GPO. All OIG audits are performed in accordance with applicable Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States. When requested, the OA provides accounting and auditing assistance to the OIG Special Agents for both civil and criminal investigations. The OA also refers irregularities and other suspicious acts detected during audits to the Office of Investigations for investigative consideration.

A. SUMMARY OF AUDIT ACTIVITY

The OA issued five audit reports and one contract claim report to GPO officials during the six-month reporting period ending September 30, 2004. These reports made 30 recommendations for improvements, including cost efficiencies that represent \$16,000 in potential savings for GPO. The contract claim report questioned \$150,296 requested by a contractor for work performed. The OA also issued two Evaluation Reports to Congress. Further, the OA has one review that is in a work-in-progress status.

B. AUDIT ACCOMPLISHMENTS

Audit Report

Flash Report on Credit Card Charges to Customers for Modifications-Los Angeles RPPO (Report 04-03, issued June 18, 2004)

This OIG Flash Report provided the results of a review of charges to customer agencies for modi-

fication costs for jobs that were originally charged to customer agencies' credit cards. This Flash Report notified GPO management of a problem that required immediate attention.

Results In Brief

Regarding this subject, the OIG review disclosed the following:

- GPO's Office of the Comptroller has no instructions for charging modification costs to customer agencies where the original costs were charged to the customer agencies' credit cards. Consequently, GPO is losing funds because most, and maybe all, such modification costs are not being recovered from the customers.
- The OIG identified three specific examples of modifications to jobs charged to credit cards that, as of May 28, 2004, had not been processed by the Office of the Comptroller.
- Field office staffs were not being notified regarding the status of these modification costs or credits.

To correct these problems, the OIG recommends that the GPO Chief Financial Officer:

- Establish and implement written procedures for the charging of modifications to customer agencies' credit cards.
- Immediately process the three outstanding modifications from the Los Angeles Regional Printing Procurement Office (RPPO) that are provided in the Flash Report.
- Establish and implement procedures for notifying appropriate GPO field staffs when modifications have been processed.
- Identify and process all other modifications to credit card jobs from field offices and the Central Office.

Amended Flash Report on Firearms Qualifications of Uniformed Police Officers (Report 04-04a, issued June 18, 2004)

This OIG Flash Report provided the results of an expedited review of firearms qualifications of the GPO's uniformed police officers.

Results In Brief

This Flash Report served as notification that OIG was undertaking a greater level of scrutiny regarding Uniformed Police Branch (UPB) compliance with GPO's firearms policy and other compliance-related matters. This report, which was for internal use only, examined firearms qualifications of GPO police officers and revealed several factors that affected the firearms qualification standards of GPO's UPB. The Flash Report resulted in three recommendations which were accepted and acted upon by management.

Flash Report on the Laurel Warehouse Erroneously Mailing Items to GPO Headquarters (Report 04-06, issued September 30, 2004)

This OIG Flash Report provided the results of issues identified during the course of a prior audit of contractor mailings. It dealt with a review of items sent from GPO's Laurel (MD) Warehouse to Central Office buildings in Washington, D.C. This Flash Report notified GPO management of a problem that required immediate attention.

Results In Brief

Regarding this subject, the OIG review disclosed the following:

- Since at least 1996, printed materials have been mistakenly mailed via the U.S. Postal Service from Laurel Warehouse to GPO Central Office buildings. These items should have been placed on GPO trucks that make daily trips from Laurel to GPO Central Office. Errors resulted in

wastes and inefficiencies of GPO resources, mainly in unnecessary postage costs.

- Erroneous mailings also resulted in delays in customers receiving (or having available) desired printed materials, potentially damaging a GPO image that management is trying to improve.
- OIG estimated that the financial costs associated with this problem averaged about \$2,040 per year for eight years, or more than \$16,000; moreover, the negative effect on customer satisfaction for unnecessarily untimely deliveries to GPO's Main Bookstore (and elsewhere in Central Office) needed to be addressed.
- In June 2004, OIG informed Information Dissemination Department (IDD) management of this issue. Management took immediate steps to correct the problem by instructing staff to identify address labels for Central Office items, and to send them to Laurel separately.

To ensure correction of these problems, OIG recommended that the IDD Managing Director issue instructions to:

- Appropriate Central Office and Laurel personnel to separate items for delivery to any GPO Central Office zip codes and to ensure all items are placed on GPO trucks.
- Appropriate data entry personnel in Library and Customer Relations Service to use the "kill frank" code (00001) on address labels instead of actual zip codes to minimize the potential for future erroneous postal metering and mailing.

Report on the Uniformed Police Branch Compliance with Policies and Procedures (Report 04-07, issued September 30, 2004).

This OIG Report provided the results of an audit of GPO's Uniformed Police Branch (UPB) compliance with applicable policies and procedures.

Results In Brief

This report, which was for internal use only, covered the UPB compliance with applicable laws and GPO regulations. The report covered several areas of noncompliance by UPB and made 11 recommendations. These recommendations were accepted by management and are being acted upon.

Report on Review of GPO's Regional Office Structure (Report 04-08, issued September 30, 2004)

This OIG Report provided the Public Printer with ten factors the OIG is recommending he and GPO senior managers consider in making near-term and long-term policy decisions regarding GPO's regional office organization.

Results In Brief

GPO officials are considering policy decisions before the end of Calendar Year 2004 regarding the future of the Regional Printing Procurement Offices and Satellite Procurement Offices. This report provides the Public Printer with ten factors the OIG recommends he and GPO senior managers consider in making near-term and long-term policy decisions regarding GPO's regional office organization:

- Streamline and realign field structure.
- Identify field office rental costs.
- Identify field office rental terminations.
- Identify customers' interactions with field offices.
- Identify contractors' interactions with field offices.
- Analyze field offices' revenues.
- Analyze field offices' annual orders.
- Allocate Central Office costs (overhead allocations) more equitably.
- Adjust GPO's surcharge periodically to offset all costs.

