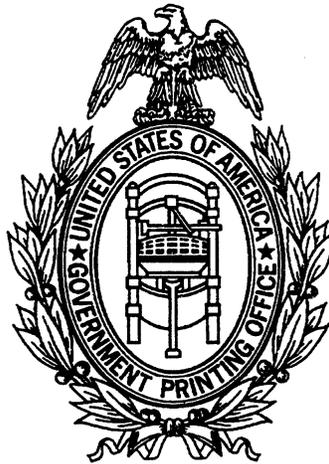


**United States Government Printing Office**

**OFFICE OF INSPECTOR GENERAL**

**SEMIANNUAL REPORT  
TO THE CONGRESS**



**October 1, 2000 through March 31, 2001**



**U.S. GOVERNMENT PRINTING OFFICE  
OFFICE OF INSPECTOR GENERAL**

**SEMIANNUAL REPORT TO THE CONGRESS**

**REPORTING PERIOD  
OCTOBER 1, 2000 – MARCH 31, 2001**



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## **HIGHLIGHTS OF THE SEMIANNUAL REPORT**

The Office of Inspector General (OIG) audit, investigative, and other activities during this reporting period resulted in the following accomplishments:

- OIG investigations conducted during the current and prior reporting periods resulted in two guilty pleas to Federal charges in U.S. District Court. One case involved a GPO employee who submitted false claims for over \$30,000 in overtime payments. The other case involved a GPO employee who submitted false claims for workers' compensation payments.
- OIG investigations resulted in recoveries of \$10,000, restitution of \$46,557, fines of \$1,400, and projected cost savings of over \$770,000.
- The OIG issued four audit reports and one non-audit report to GPO officials during the six-month reporting period ending March 31, 2001. In addition, two reports were submitted to Congress as required by the Consolidated Appropriations Act for FY 2001, Public Law 106-554, December 21, 2000. Fieldwork was conducted on four audits, and draft reports were prepared on three additional audits, the reports of which will be issued in the next reporting period.
- The OIG provided support for the fourth and final audit of GPO's financial statements under the current contract with KPMG LLP. The OIG is working with GPO management to develop a new statement of work for a new contract for future audits of GPO's financial statements, as required by 44 U.S.C. § 309. The OIG will be involved in the competitive process for awarding the new auditing contract, which will commence during the next reporting period.



# INTRODUCTION

## A. THE GOVERNMENT PRINTING OFFICE

For more than a century, GPO's mission 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.

Formerly, GPO's mission was accomplished through the production and procurement of traditional printing technologies. However, a generation ago GPO began migrating its processes to electronic technologies, and in 1993 Congress amended Title 44 with the GPO Electronic Information Access Enhancement Act (P.L. 103-40), which requires GPO to disseminate Government information products online. This Act is the basis of GPO Access, the GPO Internet information service.

Today, GPO is dedicated to producing, procuring and disseminating Government information products in a wide range of formats - print, CD-ROM, and online. In GPO the Government has a unique asset that combines a comprehensive range of conventional production and electronic processing, procurement facilitation, and multi-format dissemination capabilities to support the needs of Congress, Federal agencies, and the public. For example:

- GPO provides print and electronic information products and services to Congress and Federal agencies through in-plant processes and the purchase of information products from the private sector. For Congress, GPO maintains a capability to fully support the information products needs of the legislative process, working in close cooperation with leadership offices, committees, Members, and staffs in each Chamber.
- GPO disseminates Government information to the public in print and electronic formats through a low-priced sales program and a reimbursable program, and to Federal depository libraries nationwide where the information may be used by the public free of charge. GPO catalogs and indexes Government information products so they can be identified and retrieved by users.
- GPO also disseminates a massive volume of information online via the Internet with GPO Access. Recent data show that more than 26 million documents are retrieved by the public every month using this system. GPO strongly supports the increased dissemination of Government information in electronic formats, and GPO Access is one of the leading Federal sites on the Internet. The GPO home page, at [www.access.gpo.gov](http://www.access.gpo.gov), provides free public access to more than 70 Federal databases from all three branches of the Government, a growing number of agency Government Information Locator Service (GILS) sites, and associated locator and Pathway aids.

GPO provides all of its services in a non-partisan, service-oriented environment that emphasizes the primacy of the customer's requirements for timeliness, quality, security, and economy. GPO is committed to achieving the greatest access and equity in information dissemination through printed publications, CD-ROM, and online information technologies. GPO's electronic and

traditional technologies simultaneously 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 for all citizens.

GPO programs reduce the need for duplicative production facilities throughout the Government, achieve significant taxpayer saving through a centralized production and procurement system, and enhance public access to Government information, which is increasingly valuable to all Americans in the Information Age.

As of April 21, 2001, GPO has a workforce of 3,109 skilled individuals in printing, procurement, electronic information technologies, documents dissemination, administrative, and related specialties. Most of the GPO workforce is located in Washington, DC. GPO also has 24 bookstores nationwide, 14 Regional Printing Procurement Offices (RPPO's) and 6 satellite printing procurement offices. Each satellite office reports to a specific RPPO. The Regional Printing and Procurement Division, Central Office coordinates, reviews, and evaluates RPPO's. The regional offices generated about \$227 million in revenue during Fiscal Year 2000.

## **THE OFFICE OF INSPECTOR GENERAL**

The Office of Inspector General was created by the Government Printing Office Inspector General Act of 1988, Title II of Public Law 100-504 (October 18, 1988). Title I of that Public Law is known as the Inspector General Act Amendments of 1988, and created offices of Inspectors General in designated Federal entities. Because GPO is a legislative branch agency, the GPO OIG was established separately. However, the GPO Inspector General shares the same duties, responsibilities, and authority as the Inspectors General in the designated Federal entities, except that there is no statutory prohibition against assigning program operating responsibilities to the GPO Office of Inspector General. Another exception is that Public Law 104-316, the General Accounting Office Act of 1996, provides that the GPO Inspector General conducts audits under the direction of the Joint Committee on Printing, and conducts annual audits of the GPO financial statement when requested by the Joint Committee on Printing.

The mission of the OIG is to prevent and detect fraud, waste, and abuse as well as to promote economy, efficiency, and effectiveness in GPO's programs and operations. To meet these responsibilities, the OIG conducts audits and investigations through its Office of Audits (OA) and Office of Investigations (OI). The Inspector General has been a member of and active in the President's Executive Council on Integrity and Efficiency (ECIE) since the Council was established in 1992 by Executive Order 12805.

As of April 23, 2001, the OIG consisted of 27 budgeted positions, with 23 employees on-board: 11 auditors, 7 investigators, 2 secretaries, the Inspector General, and 2 information systems support personnel. Although the fiscal year is more than half over, the OIG budget for FY 2001 has not yet been established by the agency.

### **Office of Investigations**

The Office of Investigations conducts and coordinates investigations relating to employee misconduct and monetary or material losses occurring in U.S. Government Printing Office

programs and operations. These investigations may include contractors, program participants, or GPO officials and other employees. Special Agents in the Office of Investigations are also designated as special police officers pursuant to 44 U.S.C. § 317, and have full law enforcement authority on premises occupied or under the control of GPO and adjacent areas.

The OI's independent, or joint investigations with Federal or non-Federal investigative agencies, may result in criminal prosecution, civil proceedings and/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. The OI reviews Federal and GPO programs susceptible to fraud, waste and abuse in coordination with the Office of Audits. 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.

