



U.S. GOVERNMENT PUBLISHING OFFICE

OFFICE OF INSPECTOR GENERAL

732 North Capitol Street NW
Washington, DC 20401-0050

March 26, 2015

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515-6143

The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515-6143

Via Electronic Transmission

Dear Chairman Chaffetz and Ranking Member Cummings:

Thank you for your February 11, 2015, letter requesting that the Government Publishing Office (GPO) Office of Inspector General (OIG) provide information regarding: (1) our open or unimplemented recommendations, (2) closed investigations, evaluations, and audits not disclosed to the public since January 1, 2014, and (3) identification of any instances where the agency refused to provide, or otherwise delayed or restricted access to, records or other information.

We continue to work collaboratively with GPO to improve operations and maintain a long-standing record in delivering a world-class service to our Nation. We appreciate the Agency's responsiveness to our findings and recommendations and its commitment to corrective actions when needed. We note that Senior Managers are actively engaged in working with the OIG to enhance awareness of and involvement in addressing OIG recommendations.

Your request along with our response follows.

1. The current number of recommendations open or unimplemented.

As of March 20, 2015, we have 63 open or unimplemented recommendations. Our recommendations stem from areas that we believe require improved economy, efficiency, and effectiveness in GPO programs and operations. We also design recommendations that address prevention and detection of fraud, waste, and abuse.

GPO has made progress addressing open recommendations. For example, we reported 79 open recommendations in November 2014.

2. The cumulative estimated cost savings associated with the current number of open and unimplemented recommendations.

The amounts reported below represent a combination of monetary amounts associated with funds put to better use, questioned costs, and other monetary impacts. The audit reports and recommendations identified approximately \$36.3 million in monetary amounts.

The impact of OIG recommendations cannot always be translated into quantifiable monetary impact. Some examples of our other significant work address GPO's digital transformation, information security, and work related to program integrity. Therefore, OIG cannot always estimate the projected cost savings of each recommendation.

3. For those recommendations that would result in cost savings if implemented, specify the recommendation, the date the recommendation was made, and an estimate for the cost savings that would be realized if the recommendation were implemented.

The table below depicts audit reports with open recommendations associated with monetary amounts. The table is followed by a brief description of the work performed.

Report No.	Recommendation	Date	Amount	Classification
12-01	Final Report on Audit of Selected Aspects of GPO Time and Attendance and Payroll Administration	Nov. 2011	\$372,717	Other Monetary Impact
12-18	Audit of Controls over GPO's Fleet Credit Card Program	Sep. 2012	\$4,751	Funds Put To Better Use
12-24	Independent Audit of Harris Corporation	Sep. 2012	\$1,178,814	Questioned Costs
13-01	Management Oversight of the Federal Employees' Compensation Act (FECA) Operations	Jan. 2013	\$267,162	Funds Put To Better Use
13-02	GPO Faces Challenges with Current and Former Employees Indebtedness	Mar. 2013	\$245,104	Funds Put To Better Use

Report No.	Recommendation	Date	Amount	Classification
13-06	Opportunities Exists to Reduce Costs Associated with Oracle Software Licensing	Mar. 2013	\$885,240	Funds Put To Better Use
14-02	Commercial Printing and Dissemination of Government Information at the National Institutes of Health (NIH)	Nov. 2013	\$1,077,000	Funds Put to Better Use
14-07	Changes Can Provide GPO Better Information on Establishing Billing Rates for Congressional Hearings	Mar. 2014	\$4,030,600	Other Monetary Impact
14-08	Information Technology Professional Services—Oracle Software	Mar. 2014	\$2,760,000	Funds Put to Better Use
14-10	Information Technology—Microsoft Software Licenses	Mar. 2014	\$250,000	Funds Put to Better Use
14-14	Acquisition of U.S. Passport eCovers,	Aug. 2014	\$15.7 million	Other Monetary Impact
14-16	Information Technology Professional Services Integrated Library System (ILS)	Sep. 2014	\$1.1 million	Other Monetary Impact
14-21	Review of Prompt Payment of Invoices on Hold	Sep. 2014	\$45,572	Funds Put To Better Use
15-03	Independent Auditors Report—FY 2014 Financial Statements	Feb. 2015	\$4,339,847	Other Monetary Impact (Financial Accounting)
15-04	Management Letter Comments—FY 2014 Financial Statement Audit	Feb. 2015	\$4,108,362	Other Monetary Impact (Financial Accounting)
Total			\$36.3 Million	

- Final Report on Audit of Selected Aspects of GPO Time and Attendance and Payroll Administration, Report Number 12-01, dated November 16, 2011.

