



U.S. GOVERNMENT PRINTING OFFICE  
OFFICE OF INSPECTOR GENERAL

**AUDIT REPORT**  
**12-15**

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**Opportunities Exist for Improved Safeguards over Tuition and  
Student Loan Reimbursements**

**July 13, 2012**

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**Date**

July 13, 2012

**To**

Chief Human Capital Officer

**From**

Inspector General

**Subject**

Audit Report - Opportunities Exist for Improved Safeguards over Tuition and Student Loan Reimbursements  
Report Number 12-15

Enclosed please find the subject final report. Please refer to the "Results in Brief" for the overall audit results. Our evaluation of your response has been incorporated into the body of the report. Additional information that members of your staff have provided subsequent to the issuance of our draft report on May 25, 2012, have also been incorporated into the final report. The draft report contained individual names to assist management in its response. Those names have been redacted from this final report.

We consider management's comments responsive to the recommendations. Recommendations 2 through 5 are resolved and considered closed upon issuance of this final report. Recommendation 1 is resolved but will remain open pending completion of the agreed upon corrective action.

We appreciate the courtesies extended to the audit staff. If you have any questions or comments about this report, please do not hesitate to contact me at (202) 512-0039.



MICHAEL A. RAPONI  
Inspector General

Enclosure

Chief Human Capital Officer  
Report 12-15  
July 13, 2012  
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cc:  
Acting Public Printer  
Assistant Public Printer, Operations  
General Counsel  
Chief Financial Officer

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# Office of Inspector General

Report Number 12-15

July 13, 2012

## Opportunities Exist for Improved Safeguards over Tuition and Student Loan Reimbursements

### Introduction

GPO offers its employees a variety of training and educational opportunities to complement work experiences and achieve better organizational and individual performance. One of those opportunities under certain circumstances is that GPO provides tuition reimbursement to its employees. The employee must sign a service agreement to continue in service six months beyond completion of the course. Tuition reimbursement hinges on job relatedness and must relate to achieving the organization's mission, improving productivity, and providing quality service to its customers and the public.

GPO may also repay portions of student loans of employees they seek to recruit and retain. Eligible employees, in professional, technical, administrative, or other positions, must sign a three-year service agreement to remain with their agencies. In return, these employees may receive loan repayments of up to \$10,000 per year and \$60,000 in total from an agency.

GPO has instituted a policy and a checklist to identify and collect any debts from employees separating prior to the terms of the service agreement.

During FY 2011, one employee received a student loan reimbursement in the amount of \$10,000 and 10 employee received reimbursement totaling \$20,899 under the Tuition Reimbursement Program. For our audit, eight employees were considered active participants in the Student Loan Reimbursement Program due to the 3-year retention period (FY 2008 – FY 2011). GPO did not pay any tuition or student loan reimbursements in FY 2012. Both programs were temporarily suspended toward the beginning of the third quarter in FY 2011 due to budget limitations.

GPO employees occasionally become indebted to GPO for not fulfilling service agreements—an agreement that an employee will continue working at GPO for a specified period of time after completion of training course or program. If the

employee fails to fulfill the requirements of the agreement, GPO has a right to recover the reimbursed costs.

In July 2010, the Office of Inspector General (OIG) received a hotline complaint alleging that a former employee was reimbursed \$2,070 for tuition and book costs but separated from GPO prior to fulfilling his service agreement and not repaying his debt. We substantiated the allegation and reported the results in July 2011. As a result of this hotline complaint, the OIG initiated an audit to determine to what extent GPO safeguards its Tuition Reimbursement and Student Loan Reimbursement programs against employees not fulfilling their service agreements.

To address our objective, we reviewed all program activity from October 1, 2010 through September 30, 2011 to evaluate controls over collecting unfulfilled service agreements. We reviewed and discussed with management officials, policies, procedures, and actions taken by GPO managers to reasonably ensure that the tuition reimbursement and student loan reimbursement programs met GPO's objectives when employees did not fulfill their service agreements. We analyzed 100 percent of the program participants during that period.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Our objective, scope, methodology, and criteria are detailed in Appendix A.

## **Results in Brief**

To help GPO in a time of budget constraints, we identified opportunities to enhance controls to address some challenges related to safeguarding the tuition reimbursement and student loan reimbursement against employees not fulfilling their service agreements. We found:

- One employee who received student loan reimbursements separated without fulfilling her service agreement and did not repay GPO the \$10,000 owed.
- GPO could not produce copies of signed service agreements for two employees prior to receiving student loan reimbursements. One of those employees separated without repaying GPO the \$10,000 owed.
- One employee who received tuition reimbursement separated without fulfilling the service agreement and did not repay GPO the \$779 owed.