During the reporting period, the OI's investigative resources were deployed in response to complaints, referrals, and hotline matters involving illegal drugs, fraud, waste, abuse and/or mismanagement. The OI also continued to conduct investigations initiated during previous reporting periods.

### **Office of Audits**

The Office of Audits, as required by the Government Printing Office Inspector General Act of 1988:

1. Conducts independent and objective audits relating to GPO;
2. Provides leadership and coordination, and recommends policies to promote the economy, efficiency, and effectiveness of GPO's programs, operations, and activities; and,
3. Keeps the Public Printer and Congress fully and currently informed about problems and deficiencies relating to the administration and operations of the GPO.

# OFFICE OF INVESTIGATIONS

## A. Summary of Investigations

During this reporting period, the GPO OIG hotline program for drug, fraud, waste, and abuse received seven fraud-related matters, and one drug-related matter. Of that number:

- 3 matters were referred to the appropriate GPO office;
- 1 fraud investigation was initiated;
- 1 drug investigation was initiated;
- 2 telephone calls pertained to matters already under investigation; and
- 1 telephone call did not warrant any action.

The following table summarizes the OI's investigative case workload during this reporting period.

**Summary of Investigative Case Workload  
as of March 31, 2001**

Workload Analysis	Number of Cases
Beginning Case Workload – 10/01/00	29
Add: New Cases Opened	18
Less: Cases Closed	21
Ending Case Workload – 03/31/01	26

The OI opened 18 investigative cases during this reporting period in response to new complaints or allegations. The 21 cases closed during the reporting period consisted of 17 cases from prior periods and 4 cases from the current reporting period. The 26 open investigative cases include 14 cases from the current period and 12 cases from prior reporting periods.

One administrative subpoena was issued for documents. There was no instance of noncompliance with a subpoena. In January 2001, the head of a GPO department instructed certain employees in his department not to permit access by an OIG Special Agent to electronic information relevant to an investigation being conducted by the Office of Investigations. The Inspector General reported the situation to the Public Printer, who immediately countermanded the department head's instructions and permitted the OIG to access the information.

## B. Investigative Accomplishments

The OI continues to see an increase in false statement allegations involving the Office of Workers' Compensation Program (OWCP). New steps are being taken to better address the overall handling of the GPO's OWCP and subsequent investigations into alleged violations.

This initiative results from prior meetings with representatives of the Department of Labor Federal Employees Compensation Act (FECA) Program, and GPO's OWCP, to determine the most effective manner for conducting future investigations into alleged violations of the FECA program. The OI anticipates cost savings in future reporting periods. We are currently taking an aggressive proactive stance in determining if long-time recipients of FECA funds are legitimately receiving those funds. As a result of our efforts, the agency realized cost savings of over \$700,000 from the termination of FECA payments to one individual illegally receiving those funds.

### **C. Types of Cases**

The OI's investigative workload can be categorized into five major areas that are based on the types of investigations, as follows:

#### **1. Workers' Compensation Program (WCP)**

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 five active investigations involving alleged WCP fraud. Two are from prior reporting periods and three are from the current reporting period.

Three prior reporting period WCP investigations were closed during this reporting period due to either resolution or insufficient evidence of wrongdoing.

#### **2. 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 one active procurement fraud case from the current reporting period and two active cases from a previous period. Three previous reporting period fraud cases are pending prosecutive action by a U.S. Attorney's Office.

Three previous reporting period fraud cases referred to the Office of General Counsel (OGC), in prior reporting periods, for any necessary action it deemed appropriate, are pending final disposition.

The OI closed four contract fraud investigations, of which three were from prior reporting periods, and one was from the current reporting period.

### **3. Employee Misconduct**

The OI investigates allegations involving GPO employee misconduct. These allegations include, but are not limited to, time and attendance fraud, theft, assaults, drug violations, gambling, kickbacks, and travel voucher fraud.

The OI currently has a total of eight active misconduct investigations. Four are from prior reporting periods and four are from the current reporting period.

One prior reporting period misconduct investigation had been referred for GPO administrative action and is pending.

During the reporting period, a total of ten employee misconduct investigations were closed. Of that number nine were from prior reporting periods and one was from the current reporting period.

### **4. Title 44, United States Code (U.S.C.) Violations**

The OI investigates allegations involving reported violations of Title 44 U.S.C. (*Public Printing and Documents*). These include federal agencies allegedly circumventing GPO by procuring printing services in violation of the law. The OI also investigates allegations of violations of Title 31 U.S.C. (*Money and Finance*) which may arise from violations of Title 44. Title 31 violations occur as a result of federal employees expending their agency's congressionally appropriated funds for printing services provided by contractors other than the GPO. The OI currently has no open Title 44 investigations.

### **5. Miscellaneous Investigations**

The OI also investigates matters of a miscellaneous nature. These matters include, but are not limited to, alleged violations of GPO rules, regulations, or policies. In addition, the OI conducts Local Agency Checks for the GPO's Personnel Security Specialist. Three current reporting period cases remain open:

The OI received two requests for Local Agency Checks (LAC) from the agency Personnel Security Specialist (PSS) during the current reporting period. The results of the two cases were referred back to the PSS for any necessary administrative action.

The OI also closed a total of four other miscellaneous cases; two from prior reporting periods and two from the current reporting period.

## **D. Status of Action on Referrals**

The OI's investigative efforts result in both external and internal referrals for action. The following is a summary of outstanding referrals by the OI:

## **1. External**

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

The OI presented a total of 8 investigations to USAO's and/or SAO's for criminal prosecution during this reporting period. Prosecution was declined in 4 of the 8 cases.

A total of three investigations are presently at USAO's for final action by those offices. The three were contract fraud cases.

In one of these cases, still pending in the District of Columbia, a printing company is facing civil penalties under the False Claims Act for presenting false or fraudulent claims to the United States for payment in connection with illegally subcontracting the predominant production function of at least 100 GPO contracts.

## **2. Internal**

### **- Office of General Counsel:**

There are three investigations currently pending in the OGC for possible action. All three investigations involve contract fraud.

### **- Labor and Employee Relations Service:**

Five matters had been referred to the GPO Labor and Employee Relations Service. Allegations referred include employee misconduct and OWCP fraud. The OI is awaiting the final disposition of only one of these referrals.

## **E. Investigative Case Dispositions**

The following are representative matters handled by the OI during this reporting period.

### **1. Pending Matters**

- The U.S. Attorney's Office, Greenbelt, MD, declined criminal prosecution of a prior reporting period investigation into the alleged submission of false claims/statements, and destruction of government property by a Region 3 contractor. The total contract involved is estimated at 3 million dollars. Civil action is still pending.
- In a prior reporting period case still pending in the District of Columbia, a GPO Region 3 contractor is facing civil penalties under the False Claims Act for presenting false or fraudulent claims to the United States for payment. This matter involved illegally subcontracting the predominant production function of at least 100 GPO contracts.
- Two prior reporting period investigations into allegations of false claims, false statements, and conspiracy to obtain GPO contracts through fraudulent means by two

GPO Region 3 contractors, revealed evidence to substantiate the allegations. The contractors agreed to make payment on the negotiated settlement of \$9,000 with the USAO, Baltimore, MD. However, the subjects failed to make the agreed-upon payments, and the USAO intends to pursue further action to recover the full penalty of approximately \$40,000.