- Analyze Printing procurement oversight/fraud prevention.

The OIG recommends that the Public Printer and GPO management officials:

- Realign their field structure and establish field offices (GPO "Printing Centers") where the largest amount of Federal printing work is obtained from customer agencies and produced by the private sector.
- Pursue alternatives to renting office space.
- Analyze the economic impact of rental terms of potential office closures.
- Analyze customer relations impact from potential office closures.
- Analyze contractor relations impact from potential office closures.
- Analyze the 20 field offices' magnitude of revenues as well as the revenue trends.
- Analyze the volume of field offices' orders processed.
- Allocate Central Office's cost allocations more equitably.
- Adjust GPO's surcharge and other handling charges periodically to cover costs.
- Analyze the efficiencies or potentially averted fraud that is provided by field staff conducting contractor site visits.

Audit Report

One contract claim audit report was issued during this six-month period involving \$150,296 in unsupported and questioned costs. (Report Number 04-05, issued June 24, 2004)

Evaluation Reports

Two Quarterly Reports to Congress on GPO's Prompt Payments of DC Water Bills

Pursuant to Public Law 106-54, the OA issued two reports, dated April 15, 2004 and July 15, 2004, analyzing the promptness of GPO's payment for water and sewer services.

C. WORK-IN-PROGRESS

The OA has undertaken the following review for which fieldwork is ongoing. The corresponding report will be issued in the next reporting period:

Review of Funds Electronically Taken Back by GPO's Customer Agencies

The OIG is conducting a review of "chargebacks" (funds electronically taken back) by customer agencies of GPO via the Department of the Treasury's Intra-governmental Payment and Collection (IPAC) system. Total net chargeback amounts increased over 100 percent from FY 2003 to an amount of over \$10 million (at the time of this review). To meet this objective, the OIG will:

- Review and report on the escalation of total chargeback amounts in FY 2004.
- Focus on one customer agency with a materially significant proportion of these chargebacks, analyzing where, how, and why this occurred.
- Review and analyze the IPAC system's accessibility, limitations, and internal controls (in terms of written/enforced procedures) as related to user customers.
- Review and summarize the effect on GPO's current assets as a result of these increases in chargebacks.

The OIG anticipates issuing this report during the first quarter of FY 2005.

D. ADVICE AND ASSISTANCE

During this reporting period, the OA provided substantial advice and assistance to GPO officials and other Federal audit organizations as follows:

2004 Financial Statement Audit

The OIG provided support for the audit of GPO's 2004 financial statements throughout this reporting period. Under 44 U.S.C. 309, an annual financial statement audit has been required since Fiscal Year 1997. KPMG LLP has been retained to conduct this audit under a multi-year contract for which the OA is the Contracting Officer's Technical Representative. In addition, the OA provides administrative support and coordination with GPO management for the KPMG auditors. This is the fourth annual audit to be performed under the KPMG contract. The option to renew this contract for FY 2005, if exercised, will be the last year under this contract.

Liaison with GPO Managers

The OA conducted liaison activities with GPO's Customer Services Department, Information Dissemination Department, and Plant Operations. The OIG conducts these liaison activities in order to improve GPO's programs and operations, the OIG's work products, and GPO/OIG communications.

Assistance to OI on Investigative Case

The OA, at the request of the Assistant IG for Investigations (AIGI), conducted a review of a contractor for the purpose of determining the possibility of recovering settlement claims against the company. Because of the limited financial data available, the OA only was able to offer general statements about the value of the

company. The OA recommended that the AIGI determine the value of the assets by having the company's assets appraised.

E. STATUS OF OPEN RECOMMENDATIONS

GPO management officials have not implemented all of the significant recommendations contained in nine audit reports issued during prior semiannual reporting periods. A few have been outstanding for a couple of years, and management did not provide an explanation for two open recommendations. A synopsis of our audit findings and recommendations, along with management's actions to implement the outstanding recommendations are listed below:

Report on Improving Controls Over GPO's Travel Program (Report 01-05, issued June 12, 2001

Finding

Opportunities exist to improve controls by issuing fewer and smaller travel advances, and by updating published travel regulations.

Recommendations

The Director of Administrative Support should:

- Not authorize travel advances for employees with Government credit cards (activated and not activated) and require the use of credit cards for all cash advances to these employees (0105-01).
- Update GPO Publication 815.1B Travel Regulations dated July 1989 with current General Services Administration's guidelines and GPO Notices on travel advances for GPO employees with Government credit cards (0105-03).

Management Comments

Under GPO's reorganization, the Office of the Chief Financial Officer (CFO) was assigned responsibility for the GPO Travel Management Program and, thus, for commenting on the above recommendations. On September 23, 2004, the CFO responded that this proposed change on the use of credit cards (0105-01) is under consideration as part of his efforts to update GPO's Travel Regulations (0105-03). No date was given when he expects the updated publication to be issued.

OIG Comments

These recommendations remain open until the CFO completes and implements the above actions.

Report on Improving the Controls Over SuDocs [now the Information Dissemination Department, or IDD] Central Office Sales Order Program (Report 02-10, issued September 12, 2002)

Finding

The audit determined that opportunities exist to improve the internal controls over the follow-up activity of resolving bad debts, namely through the development of internal controls within the IDD's Order Division by: (a) updating the Division's policy statement and authorized office procedures and (b) implementing written procedures in the areas of follow-up letters, foreign checks, and collection practices of bad debts.

