

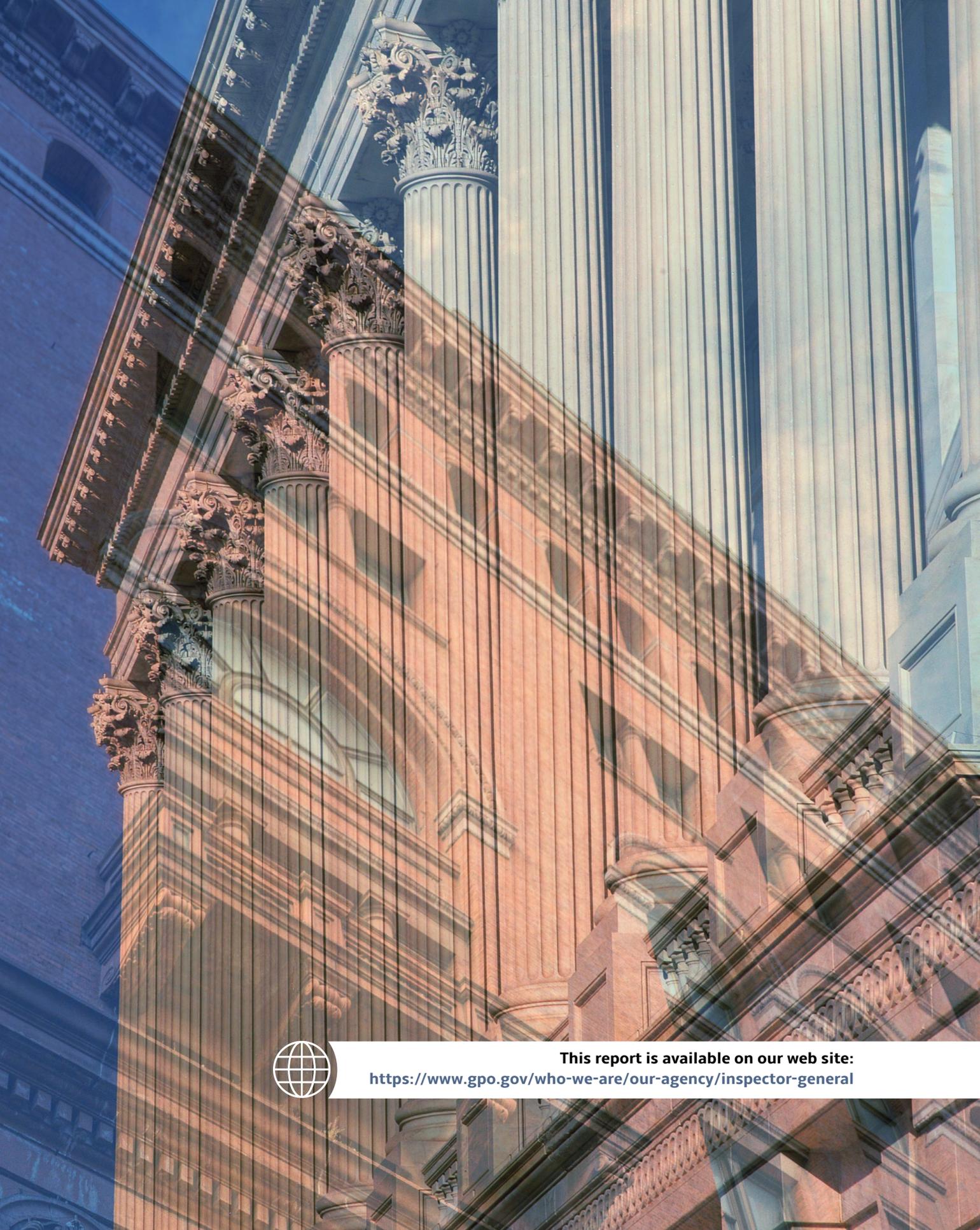


OFFICE *of the*
INSPECTOR GENERAL
U.S. GOVERNMENT PUBLISHING OFFICE



SEMIANNUAL REPORT TO CONGRESS

October 1, 2020-March 31, 2021



This report is available on our web site:
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ABOUT THE GOVERNMENT PUBLISHING OFFICE

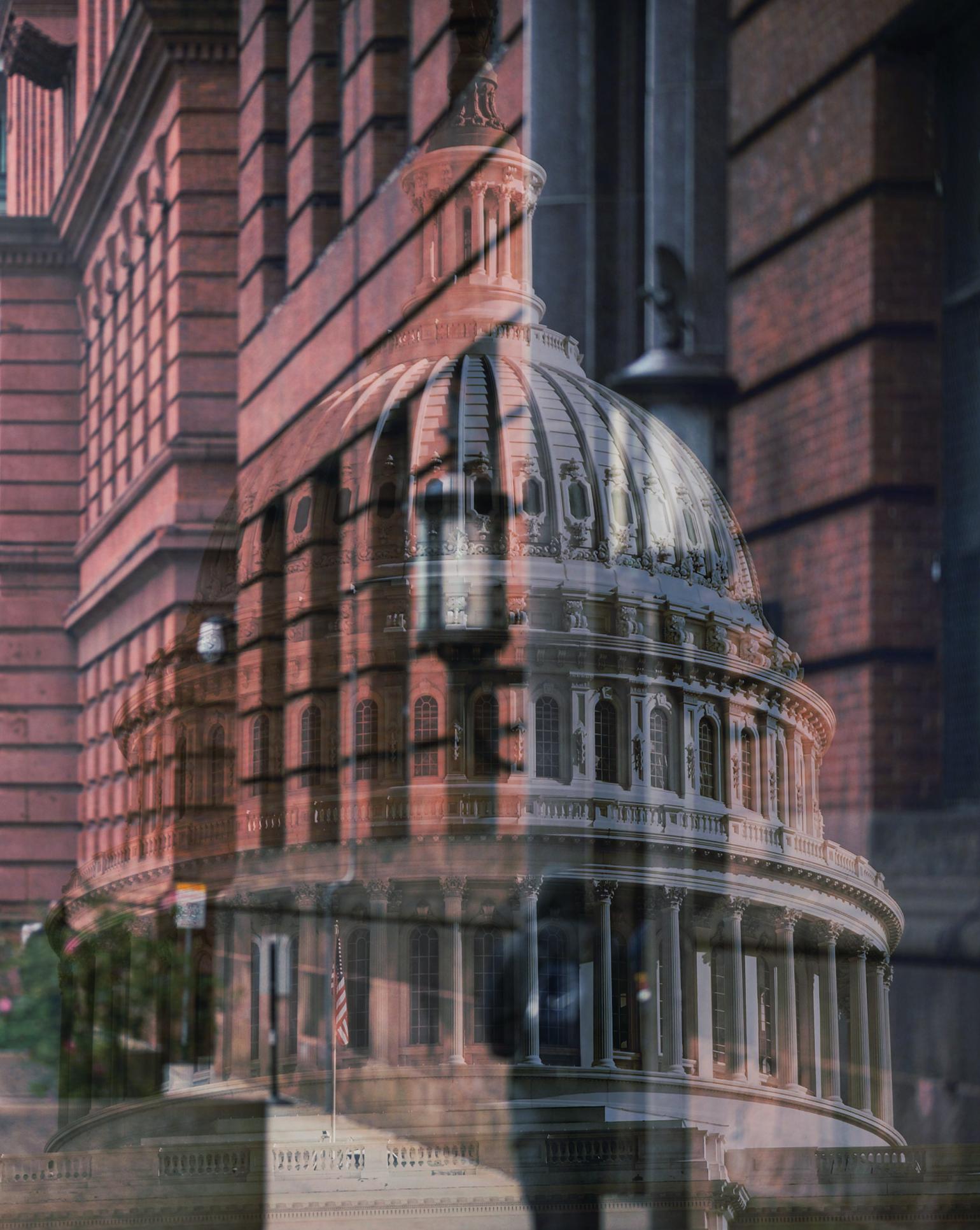
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ABOUT THE OFFICE OF THE INSPECTOR GENERAL

