



U.S. GOVERNMENT PUBLISHING OFFICE

OFFICE OF INSPECTOR GENERAL

732 North Capitol Street NW
Washington, DC 20401-0050

May 10, 2016

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 April 6, 2016, letter requesting that the Government Publishing Office (GPO) Office of Inspector General (OIG) provide the following: (1) the current number of open recommendations; (2) cumulative estimated cost savings associated with the current open recommendations; (3) specifics on the recommendations that could result in cost savings, including their dates and potential monetary benefits; (4) our three most important or urgent open recommendations; (5) summary of all closed investigations, evaluations, and audits that were not disclosed to the public since March 1, 2015; (6) total number of individuals referred by your office to the Department of Justice for criminal prosecution and the total number of prosecutions in response; and (7) list and description of any instance in which the Agency refused to provide, or otherwise delayed or restricted access to records or other information since March 1, 2015.

Your request along with our response follows.

The current number of recommendations open or unimplemented.

1. As of March 31, 2016, OIG had 115 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.

We note that Senior Managers are actively engaged in working with the OIG to enhance awareness of and involvement in addressing OIG recommendations. For the period October 1, 2015 through March 31, 2016, 45 recommendations were closed.

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 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
13-06	Opportunities Exist to Reduce Costs Associated with Oracle Software Licensing	Mar. 2013	\$885,240	Funds Put To Better Use
14-07	Changes Can Provide GPO Better Information on Establishing Billing Rates for Congressional Hearings	Mar. 2014	\$4 million	Other Monetary Impact
14-08	Information Technology Professional Services—Oracle Software	Mar. 2014	\$2.7 million	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

Report No.	Recommendation	Date	Amount	Classification
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
15-02	Development of a Secure Credential Production System	Mar. 2015	\$3.9 million \$746,651	Other Monetary Impact Questioned Costs
15-09	Improved Contract Administration Needed for the Acquisition of U.S. Passport Paper (Visa)	Mar. 2015	\$4.3 million	Questioned Costs
16-06	Follow-up Audit of Contract Requirements: Paper Specifications	Feb. 2016	\$1.3 million	Funds Put To Better Use
16-10	Procurement of End Sheets Used in the Production of U.S. Passports	Mar. 2016	\$5 million	Funds Put To Better Use
16-11	Independent Verification and Validation of GPO's Composition System Replacement,	Mar. 2016	\$742,952	Funds Put To Better Use

- 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.

- 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.

- 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, 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.

- Development of a Secure Credential Production System, Report Number 15-02, dated March 2015.

In May 2013, GPO entered into an Interagency Agreement to produce the secure credential. During testing in May 2014, GPO reported that the secure credential production system failed to process data as expected. In examining the activities associated with the development of the secure credential production system, we determined GPO did not mitigate key risks associated with development, placing at risk an estimated annual revenue of \$3.9 million and resulting in significant production failures as well as causing delays. The task order was awarded for approximately \$746,000.

- Improved Contract Administration Needed for the Acquisition of U.S. Passport Paper (Visa), Report Number 15-09, dated March 2015.

By agreement with the Department of State, GPO manufactures blank U.S. Passport books. Among the many components used to manufacture the books is paper. Several types of paper are used to include the Visa paper. In October 2012, GPO issued two purchase orders to Crane & Company, Inc. of Dalton, Massachusetts to provide paper for U.S. Passports (Visa) for the period January 1, 2013, through September 30, 2015. An audit disclosed that most key documents demonstrating that required procedures were followed were missing. Missing documentation creates uncertainties, including whether proper contracting procedures were followed and whether the \$4.3 million purchase resulted in the best value to the Government.

- Follow-up Audit of Contract Requirements: Paper Specifications, Report Number 16-06, dated February 2016.

We reviewed 20 one-time sealed bid procurements awarded between October 2014 and March 2015 in excess of \$100,000 to determine steps GPO took for ensuring compliance with JCP paper specifications. Of the 20 one-time sealed bid procurements reviewed, contracting language for 8 contracts (40 percent) were not consistent with JCP paper specifications. We reported that clearly defined paper specifications would help GPO

recover costs and/or enhance its ability to take appropriate disciplinary action when vendors do not comply with contract requirements. We identified approximately \$1.3 million worth of funds that could have been put to better use because contract language proved to be unclear and inconsistent with JCP guidance.