Recommendation

The Superintendent of Documents should ensure that:

- Detailed procedures are developed and implemented on the timing of the three follow-up letters in the Order Division in order to improve the chances of a successful collection from customers with dishonored checks (0210-02).

- Written procedures are developed and implemented for the processing of orders by the Receipts and Processing Branch personnel when checks are drawn on foreign banks to ensure that the checks are encoded with the routing symbol assigned to the United States financial institution by the American Bankers Association (0210-05).
- Written procedures are established and implemented to ensure that all collection practices for bad debts from the Sales Program are exhausted before a memorandum is written from the Order Division to the Comptroller requesting certain unpaid invoices be written off (0210-06).

Management Comments

As a result of GPO's reorganization, the Superintendent of Documents is now the Managing Director, IDD. During the previous reporting period, the IDD stated that the three above recommendations were transferred to GPO's CFO. On September 23, 2004, the CFO stated that the Office of the Comptroller will establish: (1) a policy and detailed procedures for the timing of the three follow-up letters to debtors (0210-03); (2) a procedure for the processing of foreign checks (0210-05); and (3) a procedure for bad debt collection in regard to the Sales of Publications Program (0210-06).

OIG Comments

These recommendations remain open until the CFO completes and implements the above actions.

Report on Improving the Controls Over the Procurement Process of the Denver Regional Printing and Procurement Office (Report 02-12, issued November 12, 2002)

Finding

The Denver Manager did not establish an internal control program in the Regional Printing Procurement Office (RPPO) through the performance of vulnerability assessments and internal control reviews as prescribed by GPO Instruction 825.18A Internal Control Program.

Recommendations

The Manager of the Printing Procurement Department (PPD) should ensure that the Manager of the Denver RPPO establishes an internal control program through the performance of vulnerability assessments and internal control reviews as prescribed by GPO Instruction 825.18A (0212-26).

Management Comments

As a result of reorganization, PPD is now a division of Customer Services. The Managing Director of Customer Services did not respond by the end of the semiannual period regarding the status of this recommendation.

OIG Comments

This recommendation remains open until the Managing Director of Customer Services completes and implements the internal control program.

Report on Improving the Controls Over the Processing of Customer Agencies' Credit Card Charges for Printing Procurements with Riders (Report 03-02, issued March 31, 2003)

Finding

The OIG found that PPD personnel from Central Office and six RPPOs miscalculated the charges on customer agencies' credit cards in 30 percent (18 of 61) of the procurements, which totaled \$10,169.

Recommendation

The Manager of PPD and the Comptroller should immediately finalize the draft GPO Instruction 440.12 *Processing Printing and Binding Credit Card Payments* and distribute to affected personnel (0302-01).

Management Comments

On September 23, 2004, the CFO (to whom the Comptroller reports under the reorganization) stated that he and the Managing Director, Customer Services (to whom PPD now reports), are closer to finalizing the new business rules for the credit card. Once finalized, the GPO Instruction will be reissued.

OIG Comments

This recommendation remains open until GPO management finalizes and issues the GPO Instruction.

Report on Improving Controls Over Printing Procurement Department's Contract Modifications at Central Office (Report 03-04, issued September 30, 2003)

Finding

Printing Specialists in PPD were entering contract modification data twice into PPD's two automated databases – a stand-alone personal computer (PC) system and the Procurement Information Control System (PICS) databases. They were doing this because the two systems were not interfaced, which is contrary to Standard 1 of GPO Instruction 825.18A Internal Control Program.

Recommendation

The Managing Director of Customer Services should implement an automatic interface between the PC database and PICS for entering future contract modifications data (0304-02).

Management Comments

On September 16, 2004, the Managing Director of Customer Services stated that PPD's Systems Support Group is working on consolidating the two databases in two phases. Phase I should be completed by December 2004. On Phase II, development for additional enhancements will begin in Spring 2005.

OIG Comments

This recommendation remains open until the Managing Director of Customer Services completes and implements the system enhancements.

Report on the Federal Depository Library Program (FDLP) Inspection Program (Report 03-06, issued September 30, 2003)

Finding

The OIG identified the following conditions needing improvement:

- Library inspections were not precisely defined.
- The applicable section of Title 44, Section 1909, relating to library inspections, needed revision.
- The library inspections process, which usually consisted of a self-study, a self-study evaluation, an on-site inspection, and an inspection report, was very time-consuming and could be made more efficient.
- Time management of Library Programs Service (LPS) inspectors was not carefully documented and needed improved operating procedures.
- The automated system in LPS governing key library data was antiquated and needed upgrading.

Recommendation

The audit report made 13 recommendations to the Managing Director, IDD, for improvements to the FDLP inspection program.

Management Comments

On September 14, 2004, the Deputy Managing Director, IDD, reported that:

- The Managing Director hired a strategic planning officer, who is currently engaged with examining Section 1909 of Title 44 and with identifying other options that may be effective (0306-01).
- The ongoing reorganization has eliminated the need for inspections and related self-studies, so it has been requested that that recommendation be closed (0306-02).
- IDD requested that recommendations (-03) and (-04) be closed, as these relate to reminder notices and procedural revisions to the inspection procedure (0306-03 and 0306-04).
- The new Office of Education and Development will expand its training staff, including new library consultants (0306-05).
- IDD/GPO is working with U.S. National Commission of Libraries and Information Science to better utilize biennial survey data (0306-06).
- IDD requested that recommendation (07), (08), and (09) be closed, as these relate to updating inspection procedures, overtime pay for inspectors, and monitoring non-inspection work by inspectors, based on IDD's decision to terminate the inspection program in favor of consultants (0306-07), (0306-08), (0306-09).
- PAMALA [the acronym for the old inspection software] features are being incorporated into a new integrated library system (0306-10).
- IDD requested that the last three recommendations (11), (12), and (13) be closed as these relate to improving self-study reports, enhanc-

ing inspection software, and improving inspection data entries, based on IDD's decision to terminate the inspection program in favor of consultants (0306-11), (0306-12), (0306-13).

