U.S. GOVERNMENT PUBLISHING OFFICE

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# Fiscal Year 2025 Top Management Challenges for the U.S. Government Publishing Office

**OIG Report Number 25-02**

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## RESULTS IN BRIEF

### The Purpose of This Report

The Reports Consolidation Act of 2000 requires the Executive Branch Inspectors General to identify and report annually on the top management challenges facing their agencies. The U.S. Government Publishing Office (GPO), Office of the Inspector General (OIG), also adopted this requirement as a best practice. Top management challenges provide a forward-looking assessment for the coming fiscal year (FY) to aid GPO in focusing attention on the most serious management issues.

### What We Considered

We examined ongoing and past audits, inspections, and investigative work to identify top management challenges. We analyzed new programs and activities that could pose significant challenges. We also examined GPO's Annual Reports, Budget Justification Reports, and Strategic Plans for issues facing the agency. Finally, we assessed and acknowledged GPO's progress in addressing challenges identified in the previous year. For FY 2024, we identified four top management challenges.

### FY 2025 Top Management Challenges:

**Challenge 1: Human Capital.** Challenges in recruitment and retention, time-to-hire efficiencies, and succession planning were first identified as management challenges in 2019. Since then, GPO has developed the *FY 2023-2027 Human Capital Strategic Plan*, the *Strategic Recruitment Plan, 2023-2029*, and leveraged innovative recruitment strategies to propel the GPO workforce forward. GPO must continue to improve and refine these initiatives, aligning Human Capital efforts with current and future GPO workforce needs.

**Challenge 2: Acquisition Fraud.** GPO needs a strategic approach to managing fraud risks and developing effective antifraud controls. Consistent with the Government Accountability Office's (GAO) April 2023 recommendations for federal agencies, GPO should take proactive steps to mitigate fraud risk, including designating an entity to lead overall organizational fraud risk management that incorporates all aspects of fraud risk to include supply chain risk management (SCRM). As no such entity currently exists in the agency, GPO should work to develop a Fraud Risk Management Program to demonstrate the expectations of senior management regarding the integrity of GPO and its employees. While GPO has taken steps to help minimize fraud risk, such as the planned updated supplement to the Materials Management Acquisition Regulation and creating a Supply Chain Risk Management and Intelligence Branch, additional proactive measures should be taken to further reduce the risk of fraud to GPO.

**Challenge 3: Aging Physical Plant.** This management challenge originated in FY 2023. The GPO Washington D.C. complex consists of four buildings that house various printing presses, passport production lines, administrative office space, and tenant agencies. These buildings show that time, usage, weather, and multiple short-range adjustments have taken their toll on the physical plant. This raises productivity and safety concerns.

**Challenge 4: Artificial Intelligence (AI) Technologies.** AI technologies have the potential to revolutionize how GPO collects, uses, and analyzes information. These technologies could also expose the same information to manipulation or exploitation. Through its newly established AI Governance Committee, GPO could build a robust AI governance framework to ensure transparency, accountability, and responsible development and deployment of AI technologies.

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## Changes from the Previous Report

We considered the following to update this report: (1) demonstrated leadership commitment in addressing the issue; (2) ability to address the problem; (3) plans for how corrective measures will be implemented; (4) programs for monitoring the corrective action; and (5) demonstrated progress in the implementation of the corrective measures.

For FY 2025, we broadened a previously identified challenge from Contract Fraud to Acquisition Fraud. By changing this to an acquisition focus, it addresses Supply Chain Risk Management (SCRM), a vital area for GPO production. Additionally, with the rise of and focus on artificial intelligence (AI), we introduced a new challenge that addresses GPO's current efforts and potential progress in the AI field.