During the course of our audit, we also identified opportunities to enhance controls over college or university course selection. Courses should relate to the performance of an employee's current duties or anticipated duties in support of

GPO's mission. We determined that 6 of 10 employees who participated in the Tuition Reimbursement Program were attending courses unrelated to their job functions or reported to be pursuing college degrees which contradicts GPO's policy that prohibits employees from receiving training solely for the purpose of earning a college degree.

We believe undeveloped standard operating procedures and the need to conduct monitoring are major contributing factors to these conditions. Consequently, the three noted employee's debts totaling \$20,779 were not discovered and collected before the employees' departures. In addition, it is unclear what benefit GPO received from six employees attending courses unrelated to their job duties, totaling \$4,955.

We also noted that while using both programs is a useful tool, in some instances it may be cumbersome to administer. For example, the Human Capital Office administers the program and is performing some tasks and activities that could be uncharacteristic of their function. Program administrators, for instance, must interact with a number of lending institutions, verify loans, and, at times, act as collection agencies.

## **Recommendations**

We recommend that the Chief Human Capital Officer: (1) review the records involving the two former employees who received a student loan reimbursement and did not satisfy the three year work requirement before separating from GPO and initiate action to collect the funds from those employees, where appropriate, and review the records involving the former employee who received tuition reimbursement and did not satisfy the six month work requirement before separating from GPO and initiate action to collect the funds from that employee.

When the Tuition Reimbursement and Student Loan Reimbursement Programs is reactivated: (2) develop standard operating procedures for the Tuition Reimbursement and Student Loan Reimbursement Programs, (3) contact all Business Unit Heads to reiterate eligible course reimbursement requirements as specified in Directive 625.6a, Chapter 11, "Nominations for Outside Training", (4) ensure Service Agreements are executed prior to reimbursement of tuition and student loan repayment by effectively monitoring this process, and (5) ensure Separation Clearance and Property Return Checklists are properly completed at the time an employee separates from GPO by effectively monitoring this process.

## **Management's Response.**

Management concurred with all recommendations. The GPO Chief Human Capital Officer is working with the GPO Office of Finance and Administration to collect the money back from the three former employees. The Chief Human Capital Officer also

stated that GPO would implement standard operating procedures, reiterate reimbursement requirements to Business Unit Heads, and ensure service agreements are executed for all student loan and tuition reimbursements when those programs are reactivated. Finally, the Chief Human Capital Officer stated that the Agency will issue appropriate checklists to departing employees and ensure that the checklists are completed. The complete text of management's response is in Appendix C.

## **Background**

In an effort to attract and retain a more skilled workforce, GPO has implemented several programs for the recruitment, retention, and development of its staff. Among those programs include the Tuition Reimbursement Program and Student Loan Repayment Program. Both programs were temporarily suspended towards the beginning of the third quarter in FY 2011 due to budget limitations.

For the Tuition Reimbursement Program, the employee shall be reimbursed for one class each semester, or academic equivalent, but not more than two per year. Reimbursement costs include tuition cost for the class and cost of books and course materials. The proper justification must be submitted, signed, and approved in advance by the employee's supervisor and senior level manager of the organizational unit. The course must be mission related. The course provides value for the agency and employee. There are no comparable alternatives that are less costly. The employee must sign a pre-service agreement to continue in service 6 months beyond completion of the course for each class paid for by the agency. The employee must receive a grade of "C" or better for an undergraduate class; a grade of "B" or better for a graduate level class; and a grade of "Pass" under a Pass/Fail system of grading.

Congress passed a law in 1990 authorizing agencies to repay, at their discretion, their employees' student loans as a means to recruit and retain a talented workforce. The provisions of the federal student loan repayment program legislation initially authorized student loan repayments of up to \$6,000 per year to a total of \$40,000 per employee. These ceilings were later increased to a maximum amount of \$10,000 per calendar year and a total of \$60,000. Income and employment taxes are withheld from the repayment amount. An employee seeking student loan repayment must sign a written service agreement agreeing to work for their Agency for a specified time period.

Each of these programs requires the execution of a service agreement whereas the employee, in exchange for the benefit provided by GPO, agrees to continue working for the Agency for a specified time period, and if not, agrees to repay the benefit. With the service agreement, GPO then has the potential to retain employees for at least the period covered by the service agreement, which also helps to ensure a greater return from recruitment and training costs. GPO has instituted a policy and a checklist to identify and collect any debts from employees separating prior to the terms of the service agreement.

## **Results and Recommendations**

GPO has instituted policies that require employees to sign service agreements in order to participate in the Tuition Reimbursement and Student Loan Repayment Programs. GPO also developed a policy and a checklist to help ensure that required clearance steps were completed for separating employees such as determining whether employees had outstanding debts. These are both safeguards put in place to prevent abuses and waste and to enhance the initial goals of the program (recruitment and retention).

These policies have not always been implemented and have not always been effective. For example, service agreements were not always executed and separation checklists were not always used. In some instances, when a checklist was used, a tuition or student loan reimbursement was still not identified.