OIG Comments

Nine of the 13 recommendations were effectively implemented by the wholesale change in the inspection program affected by IDD. We therefore consider them to be closed (Recommendations 0306-02 through 0306-04, 0306-07 through 0306-09, and 0306-11 through 0306-13). The other four recommendations remain open until the Managing Director of IDD completes and implements relevant strategic planning and system enhancements.

Report on Improving the Controls over the Administering of GPO Transit Benefit (Metrochek) Program (Report 03-07, issued September 30, 2003)

Finding

The OIG found that management controls were not always effective over (a) the eligibility of GPO employees for participation in the Metrochek program and (b) the distribution of monthly farecards. Furthermore, the efficiency of the program as established in GPO Notice 450 series and GPO Instruction 825.18A *Internal Control Program* could be improved. The OIG identified a total of \$92,270 of funds that could be put to better use. The major findings were:

- Lack of effective communication between the Metrochek Program Coordinator and the Parking Manager to ensure that GPO employees did not participate in both programs. From September 2001 through August 2003, this lack of communication resulted in 17 employees receiving \$12,696 in farecards while still

- participating in GPO's parking program.
- Insufficient questioning of employees' commuting expenses on Metrochek applications before processing resulted in 89 employees, who resided in Washington D.C., inappropriately receiving about \$20,000 annually in farecards.
- Lack of controls in the monthly distribution of farecards to Laurel employees resulted in a shortage after the July 2003 reconciliation.
- Allowing employees time off to pick up their monthly farecards costs GPO approximately 900 hours, or \$25,542 annually, in lost productivity.
- GPO could achieve benefits of: (a) \$14,400 by reducing future orders of monthly farecards; and (b) \$3,900 by reducing the ending inventory of monthly farecards.

Recommendation

The Comptroller should ensure that the Assistant Comptroller of the General Accounting Division or the Chief of the Cash Management Branch:

- Periodically matches the databases of the parking program and the Metrochek program to ensure that GPO employees are not participating in both programs simultaneously (0307-02).
- Take appropriate action, if warranted, to recover the \$12,696 from the 17 GPO employees who received farecards while also participating in GPO's parking program (0307-03).
- Requires all employees participating in the Metrochek program to submit an annual application to ensure the transit information is current (0307-08).
- Start a pilot program using the SmarTrip card from Metro's SmartBenefits Program for GPO employees using the MetroRail (subway) exclusively, and expands the program gradually to eventually include MetroBus, Maryland Rail

Commuter, and Virginia Railway Express commuters (0307-11).

Management Comments

On September 23, 2004, the CFO stated that: (1) he is exploring the possible merger of the parking and MetroChek databases to ensure that GPO employees are not participating in both programs simultaneously (0307-02); (2) the Office of the Comptroller has recovered some funds and is pursuing collection from the other employees that were also participating in GPO's Parking Program (0307-03); (3) the Office of the Comptroller is in the process of having participants submit an annual application (0307-08); and, (4) he will give proper consideration for a pilot program in the future (0307-11).

OIG Comments

These recommendations remain open until the CFO implements the above actions and comments on the \$92,270 in funds that could be put to better use.

Report on GPO's Corrective Action and Other Employee Programs (Report 03-09, issued September 30, 2003)

Finding

The audit found that the controls over the fair and timely processing of pertinent documents connected with GPO's Corrective Action and other employee programs – e.g., suspensions, removals, letters of warning, and internal investigations – were not in compliance with the timeframes established in the Director's Correspondence Schedule and GPO Instruction 825.18A *Internal Control Program*. The OIG found the following problems in the Employee Relations Branch:

- Specialists were not always timely in preparing the final letter to the Deciding Official on suspensions and removals within the Director's Correspondence Schedule of 64 calendar days after receipt of GPO Form 2021. From October 1, 2001, through March 31, 2003, this problem resulted in four employees remaining on the payroll and receiving an additional \$43,181.
- Specialists were not always timely in preparing letters of warning within the Director's Correspondence Schedule of 25 calendar days.
- Specialists were not always timely or complete in preparing memorandums to supervisors on recommending corrective actions after receiving incident reports from GPO's UPB.
- An internal control program had not been established.

Recommendations

This report contained 11 recommendations to address the above findings and improve the internal controls over the fair and timely processing of documents associated with GPO's corrective action and related programs.

Management Comments

GPO's Acting Chief Human Capital Officer (CHCO) did not respond regarding the status of these recommendations.

OIG Comments

This recommendation remains open until GPO's Acting CHCO completes and implements the internal controls over the fair and timely processing of documents associated with GPO's corrective action and related programs.

Report on the Government Printing Office's Contractor Mailings Programs (Report Number 04-01, issued March 31, 2004)

Printing contracts often include a provision that instructs GPO's contractors to mail the final printed products. This provision either requires the contractor to use GPO's postal permit number or delegates to the contractor authority to incur mailing charges. Under a delegation, the contractor is to submit to GPO documentation regarding the mailing charges for reimbursement. These contractor mailings programs affect GPO's IDD and Customer Services Department.