The GPO Office of the Inspector General (OIG) helps GPO carry out its responsibilities by promoting economy, efficiency, and effectiveness in the administration of GPO programs and operations. Our efforts are designed to prevent and detect fraud, waste, and abuse in those programs and operations.

The GPO Inspector General Act of 1988, 44 U.S.C. §§ 3901-3903, along with the Inspector General Act of 1978, as amended (IG Act), 5 U.S.C. App., establishes the responsibilities and duties of the OIG. The Legislative Branch Inspectors General Independence Act of 2019 enhanced the OIG's independence and expanded our office's duties by, among other things, granting us independent law enforcement authority.

The OIG, located in Washington, D.C., is allocated 24 employees (currently staffed at 20) and is organized in three main divisions: Audits, Inspections, and Investigations. Through audits, inspections, investigations, and other activities, the OIG conducts independent and objective reviews of GPO programs and operations in order to help keep the Director, Congress, and the public informed of problems or deficiencies relating to administering and operating GPO.





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INSPECTOR GENERAL MESSAGE

In this, my fourth report to Congress, my office continues to successfully navigate the obstacles of the pandemic to conduct oversight activities for our stakeholders that are both productive and useful. With the vaccine becoming more available, I anticipate that during the next reporting period we will begin to operate without the constraints of the past year. I am also pleased to report that despite those constraints, over the past six months and indeed the past year, my office has successfully kept its commitment to focus on production across all lines of effort. We published additional audit, inspection, and investigation reports, and initiated new oversight activities; including projects that addressed the COVID-19 pandemic, Congressional billing rates, cybersecurity, and GPO's financial statements.

Of note, I have directed my staff to begin a comprehensive focus on articulating the return on investment (ROI) for all of our work. Beginning with this Semiannual Report to Congress (SARC) and as part of all of our future work – whether SARCs or individual reports – we will communicate a standard, relatable self-assessment of the specific value of each effort undertaken by our office. I treat these efforts as an integral part of my responsibility to the Agency, Congress, and the public. This effort will continue to evolve as we seek the most effective way to communicate value and as such I look forward to Congressional feedback.

We also continued to implement the mandate of the Legislative Branch Inspectors General Independence Act of 2019 to strengthen our independence by, among other things, seeking a separate budget appropriation through correspondence with congressional staff, a copy of which was included in GPO's Fiscal Year (FY) 2022 budget justification. I will continue to explore the efficacy of this with both the Agency and Congress.

I also continue to deepen and evolve my partnership with the rest of the Inspector General Community and the Council of the Inspectors General on Integrity and Efficiency (CIGIE). During this reporting period I was appointed as the Vice Chair of CIGIE's Inspections and Evaluation Committee and will seek to further its leadership of the community in that area.

As has been my practice since I took office, I continue to have regular interactions with our Congressional oversight and appropriations committees. Keeping Congress fully and appropriately informed while maintaining a necessary independence is an enduring focus. To that effect, I have spoken with Congressional staff of my continued availability and willingness to participate in any hearings on the specific work of my office.

Michael P. Leary
Inspector General



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SELECTED STATISTICS

Audits

Audits Reports Issued 3

Inspections

Inspections Reports Issued 3

Investigations

Complaints Opened 1

Complaints Closed 2

Investigative Cases Opened 0

Investigative Cases Closed 3

Subpoenas Issued 1

Referrals to GPO Management 2

Recommendations

Recommendations Opened 12

Recommendations Closed 5

Financial Statement Audit Recommendations Opened 5

Financial Statement Audit Recommendations Closed 1

RETURN ON INVESTMENT

Return on Investment (ROI) is a commonly used profitability ratio that measures the amount of return, or profit, an investment generates relative to cost.¹ The ROI for an OIG is the most quantifiable metric of performance and considers the cost of doing business and the revenues it collects.² The reporting requirements of the Inspector General Act of 1978, as amended, prioritize quantitative results rather than qualitative work. Therefore, Inspectors General may be inclined to focus on metrics that may not accurately reflect the most pressing matters at the agency they oversee.³ This can lead to a misplaced emphasis in the work of an OIG, because it focuses on money lost, whereas much of the value of an OIG comes from money saved, or better yet, value gained, *i.e.*, proactive savings versus reactive losses.

