

May 28, 2015

The Honorable Gregg Harper  
Chairman  
Joint Committee on Printing  
1309 Longworth House Office Building  
Washington, DC 20515

Dear Mr. Chairman:

In accordance with 44 U.S.C. 3903 and the relevant provisions of the Inspector General Act of 1978, as amended, I am transmitting to Congress the Semiannual Report of the Office of the Inspector General (OIG) for the U.S. Government Publishing Office (GPO) covering the 6-month period of October 1, 2014, through March 31, 2015, along with the following information as required by law. This letter meets my statutory obligation to provide comments on the OIG's report and highlights management actions taken on the OIG's recommendations, which may relate to more than one reporting period.

**General Comments.** The OIG continues to provide valuable assistance to management in ensuring the integrity and efficiency of GPO programs and operations, safeguarding taxpayer investments in those programs, and investigating anyone allegedly abusing GPO programs. As in previous reports, the Management Challenges identified by the OIG correspond to the strategic direction that GPO is following.

**Current and Prior Period Outstanding Recommendations.** During the reporting period, the OIG issued 9 audit and other reports addressing different GPO programs and activities.

These audit reports addressed the results of audits of the secure supply chain for production of the U.S. passport; the development of a secure credential production system; various reports associated with the annual independent audit of GPO's financial statements and controls; a claim for payment submitted by a contractor; mailroom controls over express package processing; and the acquisition of paper for production of the U.S. passport. Overall these reports resulted in 43 improvement recommendations and identified \$17.4 million in monetary impact. Management has concurred or concurred in general with all recommendations made.

Regarding the audit of the development of a secure credential production system, when the subject product was launched in May 2014, GPO's Security and Intelligent Documents (SID) business unit closely monitored and made changes to get the program to the desired levels of performance. By mid-July 2014 SID was at projected levels of production and all issues had been addressed and resolved. Through April 2015 SID has personalized approximately 537,300 cards for this program with no further problems. SID has developed, documented, and established ISO procedures for launches of new programs and products. SID is audited annually



by an independent ISO auditing firm and continues to follow ISO procedures to maintain certification. SID will ensure these ISO procedures are aligned with the applicable GPO directives or document any appropriate directive waivers that are required.

During the reporting period, the OIG's investigative work resulted in \$143,399 in cost-efficiencies and restitution, the referral of 7 businesses/individuals to GPO for suspension or debarment consideration, and the issuance of 3 investigative-related reports.

In addition, during the reporting period GPO management closed out 47 recommendations. There are currently 75 open recommendations that GPO management continues working on implementing, including 25 recommendations on which corrective action has not been completed for over one year.

**Statistical Tables.** Statistical tables as required by law are enclosed.

I deeply appreciate the efforts of the OIG's audits and investigative staffs to ensure the integrity and efficiency of GPO programs and operations, safeguard taxpayer assets in those programs, and investigate and bring to justice those who abuse the public's trust.

If you need additional information with respect to this report, please do not hesitate to contact Mr. Andrew M. Sherman, GPO's Chief of Staff, on 202-512-1100, or by e-mail at [asherman@gpo.gov](mailto:asherman@gpo.gov).

Sincerely,

DAVITA VANCE-COOKS  
Director  
U.S. Government Publishing Office

Enclosures

- cc: The Honorable Roy Blunt, Vice Chairman, JCP
- The Honorable Candice Miller
- The Honorable Rodney Davis
- The Honorable Robert Brady
- The Honorable Juan Vargas
- The Honorable Pat Roberts
- The Honorable John Boozman
- The Honorable Charles Schumer, Ranking Member, JCP
- The Honorable Tom Udall



ENCLOSURE I

**AUDIT REPORTS ISSUED DURING THE REPORTING PERIOD WITH  
QUESTIONED COSTS, FUNDS PUT TO BETTER USE, AND OTHER MONETARY  
IMPACT**

<u>Report Number</u>	<u>Number of Recommendations</u>	<u>Questioned Costs (\$)</u>	<u>Funds Put to Better Use (\$)</u>	<u>Other Monetary Impact (\$)</u>
15-01	8	\$ 0	\$ 0	\$ 0
15-02	7	746,651	3,900,000	0
15-03*	2	0	0	4,300,000
15-04*	7	0	0	4,100,000
15-05	6	0	0	0
15-06	1	57,600	0	0
15-07	3	0	0	0
15-09	3	4,300,000	0	0

\*Audit reports 15-03 and 15-04, concerning the independent auditor's report on GPO's FY 14 financial statement, were accompanied by an additional unnumbered report, "Review of Information Technology Controls in support of the Consolidated Financial Statement Audit for the Year Ended September 30, 2014," containing 6 recommendations but not identifying any questioned costs, funds put to better use, or other monetary impact.



ENCLOSURE II

**AUDIT REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE, QUESTIONED COSTS, AND OTHER MONETARY IMPACT**

	<u>Number of Reports</u>	<u>Funds Put to Better Use and Other Monetary Impact</u>
Reports for which no management decisions were made by the beginning of the reporting period	0	0
Reports issued during reporting period:	5	
Audit Report No. 15-02		\$ 4,646,651
Audit Report No. 15-03		4,339,847
Audit Report No. 15-04		4,108,363
Audit Report No. 15-06		57,600
Audit Report No. 15-09		4,300,000
Reports for which a management decision was made during the report period:		
1. Dollar value of recommendations not agreed to by management		0
2. Dollar value of recommendations agreed to by management		\$ 17,452,461
Reports for which management decision was made by the end of the reporting period	0	0
Reports for which no management decision was made within 6 months of issuance	0	0