The audit identified \$100,000 in cost efficiencies and recommended that these funds be put to better use. The audit made eight other recommendations to improve controls over the contractor mailings program. The significant recommendations were to:

- Ensure that contractors submit required mailing statements/documents to GPO.
- Develop clear, concise, standard contract language that provides the requirements for contractors regarding mailings of final products.
- Develop sanctions for contractors (e.g., withholding reimbursement) that fail to comply with documentation or other requirements.

Management Comments

On September 14, 2004, the Deputy Managing Director, IDD, reported that:

- A meeting was held with management representatives from Customer Services and both agreed to discuss changes to contract language (0401-01).
- IDD managers are identifying organizations to be responsible for monitoring contractor-mailed programs (0401-02).
- IDD personnel are working with Customer Services and other departments to ensure that

changes to contractor language for contractor mailings provide current/uniform directions (0401-03).

- IDD has been meeting with Chief Information Officer (CIO) representatives to discuss impact/ need for any changes to the automated systems presently used (0401-04).
- IDD is in the process of drafting standard operating procedures (SOPs) governing contractor mailings (0401-05).
- IDD personnel will share proposed SOPs for comment by Customer Services and other relevant departments to ensure consistency with their related SOPs (0401-06).
- IDD is working with Customer Services to ensure that relevant changes to contract language will contain appropriate compliance language regarding mailing process requirements (0401-07).
- IDD plans to include contractor-mailed programs as part of its vulnerability assessments and internal control programs (0401-08).
- IDD is working to ensure that any quantifiable savings resulting from implementation of all these recommendations will be put to better use to accomplish IDD mission requirements (0401-09).

On September 24, 2004 the Chief Acquisitions Officer (commenting on behalf of the Director, Customer Services) stated that all relevant recommendations remain open at this time, but provided no information about management efforts to resolve any of them.

OIG Comments

These recommendations remain open until the respective GPO entity completes their implementation of the above actions.

STATISTICAL TABLE — AUDIT REPORTS WITH QUESTIONED AND UNSUPPORTED COSTS

Description	Number of Reports	Questioned Costs	Unsupported Costs	Total Costs
Reports for which no management decision has been made by the commencement of the reporting period	0	0	0	0
Reports issued during the reporting period	1	\$132,687	\$17,609	\$150,296
Subtotals	1	\$132,687	\$17,609	\$150,296
Reports for which a management decision was made during the reporting period				
1. Dollar value of disallowed costs	0	\$0	\$0	\$0
2. Dollar value of allowed costs	0	\$0	\$0	\$0
Reports for which no management decision has been made by the end of the reporting period	1	\$132,687	\$17,609	\$150,296
Reports for which no management decision has been made within six months of issuance	0	0	0	0

**STATISTICAL TABLE — AUDIT REPORTS WITH RECOMMENDATIONS
THAT FUNDS BE PUT TO BETTER USE**

Description	Number of Reports	Funds Put To Better Use
Reports for which no management decision has been made by the commencement of the reporting period	1	\$92,270
Reports issued during the reporting period	1	\$16,000*
Subtotals	2	\$108,270
Reports for which a management decision was made during the reporting period <ul style="list-style-type: none"> • Dollar value of recommendations that were agreed to by management • Dollar value of recommendations that were not agreed to by management 	1 0	\$16,000* \$0
Reports for which no management decision has been made by the end of the reporting period	1	\$92,270
Report for which no management decision has been made within six months of issuance	1	\$92,270

* Estimated at \$2,040 per year for eight years.

STATISTICAL TABLE — LIST OF AUDIT REPORTS ISSUED DURING REPORTING PERIOD

Contract Audit Reports	Questioned Costs	Unsupported Costs
Contract Review (Report Number 04-05, issued 06/24/04)	<i>To protect the Government's negotiating position on claims that have not been settled, information identifying the contractor and the associated questioned costs has not been disclosed.</i>	
Totals	\$132,687	\$17,609

Other Audit Reports	Funds Put to Better Use
Flash Report on Credit Card Charges to Customers for Modification-Los Angeles RPPO (Report Number 04-03, issued 06/18/04)	
Amended Flash Report on Firearms Qualifications of Uniformed Police Officers (Report Number 04-04a, issued 06/18/04)	
Flash Report on the Laurel Warehouse Erroneously Mailing Items to GPO Headquarters (Report Number 04-06, issued 09/30/04)	\$16,000
Report on the Uniformed Police Branch Compliance with Policies and Procedures (Report Number 04-07, issued 09/30/04)	
Report on Review of GPO's Regional Office Structure (Report Number 04-08, issued 09/30/04)	
Total	\$16,000*

* Estimated at \$2,040 per year for eight years.



OIG Hotline:

1.800.743.7574

OFFICE OF INVESTIGATIONS

The OI conducts and coordinates investigations relating to employee misconduct and monetary or material losses occurring in GPO programs and operations. These investigations may include contractors, program participants, GPO Management, and other employees. Special Agents in the OI are also designated as Special Police Officers pursuant to 44 U.S.C. § 317.

The OI's investigations with federal or non-federal investigative agencies may result in criminal prosecution, civil proceedings, or imposition of administrative sanctions. Prosecutions may result in court-imposed prison terms, probation, fines, and/or restitution.

The OI continues an aggressive effort to detect, prevent, and investigate the loss of Government assets. In addition, the OI seeks to recover monetary funds and investigative costs payable directly to the GPO as part of criminal and civil adjudication, or through administratively negotiated settlements.

A. SUMMARY OF INVESTIGATIVE ACTIVITY

During this reporting period, the OI opened 11 investigative cases in response to 26 new complaints or allegations, and closed or referred 18 matters.