We commend GPO for addressing these challenges and for the progress made on the remaining challenges.
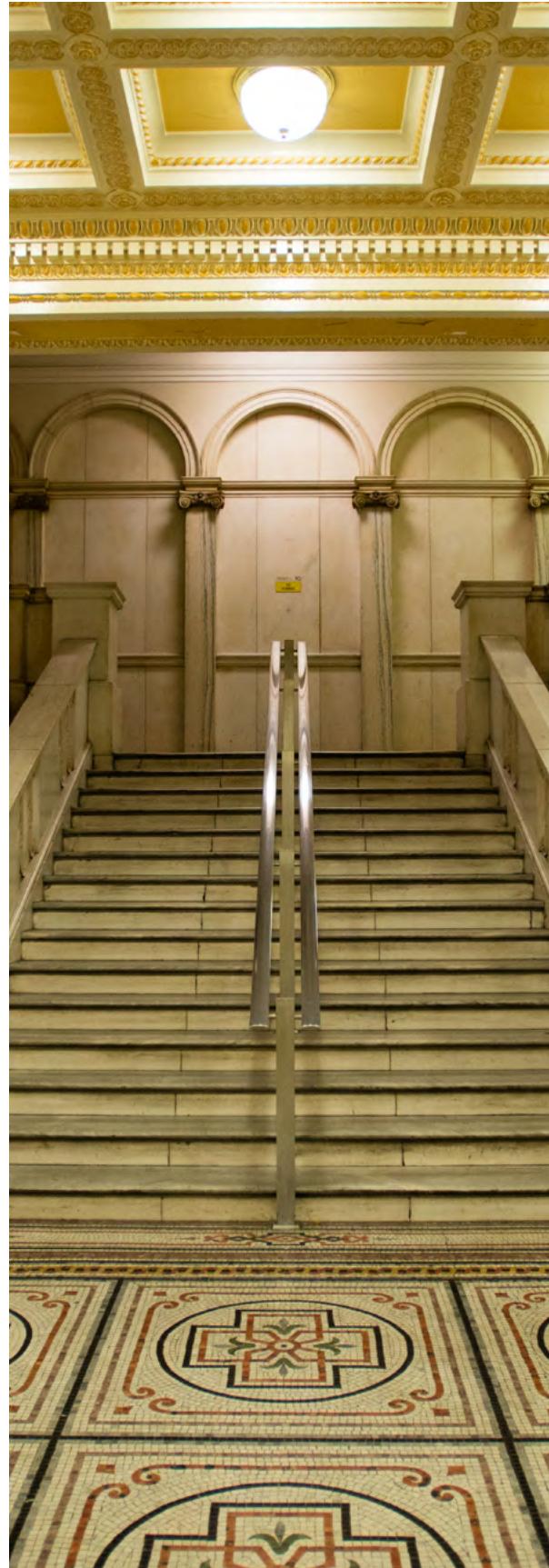
## Challenge 1: Human Capital.

**Overview:** GPO continues to face complex challenges in the areas of recruitment and retention, hiring efficiencies, and succession planning. GPO's focus on these challenges has improved many human capital (HC) processes and outcomes, but the need for continued improvement remains critical to GPO's short- and long-range mission accomplishment.

**Why this is a Challenge:** During testimony before Congress in 2024, Director Hugh Halpern identified attracting and maintaining a qualified workforce as GPO's single biggest challenge.[1] Fifty percent of the GPO workforce is eligible to retire in the next four years. At the same time, changes to the printing industry have dwindled the pool of potential recruits qualified for many mission-critical occupations. GPO has responded by tapping into innovative recruitment pipelines, such as the Recent Graduate and Apprenticeship Programs, through partnerships with trade organizations and recruitment incentives.

The Human Capital office needs to ensure its policies and procedures keep pace. Outdated policies and a lack of standard operating procedures impede GPO's ability to maximize its recruitment efforts, efficiently hire and onboard new personnel, and retain existing staff. GPO averages 111 days from validation of a hiring need to the tentative offer. For mission-critical occupations, the average time-to-hire increases to 129 days. These delays also affect employee confidence in HC processes. A recent survey and interviews of managers, supervisors, and employees conducted by the Office of Personnel Management demonstrated concerns with Human Capital expertise and processes, particularly timeliness and responsiveness. Similar concerns were raised during GPO Townhalls during FY 2024.[2]

GPO also faces significant challenges in the areas of workforce and succession planning. As a small agency, changes in the workforce—such as the retirement of key personnel—can significantly impact GPO operations. With a large volume of the workforce eligible to retire in the next four years, the completion of GPO's Strategic Workforce Plan should play a critical role in meeting workforce needs for the future.