- A prior reporting period investigation into the alleged submission of false claims/statements by a GPO Region 3 contractor was presented to the USAO, Norfolk, VA. The matter was also forwarded to the OGC for necessary action. Final disposition is still pending in both offices. The outcome of this matter will be reported in future reports.
- A prior reporting period investigation into the alleged brokering of contracts, and submitting false claims and statements, by a GPO Region 3 contractor was referred to the Office of General Counsel for action. The GPO suffered a loss in the amount of \$765.40.
- A prior reporting period investigation into an allegation that a GPO central office employee had misused a government computer was referred to the Director, Labor and Employee Relations Service (LERS), for action. The matter is still pending action in that office.
- A prior reporting period investigation into alleged contract fraud by a Region 3 contractor was accepted by the USAO, Eastern District of Virginia for prosecution. The allegations involve a loss by the government of \$15,055.58 through short-shipments and false claims for payment.
- A current reporting period investigation into the submission of false claims and documentation by a Region 4 contractor was referred to the Office of General Counsel for action.
- A prior reporting period investigation into the alleged misuse of a government vehicle was referred to the LERS for action.

## **2. Closed Matters**

- A prior reporting period investigation regarding allegations of Office of Workers' Compensation Fraud, accepted by the USAO, Washington, DC, for prosecution in the previous reporting period, resulted in the following action against the employee. The employee was convicted of defrauding the government under Federal Employee's Compensation Act (FECA). Restitution was ordered in the amount of \$11,542.19, a total fine of \$1,100 was imposed, and the employee was sentenced to five years supervised probation and six months of home detention. The employee was also forbidden from obtaining any type of credit without the probation officer's permission. This investigation resulted in actual cost savings of approximately

\$733,000 in fraudulent FECA payments. The Department of Labor will attempt to recoup illegal payments of more than \$100,000 through civil litigation.

- A prior reporting period investigation of a GPO supervisor regarding the submission of false Time and Attendance records resulted in the employee's arrest, conviction and termination of employment. The supervisor, who pled guilty in court, was sentenced to 240 days in jail (suspended), 1005 days of supervised probation, fined \$300, and ordered to make restitution to the government in the amount of \$35,015.19. The agency has already recovered \$10,000 from the employee for overtime payments to which he was not entitled.
- A previous reporting period investigation concerning the loss of 300 blank passports by GPO central office employees resulted in one employee receiving a 30-day suspension without pay and a second employee receiving a 15-day suspension without pay.
- A previous reporting period investigation concerning subcontracting by a Region 6 contractor resulted in the contractor receiving a letter of warning.
- Two separate prior reporting period investigations regarding the alleged submission of false information on a job application, and providing sensitive/confidential information to two other employees without authorization, resulted in the issuance of two letters of warning and two verbal warnings.
- A prior reporting period investigation into the alleged submission of false statements for employment resulted in a separate investigation being opened against the employee for providing false information to the State of Virginia and also allegedly perjuring himself in a State of Virginia County District Court. This information was forwarded to the appropriate Virginia authorities. The employee pled guilty to charges in Virginia, and was sentenced to 30 days confinement (suspended), one year of probation, and fined \$100. The matter of the submission of false statements to the GPO resulted in the employee receiving a 30-day paper suspension.
- A prior reporting period investigation of a GPO employee regarding an alleged submission of false statements, previously referred to the agency Employee Relations and Programs Division (ERPD) for action, resulted in the employee receiving a writ of garnishment of wages and a 30-day paper suspension.
- A prior reporting period investigation of a GPO employee regarding the submission of false claims and statements resulted in the employee receiving a 30-day paper suspension.
- A current reporting period investigation of a GPO Region 3 contractor into the false submission of purchase orders resulted in the contractor being removed from the list of eligible contractors doing business with the GPO.

## Productivity Statistics for the Office of Investigations

<b>A. Investigations Initiated</b>		<b>18</b>
<b>B. Cases Closed</b>		<b>21</b>
<b>C. Arrests</b>		<b>1</b>
<b>D. Cases Presented to U.S. Attorneys/State's Attorney</b>		<b>8</b>
<i><b>Criminal</b></i>		<b>8</b>
Criminal Declinations		<b>4</b>
<i><b>Civil</b></i>		<b>0</b>
Civil Declinations		<b>0</b>
<b>E. Criminal/Civil Matters:</b>		
Convictions		<b>2</b>
Guilty Pleas		<b>2</b>
Acquittals		<b>0</b>
Jail Time (days)		<b>240</b>
Suspended Time (days)		<b>0</b>
Probation (days)		<b>2830</b>
Public Service (hours)		<b>0</b>
Recoveries		<b>\$10,000</b>
Restitution		<b>\$46,557</b>
Fines		<b>\$1,400</b>
Cost Savings		<b>\$773,276</b>
<b>F. Total Administrative Referrals</b>		<b>7</b>
<b>Contractor</b>	<b>Referrals</b>	<b>2</b>
	Suspensions	<b>0</b>
	Debarments	<b>0</b>
	Contract Terminations	<b>1</b>
	Warned/Other Actions	<b>1</b>
<b>Employee</b>	<b>Referrals</b>	<b>5</b>
	Suspensions	<b>4</b>
	Terminations	<b>0</b>
	Warned/Other Actions	<b>2</b>
<b>G. Other Law Enforcement Agency Referrals</b>		<b>0</b>

## OFFICE OF AUDITS

### A. Summary of Audit Activity

During the reporting period ending March 31, 2001, the Office of Audits (OA) conducted the following audits and audit-related activities:

1. Issued an audit report in response to contract audit requests from Contracting Officers within the GPO Printing Procurement Department.
2. Issued an audit report on Improving the Effectiveness and Efficiency of the Garage Operations.
3. Issued an audit report on the Unbilled Travel Costs of a Press Sheet Inspection Performed in November 1999.
4. Issued an audit report on Improving the Controls over Taking Timely Possession of Materials after the Notification of a Contract Termination.
5. Issued a report on the Vulnerability of Mellon Bank Lockbox Cash Collections.
6. Initiated quarterly reporting to the House and Senate Committees on Appropriations on the promptness of GPO's payments to the District of Columbia Water and Sewer Authority.
7. Issued a report to Congress regarding GPO's policies and practices with respect to collecting personally identifiable information about individuals who access GPO internet sites.
8. Incorporated management's comments on the draft audit report on Improving the Controls over GPO's Travel Program for issuance of a report in the next reporting period.
9. Reviewed a draft report on Improving the Controls over On-line Purchase Requests of Nonstock Items and Services through Materials Management Procurement and Controls System for issuance of a report in the next reporting period.
10. Reviewed a draft report on Paper and Specialized Procurement and Sales Division's Internal Control Reviews for issuance of a report in the next reporting period.
11. Performed fieldwork on an audit of the Management of GPO Owned and Leased Vehicles for issuance of a report in the next reporting period.
12. Performed fieldwork on the Follow-up Audit of the GPO Workers' Compensation Program (Reports Numbered 95-03 and 98-01) for issuance of a report in the next reporting period.

