November 30, 2011

The Honorable Gregg Harper
Chairman
Joint Committee on Printing
1309 Longworth House Office Building
Washington, DC 20510

Dear Mr. Chairman:

In accordance with 44 U.S.C. 3903 and the relevant provisions of the Inspector General Act of 1978, as amended, I am transmitting to Congress the Semiannual Report of the Office of the Inspector General (OIG) for the U.S. Government Printing Office (GPO) covering the 6 month period of April 1 through September 30, 2011, along with the following information as required by law. This letter meets my statutory obligation to provide comments on the OIG's report and highlights management actions taken on the OIG's recommendations, which may relate to more than one reporting period.

Appointment of New Inspector General. The term of appointment for the interim IG who prepared the attached semiannual report expired on November 4, 2011. I am pleased to report that I have appointed a new IG, Mr. Michael Raponi, who has an extensive background and experience in the Federal IG community, and who previously served as the Deputy Assistant Inspector General for Audit at the U.S. Department of Labor (DOL). While in that position, Mr. Raponi was responsible for overseeing the audit program for the DOL including regional and national audit offices. He redefined the agency's audit process while working with a reduced staff due to budget reductions. Prior to his accomplishments at DOL, Mr. Raponi held various leadership positions in audit divisions in offices of the Inspector General at the U.S. Department of Veterans Affairs, U.S. Department of Housing and Urban Development, and U.S. Department of Agriculture. Mr. Raponi served in the U.S. Army as a Patriot Missile Mechanic. He holds a Master's Degree in Business Administration from Webster University in St. Louis, MO, and a Bachelor's Degree in Business Administration from the University of Northern Colorado. Mr. Raponi brings a wealth of knowledge and expertise to this important position at GPO. I look forward to working with him in assuring the efficient and effective performance of GPO's mission on behalf of Congress, Federal agencies, and the public we serve.

General Comments. The following comments are on the OIG semiannual report's discussion of management issues and the status of open recommendations. Before proceeding, however, I want to provide an update on conditions at GPO.

I was pleased to see the language about the GPO in the report on the legislative branch filed on September 15, 2011, by the Senate Appropriations Committee, which commended the GPO for the information services we provide to the American people and for our willingness to work with less funding as Congress's workload increases. This language represents what we have been focused on achieving at GPO for the past several months: continuing and expanding GPO's provision of essential information services to Congress, Federal agencies, and the public, while helping Congress achieve necessary reductions in Federal spending.

As I noted in my comments on the last OIG semiannual report, adjusting GPO's finances to the fiscal realities of 2011 has been our first order of business. When I took office in January, I found that overhead costs had increased significantly in recent years and were projected to increase further, threatening GPO's financial stability. There was also a longstanding problem of unrecovered payments owed to the GPO by Federal agencies. In response, we worked with the Senate and House Appropriations Committees to resolve GPO's funding for FY 2011 at a level that was significantly lower than what was originally requested. We cut GPO's annual spending plan for FY 2011 as previously submitted to the Joint Committee on Printing (JCP) by 15%. We have held the line on salary increases consistent with the pay freeze ordered by the President, reduced the number of senior-level managers, and implemented controls on hiring, travel, and related discretionary accounts. Together these actions have resulted in a significant reduction in overhead expenses.

In related actions, we created a multi-disciplinary task force to recover outstanding payments from Federal agencies, an effort that to date has recovered approximately $13 million in outstanding payments at this writing. To help Congress reduce its printing costs, we conducted the first-ever survey of Senate and House offices on their continued need for printed copies of the *Congressional Record* and other documents, resulting in the reduction of several hundred copies to date. To meet what are expected to be substantially reduced appropriations levels for FY 2012, we are conducting a buyout/early out retirement incentive program targeting a reduction of 15% of the workforce, and we expect to come in close to that target. We are also in discussions with Amtrak and the Architect of the Capitol over the potential use of available GPO space by these organizations, which could significantly reduce our facilities costs.