### **Policies Related to Tuition and Student Loans Reimbursements**

Federal agencies, including the GPO, are authorized to repay all or part of an outstanding federally issued student loan to facilitate the recruitment or retention of highly qualified employees. GPO Directive 640.11, "Student Loan Repayment Program," February 22, 2002, requires that before any loan payments can be made, the employee must sign a written agreement to complete a 3-year period of employment with the GPO or be subject to repaying the benefits.

GPO instruction 625.6A CH-18, "Training and Career Development", Chapter 11, "Nominations for Outside Training", September 24, 2004, requires that for employees to receive reimbursement for courses taught at 2 and 4-year colleges, universities, graduate schools, and on-line schools the employee must sign a pre-service agreement to continue in service 6 months beyond completion of the course for each class paid for by the agency. GPO Form 2938, line 5, contains a specific check-box for "unfulfilled service agreement for tuition reimbursement".

GPO Directive 610.16, "Procedures for Employees Separating from the GPO", December 13, 2007, establishes controls for ensuring that all necessary GPO officials are notified, prior to the effective date of separations, so that the proper steps can be taken to minimize security risks and loss of property. GPO policy requires that employees complete clearance procedures using GPO Form 2938, "Separation Clearance and Property Return Checklist," before termination, transfer, or separation from employment (see Appendix D).

OMB Circular Number A-123 requires that management controls must provide reasonable assurance that assets are safeguarded against waste, loss, unauthorized use, and misappropriation. Management controls developed for agency programs should be logical, applicable, reasonably complete, and effective and efficient in accomplishing management objectives. Those controls include developing

standard operating procedures and continuous monitoring of programs to ensure objectives are met.

GPO Instruction 625.6A, “Training and Career Development”, Chapter 11, “Nominations for Outside Training”, revised September 24, 2004 provides that employees may receive reimbursement for courses taught at 2 and 4-year colleges, universities, graduate schools, and on-line schools if certain criteria are met. Paragraph 2 of Chapter 11, “Selection Criteria” states that employees may not receive training:

- a. Solely for the purpose of earning a degree;
- b. For the purpose of qualifying for a promotion (with certain limited exceptions); or
- c. On subjects which are not related to the performance of current duties or anticipated duties in support of the agency’s mission.

### **One Employee Separated without Repaying a Student Loan Reimbursement**

We identified a total of eight employees active in the Student Loan Reimbursement Program during FY 2011. One of the eight employees separated during FY 2011 before fulfilling the service agreement and did not repay her student loan reimbursement owing GPO \$10,000<sup>1</sup> (see Appendix E).

Employee 6<sup>2</sup> signed a service agreement on May 27, 2010 agreeing to remain with GPO for three years after receiving reimbursement for a student loan. Employee 6 received \$10,000 (\$6,535 net of taxes) on August 13, 2010. Employee 6 separated from GPO on August 27, 2011 (within 3 years) and did not repay the student loan reimbursement. Upon separation from GPO, Employee 6 submitted a Separation Clearance and Property Return Checklist (GPO Form 2983) on which the checkbox for student loan repayment was checked, however; we saw no evidence of collection.

### **GPO Could Not Demonstrate Service Agreements were Always Used for the Student Loan Reimbursement Program**

Of the eight employees active in the Student Loan Reimbursement Program during FY 2011, Human Capital could not provide us a signed service agreement for two employees who received student loan reimbursements, as required by Directive

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<sup>1</sup> Employee received \$6,535 after taxes were taken out. Under the terms of the GPO service agreements for student loans, employees are to repay the gross amount if they do not fulfill the service agreement.

<sup>2</sup> The actual employee names, which were provided to management in the draft report, were removed from this final report.

640.11, thereby increasing GPO's risk of those employees leaving within three years of receiving the reimbursements (see Appendix E).

According to Office of Finance and Administration records, Employee 2 signed a service agreement on August 10, 2010 agreeing to remain with GPO for three years after receiving reimbursement for a student loan. Employee 2 received \$10,000 on August 13, 2010. Employee 2 separated from GPO on September 10, 2011 (within 3 years) without repaying the student loan reimbursement. Human Capital could not provide us a copy of the service agreement. Upon her separation from GPO, Employee 2 did submit a Separation Clearance and Property Return Checklist (GPO Form 2983); however, the checkbox for student loan repayment was left blank. For another employee (Employee 5), although GPO could not produce a copy of the signed service agreement, it could produce evidence that the employee repaid the student loan reimbursement upon her departure from the Agency.

### **One Employee Separated without Repaying a Tuition Reimbursement**

We found that one employee did not repay \$779 related to a tuition reimbursement that left in FY 2011, prior to fulfilling her 6 month service agreement (see Appendix F).