**GPO progress:** Prior to FY 2024, GPO issued the *FY 2023-2027 Human Capital Strategic Plan* and the *Strategic Recruitment Plan, 2023-2029*, setting Human Capital goals aligned to GPO's workforce needs and providing a roadmap to attract a new generation of employees. GPO also continued to build its workforce by implementing the Recent Graduate Program, restarting the Apprenticeship Program, and updating recruitment efforts by partnering with schools and trade organizations. GPO built on these developments in FY 2024, continuing to leverage the Recent Graduate and Apprenticeship Programs. GPO also filled key leadership positions in FY 2024, appointing a Chief Human Capital Officer and Deputy Director.

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[1] Statement of The Honorable Hugh Nathanial Halpern Before the Subcommittee on Legislative Branch FY 2025 Appropriations Request of the Government Publishing Office (May 08, 2024).

[2] https://gpointranet.gpo.gov/offices-and-business-units/executive-offices/director/town-halls

## Challenge 2:
## Acquisition Fraud. GPO needs a strategic approach to managing fraud risks and developing effective antifraud controls.

**Overview:** GPO has two Business Units (BU) that are actively involved in procurement. The Customer Services BU contracts vendors to produce and distribute information, products, and services for all three branches of the Federal Government. The Acquisition Services BU provides GPO with internal acquisitions and contracting support.

In 2015, the GAO issued a report entitled "A Framework for Managing Fraud Risks in Federal Programs" to serve as a guide for agency managers. The report outlines four components for managing fraud risks:

1. creating an organizational culture to combat fraud at all levels of the agency;

2. conducting regular fraud risk assessments tailored to particular programs to identify and assess associated risks;

3. designing and implementing a strategy with specific controls to mitigate assessed fraud risks and collaborating to help ensure effective implementation and

4. evaluating outcomes using a risk-based approach to adapt controls to improve fraud risk management.

The GAO has issued numerous recommendations since 2015 to help federal agencies manage their fraud risks, many of which have not been fully implemented. In April 2023, GAO issued a follow-up report entitled "Fraud Risk Management." The report identifies five areas in which federal agencies need to take additional actions to help ensure they are effectively managing fraud risks. Specifically, agencies need to take additional actions related to:

1. designating an entity to lead fraud risk management,

2. assessing fraud risks,

3. designing and implementing an antifraud strategy,

4. using data analytics to manage fraud risks and

5. managing fraud risks in emergencies.

A main component of the GPO antifraud program relies on the Office of the Inspector General (OIG) as outlined in GPO Directive 1215.1B *Program to Eliminate Fraud, Waste, and Abuse in GPO Programs and Operations*. This is contrary to GAO's best practice guidance. GAO emphasized that "it is critical that the antifraud entity be located within the agency and not the OIG, so the OIG can retain independence to serve its oversight role." Managers of GPO programs maintain the primary responsibility for enhancing program integrity and administering their programs to prevent fraud, waste, and abuse.

**Why this is a Challenge:** Supply chain risk management (SCRM) is particularly challenging for an organization like the GPO due to a variety of key factors. For example, the complexity of supply chains the GPO is required to manage includes a wide array of products, from printing supplies to IT equipment. Each of these items may have its own unique suppliers, with some sourcing from international locations. Managing the vast network of suppliers and understanding the tiered nature of their own supply chains adds layers of complexity and potential risk. The GPO also relies on specific types of vendors, especially those that meet federal regulations or are specialized to GPO's needs. This limits the pool of potential suppliers and can lead to an increase in vulnerability to disruptions if any critical supplier faces challenges.

GPO must comply with strict regulations on cybersecurity, data protection, and authenticity, extending to suppliers and straining resources. International sourcing adds risks like geopolitical issues, natural disasters, and foreign regulations. Legacy systems and cybersecurity concerns hinder real-time supply chain visibility, increasing disruption risks. Monitoring suppliers for compliance, stability, and quality is challenging, and failures can cause costly delays for time-sensitive products.