While we have worked to reduce costs, we have also made a commitment to do more with less. To ensure a high performance culture as recommended by the Government Accountability Office, GPO released a 2011-2015 Strategic Vision Plan in April 2011. Emphasizing consumer-centrism and the importance of employee-driven behavior, the plan identifies the mission, vision, and core values for GPO. The plan's strategic goals are sorted by four major initiatives: Satisfying Our Stakeholders, Strengthening Our Organizational Foundation, Offering Products and Services, and Engaging Our Workforce. The plan was communicated to the GPO employees through the internal weekly Headlines, the monthly newsletter, Net presenter, gpo.gov, and the Intranet, and

the strategic goals were incorporated into performance plans to promote high performance and accountability. The core commitments for the performance plans focused on demonstrable achievements in diversity to ensure programs that support an inclusive workplace. The focus of the plan has begun to take hold as shown by the results of a recent survey of GPO's customer agencies. GPO also participated in the Government Performance Results Act (GPRA) process through the Legislative Branch Financial Managers Council (LBFMC). GPO's achievements in FY 2011 as measured against the plan's goals are presented in the Strategic Vision Plan's FY 2011 Accomplishments report, which is available on gpo.gov. The plan was recently updated to reflect FY 2012-2016 goals and is also available on gpo.gov.

In other management actions, we have submitted to the JCP a program of capital investments for FY 2012 that will yield additional efficiencies in GPO's services. We have continued the support of GPO's Federal Digital System (FDsys) as Congress and Federal agencies move increasingly to the use of digital information products, in one instance using that system to provide support requested by the National Archives and Records Administration for providing public access to the previously unreleased grand jury proceedings involving President Nixon. We started a Facebook page for GPO, implemented a new pilot project to make Federal court opinions freely available online to the public, and expanded GPO's partnership with Google Books to include Federal consumer-oriented information made available by the General Services Administration. We have signaled our support for pending legislation to provide public online access to mandated Federal agency reports filed with Congress. We have released a mobile app of GPO's online Member Guide, providing the public with access on a variety of devices to photos and other information about Members of Congress. We are pursuing additional revenue opportunities, particularly in the field of secure and intelligent documents. In addition, this year we are celebrating GPO's 150th year of service to Congress, Federal agencies, and the public through an exhibit that we have opened to the public, and which has been received very positively. I believe our program of reducing costs while continuing to expand GPO's critically important information services to the Senate and House of Representatives, as well as Federal agencies and the public, is working and showing real and measurable benefits. We plan to continue following this path in the coming months.

There is more that can be done, however, specifically in the area of printing procurement, where in hearings before Congress, in my comments on the past OIG semiannual report, and elsewhere, I have called for increasing the volume of procurement through GPO's cost-effective and efficient partnership with the private sector in order to achieve taxpayer savings. To handle the additional volume of work flowing through the procurement program, more private sector jobs could be created, helping our Nation's economic recovery. As long as the Government continues to order printing, GPO offers the most cost-effective way of achieving its procurable printing needs. In addition to the cost savings, when agencies procure their printing through GPO, the titles are cataloged

in our Catalog of Government Publications and are made available in either digital or tangible form to Federal depository libraries, thereby making them easily accessible to the public. GPO's OIG can contribute to this effort by working to educate other Federal OIGs about the requirements of Title 44, U.S.C., and the savings that can be generated by improved compliance with the law on the part of Federal agencies. I look forward to seeing this issue addressed in future semiannual reports.

I.   **Management Challenges.** These comprise program areas determined by the OIG to be critical for GPO to address.

        (1)   Customer Service: GPO has established customer service as its primary strategic goal, and the results of a customer satisfaction survey of more than 750 Federal agency customers released near the end of FY 2011 indicates we are moving in the right direction. This was the first customer satisfaction survey conducted since 2007 with the goal of identifying ways GPO can better serve Federal agency customers. The survey focused on GPO's printing and publishing services, billing processes, and employee customer service. Among other things, the survey found that 91% of customers are satisfied overall with the services they are receiving, 89% of customers are likely to recommend GPO to a colleague, and 81% of customers utilize the forms and publications available on GPO's Web site. The survey also reported improvements in satisfaction with GPO's billing process, including promptness of billing, accuracy of invoices, the billing problem resolution process, and GPO's deposit accounts.