- Procurement of End Sheets Used in the Production of U.S. Passports, Report Number 16-10, dated March 2016

OIG assessed the steps GPO took in procuring end sheets—the inside front and back cover of the finished U.S. passport. By agreement with the U.S. Department of State, GPO manufactures blank U.S. passport books. Our audit found that since FY 2012 GPO has purchased or transferred approximately \$5 million to the Bureau of Engraving and Printing for printed end pages without an executed interagency agreement. We reported that missing documentation creates uncertainties, including whether proper procedures were followed and whether the purchases resulted in the best value to the Government. We questioned \$5 million in costs for end sheets due to missing documentation.

- Independent Verification and Validation of GPO's Composition System Replacement, Report Number 16-11, dated March 2016.

OIG reviewed GPO's practices and approach for development of its Composition System Replacement software. The assessment disclosed that improvements could be made with accountability, streamlining the process and its documentation, increasing transparency, and reducing certain risks. As of March 2016, GPO incurred \$742,952 worth of development costs.

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. We believe GPO could realize the most cost savings by strengthening controls over acquisitions.

5. A summary of all closed investigations, evaluations, and audits not disclosed to the public since March 1, 2015, including case number, disposition, a brief description of the allegation, and the date the investigation was closed.

Since March 1, 2015, we issued 11 non-public audit products to GPO senior managers. Detailed report numbers and titles are listed below.

Report Number	Report Title
15-08	Review of Information Technology Controls in Support of the Consolidated Financial Statement Audit for the Year Ended September 30, 2014
15-12	Information Security: Penetration Testing of GPO's Contractor Connection Web Application
15-13	Information Security: Penetration Testing of GPO's Citrix Remote Access System
15-14	Information Security: Penetration Testing of GPO's Ben's Guide Web Application
15-15	Information Security: Penetration Testing of GPO's FDLP.Gov Web Application
15-16	Information Security: Penetration Testing of GPO's Online Bookstore
15-17	Information Security: Evaluation of Selected Information Technology and Cybersecurity Areas
16-07	Information Security: Penetration Testing of GPO's ePassport System
16-08	Information Security: Penetration Testing of GPO's Secure Card Personalization System - Transportation Workers Identification Credential
16-09	Information Security: Penetration Testing of GPO's Secure Card Personalization System - Trusted Traveler Program -
16-11	Independent Verification and Validation of GPO's Composition System Replacement

Our closed, non-public investigations for the same period consisted of 16 investigative-related reports. Details are listed below.

Case Number	Report Title
15-0055-C	Management Referral—Alleged Unauthorized Access to SID and Employee Misconduct
14-0022-I	Management Implication Report—2015 Medicare & You Handbook
15-0007-I	Suspension/Debarment Referral—Print Procurement Contractor
15-0011-I	Coordination of Investigative and Administrative Activities—Employee Misconduct
15-0010-I	Management Referral—Alleged Contractor Misconduct
15-0013-I	Management Referral—Alleged Employee Misconduct
15-0001-I	Management Referral—Claimed Employment Experience
14-0008-I	Suspension/Debarment Referral—Print Procurement Contractor
15-0015-I	Suspension/Debarment Referral—Print Procurement Contractor
14-0025-I	Suspension/Debarment Referral—Print Procurement Contractor
15-0016-I	Management Referral—Alleged Employee Misconduct
16-0002-I	Management Referral—Alleged Employee Misconduct
16-0001-I	Suspension/Debarment Referral—Print Procurement Contractor
16-0005-I	Suspension/Debarment Referral—Print Procurement Contractor
16-0004-I	Management Referral—Alleged Employee Misconduct
16-0008-I	Suspension/Debarment Referral—Print Procurement Contractor

6. The total number of individuals referred to the Department of Justice for criminal prosecution, and the total number of prosecutions in response to those referrals, since March 1, 2015.

OIG makes criminal referrals to the Department of Justice or other authorities for prosecutive consideration. Since March 1, 2015, OIG made nine investigative referrals regarding alleged criminal misconduct to prosecuting authorities for consideration. Of the nine criminal referrals made, the

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Department of Justice or other authorities accepted five cases for prosecutive consideration.

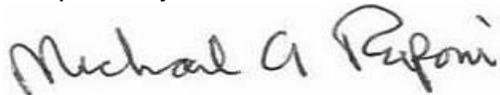
7. List and describe any instances where the agency refused to provide, or otherwise delayed or restricted access to, records or other information.

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,

A handwritten signature in black ink that reads "Michael A. Raponi". The signature is written in a cursive, slightly slanted style.

Michael A. Raponi
Inspector General