Employee 13 signed a service agreement on January 5, 2011 and agreed to remain with GPO six months past the completion date for any courses paid for by GPO. On that same day Employee 13 submitted a Claim for Reimbursement for Expenditures on Official Business to GPO for repayment of book costs (\$251.36) related to a photography course she completed between August and December, 2010. Employee 13 signed another 6-month service agreement on February 8, 2011 related to another college course. On May 3, 2011 Employee 13 submitted a Claim for Reimbursement for Expenditures on Official Business to GPO for repayment of tuition and book costs (\$527.76) related to a biology course she completed between January and April, 2011. Employee 13 left GPO on June 10, 2011, less than six months from the completion of both classes and did not repay GPO. Upon Employee 13's departure she submitted a Separation, Clearance, and Property Return Checklist (GPO Form 2938); however, the checkbox related to unfulfilled service agreement for tuition reimbursement was blank.

### **Six Employees Received Tuition Reimbursements for Courses Unrelated to their Job Duties**

Six of the thirteen college course tuition reimbursements made by GPO during FY 2011 were not made in accordance with Directive 625.6A. The Director, GPO University, approved each reimbursement. The total cost reimbursed by GPO for those six courses was \$6,249 (see Appendix F).

Below are the details for each instance.

Employee 9 of the Office of Finance and Administration was approved September 23, 2010 to be reimbursed for a course in English Composition and Literature at Liberty University On-line. Employee 9 was reimbursed \$1,228.25 on November 30, 2010 for tuition, fee, and books for the online course. The justification for the course stated that “the increased knowledge from this course will prove invaluable to F&A’s operations”. We do not believe this course is related to the employee’s position or organization.

Employee 10 of the Office of the Chief Human Capital Officer was approved on July 30, 2010 to be reimbursed for a course, “Introduction to Business” at Trinity College. Employee 10 was reimbursed \$1,568.25 on November 16, 2010 for tuition and books. The documented justification for the training stated, "pursuing a degree at Trinity Washington University and minoring in Human Resources will allow me to develop here at GPO". This justification directly contradicts GPO Directive 625.6a Training and Career Development, Chapter 11 Nominations for Outside Training, paragraph 2 which states that employees may not receive training solely for the purpose of earning a degree.

Employee 11, of the Office of Operations Support was approved on September 2, 2010 to be reimbursed for a course, “Personal and Community Health” and "Intro to Fiction” at Anne Arundel Community College. Employee 11 was reimbursed \$368.64 on March 4, 2011 for tuition and textbooks. The approved justification for the reimbursement states:

“I am currently a GS 12/14, I plan to apply for a GS 13 as soon as that position becomes available. My current supervisor is a GS-13, he plans on retiring in 3 years. That will leave his position available to me as I would have time in grade by then, however a GS-13 is required to have an educational degree which I currently do not possess, to that end I have begun working on obtaining a degree”.

GPO Directive 625.6a states that employees may not receive training solely for the purpose of earning a degree or for obtaining a promotion.

Employee 12 of the Uniformed Police was approved on January 24, 2011 for reimbursement for a course "Intro to Biochemical Forensics" at George Mason University. GPO reimbursed Employee 12 \$1,654.50 on August 19, 2011 for tuition and a resource fee. Justification stated only "the course is related to his degree in criminal justice". GPO Directive 625.6a states that employees may not receive training solely for the purpose of earning a degree.

Employee 13, Printing Services Assistant for the Congressional Publishing Office was approved on February 2, 2011 to be reimbursed for a course, “Biological Science I” at the University of the District of Columbia. GPO reimbursed Employee 13 \$527.76 on May 3, 2011 for tuition and textbooks. We do not believe this course is related to the employee’s position or organization.

Employee 18, of Acquisition Services was approved on January 5, 2011 to be reimbursed for a course on Pre-algebra at Montgomery College. GPO reimbursed Employee 18 \$902.17 on May 26, 2011. We do not believe this course is related to the employee's position or organization.

### **Standard Operating Procedures and Monitoring Should be Enhanced**

In part, the above conditions occurred because standard operating procedures were not sufficiently developed and program evaluations and monitoring were not conducted. Key procedures for the administering the Student Tuition and Student Loan Reimbursement Programs had not been established, including steps for:

- Maintaining all records associated with each student loan reimbursement including the agreement and the service agreement,
- Ensuring a service agreement is signed and maintained on file for all reimbursements,
- Ensuring that the person(s) responsible for maintaining all data on student loan and tuition reimbursements is included as part of the Separation, Clearance, and Property Return Checklist (GPO Form 2938), and
- Contacting the GPO Office of Finance and Administration when an employee separates from GPO before fulfilling their student loan or tuition reimbursement service agreement period.

Monitoring the process to ensure Service Agreements are executed prior to reimbursement of tuition and student loan repayment is needed. Monitoring the process to ensure Separation Clearance and Property Return Checklists are properly completed at the time an employee separates from GPO is also needed.