        Earlier this year, GPO established a multidisciplinary task force to identify and resolve billing issues which has been working to improve customer satisfaction and collect outstanding funds owed to GPO. As the OIG report notes, as of September 2011 the team had "successfully reduced the chargeback balance by approximately $9 million." The team is not only resolving chargeback transactions but is establishing business relationships with customer agencies on both the program and finance side. Additionally, GPO and a major customer, the Defense Logistics Agency (DLA), developed a pre-billing validation file exchange process. This process allows DLA to validate IPAC transactions before GPO bills them, and it has been highly successful in reducing IPAC chargebacks from DLA. There are plans to roll this process out to other GPO customers in FY 2012.

        GPO continues to support efforts to assist Congress in reducing its printing. When GPO's first online system, *GPO Access,* was first introduced in 1994, GPO was printing approximately 19,500 copies of the *Congressional Record* daily. Today, GPO prints approximately 3,000 copies daily, principally the long-term result of the growing use of the online *Record* provided by GPO. Working with Clerks of the House and Secretaries of the Senate during the same period, GPO

has reduced the number of copies of bills, reports, hearings, documents, and other printed publications required by Congress.

In May 2011, GPO conducted the first ever comprehensive survey of all Member offices, Committees, and other offices in the House and Senate on their continued need for the printed *Record*. GPO first surveyed the offices, then established a Web portal for offices to make their selections of printed publications, and finally cold-called all offices which did not respond to earlier contacts. At this writing, 288 House Member and other offices had opted out or reduced their receipt of the *Congressional Record* (representing 267 copies), 9 House committees and 1 subcommittee had requested to opt out or reduce their receipt of the *Record* (involving 19 copies), 60 Senate Member and other offices had requested to opt out or reduce their receipt of the *Record* (245 copies), and 13 Senate committees had requested to opt out or reduce their receipt of the *Record* (involving 61 copies). The survey recipients also made changes in their receipt of other printed publications, resulting in reductions in the number of copies of the *Congressional Record* Index, the *Federal Register*, the Federal Register Index, and the Code of Federal Regulations going to Congress.

(2)   Human Capital Operations and Management: As stated in the report, Human Capital is in the process of implementing a reorganization plan to transform HC operations and management. Additionally, in the past year HC has brought aboard several senior staff members, including a manager, with extensive experience in delegated competitive examining (DE). This new team has completely overhauled existing standard operating procedures with an increased focus on emphasizing accountability and cross-checking.

Additionally, HC continues to lead the restructuring of GPO's workforce. Through the summer of 2011, GPO developed workforce plans restructuring operations in anticipation of decreased resources. These plans envisioned a 15% reduction in total personnel and a 25% reduction in the number of supervisors. Looking forward, HC is committed to leading the implementation of this restructuring.

Concerning the OIG's payroll audit, covering operations in FY 2009 and 2010, the OIG has delivered the final audit at this writing, and management has already provided responses to many of the report's recommendations. Management will continue reviewing the final report to identify any additional measures that may be undertaken to reduce instances of leave without pay, absences without leave, and other problems, which, according to the OIG, resulted in elevated and costly levels of overtime, LWOP, and AWOL in that period. Regarding overtime, in FY 2011 a number of management spending controls were instituted and as a result, GPO overtime hours dropped by approximately 33% in the fiscal year (from 192,073 hours in FY 2010 to 129,298 hours in FY 2011). Also, during the

year a bi-weekly report of AWOL and LWOP has been provided by Finance to Human Capital. The report shows, in detail, all employees on AWOL and LWOP. Additionally, the Human Capital Office continues to provide managers with guidelines and training to delineate supervisory and management authority and responsibilities over AWOL and LWOP.