OIG conducted a review to determine if applicable guidance was followed related to time and attendance and payroll administration. In general, the review disclosed controls over leave without pay, absent without leave, annual pay limitations, and advanced annual leave could be strengthened.

- Audit of Controls over GPO's Fleet Credit Card Program, Report Number 12-18, dated September 28, 2012.

OIG initiated the audit to determine if controls over fleet credit cards were adequate and if charges were for allowable and appropriate expenses. We found that documentation for fleet credit card charges worth \$1,027 were not always maintained or readily available. If that amount were multiplied by the three remaining quarters, it could result in \$4,108 worth of unsupported charges. In addition, we identified \$643 in charges incurred for unauthorized premium grades of fuel.

- Independent Audit of Harris Corporation, Report Number 12-24, dated September 21, 2012.

OIG contracted with the Defense Contract Audit Agency (DCAA) to determine whether the direct materials, direct labor, travel and other direct costs of approximately \$15 million charged by a contractor used to develop GPO's Federal Digital System (FDsys) were allocable and allowable. DCAA questioned \$1,178,814 of claimed costs. Of the questioned amount, DCAA questioned direct material costs related to payments exceeding contract funding limits. It also questioned overtime costs not approved as required by the contract. Additionally, DCAA questioned costs related to field premiums and cost of living allowance (COLA) because field premiums are unreasonable and the COLA duplicated other reimbursements for locality adjustments in the Washington, D.C., area.

- Management Oversight of Federal Employees' Compensation Act (FECA) Operations, Report Number 13-01, dated January 15, 2013.

OIG assessed GPO's monitoring of key aspects of its FECA operations related to returning claimants to work. We identified opportunities where additional action could strengthen the monitoring of FECA operations. At a minimum, monitoring FECA should include: (1) maintain up-to-date marital status of claimants, (2) evaluation of the continued eligibility of the claimants dependents, (3) seeking opportunities to bring claimants back on a modified, limited, or light duty assignment, (4) receiving medical updates on a regular basis, (5) obtaining second medical opinions where the record indicates the claimant has some potential of eventually returning to work, (6) responding to requests for vocational training, and (7) requesting employees be included in the Assisted Reemployment program of the Office of Workers' Compensation Program (OWCP). While it may perform many of these duties on an *ad hoc* basis, GPO could not demonstrate that it monitors FECA on a program-wide basis. Although we did not review claim files, we observed four instances where GPO missed opportunities to return claimants to work, which resulted in approximately \$267 thousand worth of FECA compensation paid while each claimant could have returned to work.

- GPO Faces Challenges with Current and Former Employees Indebtedness, Report Number 13-02, dated March 27, 2013.

OIG reviewed whether GPO provided sufficient oversight of current and former employee indebtedness. The debts of GPO employees generally result from events such as general time and attendance errors, Federal Employee Health Benefits premiums paid on behalf of an employee during periods of Leave Without Pay, annual and/or sick leave taken but not

earned, and salary advances taken without repaying GPO. We noted several key areas existed where improvements would enhance controls over the prevention, establishment, and collection of debts owed GPO by current and former employees.

- Opportunities Exist to Reduce Costs Associated with Oracle Software Licensing, Report Number 13-06, dated March 29, 2013.

OIG initiated an audit to identify major instances of potential duplication and overlap of Oracle modules and licenses present and if so, which controls could be strengthened to mitigate the condition. We identified 14 instances where GPO pays for both an application user license and processor license for the same Oracle products costing \$301,547. We noted that GPO uses Oracle on Demand hosting for its ePassport production to maintain standby databases, a master repository, and the NetApp Snap Mirror, costing GPO \$583,693 when a less expensive alternative may be available. We also identified excess user licenses and processor licenses, which may result in cost savings.

- Commercial Printing and Dissemination of Government Information at the National Institutes of Health, Report Number 14-02, dated November 29, 2013.