**GPO progress:** GPO's efforts to address inherent risks in supply chains continue to evolve. In September of 2024, GPO updated its Supply Chain Risk Management (SCRM) program including identification, mitigation planning, and documentation of risk, and identification of specific departmental roles and responsibilities as they relate to their program. These changes better align with efforts to address the full spectrum of activities associated with the specification, procurement, production, storage, transportation, accountability, continuity of operations, and conduct of security assessments for all GPO Security Products and services. The changes to GPO's program are detailed in GPO Directive 825.42D, September 24, 2024, and include the reclassification of GPO's program to address supply chain risk management under the authority of the Supply Chain Risk Management & Intelligence (SCRM&I) program under the operational oversight of the GPO Chief Security Officer.
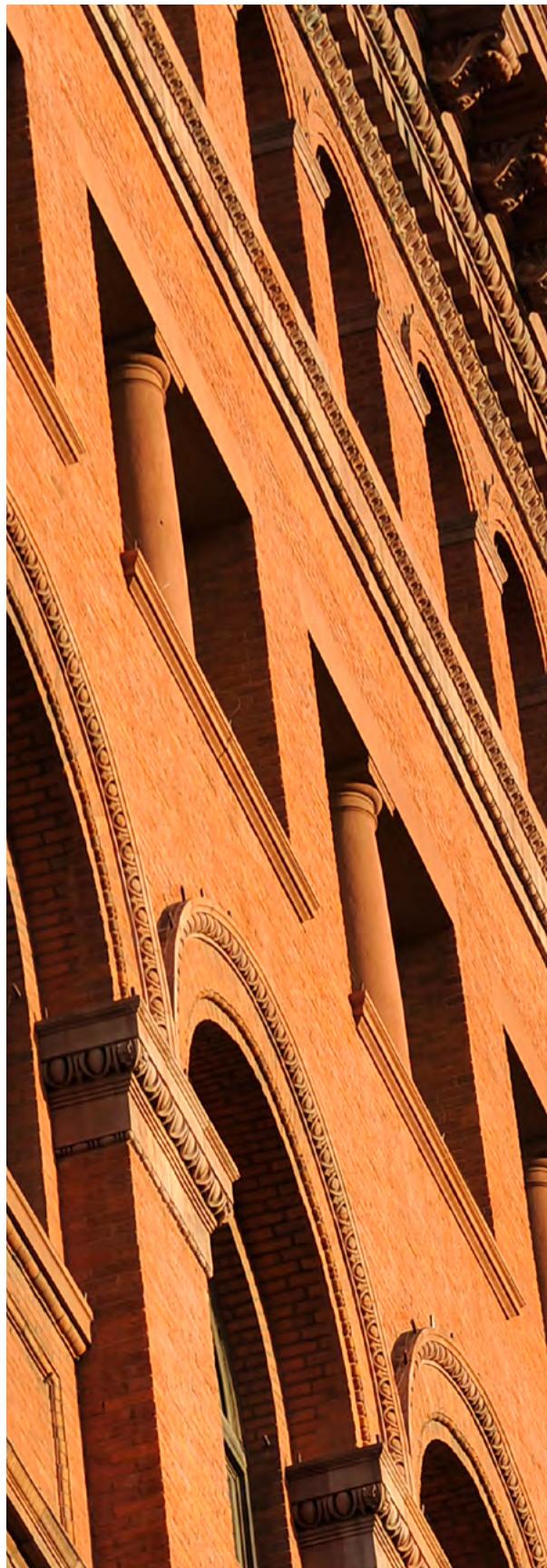
## Challenge 3:
## GPO must contend with an aging physical plant.

**Overview:** The GPO Washington, D.C. complex consists of four buildings that house various printing presses, passport production lines, administrative office space, and tenant agencies such as the U.S. Capitol Police and the U.S. National Archives and Records Administration. Building completion dates range from 1903 to 1938, and GPO's total working floor space in the central facility is 33 acres. As stated in a 2017 historical picture-archive publication about GPO's buildings, "Although they were planned as industrial buildings, their appearance in the context of neighboring houses, commercial structures, and Government buildings is on the one hand commanding (due to their size) and at the same time not overwhelming. Visitors over many decades reported surprise that "those big red buildings" were, in fact, a large working factory inside."[3] Today, the buildings house close to 1,000 employees, and the various production equipment necessary for full printing plant operations.

**Why this is a Challenge:** We stated in our FY 2023 management challenges that GPO's Washington, D.C. buildings show that time, usage, weather, and multiple short-range adjustments have taken their toll. This raises concerns for GPO's ability to sustain productivity levels and remain competitive, as well as concerns about the well-being and safety of the workforce.