HC continues to make efforts to improve HC-related processing. This includes internal auditing of the processing of personnel actions related to recruitment and hiring as a part of planned quarterly audits of GPO's recruitment and staffing processes, in addition to already existing quality assurance processes.

(3)   FDsys: As I pointed out in my comments on the previous OIG semiannual report, in my view the previous GPO management plan for FDsys was unrealistic in view of the nature of the task and the methodology used to implement it compared with originally targeted costs and schedule. Originally slated to cost $29 million to develop in its entirety, the cost to date to develop Release 1—essentially constituting the replacement of *GPO Access*, but with significant new capabilities—has been $46 million, according to the semiannual report. A large part of this cost was incurred in the unforeseen difficulty of migrating databases from *GPO Access* to FDsys, a process that took much longer than originally planned, resulting in project delays. The development of the project was placed substantially in the hands of expensive Government contractors, and as a result other problems occurred as well, according to the OIG's recently released audit report, GPO Oversight of the Federal Digital System Master Integrator Contract (Audit Report 11-07, August 19, 2011). The audit found that GPO management did not adequately oversee the contract to ensure that Harris performed according to contract requirements, protect GPO's interest upon the initial indication of potential non-performance by Harris, and require adequate supporting documentation for contractor invoices before authorizing payment. As a result, the audit reported that GPO "paid Harris more than $5 million in excess of their original contract price for significantly less work than the contract initially required..." With tightening budget constraints and ever-growing public expectations for access to digital Government content through FDsys, GPO cannot afford to continue on this path.

The good news is that *GPO Access* has been archived and FDsys is GPO's digital information management system of record. The system debuted to generally positive reviews, as the OIG has noted. Enhancements to FDsys are being made based on agency and stakeholder strategic information management, preservation, and access needs. FDsys Release 1 has established the foundational infrastructure for the system, created a repository to ensure content integrity and authenticity as well as guaranteeing long-term preservation for digital Government content, provided users with an advanced search engine combining extensive metadata creation with modern search technology, implemented over 50 content collections

through a large scale data migration, and provided operational continuity for the system. There are no Severity 1 Critical Program Tracking Reports (PTRs) open for the FDsys program. The remaining PTRs will be added to release cycles based on priority. The majority of the remaining PTRs are specific to individual collections, and will be resolved based on collection refresh cycles.

With the foundational system completed, FDsys development priorities focus on bringing more content into FDsys and allowing key FDsys users to interface directly with the system and content. Additionally, the current development process allows for priorities to evolve or be added based on identified needs. New features will continue to be added to FDsys as needs are identified by stakeholders, and prioritized along with existing features. The vision of the FDsys Requirements Document has changed over time based upon shifting stakeholder needs. The original requirements are mapped to features of varying priority levels. As a feature is moved into development, all existing requirements will be revisited and updated through stakeholder review discussions. This approach ensures priority feature requirements are valid and still meet stakeholder needs. FDsys has enabled new initiatives such as the *Federal Register* 2.0 Web site and support for the Administration's data.gov. It is the site for public access to digitized historical documents, such as the recently digitized historical volumes of the *Statutes at Large*, and recently the grand jury proceedings concerning President Nixon. It will be the site for a new interface for the *Constitution Annotated*, digitized historical volumes for the bound *Congressional Record*, and potentially for the collection of mandated Federal agency reports filed with Congress.

Concerning costs, GPO management has worked to maximize the value of the limited dollars available for this project as a result of the reduction of appropriated funds to GPO's revolving fund in the final FY 2011 Legislative Branch Appropriations Act, and is acting to ensure the availability of funds in view of the certain further reduction of appropriated funds in the pending FY 2012 Appropriations Act. Funding to continue development work and necessary operating expenses in FY 2012 has been submitted for the approval of the JCP as part of GPO's annual spending plan. As reported previously, due to management actions FDsys work was projected to come in under budget for FY 2011, and we continue to look for opportunities to reduce GPO dependence on Government contractors for the operation of this essential function. Concerning the duplication of effort in maintaining FDsys and *GPO Access*, it is true that running systems in parallel represents additional costs. However, these additional costs were justified as a risk mitigation exercise. Moving *GPO Access* to archive-only status in November 2011 will now decrease those costs.