B. INVESTIGATIVE ACCOMPLISHMENTS

The OI remains active in liaison efforts with GPO offices throughout the U.S. As a result,

the OI has witnessed an increase in information and/or complaints received regarding allegations of fraudulent activities by GPO contractors. In addition, the OI has undertaken a proactive approach to identifying violators of GPO contracts. The result of this new approach showed a marked increase in the dollar value of contracts under question, agency funds saved, and monies recovered.

In conjunction with the Office of Audits, OI assisted in the evaluation of the operations of the GPO Uniformed Police Branch. The findings and recommended changes/improvements were reported to GPO management.

C. TYPES OF CASES

The OI's investigative workload is categorized into four major areas based on the types of investigative cases:

Office of Workers' Compensation Program (OWCP)

The OI investigates GPO employees who have allegedly submitted false claims and made false statements to facilitate receipt of workers' compensation benefits. The OI currently has four open investigations involving alleged OWCP fraud violations.

Title 44, United States Code Violations

Federal agencies occasionally procure their print needs from sources other than GPO. GPO believes this is in contravention of Title 44 which prescribes that all federal agencies use GPO for those services.

The OIG will continue to coordinate with GPO management and members of Congress concerning issues related to perceived Title 44 violations.

Procurement Fraud

The OI investigates allegations of statutory violations involving GPO contractor service providers defrauding the Government in connection with GPO's procurement of printing goods and services. These violations include, but are not limited to, false claims, false statements, wire and mail fraud, product substitution, and Small Disadvantaged Business Program violations. The OI currently has six open procurement fraud cases.

A current reporting period fraud case was referred to an U. S. Attorney's Office for prosecution during this period. Civil prosecution action is pending.

Employee Misconduct

The OI investigates allegations involving GPO employee misconduct. These allegations include, but are not limited to, misuse of Government computers, theft, assaults, drug violations, gambling, kickbacks, and travel voucher fraud. The OI has two active misconduct investigations.

D. STATUS OF ACTION ON REFERRALS

The OI's investigative efforts can result in both external and internal referrals for action. A summary of outstanding referrals by the OI follows:

External

U.S. Attorney's Office (USAO) / State Attorney's Office (SAO):

One current reporting period investigation into allegations of false claims, and false statements was accepted for civil prosecution. The total amount of contracts under question is \$244,000.

One prior reporting period investigation into allegations of false claims, false statements,

and product substitution is being handled by another USAO for civil prosecution. This matter is currently in the negotiation stages between the contractor and the USAO.

Internal

GPO Management:

Six matters were referred to GPO management for action during this reporting period. No additional investigative effort was required. Approximately \$20,000 has been recovered by the agency through administrative actions and as a result of OI referrals. Investigative findings were also forwarded to appropriate agency officials for consideration of possible suspension, debarment, or other administrative actions against contractors. In addition, approximately \$98,000 in savings has been realized in the areas of Workers' Compensation and Printing Procurement programs.

E. INVESTIGATIVE CASE DISPOSITIONS

The following depicts the type of matters handled by the OI during this reporting period:

- As a result of OI administrative investigations, two employees were given letters of warning for their actions in receiving fraudulent Metro Check Benefits. Two other employees, involved in misconduct, retired in lieu of receiving adverse personnel actions.
- The OI investigated and referred four separate contract violation matters to management for suspension/debarment actions.
- As a result of investigative efforts, approximately \$20,000 has been recovered with an estimated \$283,000 in future recoveries anticipated through agency USAO and/or agency administrative actions.
- In addition, investigative efforts resulted in savings to the GPO of approximately \$69,000

in Worker's Compensation Benefits, and approximately \$29,000 in payments in a GPO Printing Procurement program.

- In collaboration with the Office of Audits, the OI assisted in evaluating the Uniformed Police Branch (UPB) and found that the UPB had not been following Standard Operating Procedures and agency policy in firearms qualification of the officers.
- Based on an OI investigation, the GPO was able to recover \$1,200 from a GPO employee who had falsified information to obtain Metro Transit Benefits.
- An investigation opened in a prior reporting period involving a contractor who over-billed GPO was completed. Efforts are underway to recover approximately \$15,000 in possible over-billings.

OI is questioning \$2 million dollars (of \$6.4 million dollars) in long-term payments, and claims are being reviewed to verify the legitimacy of OWCP benefit payments. In addition, the OI is evaluating the prospect of contracting investigations regarding program violators.

- The OI is questioning \$165,000 in contracts involving two contractors allegedly involved in the submission of false claims/false statements, illegal sub-contracting, and bid collusion.

F. WORK-IN-PROGRESS

The following OI matters are currently being handled. Any dispositions and results of the investigations will be reported in future reports.

- OI conducted an investigation of a GPO contractor concerning alleged submission of claims/statements and product substitution. The investigation revealed evidence to substantiate the allegations and was presented to and accepted by an USAO for civil prosecution. The amount of questioned funds relating to these contracts is approximately \$5 million dollars over the last three years.
- In the previous reporting period, the OI initiated a proactive approach to reducing workers' compensation costs at GPO. The OI has collaborated with OWCP, resulting in a reduction of Continuation of Pay (COP) costs in the second half of fiscal year 2004 in the amount of \$69,000. The OI is also reviewing the long-term periodic rolls of OWCP recipients. The

STATISTICAL TABLE - SUMMARY OF INVESTIGATIVE CASE WORKLOAD AS OF SEPTEMBER 30, 2004

Workload Analysis:	Number
Beginning Case Workload as of April 1, 2004	19
Cases Opened (from 26 new Complaints Received)	11
Cases Closed or Referred with No Further Action	<18>
Ending Case Workload as of September 30, 2004	12