13. Performed fieldwork on an audit of large one-time procurements in the Printing Procurement Department's Contracts Branch for issuance of a report in the next reporting period.
14. Performed fieldwork on an audit of commercial credit card usage over supplies, services, and materials procured, for issuance of a report in the next reporting period.
15. Completed a Quality and Assurance Review of one OA audit.
16. Provided continued support for annual audits of GPO's financial statements. Under 44 U.S.C. 309, an annual financial statement audit has been required beginning with GPO's FY 1997 financial statement. The audits are being conducted by KPMG LLP under a contract for which the Assistant Inspector General for Audits is the Contracting Officer's Technical Representative (COTR). In addition to serving as COTR, the OIG is providing administrative support and coordination with GPO management for the KPMG auditors.
17. Prepared a draft statement of work for future audits of GPO's annual financial statements by an independent public accountant.

## **B. Audit Accomplishments**

The OA issued a total of four audit reports to GPO officials during the six-month reporting period ending March 31, 2001. In addition, fieldwork was conducted on six performance audits.

### **Financial Audits**

The OA issued a financial audit report on improving the recording of depreciation on current and future accountable property.

### **Performance Audits**

The OA issued reports on:

- Improving the controls for performing preventive maintenance and repairs to GPO vehicles.
- Recovering unbilled travel costs for press sheet inspections.
- Improving the controls over taking timely possession of materials after notification of a contract termination.

Reports on the following subjects are being prepared for issuance in the next reporting period:

- Improving the controls, procedures, and accountability over travel claims and reimbursement.

- Improving the controls over on-line purchase requests on nonstock items and service.
- Improving future internal control reviews in the Paper and Specialized Procurement and Sales Division.
- Improving the controls over managing GPO owned and leased vehicles.
- Following-up on the implementation of prior OIG recommendations from two previous audit reports on improving the managing of the GPO Workers' Compensation Program.
- Improving the controls over the preparation, soliciting, and awarding of large one-time procurements in the Printing Procurement Department.
- Improving the controls over the use of commercial credit cards to procure supplies, services, and materials

### **Contract Audits**

One contract audit report was issued during this reporting period. The audit identified \$123,895 in questioned costs, and \$24,653 in unsupported costs.

### **Investigative Support**

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 OI for investigative consideration. During this period, the OA provided support for an on-going investigation involving allegations of workers' compensation fraud.

### **Significant Audit Reports**

A synopsis of the significant OIG audit reports issued during this reporting period follows:

- (1) REPORT ON IMPROVING THE EFFECTIVENESS AND EFFICIENCY OF THE GARAGE OPERATIONS  
(Report Number 01-02)

The OA completed a performance audit on the effectiveness and efficiency of the Garage in conducting its operations on GPO motor vehicles, excluding industrial forklift trucks. The audit found that, while the Garage has been able to maintain most of the motor vehicles in a serviceable and operational condition, opportunities exist to improve the internal controls over the Garage's operations in accordance with GPO Instruction 825.18A *Internal Control Program*.

The audit identified four findings and made eight recommendations to improve the Garage's internal controls in: (1) procuring motor vehicle parts; (2) documenting vehicle maintenance; (3) accounting for Garage property; and, (4) implementing prior audit recommendations.

The Director, Engineering Service, agreed to implement the eight OIG audit recommendations that will provide the opportunities to strengthen the internal controls over the Garage's operations in maintaining motor vehicles in a serviceable and operational condition.

(2) REPORT ON THE UNBILLED TRAVEL COSTS OF A PRESS SHEET INSPECTION PERFORMED IN NOVEMBER 1999  
(Report Number 01-03)

The OA audited the travel controls, procedures, and accountability of the Government Printing Office's (GPO) Travel Program. A random sample of 27 travel vouchers with travel costs incurred by GPO employees performing press sheet inspections during the first six months of Fiscal Year 2000 found that only one travel voucher had not been billed to the customer agency, the Census Bureau.

A Printing Procurement Department (PPD) employee had traveled from November 5 – 27, 1999, and had been reimbursed by GPO for \$3,819 that was charged to Jacket Numbers 445-098 and 446-968. A Customer Services Printing Specialist from the Departmental Account Representative Division stated that the travel costs from the November 1999 press sheet inspection had not been reported by the Printing Specialist in PPD's Quality Assurance Section. As a result, the customer agency had yet to be billed and GPO has not been reimbursed for the travel costs or the specialist's hours, for a total of \$16,650.

### **C. Internal Control Review**

The Public Printer issued GPO Instruction 825.18A, *Internal Control Program*, in May, 1997, which acknowledged that effective business practice dictates that management is responsible for establishing and maintaining an effective internal control structure. GPO Instruction 825.18A established the framework for an internal control program within GPO, and assigned program responsibilities among the Public Printer, the Deputy Public Printer, the Inspector General, and GPO Department, Service, Staff and Office Heads.

The Instruction assigns to the Inspector General the responsibility for staying abreast on the progress of implementation by management of annual assessments and control reviews, and for consolidating the review results in an annual letter of compliance to the Public Printer.

The OIG's third annual letter of compliance under the Instruction was issued December 7, 2000, and applied to compliance by GPO management for the fiscal year ending September 30, 2000. The OIG reported on the annual assessments and internal control reviews for 16 of GPO's departments, services, and offices. However, no internal control reviews were reported for: the Policy Coordination Staff, the Office of Equal Employment Opportunity, the Printing Procurement Department, or the Engineering Service, because those organizations did not furnish any internal control information to the OIG.

The OIG report concluded that the 1997 GPO Instruction on Internal Controls still had not been fully implemented, and that the recommendations in the OIG reports for FY 1998 and 1999 to improve the internal control environment at GPO had not been implemented. These recommendations were: (1) to adopt a standardized and structured approach to conducting vulnerability assessments and internal control reviews, as required by paragraph 9(c) of GPO Instruction 825.18A; (2) to provide formal training for Department, Office, Service, and Staff heads for developing and monitoring internal controls; and, (3) to assign the responsibility for implementing the Internal Control Instruction to the Director, Office of Planning, who is familiar with internal control requirements and methodology, and who drafted Instruction 825.18A.

On December 20, 2000, the Public Printer responded to each of the Inspector General's recommendations as follows: (1) the Public Printer still believes in the merits of such a goal; (2) a pilot course relating to general ADP controls would be scheduled for January 2001; and, (3) the third OIG recommendation would not be implemented.

#### **D. Work-In-Process**

The OA has undertaken the following seven audits:

- 1. Audit of GPO's Travel and Reimbursement Program** – on improving the controls, procedures, and accountability over travel claims and reimbursement. Audit fieldwork is completed and management's comments have been received on the draft audit report.
- 2. Audit of On-Line Purchase Requests of Nonstock Items and Services through Materials Management Procurement and Controls System** – on improving the controls over on-line purchase requests of nonstock items and services. Audit fieldwork has been completed and a draft audit report has been prepared for an exit conference with management.
- 3. Audit of the Paper and Specialized Procurement and Sales Division's Internal Control Reviews** - on improving future internal control reviews prepared by the Paper and Specialized Procurement and Sales Division. Audit fieldwork has been completed and the draft audit report is being prepared for an exit conference with management.
- 4. Audit on the Management of GPO Owned and Leased Vehicles** – on improving the controls over the acquisition of motor vehicles under the leasing and full maintenance agreements. Audit fieldwork is continuing.
- 5. Follow-up Audit on the GPO Workers' Compensation Program (Report Numbers 95-03 and 98-01)** – determining whether the implementation of prior OIG recommendations from Audit Report Numbers 95-03 and 98-01 were made on improving the managing of the GPO Workers' Compensation Program.