OIG conducted an audit to assess GPO's monitoring of key aspects of public printing and document retention requirements as prescribed in title 44 of the United States Code as it relates to National Institutes of Health (NIH). Our work disclosed that GPO was not provided required information to: (1) realize lower printing costs for NIH and the taxpayer, (2) identify information dissemination products for inclusion into the Federal Depository Library Program (FDLP), and (3) catalog and index information dissemination products. However, we noted that GPO could strengthen its monitoring of key aspects of its related operations. For example, a review of the annual commercial printing activity reported by NIH compared to GPO cost estimates, FDLP, and cataloging and indexing requirements disclosed: (1) NIH paid approximately 40 percent more for commercial printing compared to GPO estimates, and (2) 208 of 500 (41 percent) of products NIH obtained from sources other than GPO met the criteria for inclusion in FDLP but were not included.

- Changes Can Provide GPO Better Information on Establishing Billing Rates for Congressional Hearings, Report Number 14-07, dated March 24, 2014.

OIG conducted an audit to determine the steps GPO took in establishing the billing rates for congressional products. Our audit disclosed that the framework for formulating and analyzing billing rates for congressional

hearings (Product Code 83) could be strengthened, individual product rates should be analyzed more frequently, and data reliability used in support of establishing billing rates should be strengthened. For the purpose of this audit, we reviewed congressional hearings (GPO Product Code 83) and did not draw a conclusion on other product codes.

- Information Technology Professional Services—Oracle Software, Report Number 14-08, dated March 25, 2014.

OIG initiated an audit to identify any major instances of potential duplication and overlap of Oracle Information Technology (IT) support services, and, if any existed, determine which controls could be strengthened to mitigate the condition. Our audit disclosed that purchase orders and statements of work did not always provide a clear description of the required work and in many instances we could not associate a statement of work with a purchase order. In addition, GPO could not always produce contractor weekly status reports for contractor employees working on the various projects from October 2012 through May 2013. We did not review other periods related to weekly status reports. Of the 35 weeks reviewed, approximately 40 percent of the status reports were missing. GPO's contract files did not contain key planning documents that would support an overall strategy for managing the acquisition such as addressing the technical, business, management, and other significant considerations that will control the acquisition.

- Information Technology—Microsoft Software Licenses, Report Number 14-10, dated March 27, 2014.

OIG initiated an audit of GPO's oversight of Microsoft software licensing. Generally, GPO has established several effective controls over its Microsoft software management program. However, we noted that management could improve program effectiveness by establishing documented procedures that approximate user demand and also strengthen its oversight by periodically monitoring changes in user and device demand. As a result, all the purchased licenses may not have been necessary.

- Acquisition of U.S. Passport eCovers, Report Number 14-14, dated August 1, 2014.

In general, OIG evaluated the steps GPO took in procuring the U.S. passport eCovers. Our audit disclosed that GPO did not always follow prescribed steps during the acquisition process. As a result, we reported that GPO could leave itself open to questioning the \$15 million dollar annual cost difference between bid prices of one offeror and the highest bidder that was awarded the contract.

- Information Technology Professional Services Integrated Library System, (ILS) Report Number 14-16, dated September 26, 2014.

OIG reviewed GPO's oversight of the Integrated Library System technical products as administered by its support contractor. The review revealed that additional management attention is required to ensure that Agency needs are met. For example we noted that contractor responsibilities were not always clear, management did not perform a lease versus purchase analysis for hosting services and hardware to determine the appropriate acquisition method, and GPO did not have documentation validating that expenditures were based on the best value to the Government. Cumulatively, during the last 3 years, GPO paid approximately \$671,000 for software maintenance and approximately \$447,000 for hosting services.

- Review of Prompt Payment of Invoices on Hold, Report Number 14-21, dated September 23, 2014.

OIG initiated a review to evaluate the steps GPO takes to promptly pay invoices on hold and whether those steps were effective in achieving early payment discounts. As of March 12, 2014, GPO's Invoices on Hold Report included 498 invoices totaling approximately \$5.3 million and placed on hold for a variety of reasons. Generally, GPO's accounting system—Oracle GBIS [GPO's Business Information System]—automatically placed holds on the invoices. Of the 498 invoices, 421 (84.5 percent) were on hold because the quantity billed exceeded the quantity received, 53 (10.6 percent) because the total invoice distribution did not equal the invoice amount, 48 (9.6 percent) were the result of the quantity billed exceeded the quantity ordered, 37 (7.4 percent) because the quantity billed exceeded the quantity accepted, and 4 (.8 percent) were on hold based on an issue with the purchase order. Some invoices had multiple hold types. Of the 498 invoices on hold, 292 invoices totaling approximately \$2.2 million were on hold longer than 30 days. Of those invoices, 131 invoices, totaling \$830,947 were on hold in excess of 90 days. If a 2-percent discount had been offered and taken, GPO could have realized as much as \$45,572. OIG did not calculate this value based on an individual review of invoices not paid within 30 days.