For OIG work, ROI is usually defined in terms of monetary impact and savings associated with audits, investigations, and other actions that allow the Government to recoup funds owed, correct practices to ensure more efficient spending, and prevent misappropriation of funds.⁴ Examples of these type of monetary benefits are included in the appendices to this report and in some cases are required by law to be reported.

While dollar value is the traditional baseline for ROI, there are other quantitative and qualitative ways to show positive impact on an agency – that is, to expand the definition of “value.” Examples of ways to measure value can be in savings over time, better decision making and reporting, increased level of service, and timely regulatory compliance.⁵

Inclusion of this expanded concept of ROI in reporting to GPO, Congress, and the public is important to OIG operations because although difficult to measure, determining non-monetary ROI impacts and benefits allow the OIG to show value to the agency and identify areas where dollar savings potential is possible. The results and impact of OIG work can oftentimes provide an alternative to the traditional monetary ROI and give flexibility to develop tailored approaches for determining efficiency, effectiveness, or sustainability of agency operations, or improving programs or policies. Examples of non-monetary or non-traditional benefits are listed on the next page.

¹ Speights, “Return on Investment: What to Expect”, *The Motley Fool* (Mar. 17, 2021), available at: <https://www.fool.com/investing/how-to-invest/stocks/good-return-on-investment/>

² Hudak and Wallack, “Sometimes cutting budgets raises deficits: The curious case of inspectors general return on investment”, *Center for Effective Public Management at Brookings* (April 2015), available at: <https://www.brookings.edu/wp-content/uploads/2016/06/CEPMHudakWallackOIG.pdf>

³ Letter to Senator Johnson, Senator Peters, Representative Cummings, and Representative Jordan, from ACORN8, Government Accountability Project, National Taxpayers Union, Project on Government Oversight, Public Citizen, R Street Institute, and Taxpayers Protection Alliance (May 16, 2019), available at: <https://www.rstreet.org/wp-content/uploads/2019/05/Bipartisan-Coalition-Support-Letter-for-IG-reform.pdf>

⁴ *IBID.*

⁵ “Calculating Non-Traditional Return on Investments”, *VUEWorks* (Feb. 26, 2018), available at: <https://www.vueworks.com/calculating-non-traditional-return-on-investments/>

List of Non-Monetary Benefits:

- 01)** Improve management controls
- 02)** Improve systems and processes
- 03)** Avoid violations of law or regulation
- 04)** Avoid adverse publicity
- 05)** Validate existing processes
- 06)** Initiate best business practices
- 07)** Provide analysis and data to decision makers
- 08)** Improve safety, morale, health, and security
- 09)** Ensure compliance with a prescribed standard
- 10)** Other

Reporting non-monetary/non-traditional ROI is an iterative process and will continue to evolve in future Semiannual Reports to Congress. For this report, in the OIG division specific sections, we provide a narrative of each project's ROI with a summary of the OIG's ROI provided in appendix A.



AUDITS

The Audits Division helps improve the management of GPO programs and activities by providing timely, balanced, credible, and independent financial and financially-related audits that address the economy, efficiency, and effectiveness of GPO operations. Audit reports identify opportunities for enhancing management of program operations and provides GPO with constructive recommendations to improve its services. OIG audits are performed in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States.

Independent Auditor's Report on the GPO's FY 2020 Financial Statements, Report Number 21-05, December 15, 2020

The OIG contracted with an Independent Public Accounting (IPA) firm, KPMG LLP (KPMG) to audit the GPO's consolidated financial statements, which are comprised of the consolidated balance sheets as of September 30, 2020, and 2019, and the related consolidated statements of revenues, expenses, and changes in retained earnings, and cash flows for the years ended, and the related notes to the consolidated financial statements.

In the opinion of the IPA, the consolidated financial statements presented fairly, in all material respects, the financial position of GPO as of September 30, 2020, and 2019, and the results of its operations and cash flows for the years then-ended in accordance with U.S. generally accepted accounting principles.

Recommendations: See Management Letter below.

Return on Investment: This annual audit of GPO's financial statements provides an independent opinion on the financial position of GPO. The report is critical to our stakeholders (Congress, GPO and the public) in that it allows them to make informed decisions or assess the overall financial health of GPO with reasonable assurance. The benefit of this audit is that it provides a 'true and fair' view of GPO's financial performance and position. The audit underpins the trust and obligation of stewardship between GPO, Congress, and taxpayers.

Management Letter – Internal Control Over Financial Reporting, Report Number 21-06, December 15, 2020

In conjunction with *Independent Auditor's Report on the GPO's fiscal year (FY) 2020 Financial Statements*, KPMG considered GPO's internal controls over financial reporting as a basis for designing audit procedures, but not for the purpose of expressing an opinion on the effectiveness of GPO's internal controls. Accordingly, KPMG identified insufficient controls over certain personnel action, acquisition, and printing and binding requisition activities. KPMG also identified insufficient controls over inventory issuances and a work in process calculation. The report had five recommendations and GPO management has planned actions to address them.

Recommendations: The report recommended that GPO management strengthen internal controls over personnel action reviews and documentation, contracting officers' review and approval activities, and inventory documentation. The report also recommended that GPO management remedy a duplicate payment made to a commercial vendor and enhance review procedures over the work in process calculation.

Return on Investment: KPMG identified management controls that needed to be strengthened to allow GPO employees, to prevent, or detect and correct errors in Human Capital, contracting, and billing.

With respect to Human Capital, in testing payroll termination, and workman's compensation paperwork insufficient controls were in place. The recommended controls will ensure personnel actions are appropriately processed, documented, and maintained in order to avoid waste, confusion, and delay for the affected individuals and GPO.

With respect to contracting, the report found multiple incidents of late and missing paperwork in contracts and contract modifications whose contract values totaled \$13.2 million. The recommended controls decrease the risk to procurement activities and vulnerability toward fraud, waste, and abuse.

With respect to billing work in progress, the report found that management reviews needed improved controls. This resulted in exclusions of several items from calculation and the use of incorrect location prices resulting in a total difference of \$292,146. By improving the control of a detailed management review, the risk that the balances will be misstated and incorrectly calculated is decreased.