6. **Audit of GPO's Large One-Time Procurements** – on improving the controls over the preparation, soliciting, and awarding of large one-time procurements in the Printing Procurement Department.
7. **Audit of GPO's Commercial Credit Card Program** – on improving the controls over the procuring of supplies, services, and materials using commercial credit cards.

## **E. Advice and Assistance**

During this reporting period, the OA provided substantial advice and assistance to GPO officials, other Federal audit organizations, and Congressional staff. A brief description of each of these activities follows:

### **(1) 2000 Financial Statement Audit**

The OA provided support for the audit of the GPO's financial statements. Under 44 U.S.C. 309, an annual financial statement audit has been required beginning with GPO's FY 1997 financial statements. The audits have been conducted by KPMG LLP under a contract for which the Assistant Inspector General for Audits was the Contracting Officer's Technical Representative (COTR). In addition to serving as COTR, the OIG provided administrative support and coordination with GPO management for the KPMG auditors. This was the last audit to be performed under this contract. If GPO is to maintain the current schedule for timely financial statement audits, the competitive process for a new auditing contract must be completed early in the next reporting period.

### **(2) 2001 Financial Statement Audit**

An updated statement of work for a new contract for the 2001 audit of GPO's financial statements was substantially developed during this reporting period. OA is working with the Materials Management Service on a contract for future audits of GPO's annual financial statements. The OA will continue to provide similar services as in prior years.

## **F. Other Reports**

During this reporting period the Office of Audits also issued three reports which were not audit reports.

1. **Report to Congress on payments for water and sewer services.** The Consolidated Appropriations Act for FY 2001, Public Law 106-554, December 21, 2000, requires that the Inspector General of each Federal department, establishment, or agency receiving water and/or sanitary sewer services from the District of Columbia submit a quarterly report to the Committees on Appropriations of the House and the Senate analyzing the promptness of payment to the District of Columbia with respect to such services. The report is to be submitted not later than the 15<sup>th</sup> day of the month following each quarter.

The first report by the OIG under Public Law 106-554 was issued on February 15, 2001. The OIG reported that GPO pays for water and sewer services via the On-line Payment and Collection System (OPAC) administered by the Financial Management Service (FMS) of the

U.S. Department of the Treasury. In the OPAC system, GPO does not initiate fund transfers. GPO merely receives notification from FMS in the calendar month the transfer of funds was processed, and posts the amounts to GPO's books as of the end of that month.

The timeliness of the quarterly payments is entirely controlled by when the DC Water and Sewer Authority (DC WASA) schedules, and FMS accomplishes, the fund transfer. The OIG analyzed the timeliness of the OPAC payments, by quarter, for Fiscal Years 1992 through January 2001. This analysis showed that OPAC transfers for water and sewer bills generally occurred on a regular basis in every quarter during this period. It was also determined that, for fiscal years 1992 through 1998, GPO was overcharged for water and sewer services every year except 1993. Our analysis also noted that the annual DC WASA estimates for GPO have consistently been higher than the actual costs for water and sewer services.

**2. Report to Congress on GPO's use of "cookies" on internet sites.** The Consolidated Appropriations Act of 2001, Public Law 106-554, also required that Inspectors General submit reports regarding their agencies' policies and practices with respect to collecting personally identifiable information about individuals who access agency internet sites. The OIG report was submitted to the House and the Senate on February 20, 2001.

The OIG reported that, in keeping with the GPO privacy and security policy, GPO does not enable cookies to monitor usage or gather users' personal information. However, for statistical purposes, GPO collects certain data: the IP address from which users access the GPO web site; the date and time of their visits; and, the URLs of the pages that they view as well as WAIS searches and retrievals. GPO uses the aggregate statistics to make improvements to its web site, not to identify individual users or their searches.

**3. Report on the vulnerability of Mellon Bank lockbox cash collections.** Pursuant to a request from the Deputy Public Printer, the OIG conducted a review of the internal controls over the Mellon Bank lockboxes as recommended by the external auditors of KPMG LLP. The OIG report was issued October 31, 2000, and was accepted by the external auditors in January 2001 as responsive to their recommendation.

The OIG reviewed the Mellon Bank lockbox internal controls to assess whether the U.S. Treasury Department is monitoring: (1) the lockbox operations of Mellon Bank to ensure the collections are adequately safeguarded and properly processed; and, (2) the semiannual internal and biannual external audits that cover internal controls over lockbox operations as per the terms of the lockbox depository agreements.

The OIG also assessed whether the Mellon Bank, Pittsburgh, Pennsylvania: (1) has in place an adequate system of internal controls to safeguard the assets of the GPO while under their control; and, (2) is providing accurate, reliable, and timely information to the GPO under the terms of the lockbox depository agreements.

The OIG review found that the Treasury Department has begun monitoring lockbox operations more closely and is requiring semiannual internal audits and biannual external audits beginning in Fiscal Year 2001. In addition, the OIG did not observe any material weaknesses on safeguarding GPO assets during a walk-through in August 2000 of the Mellon Bank lockbox facility in Pittsburgh, Pennsylvania. However, the OIG noted that GPO does not accrue statistics from the lockbox operations for the OIG to adequately conclude whether or not the Mellon Bank provided accurate, reliable, and timely information to GPO. Overall, the report found nothing material to indicate that controls over the GPO lockbox operations at Mellon Bank are not effective or not in compliance with contract agreements.

## **G. Outstanding Audit Recommendations**

GPO management officials have not completely implemented all of the significant recommendations contained in eight audit reports issued during prior semiannual reporting periods. A synopsis of our audit findings and recommendations, along with management's action(s) to implement the outstanding recommendations follows:

### **(1) REPORT ON THE INTERNAL CONTROLS ADMINISTRATIVE SERVICES GROUP AND PROTECTIVE SERVICES GROUP HAVE OVER GPO'S PAY PARKING PROGRAM (Report Number 98-13, issued September 30, 1998)**

#### FINDING

Permanent parking members of the Program pay \$2 a day to park. However, nonmembers and visitors did not pay to park using over 10,000 temporary parking permits (daily, weekly, monthly, and annual basis) issued in Fiscal Year 1997. Had these nonmembers and visitors paid the once considered charge of \$3 a day, the Program would have recovered an estimated \$65,000 in Fiscal Year 1997.

#### RECOMMENDATIONS

The Chief, Administrative Services Group, should:

- Develop and implement a written policy for the method of collecting parking fees for temporary parking permits of nonmembers of the Program and employees belonging to carpools and vanpools of members in the Program (9813-01);
- Charge nonmembers of the Program a daily parking rate to recover costs for issuing temporary parking permits and maintaining parking spaces (9813-02);

#### MANAGEMENT ACTION

On March 16, 2001, the Director, Office of Administrative Support, responded to Recommendation Numbers 9813-01 and 9813-02:

“Even though a policy that we developed for collecting parking fees for temporary parking permits was unacceptable to the Joint Council of Unions several years, we recently assigned an analyst the task of “redeveloping” the policy. However, the analyst has since been promoted into a position with responsibility for GPO’s Records Management Program and will, therefore, have a very limited amount of time, if any, to spend on this project. With two vacancies in the Administrative Services Group, this project will again be deferred.”

We note that insufficient staffing has been the Director’s position for not implementing our recommendations for the last two years.