OMB Circular A-123, *Management Accountability and Control*, June 21, 1995 states that managers "must take systematic and proactive measures to develop and implement appropriate, cost-effective management controls for results-oriented management." OMB Circular A-123 also states that Agency managers should continuously monitor and improve the effectiveness of management controls associated with their programs.

Without effective standard operating procedures and effective monitoring these two key controls—execution of a service agreement and completion of the Separation Clearance and Property Return Checklists—GPO cannot know if all aspects of the Student Tuition and Student Loan Reimbursement Programs are operating as intended.

## **Recommendations**

We recommend the Chief Human Capital Officer:

1. Review the records involving two former employees who received student loan reimbursements and the one former employee who received a tuition reimbursement without satisfying their work requirement before separating from GPO and collect \$20,779 from those former employees, where appropriate.

### **Management's Response.**

Management concurred with Recommendation 1 stating that it was working with the GPO Office of Finance and Administration to collect the money. GPO Office of Finance and Administration officials informed us that they had received the appropriate information from Human Capital but had not yet issued collection letters to the three individuals.

### **Evaluation of Management's Response.**

Management's action is responsive to the recommendation. The recommendation is resolved but open pending the actual collection action taken by the GPO Office of Finance and Administration.

When the Tuition Reimbursement and Student Loan Reimbursement Programs is reactivated:

2. Develop standard operating procedures and conduct periodic monitoring of both programs.
3. Contact all Business Unit Heads to reiterate eligible course reimbursement requirements as specified in Directive 625.6a, Chapter 11, "Nominations for Outside Training".
4. Ensure Service Agreements are executed prior to reimbursement of tuition and student loan repayment by effectively monitoring this process.
5. Ensure Separation Clearance and Property Return Checklists are properly completed at the time an employee separates from GPO by effectively monitoring this process.

### **Management's Response.**

Management concurred with Recommendations 2 through 5 stating that once the Tuition Reimbursement and Student Loan Reimbursement programs are reactivated it would develop Standard Operating Procedures, send a memorandum to all Business Unit Heads, ensure that service agreements are executed, and monitor the entire process. Management will also assure that Separation, Clearance, and Property Return checklists are completed by either the departing employee or a representative of his or her Business Unit.

### **Evaluation of Management's Response.**

Management's planned action is responsive to the recommendation. The recommendations are resolved. Since the student loan and tuition reimbursement programs are currently suspended by GPO with no estimation as to when each will resume, the recommendations are closed upon issuance of this final report.

### **Overall Management Comments.**

The Chief Human Capital Officer provided additional overall comments to the draft report. The Chief Human Capital Officer emphasized that it is the responsibility of the GPO Office of Finance and Administration to collect Agency debts, not the Office of Human Capital. The Chief Human Capital Officer stated that in 2009, the GPO started the Continuing Education Curriculum to address employee skill gaps in basic math, reading, and writing. As such, the reimbursement for the course in English Composition and Literature and the reimbursement for the course in Pre-algebra met the requirement of "Mission Related" as defined in GPO 625.6A, CH-18.

### **Evaluation of Overall Management Comments.**

We agree that it is the responsibility of the GPO Office of Finance and Administration to collect Agency debts. It is the responsibility of the Office of Human Capital to establish sufficient management controls to identify debts arising by employees who do not fulfill their service agreements related to student loan or tuition reimbursements and to then notify the Office of Finance and Administration of those debts so that collection action can start.

GPO did not have a Directive to support its Continuing Education Curriculum. In May 2009, GPO did enter into an inter-agency agreement with the U.S. Office of Personnel Management (OPM) to establish the Continuing Education Program. In that agreement, GPO stated that it had a substantial population of employees with basic workplace skill deficiencies. As part of the agreement, a contractor provided by the OPM would deliver training in the areas of basic math, reading, and writing. However, that agreement specifically stated that all training would be provided at GPO Headquarters and made no mention of reimbursement for college courses.

Subsequent to the issuance of the draft audit report on May 25, 2012, staff from the GPO Office of Human Capital were able to provide us copies of student loan service agreements that we had reported in the draft report as missing. In addition, staff from the GPO Office of Finance and Administration provided evidence of the collection of a student loan reimbursement from a former employee which we had reported in the draft report as being outstanding. We made adjustments to the final report based on that subsequent information.

## **Appendix A - Objectives, Scope, and Methodology**

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We performed the audit in December 2011 at the GPO Central Office in Washington, D.C. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that will provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **Objective**

To determine to what extent GPO safeguards its Tuition Reimbursement and Student Loan Reimbursement programs against employees not fulfilling their service agreements.