Evaluation of Product Billing Rates for the U.S. Government Publishing Office, Report Number 21-08, February 16, 2021

We contracted with KPMG to review GPO's product billing rates. The objective was to determine if GPO's rate structure allowed the agency to identify and recover total costs for products and services in accordance with 44 U.S.C. § 309(b)(1). KPMG did not include a comparison of GPO billing rates with outside entities due to uniqueness of the services offered and sensitivity of the information published by GPO. The period under review were FYs 2018, 2019, and the first two quarters of 2020.

KPMG found that GPO's rate structure allowed the agency to identify and recover total costs for products and services. Specifically, GPO's product billing rates were supported by cost data in order to provide a fair price to its customers; the costs included for each product appear to be comprehensive in nature without omission. The report has three recommendations and management has planned actions to address them.

Recommendations: The report recommended that GPO management update the set of standard operating procedures for product billing rates, draft a detailed set of desk procedures for the cost accounting tool, and develop standardized fee input and calculation templates.

Return on Investment: First and foremost, this review validated that GPO's existing processes were sound. The report found that GPO's product billing rates were supported by cost data in order to provide a fair price to its customers; the costs included for each product appear to be comprehensive in nature without omission. Although sound, the recommended improvements will improve management controls and allow for consistent traceability of data from year to year.



INSPECTIONS

The Inspections Division conducts proactive inspections of GPO programs and operations to identify opportunities to improve efficiency and effectiveness. These inspections are systematic and independent assessments of the design, implementation, and/or results of GPO's operations, programs, or policies. They provide information that is timely, credible, and useful for agency managers, policymakers, and others. The GPO OIG's inspections are performed in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

Telework and COVID-19 Survey, Report Number 21-01, October 1, 2020

We conducted a survey to provide GPO leadership with feedback on how the COVID-19 pandemic had impacted each employee. We questioned how employees felt about their safety working onsite at GPO during the COVID-19 pandemic, and about Information Technology support, communications, and other aspects related to their effectiveness while under maximum telework. Overall, GPO employees were satisfied with the Director's communication in keeping them informed during the COVID-19 pandemic. However, the survey results suggested GPO supervisors should reinforce when and why it is necessary for an employee to be onsite. This includes what tasks actually require physical presence at GPO facilities. Further, a statistically significant portion of employees (30 percent) did not feel safe working onsite, but employees were mostly satisfied with safety protocols that GPO implemented. Consequently, we assessed that the safety concerns were due to factors outside of GPO's control. In addition, employees were satisfied with the technical resources provided for telework and with the level and frequency of interaction with their supervisors during maximum telework operations.

Recommendations: We asked GPO to consider emphasizing enforcement of the face mask policy, provide greater transparency on sanitizing workspaces, improve the location and functionality of hand sanitizer stations, and ensure supervisors better communicate mission-essential tasks that require being onsite.

Return on Investment: The survey results provided the GPO Director with immediate feedback on the effectiveness of his communication with the workforce during the pandemic and allowed refinement to his messaging, thereby, eliminating concerns addressed by GPO employees. The results provided facts for consideration in data-driven decisions and employment of risk mitigation procedures. The survey also gave employees a voice to articulate concerns and contribute to resolving potential problems. As a result, GPO further enforced its mask mandate through a targeted communications campaign. GPO's senior executives also developed two new policies on remote work and telework that were informed by the survey results.

Inspection of Acquisition Procedures for Procuring Supplies and Services, Report Number 21-03, October 30, 2020

We inspected GPO's procedures for procuring supplies and services to determine their effectiveness in preventing late penalty fees. GPO's Acquisition Services Business Unit is responsible for procuring all equipment, materials, supplies, information technology systems, construction, computer equipment, software, hardware maintenance support, and services needed by GPO. We found that GPO's Acquisition Services did not furnish sufficient requested data regarding late penalty fees. As a result, despite receiving instances from other GPO Business Units, we could not determine the scope of penalty fees incurred by the agency. In the examples provided to us, we found GPO spent \$9,111 in unnecessary penalties. As a Legislative Branch Agency, we acknowledge that GPO is not subject to the Prompt Payment Act of 1982, as amended; however, this exemption has not prevented vendors from charging GPO penalty fees. Vendors attempted to charge GPO penalties of \$25,838; and GPO voluntarily paid at least \$9,111 to keep certain services from being terminated. We also found that GPO's Acquisition Services can improve procedures related to awarding and paying contracts on time, and improved completion and tracking of acquisition-related training is needed. Additionally, outdated policies and lack of sufficient guidance on how to perform purchase requests and award contracts hindered the office's effectiveness and efficiency.

Recommendations: We made six recommendations designed to improve GPO's contracting processes. The recommendations focused on statute compliance by providing the OIG with requested documentation; updating policies; improving timeliness by training Acquisition Services personnel the (cradle-to-grave) payment process; ensuring that Acquisition Services personnel are current in their contracting certifications; implementing a tracking system to document certifications and required continuous learning points (CLPs); and improving penalty tracking and reporting.

Return on Investment: As a result of the report, GPO has already improved management controls. For example, GPO introduced a late penalty tracking system in order to avoid future mischarges or overcharges. When we looked into the program, we learned of four examples where vendors attempted to charge GPO penalties. However, GPO was unable to assess the scope of this problem until now. This tracking system will allow GPO to assess the magnitude of the late vendor penalties as well as mitigate them quickly to avoid any future charges and potentially save tens of thousands of dollars each year.

U.S. Government Publishing Office Cybersecurity Controls Assessment, Report Number 21-07, December 21, 2020

The OIG contracted with an Independent Public Accounting (IPA) firm to determine GPO's effectiveness and efficiency of their security program's compliance with the National Institute of Standards and Technology (NIST) framework for improving critical infrastructure (Cybersecurity Framework). In the opinion of the IPA, while GPO has an information security program based on Federal best practices identified by the NIST Cybersecurity Framework, GPO does not always have recommended internal controls or comprehensive policies for its cybersecurity program.

Recommendations: The report contained two recommendation to enhance GPO's cybersecurity program. The first addressed completion of System Security Plans (SSP) for all the major information systems in accordance with NIST practices to include performing risk assessments. Maintaining SSPs ensures that systems are fully protected. The second asked GPO to update directives to with current practices and procedures.