STATISTICAL TABLE - OFFICE OF INVESTIGATIONS PRODUCTIVITY SUMMARY

Arrests	0
Total Cases Presented to USAOs / SAOs	9
<i>Criminal</i>	5
Criminal Declinations	5
Convictions	0
Guilty Pleas	0
Probation (days)	0
Restitutions	0
Civil	4
Civil Declinations	3
Amounts Recovered Through Investigative Efforts	\$20,683
Total Agency Cost Savings Through Investigative Efforts	\$98,000
Total Costs Being Questioned	\$2.31M
Total Administrative Referrals	6
Employee Suspensions	0
Employee Terminations	0
Employee Warned/Other Actions	4
Other Law Enforcement Agency Referrals	1



OFFICE OF ADMINISTRATION AND INSPECTIONS

The Office of Administration and Inspections (AI) provides the Inspector General with an alternate mechanism to traditional audit and investigative disciplines to assess GPO programs and activities. AI conducts short-term reviews and evaluations that generally focus on issues which are limited in scope. As with other offices within the OIG, the AI assists the Inspector General in responding to Congressional and management requests for assistance.

A. SUMMARY OF INSPECTIONS ACTIVITY

During the current reporting period, AI issued two reports concerning the blank U.S. Passports produced by the GPO. Additionally, AI issued two reports concerning the implementation of the Public Key Infrastructure (PKI) at the GPO. A summary of AI accomplishments follows:

Reports

AI issued the following reports during this reporting period:

- Comments on US Government Printing Office Key Generation Ceremonies issued May 28, 2004.
- Summary Report of the GPO Key Generation Ceremonies issued June 30, 2004.
- Passport Product Cost Recovery issued September 22, 2004.
- Blank Passport Transportation Security issued September 28, 2004.

Advice and Assistance

During the current reporting period the AI provided advice and assistance services as follows:

- AI provided advice and assistance to the Chief Information Officer (CIO) concerning the reorganization of IT services, IT security, and the OIG “trusted role” in the Public Key Infrastructure project at the GPO.
- AI monitored work of the CIO to mitigate risks in the GPO IT environment that were reported by the KPMG financial statement audit and the OIG inspection of GPO network vulnerabilities. The CIO continues to make progress in mitigating IT security risks and has reorganized and expanded the IT security staff, implemented a software development architecture which ensures that security concerns are addressed prior to deployment, issued an entity-wide security policy GPO Publication 825.33, and developed an initial plan and guidelines for configuration management.
- AI provided advice and assistance to the Managing Director of Plant Operations concerning the security/product integrity of the emerging biometric passport product.
- AI served as liaison to KPMG for that portion of the Financial Statement Audit pertaining to IT security testing and other assurance services.

B. INSPECTION ACCOMPLISHMENTS

Passport Product Cost Recovery (Inspection Report #AI0403, issued September 22, 2004)

Purpose

This inspection was conducted to ensure that the cost recovery process for the production of blank passport books accounts for all relevant factors, including the new biometric passport redesign.

Objectives

- Review the current passport cost process.
- Evaluate the effectiveness of the current cost recovery analysis.
- Recommend improvements to ensure revenue covers cost.

Findings/Recommendations

The OIG made recommendations to the Public Printer in a sensitive report and recommended that the cost accounting process for blank passports should be conducted on an annual basis and include relevant variables such as Information Technology cost aspects of the passport inventory system and additional costs of security transport and product security services when relevant procurements are finalized.

Management Comments

GPO management concurred with the report's findings and requested that the Managing Director, Plant Operations, be included in the improvement team.

Blank Passport Transportation Security (Inspection Report #AI0404, issued September 28, 2004)

Purpose

To review the effectiveness and security of the process for transporting blank U.S. passports from the GPO to the several U.S. Department of State (DOS) passport locations, and recommend improvements to ensure that transportation of blank U.S. passports is secure.

Objectives

- Describe the current method of transporting blank passports.
- Evaluate the effectiveness of the transportation process.
- Evaluate the security of the transportation process.
- Recommend improvements to the transportation of passports.

Findings/Recommendations

AI found that the delivery process does not meet the current needs of GPO for secure delivery of blank passport books to DOS passport locations. Additionally, AI found that the current delivery service package tracking system cannot be relied upon for accurate information as to the status of a passport delivery. In addition, it was noted that passport agencies in commercial buildings present additional security concerns for blank passport delivery. AI made recommendations to the Public Printer in a sensitive report for improving the security of blank passport transportation.

Management Comments

GPO officials generally agreed with the report's presentation and recommendations. It is agreed that, due to heightened security concerns, the delivery system for blank passport books must provide a higher level of security. GPO management has commenced the process for securing such services.

Public Key Infrastructure

AI issued two reports to the CIO as follows:

The first report detailed a review and commentary on the scripts for the GPO Key Generation Ceremonies. GPO has begun to establish a Public Key Infrastructure (PKI) as part of its Information Technology Security Program. PKI uses cryptographic devices and keys to irrefutably establish an entity's identity. In order to deploy a PKI, a central server, called the Principal Certification Authority (PCA), needs to be created and given its own cryptographic identity. The process of generating this identity is known as a Root Key Generation Ceremony (RKGK). All of the participants who have responsibility for safeguarding the PCA were required to follow a strict, well-documented script that outlined all the steps for creating and implementing the PCA.

The OIG, through its contractor SeNet International, analyzed the scripts for the RKGK and Subordinate Key Generation Ceremony and identified a number of critical flaws in 82 comments that needed to be fixed to ensure the security and integrity of the Key Generation Ceremonies.