As the OIG report states, significant improvements in the testing process for FDsys have been achieved and implemented by GPO. This is evidenced also by the successful operations of the FDsys application and the reduction in the number of high priority user-reported problems. The OIG has been informed previously that all functions of the current system have been tested completely and the FDsys Master Test Plan has been successfully executed.

Regarding program management, GPO is working towards the gradual integration of Earned Value Management (EVM) processes within its Programs, Strategy, and Technology office (PST). The addition of the Quality Assurance organization under the Office of the Chief Technical Officer will help drive the integration of various EVM processes to help strengthen the overall process and provide additional performance and progress reporting metrics. As the available EVM tools are put into place, PST plans on strengthening its ability to demonstrate the value of effective and detailed project and program planning with an emphasis on reporting and performance metrics. Training will be needed for staff on the use of EVM in order to lead to its implementation.

Where transition planning is concerned, *GPO Access* was GPO's official system of record for over 15 years. Due to the name recognition and large user base, GPO reconsidered the *Transition Master Plan* for the *GPO Access* shutdown strategy in order to mitigate risks of user abandonment and ensure the continuity of *GPO Access* links post shutdown. In tandem, GPO performed a content audit of FDsys to ensure that the massive amount of content from *GPO Access* was fully ported into FDsys. As a result, a revised shutdown plan was devised that focuses on three phases: system of record, archive, and shutdown. FDsys became GPO's official system of record in December 2010. As of November 5, 2011, *GPO Access* entered the archive phase, during which the system is only available as a historical archive and new content is only published to FDsys. In order to achieve the final phase and shut down *GPO Access*, one-to-one redirects from *GPO Access* content to FDsys are being created. This will ensure that bookmarks, Web links, URLs in print publications, and other *GPO Access* references point to valid Web resources. The shutdown is due to be completed in FY 2012.

(4)   Information Technology Security Management: As noted in the SAR, the OIG closed open audit recommendations from the previous FISMA assessments in this period, which is evidence of GPO management's commitment and achievements in this area. Areas of focus for FY 2012 include patching of desktop systems, completing a contingency plan for IT&S systems, completing Privacy Impact Assessments for remaining key systems, and implementing a tracking system for accreditation of major systems. GPO's IT&S management anticipates that these actions will result in the closure of several additional OIG audit recommendations related to FISMA in the next OIG reporting period in FY

2012. With respect to continuous monitoring of information systems as outlined in NIST Special Publication 800-37 Rev. 1, GPO IT&S has already implemented technology and processes in previous fiscal years to address this requirement, which has long been recognized in GPO IT&S as a key success factor in the effective defense and risk management for information systems. These technology and processes include: 1) real-time log event consolidation, correlation, analysis and alert notification; and 2) continuous vulnerability assessments for high risk systems, including Internet-facing systems.

(5)   Acquisitions and Printing Procurement: Concerning the OMB Circular No. A-123 assessment, Acquisition Operations completed an internal assessment of their operation utilizing senior managers to conduct interviews with staff and review standard operating procedures and directives. Part of the FY 2012 performance goals for Acquisitions will be to address and implement findings coming from the assessment.

Regarding actions to reduce procurement fraud, Acquisition plans on implementing internal controls to be reviewed quarterly. Contracting Officers will be working with contracting officer technical representatives (COTRs) to monitor ongoing contracts. Management concurred with the recommendations of the OIG in its audit report, GPO Oversight of the Federal Digital System Master Integrator Contract (Audit Report 11-07, August 19, 2011), and will work to implement a number of improvements for contract administration and oversight, take appropriate action to protect GPO's interest in the case of potential non-performance, and maintain complete contract files, and upgrade necessary training on project management. At the same time, management appreciates the anti procurement fraud efforts of the OIG, which in FY 2011 increased the number of suspension and debarment referrals in cases of printing contractor misconduct from only one in FY 2010 to 10 in FY 2011. Because of these referrals, GPO debarred 12 subjects in FY 2011, three times the number debarred in the previous two fiscal years.