Return on Investment: The recommendations of this report will improve effective design and internal controls, thereby expediting the launch of new products, making more successful transformations, and improving the security of IT Systems. When an organization has established control requirements that are consistently followed, the current operating environment is more secure. The recommended directives and control plans, used to recover from outages or disruptions, will improve outdated system documentation and decrease the risk to confidentiality, integrity, and availability of GPO's major information systems.

Continued Oversight of GPO's Cybersecurity Controls

As part of our continuing oversight of GPO's IT security related to Public Key Infrastructure (PKI) and penetration testing, we continue to request status updates from GPO. GPO contracted for a PKI Audit that was completed October 2020. The audit did not identify any issues with GPO's PKI program. Likewise, penetration testing was completed in FY 2020 and a report was provided to GPO IT without significant issues. The next PKI audit contract it is planned for FY 2021 and is being processed for award. The FY 2021 penetration testing effort is also being prepared for contract award. This penetration testing effort will be conducted in FY 2021 and will be completed with a report to GPO by September, 2021.



INVESTIGATIONS

The Investigations Division is responsible for conducting and coordinating investigative activity related to fraud, waste, and abuse in GPO programs and operations. While concentrating efforts and resources on major fraud investigations, the activities investigated can include possible wrongdoing by GPO contractors, employees, program participants, and others who commit crimes against GPO. Through prosecution, administrative action, and monetary recoveries, these investigations promote integrity, efficiency, and accountability.

During this reporting period, the Investigations Division hired a new Assistant Inspector General for Investigations. Although there is new leadership, the division continues to focus on investigating fraud, waste, and abuse as framed by the Legislative Branch Inspectors General Independence Act of 2019. As part of ongoing efforts, notwithstanding COVID-19 pandemic limitations, our investigative staff furthered investigations and training with an emphasis on return on investment and positively impacting the agency. During this period, investigators continued to partner with Federal counterparts in a multi-agency criminal investigation. Moreover, in collaboration with other internal OIG components, the office referred matters to both the Audits and Inspections Divisions with the intent of improving efficiencies and reducing costs and risks.

Debarment Action in Case Involving False Claims (18-0015-I)

This investigation found that a company and its president violated GPO contract terms by submitting invoices for work yet to be completed. To protect the government's interest, the OIG referred the parties to the GPO Suspension and Debarment Official on March 15, 2019.

On December 16, 2020, the owner of the referred company provided GPO what they believed to be exculpatory evidence. This evidence included (1) GPO Purchase Orders, (2) company invoices, and (3) delivery confirmation from a third-party shipping company. The attachments were not exculpatory as they did not show the company invoices were submitted after the contracted items had been delivered, as GPO Contract Terms require.

Agency Response: On August 4, 2020, the GPO Suspension and Debarment Official issued a Notice of Proposed Debarment to the company and its president; and added them to the GPO's contracting exclusion list.

On February 19, 2021, the GPO Suspension and Debarment Official debarred the company and its president. The period of debarment was set for two years, effective August 4, 2020. The debarment period will conclude on August 3, 2022.

Return on Investment: The investigative work helped GPO protect its financial and operational interests by preventing the identified vendor from continuing to mislead the agency with invoicing practices that violated GPO Contract Terms.

Status: This case is closed.

Investigation Leading to Monetary Recovery and Corrective Actions Against a Contractor for Overcharging GPO (18-0010-I)

On September 28, 2018, the OIG made a referral to the GPO Suspension and Debarment Official regarding this vendor. The referral disclosed 34 instances where the vendor did not apply required discounts in invoices submitted to the agency. As a result, GPO paid the vendor a total of \$9,343 in overcharges.

Agency Response: Based on the facts of the OIG investigation, on November 18, 2019, the GPO Suspension and Debarment Official issued a Notice of Proposed Debarment to the GPO contractor. On August 3, 2020, the vendor filed a response acknowledging their administrative errors relating to the overcharging of the GPO on invoices that did not reflect applicable discounts.

On September 17, 2020, in lieu of suspension and debarment, GPO settled this matter by entering into an administrative agreement with the vendor. The company agreed to refund a total of \$9,343.

Return on Investment: The results of this investigation alerted GPO of internal control issues, allowing overcharging. The agency acknowledged this issue and was able to recover wasted funds via administrative settlement. Fixing the internal control issue of overcharging can potentially save tens to hundreds of thousands of dollars in the future.

Status: This case is closed.

Referral to GPO's Management for Possible Corrective Actions Resulting from the Criminal Investigation, Conviction, and Debarment of a GPO Contractor (18-0009-I)

On November 19, 2020, the OIG issued a Management Implication Report, leading to the conviction and debarment of a GPO contractor for violation of 18 U.S.C. §§ 641(Theft) and 287 (False Claims), respectively⁶. In the referral, the OIG offered one recommendation to help the agency mitigate potential vulnerabilities in direct-mail services contracts.

Agency Response: On November 25, 2020, GPO formally responded to the OIG indicating that GPO Management concurred with the OIG's recommendation. GPO Management also expressed their commitment to continue to notify the OIG without delay when they identify suspected fraud while conducting quality control activities for an appropriate law enforcement response.

Return on Investment: The results of this investigation alerted GPO of internal control issues. This action facilitated GPO Management's awareness of proactive measures that can be implemented to help protect the integrity of GPO's contract management practices. In this case alone, GPO could have prevented \$23,628 in losses which should translate into commensurate future savings.

Status: Follow-up of open recommendation (appendix C).⁷

⁶ The OIG reported the details of the case in the Semiannual Report to Congress, April 1, 2020-September 30, 2020.

⁷ Parent case is undergoing formal closure.

OTHER INFORMATION

Significant Revised Management Decisions⁸: None.

Significant Management Decision with which the Inspector General Disagreed: None.

There were no significant management decisions with which the IG disagreed during the reporting period.

Audits, Inspections, and Investigations involving Senior Government Employees that were Not Disclosed to the Public or Where Allegations of Misconduct Were Substantiated

There were no instances during the reporting period whereby OIG completed an audit, inspection, or investigation involving a Senior Government Employee without disclosing the results to the public. All such product titles are listed on <https://www.gpo.gov/who-we-are/our-agency/inspector-general>. Where possible, the reports are also posted at www.oversight.gov.