A second report was issued which attests that the Key Generation Ceremonies (KGC), that produced the signing keys for the Root Certificate Authority, were conducted in compliance with the KGC scripts. The GPO is preparing to cross certify with the Federal Bridge Certification Authority (FBCA). In order to comply with membership requirements, competent external auditors must review all aspects of the GPO PKI, including policies and practices, to ensure compliance with stated policies.

The Certificate Authority (CA) is the cornerstone of trust in an organization's PKI. The structure consists of a single Root CA and multiple subordinate CAs created and configured according to a preapproved detailed script. A step-by-step KGC script was developed and imple-

mented. The OIG, through its contractor SeNet International, provided independent verification of that implementation.

C. WORK-IN-PROGRESS

Information Technology

AI continues to provide advice and assistance to the CIO concerning the reorganization of IT services, IT security, and the process of migrating GPO legacy business systems to contemporary software and hardware platforms. AI will monitor the CIO's work in mitigating risks in the GPO IT environment.

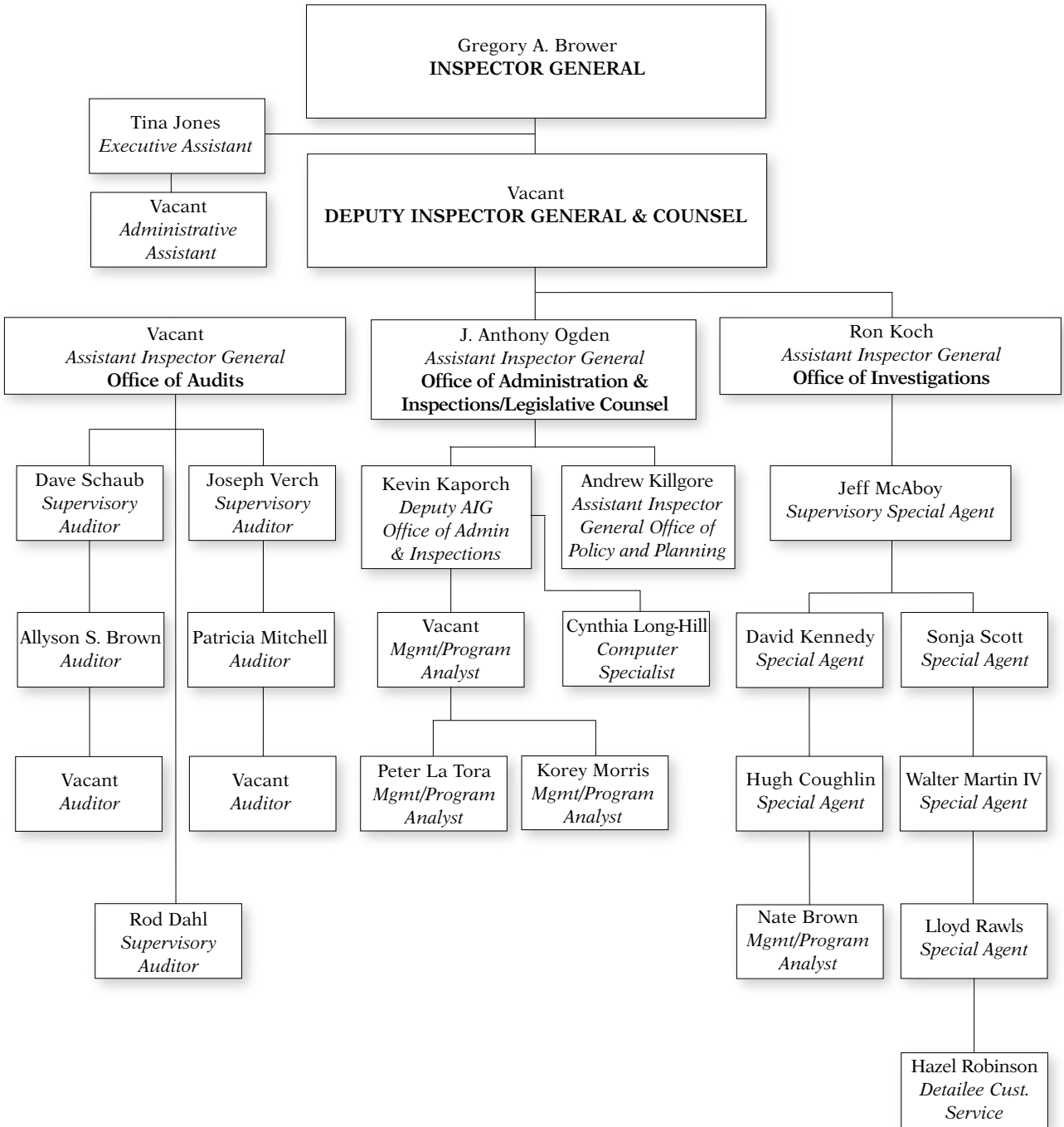
AI is preparing to provide compliance audit services for the implementation of the GPO PKI. This compliance audit is a requirement of the FBCA as part of the application process. In order to comply with membership requirements, competent external auditors must review all aspects of the GPO PKI and attest that the implemented policies and practices are in compliance with stated policies.

AI will continue to provide advice and assistance for the 2004 Financial Statement Audit activity. The AI assigns staff as liaison and facilitator for IT security testing and other IT assurance work conducted by the external auditor KPMG to support their opinion on the GPO's financial statements.

Product Security

AI is preparing an inspection of the security/integrity of the passport manufacturing process. This inspection will provide recommendations to the Managing Director of Plant Operations concerning security and other integrity issues in the manufacturing of the passport product for the DOS.

U.S. GOVERNMENT PRINTING OFFICE INSPECTOR GENERAL'S ORGANIZATIONAL CHART





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