In FY 2023, we identified four of GPO's major facilities projects ($6.7M) that were considered priority projects and were estimated to be completed by May 2023. Those projects and their status from FY 2024 are:

1. Garage and Basement Concrete Repair:

    a. The Garage repair is 100% complete. However, the G Street sidewalk and Basement repair work is still in progress. The Agency secured an Architecture and Engineering (A&E) firm. The A&E design is 100% complete. However, the agency is still awaiting formal certification from the D.C. government. Facilities Management will submit an additional supplemental request of $1.5M during the FY2025 Strategic Investment Committee (SIC) to complement the $5.2M already approved for the construction project.

2. Security and Intelligent Documents (SID) Loading Dock Located at Building 4:

    a. The first phase of the SID loading dock project is complete.

    b. The second phase is currently delayed while the Agency focuses its efforts on the Building 4 Smart Manufacturing Facility project. The Building 4 Smart Manufacturing project is a major construction effort and a new addition to the agency's priority projects list. Consequently, upon completion of this project, the Agency will concentrate its efforts on A&E design and construction of the SID Loading Dock.

    **Note:** The Building 4 Smart Manufacturing project is approximately 30% complete. Substantial completion is projected to be January 2026.

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[3] https://www.govinfo.gov/content/pkg/GPO-PICTURINGBIGSHOP-2017/pdf/GPO-PICTURINGBIGSHOP-2017-2.pdf

3. IT Data Center:

   a. The initial design has been completed; however, a contract modification for a design change is required. The change was necessitated because of structural steel concerns. The design contractor expressed concerns about the weight of the chillers and required additional funding to complete a design modification. The purchase request for the design change has been submitted to Acquisitions. The Agency is awaiting a contract modification to complete the design work.

In FY 2024, our office completed its inspection of GPO's Indoor Air Quality (IAQ). We reported two findings and one observation. We made six recommendations and two considerations intended to improve the indoor air quality at GPO. Based on these recommendations, four projects were identified for action. Those projects and their status are:

1. Facilities Condition Assessment (FCA):

   a. During the reporting phase of the IAQ inspection, funding for a FCA was requested through the FY 2024 Strategic Investment Planning Committee.

   b. A contract has been awarded, and FCA onsite assessments are complete. The draft reports are under review, and a summary of the findings will be provided once the review is complete.

2. Building Utilization Plan:

   a. The building utilization plan is still being developed and is expected to be finalized in December 2024.

   b. Work is ongoing, but the task has become increasingly complex, thereby impacting the initial projected completion date of December 2024.

3. Chiller Plant:

   a. Repair Chiller #1

      i. The Agency expects to meet the following milestones to complete repairs:

| Milestones | Target Date |
|---|---|
| JCP approves funding request | December 2024 |
| Award contract for repairs | February 2025 |
| Repair of chiller #1 complete | February 2025 – March 2025 |

      ii. Chiller #1 was repaired ahead of the milestones target dates.

   b. Replace Chiller Plant

      i. The agency expects to meet the following milestones to complete repairs:

| Milestones | Target Date |
|---|---|
| A&E design complete | December 2024 |
| Construction contract awarded | August 2025 |
| Constructor mobilization | November 2025 |
| Chiller plant replacement work | November 2025 – March 2026 |

      ii. The A&E design for the chiller plant replacement is 30% complete. The latest milestones are:

| Milestones | Target Date |
|---|---|
| A&E design complete | December 2025 |
| Construction contract awarded | August 2026 |
| Constructor mobilization | November 2026 |
| Chiller plant replacement work | November 2026 – March 2027 |

4. Duct work cleaning:

   a. The Agency expects to complete the initial review of the test case by the end of CY 2024. At that time, the duct cleaning/duct replacement plan must be synchronized with the building utilization plan. The Agency anticipates a final cleaning schedule by the end of FY 2025.

   b. Facilities Management submitted a Purchase Request for a duct cleaning/duct replacement proof of principle. The plan is to have the contractor perform duct cleaning on 2 floors in Building C and then use the results of that test to inform the development of a broader cleaning schedule. Acquisitions has been working on this project but has not yet finalized a contract award. Once an award is made, Facilities will continue with the project.