Whistleblower Retaliation Investigations: None.

Instances of GPO Refusing to Provide Information or Assistance or Interfering with the OIG's Independence: None.

Statutory Certification

In accordance with the Legislative Branch Inspectors General Independence Act of 2019, as codified at 44 U.S.C. § 3903(c)(3), the Inspector General certifies that the GPO OIG has adequate safeguards and management procedures in place to ensure that the Investigations Division is in compliance with the standards established by the Council of the Inspectors General on Integrity and Efficiency, which incorporate Department of Justice guidelines, to ensure proper exercise of the statutory law enforcement authority granted under section 3903.

Review of Legislation and Regulations: None.

⁸ Since the Joint Committee on Printing exercises certain management functions over GPO and by extension, the GPO OIG, where applicable, it may be included in references to "Management."

PEER REVIEW RESULTS

The following meets the requirement under section 5(a) (14)-(16) of the IG Act that Inspectors General include peer review results in each Semiannual Report to Congress. Federal audit and inspection functions can receive a rating of “pass,” “pass with deficiencies,” or “fail.” Federal investigation functions can receive a rating of “compliant” or “noncompliant.”

Peer review reports are posted on our website at: <https://www.gpo.gov/who-we-are/our-agency/inspector-general>.

Peer Review of GPO-OIG Audit Function

The latest review conducted of the GPO OIG Audit Division was completed on March 29, 2021, by the U.S. Federal Communications Commission Office of Inspector General. We received a rating of pass.

Peer Review of GPO OIG Inspections Function

The GPO OIG did not have any peer reviews of its inspections function during this reporting period.

Peer Review of GPO OIG Investigative Function

The GPO OIG did not have any peer reviews of its investigative function during this reporting period.

Peer Reviews Conducted by GPO OIG

The GPO OIG has not conducted any peer reviews of other OIGs during this reporting period.

APPENDIX A

Non-Monetary Return on Investment for Reports Issued in Reporting Period

Audits: Non-monetary Impact and Benefits			
Audit Reports	Independent Auditor's Report on the GPO's FY 2020 Financial Statements	Management Letter – Internal Control Over Financial Reporting	Evaluation of Product Billing Rates for the U.S. Government Publishing Office
Benefit	Value		
Validate existing processes	An independent audit of GPO's financial statements provides an independent opinion on the fair presentation, in all material respects, of the financial position of GPO. This allows taxpayers and other GPO stakeholders make informed decisions or assess the overall financial health of GPO with reasonable assurance.		The review found that GPO's product billing rates were supported by cost data in order to provide a fair price to its customers; the costs included for each product appear to be comprehensive in nature without omission.
Improve management controls		KPMG identified management controls that needed to be strengthened to allow GPO employees, to prevent, or detect and correct errors in Human Capital, contracting, and billing.	
Improve systems and processes			This comprehensive review of selected billing rate structures identified areas to strengthen GPO standard operating procedures for better efficiency, consistency and accountability.

Inspections: Non-monetary Impact and Benefits			
Inspection Reports	Analysis of GPO Survey of Employees	Acquisition Services Procedures for Procuring Supplies and Services	GPO Cybersecurity Controls Assessment
Benefit	Value		
Improve safety, morale, health, and security	The survey results provided the GPO Director with immediate feedback on the effectiveness of his communication with the workforce during the pandemic and allowed refinement to his messaging, thereby, eliminating concerns addressed by GPO employees. The results provided facts for consideration in data-driven decisions and employment of risk mitigation procedures. The survey also gave employees a voice to articulate concerns and contribute to resolving potential problems.		
Ensure compliance with a prescribed standard Avoid violations of law or regulation		Fully trained acquisition employees will increase prompt and proper payments and help reduce recurring late penalty fees for contracts, thereby increasing cost savings over time.	

Inspections: Non-monetary Impact and Benefits (Continued)			
Inspection Reports	Analysis of GPO Survey of Employees	Acquisition Services Procedures for Procuring Supplies and Services	GPO Cybersecurity Controls Assessment
Benefit	Value		
Improve management controls		<p>A late penalty fees tracking system establishes controls indicating whether GPO is paying for late penalties, thereby leading to proactive preventive measures for on-time payments.</p> <p>A tracking system documenting certifications and continuous learning will verify employee training, thereby leading to a fully trained acquisition staff that can increase cost savings over time.</p>	
Improve systems and processes		<p>A comprehensive review of Acquisition Services regulations and policies will promote timely, accurate contracting and acquisition actions, thereby streamlining practices and increasing efficiency.</p> <p>Certified acquisition employees will increase prompt and proper payments, reducing recurring late penalty fees for contracts, thereby increasing cost savings over time.</p>	<p>A review and update of applicable directives will improve effective design and internal controls, thereby expediting the launch of new products, making more successful transformations and improving customer experience.</p>

Investigations Non-monetary Impact and Benefits			
Investigative Activities	Debarment Action in Case Involving False Claims (18-0015-I)	Monetary Recovery and Corrective Actions Against a Contractor for Overcharging the GPO (18-0010-I)	Referral to GPO's Management for Possible Corrective Actions (18-0009-I)
Benefit	Value		
<p>Improve systems and processes</p> <p>Provide analysis/data to decision makers</p> <p>Avoid adverse publicity</p>	<p>The investigative results assisted GPO officials with debarment actions and stopped illegal contract practices.</p> <p>The investigative work of the OIG helped the GPO protect its financial and operational interest(s) by preventing the identified vendor from continuing to mislead the agency with invoicing practices that violated GPO Contract Terms</p>	<p>The results of this investigation alerted GPO of internal control issues allowing overcharging. The agency acknowledged this issue and was able to recover wasted funds via administrative settlement.</p>	<p>Supported GPO's ability to mitigate potential vulnerabilities in direct-mail services contracts.</p> <p>Mitigating fraud risks in this area is expected to help protect the integrity of GPO contracts and the agency's reputation as a fiscally responsible broker.</p>
<p>Improve management controls</p>		<p>Part of the remedies applied to this matter included the vendor accepting remedial actions the GPO prescribed to prevent the recurrence of this issue. Consequently, GPO was able to implement new measures to help improve its contract management practices.</p>	<p>This action facilitated GPO's management awareness of proactive measures that can be implemented to help protect the integrity of GPO's contract management practices.</p>