(6)   Continuity of Operations (COOP): GPO has included COOP in its Strategic Plan for FY 2011-15, and is working to implement actions that address the risks and problems with COOP identified by the OIG. In addition, the agency is working with Congress and other Federal entities to establish the appropriate procedures to be followed in the event of an emergency affecting GPO operations. The earthquake that occurred in August 2011 provided a real-life test of COOP preparedness, and GPO was able to continue operations to meet production requirements for the Senate and the Office of the Federal Register for that evening. In addition, during the reporting period GPO participated in the following COOP exercises:

May 10, 2011: Participated in COOP Tuesday: Notification and Escalation.
May 13, 2011: Provided composition support for the Senate off-site interagency exercise.
June 14, 2011: Staff with GETS cards participated in COOP Tuesday: GETS Card.
September 1, 2011: Participated and provided guidance on the MUSTANG 2011 exercise. Plant Operations had staff from all three shifts in the planning phase and during the exercise. MUSTANG

(7)   Internal Controls: Internal controls implemented earlier in FY 2011 to control overhead expenses are continuing, including controls on travel, personal services contracts non-essential hiring, and related discretionary accounts.

During FY 2011, GPO's Finance office began maintaining a separate list of special journal entries for control and review purposes. In addition, special journal entries with larger balances are reviewed on a regular basis during the month-end closing process. Additionally, we have been making necessary improvements in the financial reporting process. These improvements include better documentation of the audit trails and management's review of the worksheets supporting financial statement balances. Improvements will continue in 2012.

In the area of IT general and application controls, a number of OIG audit recommendations were successfully closed from the FY 2010 KPMG audit, and efforts on remaining recommendations continue. In FY 2012, GPO will focus on desktop system security patching, access controls, and contingency planning. One of the remaining recommendations (security management) would require significant resources to be expended by GPO and pertains to the production of accreditation documentation for legacy agency applications. GPO is assessing, from an integrated risk management and business perspective, how best to bring this item to closure while balancing resource requirements and intends to produce a plan targeted at closing this item during FY 2012.

(8)   Protection of Sensitive Information: GPO has accomplished several goals in this area, including an agency-wide baseline of privacy data in accordance with GPO Directive 825.41, and the production of a Privacy Incident Response Team (PIRT) Procedure, which includes establishment of a Privacy Incident Response Team (including members from across various offices and disciplines of the agency, including the General Counsel's office, IT&S, and others). Privacy Impact Assessments have been completed for the highest priority GPO information systems using accepted risk management principles, and the few remaining systems are near completion. GPO expects to make further progress in

FY 2012 to fully address all the audit recommendations on this important business and control topic.

(9)   *Financial Management and Performance:* GPO will continue to aggressively address chargebacks in FY 2012. GPO has identified at least two other agencies where GPO believes the pre-billing validation file exchange process will make a significant contribution toward reducing chargebacks. Also, work is underway to develop a repository of SF-1's, which will allow efficient retrieval of ordering documents to answer customer inquiries. There are plans to allow customer agencies to access this repository. Finally, the GPO Form 400 is being improved so customers will be able to identify their bills more readily.

(10)   Sustainable Environmental Stewardship: As we have reported previously, GPO has an extensive record of implementing environmental measures in its operations, including the use of recycled paper (initial efforts date to 1972, with use of 100% recycled postconsumer waste newsprint for the *Congressional Record* first occurring from 1991-97 and resuming in 2009); the use of vegetable oil-based inks in accordance with legislation enacted in 1994 with GPO's support; projects to improve energy efficiency, including the installation of energy-saving air chillers and lighting in the early 2000s; and other environmental measures such as the ongoing work to complete the installation of a new roof that is energy efficient, continuing reductions in volatile organic compound emissions and hazardous waste usage, and related actions. GPO has implemented monitoring measures to more effectively gauge the use of steam supplied by the Architect of the Capitol, which comprises the single largest annual utility expense for our buildings. Other measures are underway or are planned, consistent with their proven contribution to energy efficiency or other sustainability improvements, and within the limitations of available funds.