In addition to the above improvement and renovation projects, the agency manages other facility-related repair projects prioritized by their effect on safety and production. The most notable management mechanism is the annual Top 10 Safety Hazards list.

**GPO progress:** GPO has made progress towards the completion of the three remaining major facilities projects identified in 2023. The garage portion of the Garage and Basement Concrete Repair effort is 100% complete. Work continues on the G Street sidewalk and basement. The A&E design is 100% complete. However, the agency is still awaiting formal certification from the D.C. government.

The first phase of the SID loading dock is complete. The second phase (A&E design) and construction of the loading dock will be delayed due to the pending contract award and completion of the Building 4 Smart Manufacturing Facility project. The Building 4 Smart Manufacturing project is approximately 30% complete. Substantial completion is projected for January 2026.

The IT Data Center A&E initial design is complete. The Agency has submitted a SIC request for funding the construction of the Data Center. However, the design contractor expressed concerns about the weight of the chillers and required additional funding to complete a design modification. The Agency is awaiting a contract modification to complete the design work.

The GPO has also made progress toward the completion of the four major projects identified in 2024. A FCA contract has been awarded, and the contractor has been mobilized. The assessment is ongoing, and a report is expected in November of 2024.

The building utilization plan is ongoing, but the task has become increasingly complex, thereby impacting the initial projected completion date of December 2024.

Chiller #1 has been repaired. The A&E design for the chiller plant replacement is 30% complete. The replacement is expected to be completed between November 2026 and March 2027.

The Agency anticipates a final duct work cleaning schedule by the end of FY 2025.

## Challenge 4:
## Planning for and assessing the impact of artificial intelligence technologies.

**Overview:** Recent years have witnessed an explosion of interest regarding artificial intelligence (AI) technologies. In January 2024, Director Hugh Halpern testified before the United States Senate Committee on Rules and Administration about the use and his vision for the role of AI technologies at the Agency.[4] The Director described several ways the Agency already uses AI to improve productivity. Also, GPO has formed an AI Governance Committee, finalized the Committee's charter document, and implemented its *Artificial Intelligence* policy. In addition, GPO has created an initial list of over 30 AI use cases for exploration.

**Why this is a Challenge:** While AI technologies have the potential to revolutionize how GPO collects, uses, and analyzes information, these technologies could also expose the same information to manipulation or exploitation. GPO could build an AI-skilled workforce and adopt a robust and continuous evaluation process on how AI technologies can benefit the Agency, ensure product security, enhance productivity, and increase efficiency. In addition, GPO could also ensure that it is balancing the need to leverage new technologies with identifying and evaluating any ethical risks or unintended consequences resulting from its use.

GPO recognized that to build an AI-skilled workforce, they should develop qualifications and specific training in areas such as data analysis and visualization, and machine learning and natural language processing. Also, GPO must develop evaluation methodologies to review existing technologies that have AI plug-ins or embedded technologies. Lastly, GPO must continue to collaborate with other federal partners on AI applications.

**GPO progress:** GPO selected three small pilot projects as proof-of-concept and use cases where AI might be applicable to enhance GPO products and operations.

■ First pilot focuses on developing an internal chatbot service that can help GPO employees quickly find relevant documents for members of the public.

■ Second pilot explores the use of AI in acquisitions support to streamline the way that GPO buys goods and services.

■ Third pilot looks for AI solutions that can store and index large volumes of government publications efficiently.

GPO also developed an action plan and milestones to help guide their evaluation of the three pilot projects. In addition, GPO identified performance metrics and four potential risks for the three pilot projects.

**POTENTIAL RISKS**

1. Resource Risk
   ▪ Staff and contractor training needs
   ▪ Retention of trained staff
2. Technical Risk
   ▪ Proper behavior of AI technology
   ▪ Complexity of implementation and support
3. Operational Risk
   ▪ AI behavior impacting operations
4. Security Risk
   ▪ Access controls
   ▪ Data control
   ▪ AI platform trust

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[4] https://www.rules.senate.gov/hearings/the-use-of-artificial-intelligence-at-the-library-of-congress-govern-ment-publishing-office-and-smithsonian-institution

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