APPENDIX B

Audit and Inspection Reports Issued in Reporting Period Including Questioned Costs, Funds Put to Better Use and Other Monetary Impact

Report Name	Questioned Costs	Funds Put to Better Use	Other Monetary Impact
Audit Reports			
Independent Auditor's Report on the GPO's Fiscal Year 2020 Financial Statements	\$0	\$0	\$0
Management Letter – Internal Control Over Financial Reporting	\$0	\$0	\$0
Evaluation of Product Billing Rates for the U.S. Government Publishing Office	\$0	\$0	\$0
Inspection Reports			
Analysis of GPO Survey of Employees	\$0	\$0	\$0
Acquisition Services Procedures for Procuring Supplies and Services	\$25,828	\$0	\$9,111 ⁹
GPO Cybersecurity Controls Assessment	\$0	\$0	\$0
Total	\$25,828	\$0	\$9,111

⁹ This \$9,111 in waste is part of the total \$25,828 questioned cost.

APPENDIX C

Investigations Statistics for Reporting Period¹⁰

Item	Quantity	
Investigations Open at the Beginning of the Period	11	
Investigations Opened during the Reporting Period	0	
Investigations Closed during the Reporting Period	3	
Investigations Open at the End of the Reporting Period ¹¹	8	
Complaints Open at the Beginning of the Reporting Period	3	
Complaints Opened during the Reporting Period	1	
Complaints Closed during the Reporting Period	2	
Complaints Open at the End of the Reporting Period	2	
Complaint Referrals to Other Agencies	0	
Complaint Referrals to Audits and Inspections Divisions	1	
Preliminary Inquiries Open at the Beginning of the Period	1	
Preliminary Inquiries Opened during the Reporting Period	4	
Preliminary Inquiries Closed during the Reporting Period	0	
Preliminary Inquiries Open at the End of the Reporting Period	5	
Current Open Investigations	Number	Percentage
Procurement/Contract Fraud	7	88
Employee Misconduct	1	12
Workers' Compensation Fraud	0	0
IT/Computer Crimes	0	0
Proactive Initiatives	0	0
Other Investigations	0	0
Total	8	100

¹⁰ Metrics for developing data for reported statistics were obtained from OIG's Case Management Tracking System.

¹¹ None of the cases falling under this category during this reporting period involve matters with active investigative action pending. Specifically, six of these cases are at different stages of their formal closure process; the remaining two are undergoing legal and/or administrative adjudication.

Investigations Productivity Statistics for Reporting Period¹²

Item	No. or Amt.
Arrests, including Summons in Lieu of Arrest	0
Persons Referred to Federal Prosecutors	0
Persons Accepted for Federal Prosecution	0
Persons Declined for Federal Prosecution	2
Persons Pending Prosecutorial Determination	1
Persons Referred to State/Local Prosecution	0
Persons Accepted for State/Local Prosecution	0
Persons Declined for State/Local Prosecution	0
Indictments/Information/Complaints	0
Convictions	0
Guilty Pleas/Deferred Prosecution Agreements	0
Criminal Fines, Fees, Recovery, and/or Restitution	0
GPO Fines, Fees, Recovery, and/or Restitution	\$9,343
Persons Referred for Civil Action	0
Persons Accepted for Civil Action	0
Persons Declined for Civil Action	2
Civil Settlements	0
Civil Fines, Fees, Recovery, and/or Restitution	0
Total Number of Investigative Reports Issued	0
Referrals to GPO Management for Possible Corrective Action and/or Information Purposes	2
Employee Corrective Action	0
Agency/Process Corrective Action	0
Business/Individual Referrals to GPO Suspending and Debarring Official for Suspension and/or Debarment	0
Suspensions	0
Debarments	2
Notices of Proposed Suspension	0
Notices of Proposed Debarments	0
Letters of Warning/Caution	0
Employee Suspension/Termination/Other Action	0
Total Referrals to the Audits and Inspections Divisions	3
Subpoenas Issued	1
Total: Fines, Questioned Costs, Overcharges, Restitution	\$9,343

¹² Metrics for developing data for reported statistics were obtained from OIG's Case Management Tracking System.

APPENDIX D

Summary of Each Audit and Inspection Report over 6 Months Old for Which No Management Decision Has Been Made¹³

Date Issued	Name	Report Number	Number of Recommendations	Costs
None				

¹³ IG Act, § 5(a)(10).

APPENDIX E

Prior Audit and Inspection Recommendations on Which Corrective Action Has Not Been Completed in More Than 1 Year¹⁴

Date Issued	Name of Audit	Report Number	Number of Recommendations	Monetary Impact
None				

¹⁴ IG Act, § 5(a)(3)

APPENDIX F

Status of OIG Recommendations During this Reporting Period (Open and Closed)

Date Issued	Name	Report Number	Number of Recommendations Opened	Number of Recommendations Closed
10/30/2020	Acquisition Services: Late Penalties	21-03	6	5
11/19/2020	DLUX Management Incident Report	21-04	1	0
12/21/2020	Cyber Security Controls Report	21-07	2	0
02/16/2021	Evaluation of Product Billing Rates	21-08	3	0
		Total	12	5

APPENDIX G

Status of Financial Statement Audit (FSA) Recommendations During this Reporting Period.¹⁵

Date Issued	Name	Report Number	Number of Recommendations Opened	Number of Recommendations Closed
12/15/2020	Management Letter – Internal Control Over Financial Statements	21-06	5	0
12/15/2020	Management Letter – Internal Control Over Financial Statements	20-03	0	1
		Total	5	1

¹⁵ The GPO OIG ensures that the FSA is compliant with GAGAS standards. However recommendation closure is the purview of the independent auditing firm, for this reason we report FSA recommendations separately.