- Independent Auditors Report—FY 2014 Financial Statements, Report Number 15-03, dated February 5, 2015, and Management Letter Comments—FY 2014 Financial Statement Audit, Report Number 15-04, dated February 13, 2015.

In planning and performing the audit of the consolidated financial statements, certain deficiencies in internal controls were considered to be

significant deficiencies. For example, accounting deficiencies were noted in the recording of fixed assets disposal, authorizing purchase requisitions, accrued annual leave estimates, and reconciliations of annual leave.

4. Which three open or unimplemented recommendations does your office consider to be the most important or urgent? For each, identify:
 - a. The status of the recommendation, including whether agency management has agreed or disagreed with the recommendation and the expected date of implementation; and
 - b. The cost savings associated with the recommendation (if applicable).

As of the date of this response, all recommendations are resolved. An audit recommendation is resolved when GPO and OIG agree on the action that will correct the problem or deficiency that produced the recommendation.

Based on this request, we believe GPO could realize the most cost savings by strengthening controls over acquisitions.

5. A summary of closed investigations, evaluations, and audits not disclosed to the public since January 1, 2014, including case number, disposition, a brief description of the allegation, and the date the investigation was closed.

During the period January 1, 2014, through March 15, 2015, we issued eight non-public audit products to GPO senior managers. Detailed report numbers and titles are listed below.

Report Number	Report Title
14-04	FTP Compliance with Federal Information System Management Act of 2002 (FISMA) as it Relates to Continuous Monitoring
14-05	ILS Compliance with FISMA as it Relates to Continuous Monitoring
14-06	WebTA Compliance with FISMA as it Relates to Continuous Monitoring
14-13	Review of Information Technology Controls in Support of the CFS Audit for the Year Ended September 30, 2013
14-18	Accountability of U.S. Blank ePassport Books
15-01	Supply Chain Risk: U.S. Blank ePassport Book
15-05	Information Security: Penetration Testing of GPO's FDsys
15-08	Review of Information Technology Controls in Support of the Consolidated Financial Statement Audit for the Year Ended September 30, 2014

Our closed, non-public investigations for the same period consisted of 19 investigative-related reports referred to GPO senior managers. Details are listed below.

Case Number	Report Title
13-0003-1	Suspension/Debarment Referral
15-0010-1	Management Referral—Alleged Contractor Misconduct
15-0001-1	Management Referral—Claimed Employment Experience

Case Number	Report Title
14-0036-C	Referral—Alleged Sleeping on Duty
14-0019-I	Management Referral—Alleged Employee Misconduct.
14-0002-1	Management Implication Report—Carpet Purchase and Installation
14-0003-I	Suspension/Debarment Referral
10-0026-1	Suspension/Debarment Referral
14-0011-I	Suspension/Debarment Referral
14-00028-C	Management Referral—Alleged Employee Misconduct
14-0015-1	Management Implication Report—Missing HSPD 12 PIV Blank Card Stock
14-0023-I	Suspension/Debarment Referral
13-0007-1	Management Referral—Alleged Time and Attendance Fraud
13-0012-C	Management Referral—GPO Employee
14-0013-I	Suspension/Debarment Referral
14-0009-C	Referral—Alleged Violation of Alcohol Free Workplace Policy
12-0006-I	Debarment Referral
14-0012-1	Suspension and Debarment Referral
14-0001-C	Management Implication Report—Suspicious Mail

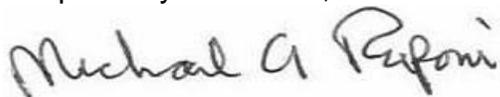
6. List and describe any instances where the agency refused to provide, or otherwise delayed or restricted access to, records or other information.

OIG has not experienced any instances where the Agency refused to provide, or otherwise delayed or restricted access to, records or other information.

We appreciate the oversight and welcome the opportunity to provide you with any additional information or clarification you may need. We strive to maintain and strengthen our communication between the OIG and Congress to ensure it is open, ongoing, and transparent.

Should you need any other information, please do not hesitate to contact me at (202) 512-0039.

Respectfully submitted,



Michael A. Raponi
Inspector General