II. Audits and Inspections. During the reporting period, the OIG issued 2 new audit and assessment reports, and began work on the audit of GPO's FY 2011 consolidated financial statements:

●   GPO Oversight of the Federal Digital System Master Integrator Contract (Audit Report 11-07, August 19, 2011). This was an audit of GPO's management of the FDsys Master Integrator contract as carried out by the Harris Corporation, which ended in December 2008. The audit found that GPO management did not adequately oversee the contract to ensure that Harris performed according to contract requirements, protect GPO's interest upon the initial indication of potential non-performance by Harris, and require adequate supporting documentation for contractor invoices before authorizing payment. As a result, the audit reported that GPO "paid Harris more than $5 million in excess of their original contract price for significantly less work than the contract initially required..." The audit recommended that GPO implement a number of

improvements for contract administration and oversight, take appropriate action to protect GPO's interest in the case of potential non-performance, and maintain complete contract files, and upgrade necessary training on project management. Management concurred with the recommendations and has planned responsive corrective actions.

- Assessment of GPO's Public Key Infrastructure Certification Authority-Attestation Report (Assessment Report 11-08, September 30, 2011). GPO's Public Key Infrastructure (PKI) assures users of GPO's digital documents that the documents are official and authentic. The GPO Certification Authority (CA) issues, signs, and manages the public key certificates in secure facilities in Washington, DC. GPO's PKI is cross-certified with the Federal Bridge Certificate Authority, whose certification provisions require that GPO's PKI undergo an annual compliance review. The review was conducted by Ernst & Young in accordance with American Institute of Certified Public Accountants WebTrust Principles and Criteria for Certificate Authorities and Statement on Standards for Attestation Engagements Number 10. The review resulted in an unqualified, or clean, opinion that GPO management's assertion related to the adequacy and effectiveness of controls over its CA is fairly stated, and that GPO management's assertion that its CA is in compliance with the requirements of the Federal Public Key Infrastructure Policy Authority is also fairly stated.

Prior Period Outstanding Recommendations. As required by law, this section summarizes management's actions to address OIG recommendations still outstanding from previous reporting periods. The OIG semiannual report notes that "GPO management has made significant progress in closing open audit and assessment recommendations."

- Federal Digital System (FDsys) Independent Verification and Validation (IV&V) – Fourth Quarter Report on Risk Management, Issues, and Traceability (Assessment Report 09-01, November 4, 2008). One recommendation remains open.

- Federal Digital System (FDsys) Independent Verification and Validation (IV&V) – Fifth Quarter Report on Risk Management, Issues, and Traceability (Assessment Report 09-03, December 24, 2008). One recommendation remains open.

- Federal Digital System (FDsys) Independent Verification and Validation (IV&V) – Sixth Quarter Report on Risk Management, Issues, and Traceability (Assessment Report 09-07, March 20, 2009). One recommendation remains open.

- Federal Digital System (FDsys) Independent Verification and Validation (IV&V) – Seventh Quarter Report on Risk Management, Issues, and Traceability (Assessment Report 09-12, September 30, 2009). Two recommendations remain open.

- Federal Digital System (FDsys) Independent Verification and Validation (IV&V) – Ninth Quarter Report on Risk Management, Issues, and Traceability (Assessment Report 10-01, December 2, 2009). Two recommendations remain open.

- GPO's Compliance with the Federal Information Security Management Act (Assessment Report 10-03, January 12, 2010). As the OIG report states, management continues to work with the OIG to implement corrective actions on the remaining ten open recommendations.

- Government Printing Office's Ethics Program (Audit Report 11-01, December 16, 2010). Management continues to work with the OIG to implement corrective actions on the two open recommendations.