### **Scope and Methodology**

To meet our objectives we performed the following:

- Reviewed all applicable GPO policies and directives on employee separations, employee checkout procedures, student loan repayments, tuition reimbursements retention agreements, travel advances, salary advances and overpayments, and relocation payments.
- Interviewed management personnel from GPO's offices of Human Capital and Finance and Administration responsible for developing policy for and administering the above areas.
- Obtained, from the GPO Office of Human Capital, a report of all employee separations during FY 2011 and available GPO Forms 2398 - Separation, Clearance, and Property Return Checklist.
- Requested from both the Offices of Human Capital and Finance and Administration all data on tuition reimbursements for FY 2011 and all data on student loan repayments from FY 2009 through FY 2011 since student loan reimbursements require a 3 year service agreement.

## **Appendix A**

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### **Management Controls Reviewed**

According to GPO Instruction 825.18A, "Internal Control Program," May 28, 1997, paragraph 7(a), "The Public Printer has the overall responsibility to ensure that an effective internal control structure is established and maintained by GPO's managers for all programs, functions, and activities."

We determined that the following internal controls were relevant to our audit objective:

Program Operations – Policies and procedures the GPO management implemented to reasonably ensure that the employee separations, employee checkout, student loan repayment, tuition reimbursement, retention agreement, travel advance, salary advance and overpayment, and relocation payment processes met GPO's objectives.

Validity and Reliability of Data – Policies and procedures that management has implemented to reasonably ensure that valid and reliable data are obtained, maintained, and fairly disclosed in reports (See Computer-Generated Data below).

Compliance with Laws and Regulations – Policies and procedures that management has implemented to reasonably ensure that resource use is consistent with laws and regulations.

The details of our examination of management controls disclosed a significant weakness in GPO's employee checkout process which we plan to address in a subsequent audit. Other noted management control deficiencies are contained in the report narrative. Implementing the recommendations in this report should improve those other management control deficiencies.

### **Computer-generated data**

We did not rely on computer-processed data for our conclusion. Therefore, reliability was not assessed.

## **Appendix B - Acronyms Used in the Report**

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CHCO	Chief Human Capital Officer
FY	Fiscal Year
GPO	Government Printing Office
HC	GPO's Office of Human Capital
OIG	Office of Inspector General
OPM	Office of Personnel Management
SOP	Standard Operating Procedure

## Appendix C - Management's Response



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GINGER T. THOMAS  
Chief Human Capital Officer

DATE: June 22, 2012

REPLY TO

ATTN OF: Chief Human Capital Officer

SUBJECT: IG Report Number 12-15

TO: Inspector General

This is in response to your letter dated May 25, 2012, regarding the draft report - Opportunities Exist for Improved Safeguards over Tuition and Student Loan Reimbursements.

Human Capital's responses to your audit recommendations are attached. While I have concurred with all of your recommendations, I disagree on certain findings. My major concern is the finding that it is up to my office to collect the reimbursement monies, i.e., "Review the records involving three former employees... and collect \$20,384 from those former employees, where appropriate". It is my understanding that under the current GPO Instruction 445.19, it is Finance and Administration's responsibility to collect GPO debts. Nevertheless, my staff is already working with Finance and Administration to accomplish this task.

Next, I disagree on the two findings below on academic course tuition reimbursement regarding whether the courses are related to GPO's mission.

1. Ms. Sheila Rogers, the Chief of Financial and Administrative Operation, Office of Finance and Administration was approved September 23, 2010 to be reimbursed for a course in English Composition and Literature at Liberty University On-line. Rogers was reimbursed \$1,228.25 on November 30, 2010 for tuition, fee, and books for the online course. The justification for the course stated that "the increased knowledge from this course will prove invaluable to F&A's operations". We do not believe this course is related to the employee's position or organization.

***HC Response:***

***GPOU started Continuing Education Curriculum (CEC) in 2009 as a response to agency senior management to address skill gaps in math, reading and writing, computer skills and critical thinking. English Composition course meets directive requirement that the course is "mission related" under GPO 625.6A, CH18, 4(a).***

2. Ms. Myesha Dennis, Purchasing Agent for the Office of Acquisition Services was approved on January 5, 2011 to be reimbursed for a course on Pre-algebra at Montgomery College. GPO reimbursed Ms. Dennis \$902.17 on May 26, 2011. We do not believe this course is related to the employee's position or organization.

## Appendix C- Management's Response

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*HC Response:*

*GPOU started Continuing Education Curriculum (CEC) in 2009 as a response to agency senior management to address skill gaps in math, reading and writing, computer skills and critical thinking. Pre-algebra course meets directive requirement that the course is "mission related" under GPO 625.6A, CH18, 4(a).*

However, I do agree that standard operating procedures (SOP) and monitoring must be in place for the tuition reimbursement program. We will include in the SOP a provision that requests for courses, which refer to earning a degree, will be returned to the Business Unit since they do not meet the requirements of our current Directive.