**(2) INTERIM REPORT ON THE PROCESSING OF FORMAL EEO COMPLAINTS  
(Report Number 99-06, issued September 26, 2000)**

FINDING

The Counseling and Complaints Processing Division (CCPD) of the Office of Equal Employment Opportunity (EEO) was not fulfilling its mission with respect to the processing of formal complaints. The Division had exceeded statutory time limits for processing formal complaints in every one of its open cases. This serious deficiency warranted the OA to issue an interim report detailing the preliminary findings and recommendations and for management to take immediate corrective action to improve the processing of formal complaints.

RECOMMENDATION

The Director, EEO, should take immediate steps to ensure that improved efforts are made to comply with EEOC deadlines. To that end, the Director should review and revise Position Descriptions and performance reviews for personnel involved with the formal complaints in order to emphasize the significance of meeting EEOC deadlines, so that future identification of persistent noncompliance would result in appropriate performance ratings and/or other sanctions (9906-02).

MANAGEMENT ACTION

The Director, EEO, did not reply to OA’s requests on the status of this open recommendation.

**(3) REPORT ON STRENGTHENING THE CONTROLS OVER GPO’S PROPERTY  
MANAGEMENT SYSTEM (Report Number 00-02, issued February 17, 2000)**

FINDING

GPO Instruction 810.11A *Property Management Program* has not been updated since April 16, 1981. As a result, the Instruction does not completely reflect the current operating procedures, controls, and responsibilities of GPO offices. This would include maintaining

adequate documentation on accountable property and the timely reporting of lost, missing, and stolen properties to the appropriate offices.

For instance, the Comptroller did not maintain a complete records system for both capitalized and non-capitalized property as required by the Instruction. Instead, the Comptroller concentrated on maintaining a records system for capitalized property only. As a result, the property custodians could not always use the records system as a management tool to account for the property assigned to their cost codes.

## RECOMMENDATIONS

The Property Management Officer (Comptroller) should:

- Update GPO policy on the Property Management Program to reflect the current operating procedures, controls, and responsibilities of GPO offices, as required by Standard 4 of GPO Instruction 825.18A (0002-01);
- Develop and implement internal controls to provide safeguards for protecting assets against loss and ensuring accountability by having a separation of duties within the individual offices when necessary adjustments are made to property listings in the property systems, as required by Standards 2, 4, and 5 of GPO Instruction 825.18A (0002-02);
- Ensure that all property custodians are aware of the importance of maintaining documentation on all future deletions of inventory from property systems, as required by GPO Instruction 805.7B and Standard 7 of GPO Instruction 825.18A (0002-07); and,
- Ensure that all property custodians are aware of the importance of reporting all suspected lost, missing, and stolen properties timely to the appropriate GPO offices, as required by GPO Instruction 810.11A (0002-08).

The Comptroller should ensure that the Comptroller's property custodians:

- Verify and account for all inventory and take necessary action to correct all deficiencies on the property systems, as required by GPO Instruction 810.11A (0002-03);
- Ensure the same GPO identification (ID) number assigned and attached on the property items matches the ID number on the property systems (0002-04); and,
- Maintain copies of GPO Form 2051 *Return to Stores* on the transfer of future surplus property, in accordance with paragraph 7 of GPO Instruction 805.7B, and as annotated on the form itself (0002-05).

## MANAGEMENT ACTION

On March 26, 2001, the Comptroller responded to Recommendation Numbers 0002-01, 0002-02, 0002-07, and 0002-08, stating that an updated version of GPO Instruction 810.11 *GPO Property Management Program* has been drafted and disseminated for management comments that includes:

- New risk-based criteria for accountable property (i.e., High-Value Property, Sensitive Property, and Pilferable Equipment);
- Current operating procedures, internal controls standards and procedures, and responsibilities for property management at GPO;
- Requirements for maintaining adequate documentation on accountable property (i.e., acquisition, use, transfer and disposal);
- Procedures for reporting lost, missing, stolen, and recovered property to the proper authorities (i.e., GPO Police and/or the OIG).

The Comptroller did not provide any information on the status of Recommendations Numbered 0002-03, 0002-04, and 0002-05. It appears that the Comptroller has taken no action to implement those recommendations to correct the deficiencies in the current system.

## **(4) REPORT ON IMPROVING THE CONTROLS OVER EEO CONTRACT INVESTIGATIONS (Report Number 00-04, issued March 30, 2000)**

### FINDING

The Counseling and Complaints Processing of GPO's EEO was not fulfilling its duties in processing contract investigations in three areas: (1) assigning formal complaints to contract investigators timely; (2) monitoring the timely completion of investigations; and, (3) verifying contract investigators' invoices for accuracy before forwarding the invoices to the Comptroller for payment.

### RECOMMENDATIONS

The Director, Office of Equal Employment Opportunity, should:

- Develop and implement written internal controls to ensure the timely assignment of formal complaints to contract investigators (0004-01); and,
- Update and maintain the EEO Investigation Tracking System to inform the Complaints Officer of the correct status of investigations when authorizing payment on a contract investigator's invoice (0004-08).

### MANAGEMENT ACTION

On March 26, 2001, the Director responded to Recommendation Numbers 0004-01 and 0004-08 that a discrimination complaints tracking system has been obtained from the Department of Veterans Affairs and is being modified to enable GPO to use the system.

**(5) REPORT ON IMPROVING THE CONTROLS OVER INVENTORIES IN THE GRAPHIC SUPPLIES SECTION (Report Number 00-05, issued April 3, 2000)**

**FINDING**

Opportunities were identified to improve internal controls over operating and controlling Graphic Supplies Section's (GSS) inventory as a result of over \$138,000 worth of inventory discrepancies, or 26 percent of the listed inventory value, that were detected during a cyclic inventory between February and March 1999.

In addition, based on current usage, a projected estimated savings of over \$1.1 million over the next five years can be obtained by purchasing Heatset ink from outside contractors instead of manufacturing the ink in-house.

**RECOMMENDATIONS**

The Manager, Quality Control and Technical Department, should:

- Develop and implement written instructions for thoroughly researching and resolving future inventory variances of finished inks, raw materials, and adhesives (0005-03);
- Ensure that an assessment is performed on the feasibility of using any of the 78 inactive, unreported properties with inventory balances, and to document those properties (0005-11);
- Develop and implement instructions to track the number of sealed cans of returned inks (0005-13);
- Develop and implement instructions to document the weight of returned inks (0005-14);
- Consider transferring the actual operations and controls over the GSS inventory of inks, raw materials, adhesives, and rollers to the Materials Management Service (0005-16);
- Update the 1986 study to determine whether it is still reasonable and cost effective for GPO to make the best possible ink at minimal cost in satisfying the demand of both Production and customer agencies (0005-17); and
- Coordinate with Materials Management Service to review the policy on variances to ensure that the allowance for variances is consistent for all GSS raw materials contracted and ordered (0005-23).

## MANAGEMENT ACTION

On March 23, 2001, the Manager, Quality Control and Technical Department, responded that the seven recommendations remain open.