- Control and Accountability of Laptop Computers (Audit Report 11-02, December 6, 2010). Management continues to work with the OIG to implement corrective actions on the seven open recommendations.

- Secure Card Personalization System Information Technology Security Controls (Audit Report 11-06, March 31, 2011). One recommendation remains open.

III. Investigations. During the reporting period, the OIG performed investigative work on external cases involving procurement fraud and other violations, and internal cases involving employee misconduct, time and attendance fraud, theft, false statements, unauthorized use of property, and other matters, as detailed in the semiannual report. In some cases this work resulted in debarments of contractors. Notably, in FY 2011 the OIG increased suspension and debarment referrals in cases of printing contractor misconduct from only one in FY 2010 to 10 in FY 2011. Because of these referrals, GPO debarred 12 subjects in FY 2011, three times the number debarred in the previous two fiscal years. OIG investigative work into workers compensation fraud and employee misconduct can also result in proposals for corrective action of employees. GPO management continued to take action on recommendations by the OIG in a management implication report (MIR) concerning supervisory controls in Plant Operations (issued in November 2010), and another MIR concerning the management of GPO surplus property (issued in December 2010).

IV. Statistical Tables. Statistical tables as required by law are enclosed.

If you need additional information with respect to this report, please do not hesitate to contact Mr. Andrew M. Sherman, GPO's Congressional Relations Officer, on 202-512-1991, or by e-mail at asherman@gpo.gov.

Sincerely,

WILLIAM J. BOARMAN
Public Printer

Enclosures

cc: The Honorable Charles E. Schumer, Vice Chairman
       The Honorable Dan Lungren
       The Honorable Aaron Schock
       The Honorable Robert A. Brady
       The Honorable Charles A. Gonzalez
       The Honorable Patty Murray
       The Honorable Tom Udall
       The Honorable Lamar Alexander
       The Honorable Saxby Chambliss

ENCLOSURE I

STATISTICAL TABLE FOR SECTION 5(b)(2) – DISALLOWED COSTS

		Number of Audit Reports	Disallowed Costs Questioned	Unsupported
A.	Audit reports for which final action[1] had not been taken by the commencement of the reporting period	0	0	0
	Audit reports issued during the period with potential disallowed costs	0	0	0
	Total Costs	0	0	0
B.	Audit reports on which management decisions[2] were made during the reporting period			
	(i.) Dollar value of disallowed costs	0	0	0
	(ii.) Dollar value of allowed costs	0	0	0
C.	Audit reports for which final action was taken during the period, including:			
	(i.) Dollar value of disallowed costs that were recovered by management through offsets against other contractor invoices or nonpayment	0	0	0
	(ii.) Dollar value of disallowed costs that were written off by management	0	0	0
D.	Audit reports for which no final action has been taken by the end of the reporting period	0	0	0

---

[1] As defined by law, the term "final action" means the completion of all actions that the management of an establishment has concluded, in its management decision, are necessary with respect to the findings and recommendations included in an audit report, and in the event that the management concludes no action is necessary, final action occurs when a management decision has been made.

[2] As defined by law, the term "management decision" means the evaluation by management of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.

ENCLOSURE II

STATISTICAL TABLE FOR SECTION 5(b)(3) – FUNDS PUT TO BETTER USE AGREED TO IN A MANAGEMENT DECISION

		Number of Audit Reports	Dollar Value of Recommendations
A.	Audit reports for which final action[3] had not been taken by the commencement of the reporting period	0	0
	Audit reports for which final action had not been taken for new reports issued during the reporting period with potential funds put to better use	0	0
B.	Audit reports on which management decisions[4] were made during the reporting period	0	0
C.	Audit reports for which final action was taken during the reporting, including:		
	(i.) Dollar value of recommendations that were actually completed	0	0
	(ii.) Dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed	0	0
D.	Audit reports for which no final action has been taken by the end of the reporting period	0	0

---

[3] Same definition as in Enclosure I.
[4] Same definition as in Enclosure I.