Finally, I am unable to provide dates of disposition for the recommendations since the first recommendation must be accomplished by Finance and Administration and the remaining four will be accomplished when the Tuition Reimbursement and Student Loan Reimbursement programs is reactivated. That date is unknown at this time.

Please let me know if you have any questions.



GINGER T. THOMAS

Attachment

## Appendix C- Management's Response

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### Recommendation Responses

1. Review the records involving three former employees who received student loan reimbursements and the one former employee who received a tuition reimbursement without satisfying their work requirement before separating from GPO and collect \$20,384 from those former employees, where appropriate.

*Response: Since Ms. Kelly Quest repaid her reimbursement in 2009, the two employees who owe for their student loans are: Ms. Jana Sabol and Ms. Jacquelyn Ferry. My staff is currently working with Finance and Administration to collect the \$10,000 for which each former employee is responsible. In addition, we are working with Finance and Administration to collect the \$779 due from Ms. Kimberly Stribling.*

When the Tuition Reimbursement and Student Loan Reimbursement programs is reactivated:

2. Develop standard operating procedures and conduct periodic monitoring of both programs.

*Response: SOP's will be developed and implemented and appropriate monitoring will take place.*

3. Contact all Business Unit Heads to reiterate eligible course reimbursement requirements as specified in Directive 625.6a, Chapter 11, "Nominations for Outside Training".

*Response: A memorandum from the CHCO will be issued to the Business Unit Heads when the Tuition Reimbursement Program is reactivated.*

4. Ensure Service Agreements are executed prior to reimbursement of tuition and student loan repayment by effectively monitoring this process.

*Response: Agreements will be executed and appropriate monitoring will take place.*

5. Ensure Separation Clearance and Property Return Checklists are properly completed at the time an employee separates from GPO by effectively monitoring this process.

*Response: We will issue the appropriate checklist to separating employees and ensure completion by either the employee or a representative from his/her Business Unit. Appropriate monitoring will take place.*

# Appendix D - Separation Clearance and Property Return Checklist



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## SEPARATION CLEARANCE AND PROPERTY RETURN CHECKLIST

Employee Name (print) \_\_\_\_\_ Business Unit \_\_\_\_\_ Shift \_\_\_\_\_ Section \_\_\_\_\_  
 Effective Date of Separation \_\_\_\_\_ Payroll Number \_\_\_\_\_  Resignation  Retirement  Other \_\_\_\_\_

**Employee:** This form consists of two parts: Separation Clearance and Property Return. To complete the Separation Clearance section, you **must** go to each office listed. However, to complete the Property Return section, if you do not have items from a particular office (i.e. parking permit) then you do not have to go to that office. Please visit the offices listed between the hours of 7:30am and 4:00pm and plan to do so 2 days prior to your last day, if possible. Night employees may request 2 hours of Administrative Leave to complete this form. Return the completed form to Human Capital Shared Services in room A-731.

**Note:** Failure to obtain all clearances may cause delays in processing your separation pay.

### SEPARATION CLEARANCE

#### 1. EMPLOYEE RELATIONS (ROOM C-600)

Employee has no adverse action pending:  Yes  No

HC Specialist (print name) \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

#### 2. HUMAN CAPITAL CONSULTING (ROOM A-638) Employee has unfulfilled service agreement for:

Student Loan Repayment  Recruitment Bonus  Retention Bonus  Relocation Payment

HC Specialist (print name) \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

#### 3. PAYROLL SECTION (ROOM A-636) Does employee have any indebtedness for:

Annual Leave  Sick Leave Remarks: \_\_\_\_\_

Payroll Section Official (print name) \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

#### 4. SECURITY SERVICES (ROOM A-648)

Employee did not require a security debriefing  
 Employee was debriefed and completed GPO Form 1497 (Security Termination/Debriefing statement)

Personnel Security Specialist (print name) \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

#### KEYS

Employee had no door keys  
 Employee has returned all issued door keys  
 Employee cannot account for some/all door keys issued (Key # \_\_\_\_\_)

Key Control Officer (print name) \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

#### 5. GPO UNIVERSITY (ROOM C-565) Employee has unfulfilled service agreement for Tuition Reimbursement:

Yes  No

HC Specialist (print name) \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