### **(6) REPORT ON THE MAY 1998 ELECTRONIC SYSTEMS DEVELOPMENT DIVISION'S INTERNAL CONTROLS (Report Number 00-07, issued June 21, 2000)**

#### FINDING

The May 1998 Internal Control Review submitted by the Electronic Systems Development Division (ESSD), while accurate, was incomplete and did not fully meet the requirements of GPO Instruction 825.18A *Internal Control Program*. The review also revealed that GPO managers have not been provided adequate instructions and/or training on conducting internal control reviews. The OA made eight recommendations to assist ESDD in completing future internal control reviews and strengthening their internal controls in three areas: (1) updating the standardized questionnaire; (2) protecting leased equipment; and, (3) reporting the status of all open recommendations from prior financial statement audits. Network administration and network security were also addressed in the report, but no formal recommendations were made.

#### RECOMMENDATIONS

The Production Manager, Production Department, should ensure that the Manager, Electronic Systems Development Division, takes appropriate steps to:

- Obtain GPO identification numbers and tags and attach them to all leased equipment in Congressional offices and other government agencies (0007-2);
- Contact the Office of Comptroller indicating the names of databases that contain the leased equipment for ESDD and how they can be accessed (0007-03);
- Examine the 29 unreported items found in Congressional offices and include the items in ESDD's in-house inventory system, as well as the Comptroller's General Ledger and Property Section's property inventory listing (0007-04);
- Locate the 10 items of leased equipment that could not be accounted for in Congressional offices (0007-05);
- Apply for background investigations on key internal personnel holding information technology (IT) related positions that reflect accurate sensitivity levels and clearance requirements, and reevaluate the need for such clearance when a new GPO Instruction has been issued and a GPO policy has been established (0007-06):

- Include a statement in future internal control reviews that all sensitive positions have been reviewed to ensure meeting the current time requirements as required by Paragraph 7.d.(1) of GPO Instruction 825.2 *Personnel Security Program* (0007-07); and,
- Report all open recommendations from prior audits and the status of each recommendation in future internal control reviews (0007-08).

### MANAGEMENT ACTION

The Production Manager has not responded on the status of the eight open recommendations.

### **(7) REPORT ON THE BILLING VOUCHERS SUBMITTED FOR PROGRAM 3402-S (BLUE ANGELS' PROMOTIONAL MATERIALS (Report Number 00-10, issued September 28, 2000))**

### FINDING

The internal controls implemented over the contractor's billings and payments from Program 3402-S direct-deal print orders were bypassed by the unauthorized actions by the customer agency representative. GPO officials did not identify these unauthorized actions until after the contractor had received questionable payments of \$13,571 for modifications, quantity increases, and Timework charges.

However, the customer agency and the representative have not provided any documentation or issued a complaint on the questionable payments made to the contractor. Instead, the customer agency representative expressed that the customer agency was "very satisfied" with the contractor's performance. As a result, there was no supporting evidence for GPO to recover the questionable payments of \$13,571 that was made to the contractor.

The customer agency representative's actions also showed that the officials and staff from the Printing Procurement Department and the Office of Comptroller need to strengthen internal controls over administering future direct-deal print orders which are signed-off by the customer agency representative. The Printing Procurement Department needs to implement more internal controls to ensure enforcement of GPO Publications 305.1, 305.3, 310.2, and the specifications in term contracts on modifications and quantity changes made by the customer agency representatives.

### RECOMMENDATIONS

The Manager, Printing Procurement Department, should:

- Ensure that all Printing Procurement Department Contracting Officers notify future customer agency representatives about the requirements of Section IV., paragraph 3.a. of GPO Publication 305.1 and paragraph 1 of the Contract Clauses of GPO Publication 310.2 on reporting modifications in direct-deal term contract print orders through the award letter (0010-02); and

- Ensure that a policy is written and implemented that specifies the payment clause to use in printing and binding contracts that authorizes the customer agency representative and/or the Comptroller to examine and certify approval of the contractor's billings on direct-deal print orders (0010-10):

The Comptroller should coordinate with the Manager, Printing Procurement Department, to ensure that future variances in contractor's vouchers for direct-deal signoff print orders are defined and incorporated in the Commercial Examination Section's written desk procedures for the voucher examiner and the printing specialist/assistant (0010-09).

### MANAGEMENT ACTION

On March 23, 2001, the Manager, Printing Procurement Department, responded that for Recommendation Number 0010-02, templates are being developed by the System Support Section to include the recommended notification to agency representatives in all Central Office and Regional Office transmittal letters. The anticipated completion date is May 1, 2001. For Recommendation Number 0010-10, the anticipated completion date is also May 1, 2001.

On March 13, 2001, the Comptroller responded to Recommendation Number 0010-09 that desk procedures would be rewritten after the implementation of the new workflow process for examining and certifying vouchers.

## **(8) REPORT ON IMPROVING THE CONTROLS OVER THE PROCESSING OF CUSTOMER REQUISITIONS (Report Number 00-11, issued September 29, 2000)**

### FINDING

Opportunities exist to improve and strengthen controls over processing requisitions within both Customer Services and the Production Department and to retain more agency requisitions in-house to maximize manpower efficiently and effectively and achieve full, or close to full, utilization as directed by GPO instructions and guidelines.

### RECOMMENDATIONS

The Director, Customer Services:

- Implements the following recommendation to improve the communication between the Requisition Section and Production Planning and Scheduling Committee by updating GPO Instruction 105.1B to reflect the current organizational structure and functions of Customer Services. The Instruction should reference: (1) the August 1993 changes and the March 1997 *Guidelines for the Requisition Section (DARD) for Issuing Printing & Binding Jackets*; and, (2) an objective of GPO to maintain manpower and equipment at full or close to full utilization (0011-06); and,
- Should coordinate with the Office of Information Resources Management to automate the requisition process of receiving, recording, and controlling customer requisitions. The

system should be compatible with the Procurement Information and Control System and the Production Estimating and Planning System for both the Congressional Printing Management Division and the Departmental Account Representative Division (0011-09).

### MANAGEMENT ACTION

On March 27, 2001, the Director responded that for Recommendation Number 0011-06, an update will be submitted to Personnel Service with a request for a “change” to GPO Instruction 105.1B. For Recommendation Number 0011-09, there is no implementation action planned at this time. The manual systems used “...work extremely well and have immense archival value.”

### **(9) FINANCIAL STATEMENT AUDITS**

The follow-up on GPO’s actions on recommendations made as a result of the annual financial statement audit (and open recommendations from previous financial statement audits) are an integral part of subsequent financial statement audits. The follow-up of the recommendations made as a result of the audit of GPO’s FY 2000 financial statements will be a part of the FY 2001 financial statement audit.

## **OTHER INSPECTOR GENERAL ACTIVITIES**

### **A. Comments on GPO Instructions and Assistance to Management**

The Inspector General commented on a draft GPO Instruction providing a GPO policy on internet and e-mail usage. The Inspector General also commented on a draft of a revised employee handbook prepared by the Office of Personnel.

The Inspector General continued to work with three other GPO offices as a member of a screening committee to review sexual harassment allegations and to coordinate the agency’s response, including determining what, if any, immediate action needs to be taken to minimize the harm and to protect the complainant, witnesses, and evidence. During this reporting period there was one meeting of the screening committee to consider a new allegation of sexual harassment. As a result of the meeting, the complainant was interviewed by two OI Special Agents, and based on the interview, no additional action was deemed necessary by the screening committee.

The president of a local union at GPO complained in a letter to the Public Printer about certain actions by a GPO official. The GPO Deputy General Counsel referred the matter to the Inspector General to assess the information and decide whether further investigation was warranted. After interviewing the complainant and the GPO official, and reviewing documents and transcripts, the Inspector General declined to take additional action. A report was sent to the Deputy General Counsel, and the Public Printer responded to the president of the local union based on the Inspector General’s report.