APPENDIX H

Reporting Requirements under the IG Act of 1978

Reporting	Requirement	Pages
Section 4(a)(2)	Review of Legislation and Regulations	14
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	5 – 13
Section 5(a)(2)	Recommendations for Corrective Actions to Address Significant Problems, Abuses, and Deficiencies Identified	5 – 13
Section 5(a)(3)	Significant Outstanding Recommendations on which Corrective Action has Not Been Completed	24
Section 5(a)(4)	Matters Referred for Prosecutorial Authorities	12 – 13
Section 5(a)(5); 6(b)(2)	Information or Assistance Unreasonably Refused or Not Provided	14
Section 5(a)(6)	List of Completed Audit, Inspection, or Evaluation Reports	20
Section 5(a)(7)	Summary of Significant Reports	5 – 13
Section 5(a)(8)	Statistical Tables Related to Total Value of Questioned or Unsupported Costs	20
Section 5(a)(9)	Statistical Tables Related to Funds Recommended To Be Put to Better Use	20
Section 5(a)(10)	Summary of Each Audit Report over 6 Months Old for Which No Management Decision Has Been Made	23
Section 5(a)(11)	Description and Explanation of Any Significant Revised Management Decision	14
Section 5(a)(12)	Information on Any Significant Management Decision with which the IG Disagrees	14
Section 5(a)(13)	Information described under section 804(b) of the Federal Financial Management Improvement Act of 1996 – not applicable to GPO	N/A
Section 5(a)(14) Through (16)	Peer Review Results	15
Section 5(a)(17)	Statistical Tables Related to Investigations	21 – 22
Section 5(a)(18)	Description of Metrics Used for Developing the Data for the Statistical Tables under Section 5(a)(17)	21 – 22
Section 5(a)(19)	Investigations Involving Senior Government Employees Where Allegations of Misconduct Were Substantiated	14
Section 5(a)(20)	Description of Any Instance(s) of Whistleblower Retaliation	14
Section 5(a)(21)	Description of Any Attempt(s) by the Agency to Interfere with the Independence of the OIG	14
Section 5(a)(22)	Inspections, Evaluations, Audits, and Investigations Involving Senior Government Employees That Were Closed and Not Disclosed to the Public	14

APPENDIX I

Abbreviations and Acronyms

CIGIE	Council of the Inspectors General on Integrity and Efficiency
COVID-19	Corona Virus Disease 2019
FY	Fiscal Year
GPO	U.S. Government Publishing Office
I&E	Inspections and Evaluations
IG	Inspector General
IG Act	Inspector General Act of 1978, as amended
IPA	Independent Public Accounting Firm
IT	Information Technology
MIR	Management Implication Report
NIST	National Institute of Standards and Technology
OIG	Office of the Inspector General
PKI	Public Key Infrastructure
ROI	Return on Investment
U.S.C.	United States Code

APPENDIX J

Glossary of Terms

Complaint

The initial receipt of allegations are documented immediately upon receipt, an allegation is then converted to a complaint within ten calendar days if the OIG can reasonably articulate a nexus to a violation of law, policy, practice, or a specific threat to human life, national security, or property. Complaints are then converted to full investigations within 30 days, provided there is reason to believe that a crime, tort, or violation of policy within the OIG's jurisdiction has been developed; if not, the matter shall be closed.

Consideration

A suggested corrective action to address potential deficiencies or problems. Considerations do not rise to the level of formal recommendations and are not tracked by the OIG.

Criminal Complaint

A formal charging document that sets out the facts and cause of action (establishing probable cause) that the Government alleges are sufficient to support a claim against the charged party (the defendant).

Finding

Statement of problem identified during an audit or inspection typically having criteria, condition, cause, and effect.

Follow-Up

The process that ensures prompt and responsive action once resolution is reached on an OIG recommendation.

Funds Put To Better Use

An OIG recommendation that funds could be used more efficiently if management took actions to implement and complete the audit or inspection recommendation.

Indictment

The written formal charge of a crime by the grand jury, returned when 12 or more grand jurors vote in favor of it.

Information

The written formal charge of crime by a U.S. Attorney, filed against an accused who, if charged with a serious crime, must have knowingly waived the requirements that the evidence first be presented to a grand jury.

Investigation

OIG conducts criminal, civil, and administrative investigations relating to violations of federal laws, rules, or regulations as they pertain to GPO programs, contracts, and operations, and also investigates allegations of criminal activity and serious misconduct on the part of GPO employees. Fraud investigations typically result from allegations or suspicions of wrongdoing involving GPO programs, operations, or personnel. Investigations may also be the result of broad initiatives arising from previous OIG activities or as part of broad interagency initiative.

Management Implication Report

A report to management issued during or at the completion of an investigation identifying systemic problems or advising management of significant issues that require immediate attention.

Management Letter

A management letter describes the deficiencies in internal controls identified during the audit that do not rise to the level of seriousness to be stated in the final auditor's report.

Material Weakness

A significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Questioned Cost

A cost the OIG questions because of an alleged violation of a law, regulation, contract, cooperative agreement, or other document governing the expenditure of funds; such cost is not supported by adequate documentation; or the expenditure of funds for the intended purposes was determined by the OIG to be unnecessary or unreasonable.

Recommendation

Action needed to correct or eliminate recurrence of the cause of an identified finding.

Resolved Audit/Inspection

A report containing recommendations that have all been resolved without exception but not yet implemented.

Return on Investment

Return on Investment (ROI) is a commonly used profitability ratio that measures the amount of return, or profit, an investment generates relative to cost.¹⁶ The ROI for an OIG is the most quantifiable metric of performance and considers the cost of doing business and the revenues they collect.¹⁷

Unsupported Cost

A questioned cost not supported by adequate documentation.

¹⁶ Speights, "Return on Investment: What to Expect", The Motley Fool (Mar. 17, 2021), available at: <https://www.fool.com/investing/how-to-invest/stocks/good-return-on-investment/>

¹⁷ Hudak and Wallack, "Sometimes cutting budgets raises deficits: The curious case of inspectors general return on investment", Center for Effective Public Management at Brookings (April 2015), available at: <https://www.brookings.edu/wp-content/uploads/2016/06/CEPMHudakWallackOIG.pdf>

REPORT FRAUD, WASTE, OR ABUSE

Report violations of law, rules, or agency regulations, mismanagement, gross waste of funds, abuse of authority, danger to public health and safety related to GPO contracts, programs, and/ or employees.

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