GPO FORM 2983  
7/2011

## Appendix E – Review of Student Loan Reimbursement Data

Employee	2008 Amount	2009 Amount	2010 Amount	2011 Amount	Service Agreement/Date	Analysis
Employee 1	\$10,000	\$10,000	\$10,000	\$10,000	12/21/2010	No exceptions noted.
Employee 2		\$801			1/29/09	No exceptions noted.
Employee 3			\$10,000		no	Employee separated from GPO on September 10, 2011 (within 3 years) without repaying the student loan reimbursement. GPO could not produce a copy of the service agreement. Upon her separation from GPO, Employee 3 did submit a Separation Clearance and Property Return Checklist; however, the checkbox for student loan repayment was left blank.
Employee 4		\$10,000	\$10,000		4/24/2007	Employee left GPO in 2011— after the 3-year service agreement data. GPO could not produce a copy of the employee’s Separation, Clearance, and Property Return Checklist.
Employee 5	\$10,000				No service agreement available.	No exceptions noted. Although GPO could not produce a copy of the signed service agreement, it could provide evidence that it collected the loan reimbursement amount from the employee.
Employee 6			\$10,000		5/27/2010	Employee separated without repaying GPO.  Employee left GPO on August 27, 2011. The Separation clearance form did note the student loan but no record of her paying it back.
Employee 7		\$7,155	\$10,000		8/7/2007	No exceptions noted.
Employee 8		\$10,000			7/6/2007	No exceptions noted.

## Appendix F – Review of Tuition Reimbursement Data

<b>Employee</b>	<b>Amount</b>	<b>Date Paid</b>	<b>Description</b>	<b>Analysis</b>
Employee 9	\$1,228.25	11/30/2010	Tuition, fee, and books for an online course in English Composition and Literature at Liberty University	Courses unrelated to job duties.
Employee 10	\$1,568.25	11/16/2010	Tuition and books for a course, Introduction to Business at Trinity College.	Courses unrelated to job duties. Justification for training directly contradicts GPO Directive 625.6AGPO Directive 625.6a Training and Career Development, Chapter 11 Nominations for Outside Training, paragraph 2 states that employees may not receive training solely for the purpose of earning a degree. Ms. Marshall's justification states, "pursuing a degree at Trinity Washington university and minoring in Human Resources will allow me to develop here at GPO.
Employee 11	\$368.64	3/4/2011	Tuition and text book for a course in personal and Community Health and a textbook, "Intro to Fiction, at Anne Arrundel Community College.	Courses unrelated to job duties. Course was taken to (1) obtain a degree, and to (2) help him get a promotion - both of which are specifically disallowed.
Employee 12	\$1,654.50	8/19/2011	Tuition and resource fee for "Intro to Biochemical Forensics" at George Mason University.	Courses unrelated to job duties. Justification states only "the course is related to his degree in criminal justice". It would probably be reasonable to believe that the officer's knowledge of biochemical forensics could possibly aid GPO in the case of some type of terrorist attached but all investigations are performed by the OIG.
Employee 13	\$251.36	1/5/2011	Tuition for a photography course at University of District of Columbia.	Separated without repaying a tuition reimbursement.  Employee signed 6-month service agreement dated 1/5/11 and left the Agency on 6/18/11 (less than 6 months).

## Appendix F – Review of Tuition Reimbursement Data

Employee	Amount	Date Paid	Description	Analysis
Employee 13	\$527.76	5/3/2011	Tuition and textbooks for a biology course at the University of the District of Columbia.	Separated without repaying a tuition reimbursement and courses unrelated to job duties.  Course was not related to the employee's or the organization's function. Employee signed 6-month service agreement on 2/8/11 and left GPO on 6/18/11. No evidence that GPO collected the money back.
Employee 14	\$3,042.72	3/22/2011	Tuition and books for a course on Project Management at Johns Hopkins.	No exception noted.
Employee 14	\$3,070.98	12/20/2010	Tuition and books for a course on Systems Development at Johns Hopkins.	No exception noted.
Employee 15	\$2,226.34	1/5/2011	Tuition and books for a course on Leadership and Conflict Resolution at Strayer College	No exception noted.
Employee 16	\$1,577.65	12/22/2010	Tuition and books for a course on Managing People in Technical Organizations from University of Maryland University College.	No exception noted.
Employee 16	\$1,449.48	5/3/2011	Tuition and books for a course on Economics and Financial Analysis from University of Maryland University College	No exception noted.
Employee 17	\$3,079.64	12/20/2010	Courses on Information Literacy and Quantitative Methods at Trinity College	No exception noted.
Employee 18	\$902.17	5/26/2011	Course on Pre-algebra at Montgomery College	Courses unrelated to job duties. Course description is that is a review of the fundamentals of arithmetic. Course was not related to the employee's or the organization's function.

## **Appendix G - Status of Recommendations**

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<b>Recommendation</b>	<b>Resolved</b>	<b>Unresolved</b>	<b>Open/ECD*</b>	<b>Closed</b>
1	X		October 31, 2012	
2	X			X
3	X			X
4	X			X
5	X			X

\*Estimated Completion Date.

## **Appendix H - Report Distribution**

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Acting Public Printer  
Assistant Public Printer, Operations  
General Counsel  
Chief Financial Officer

## **Major Contributors to the Report**

Karl Allen, Lead Auditor

Patricia Mitchell, Senior Auditor