The Inspector General was asked on two occasions to assist in locating materials shipped by a federal agency to printing companies for printing services under contracts with GPO. The missing materials included sensitive agency information. In the first case, the materials had been sent by a commercial airline, and were eventually located by the carrier at the airport in Greenbay, Wisconsin. In the second case, sensitive agency information was shipped by FedEx and was lost enroute to the printer. The OIG worked with FedEx corporate security to locate the package at the FedEx unidentified package depot in Salt Lake City, Utah, and to retrieve the package. The OIG turned over the materials to an OIG representative from the agency that had shipped the material.

The Director of a GPO Office requested the assistance of the OIG in determining who had purposefully interfered with an ongoing project being conducted by his office. The Inspector General conducted interviews of all of the personnel in the affected section but was unable to identify any employee as having been involved in intentional misconduct.

The Inspector General continued to participate in activities of the President's Executive Council on Integrity and Efficiency (ECIE), including attending monthly meetings held at the White House Conference Center in Washington DC. The Inspector General assisted another Inspector General in evaluating proposals from external auditors to conduct an audit for the OIG. The Inspector General also participated in a meeting of an ad hoc legislative committee of the ECIE to review certain legislative issues.

## **B. Legislation and Congressional Requests**

In February 2001 a Congressman requested that the Inspector General review the conduct of a GPO procurement for services worth several million dollars. During this reporting period the Inspector General met with four of the unsuccessful bidders on the project, as well as with GPO employees involved in the procurement, and reviewed the GPO procurement file. Findings and recommendations are currently under review and will be issued in the next reporting period.

During this reporting period the Inspector General also worked with the Office of Congressional and Public Affairs in responding to a Congressional inquiry concerning an OIG investigation into the loss of blank passports.

### A. Statistical Table on Audit Reports with Questioned Costs

Description	Number of Reports	Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period	1	\$361,101	\$59,132
B. Which were issued during the reporting period	1	\$123,895	\$24,653
C. Subtotals (A+B)	2	\$484,996	\$83,785
D. For which a management decision was made during the reporting period	1		
1. Dollar value of disallowed costs		\$274,200	\$ 0
2. Dollar value of allowed costs		\$ 86,901	\$59,132
E. For which no management decision has been made by the end of the reporting period	1	\$123,895	\$24,653
F. Reports for which no management decision has been made within six months of issuance	0	\$ 0	\$ 0

**B. Statistical Table on Audit Reports with Recommendations  
Involving Funds Put to Better Use**

<b>Description</b>	<b>Number of Reports</b>	<b>Funds Put To Better Use</b>
A. For which no management decision has been made by the commencement of the reporting period	2	\$688,000
B. Which were issued during the reporting period	1	\$ 16,650
Subtotals (A+B)	3	\$704,650
C. For which a management decision was made during the reporting period	2	
1. Dollar value of recommendations that were agreed to by management		\$29,650
2. Dollar value of recommendations that were not agreed to by management	0	\$ 0
D. For which no management decision has been made by the end of the reporting period	1	\$675,000
E. Report for which no management decision has been made within six months of issuance	1	\$ 675,000

**C. List of Audit Reports Issued During This Reporting Period**

A. Contract Audit Reports:	Questioned Costs	Unsupported Costs
<b>1. Contract Review (Report 01-01, issued 12/21/00)</b>	<div style="border: 1px dashed black; padding: 5px;"> <i>To protect the Government's negotiating position on claims which have not been settled, information identifying the contractor and the associated questioned costs has not been disclosed.</i> </div>	
<b>Totals</b>	\$123,895	\$24,653

B. Other Audit Reports:	Funds Put to Better Use
<b>1. Report on Improving the Effectiveness and Efficiency of the Garage Operations (Report Number 01-02, issued 02/21/01)</b>	\$ 0
<b>2. Report on the Unbilled Travel Costs of a Press Sheet Inspection Performed in November 1999 (Report Number 01-03, issued 02/28/01)</b>	\$16,650
<b>3. Report on Improving the Controls over Taking Timely Possession of Materials after the Notification of a Contract Termination (Report Number 01-04, issued 03/02/01)</b>	\$ 0
<b>Total</b>	\$16,650

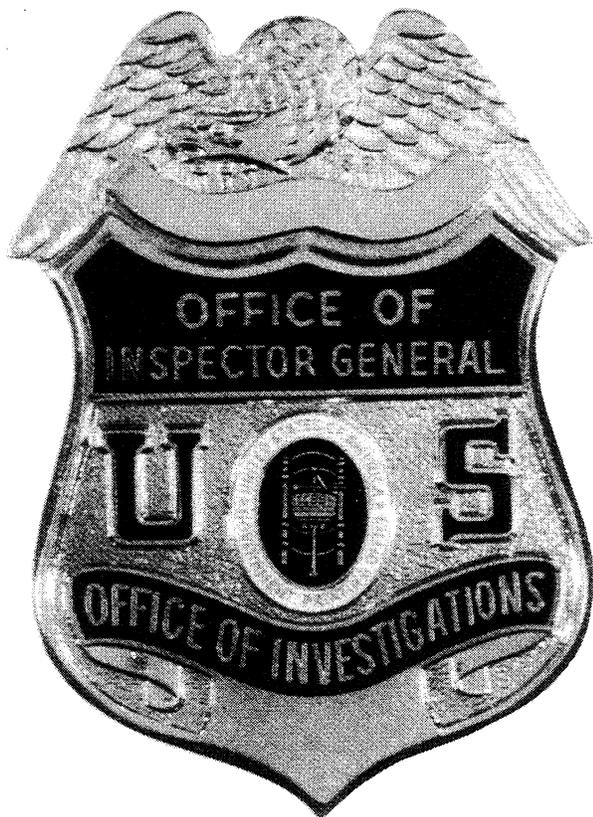
## D. Index of Reporting Requirements

The specific reporting requirements of the Inspector General Act of 1978, as amended in 1988, are listed below with references to the pages on which they are addressed.

<b>IG Act Section</b>	<b>Description</b>	<b>Report Page(s)</b>
4(a)(2)	Review of legislation and regulations	28
5(a)(1)	Significant problems, abuses, and deficiencies	9-11
5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	9-11
5(a)(3)	Significant recommendations included in previous reports on which corrective action has not been completed	None
5(a)(4)	Matters referred to prosecutive authorities	8-9
5(a)(5)	Summary of instances where information was refused	6
5(a)(6)	List of audit reports	32
5(a)(7)	Summary of significant reports	15-16
5(a)(8)	Statistical table with questioned costs	30
5(a)(9)	Statistical table with recommendations that funds be put to better use	31
5(a)(10)	Summary of audit reports issued before the commencement of the reporting period for which no management decision has been made	20-28
5(a)(11)	Significant revised management decisions made during the reporting period	None
5(a)(12)	Management decisions with which the Inspector General is in disagreement	None



**Reports of  
Drug Activity or  
Fraud, Waste and  
Abuse may be made  
in strict confidence  
to the GPO  
Inspector  
General**



**Call: The toll-free  
National Hotline  
1-800-743-7574**

**or Write to:  
Office of Inspector General  
Office of Investigations  
P.O. Box 1790  
Washington, DC 20013-1790**

