

Office of Inspector General U.S. Government Accountability Office

SEMIANNUAL REPORT TO CONGRESS

October 1, 2019, through March 31, 2020



April 2020 OIG-20-2SP



April 20, 2020

To: Gene L. Dodaro Comptroller General of the United States

AO.R. Tz-h Adam R. Trzeciak From: **Inspector General**

Subject: Semiannual Report to Congress—October 1, 2019, through March 31, 2020

I am pleased to submit this report in accordance with Section 5 of the Government Accountability Office (GAO) Act of 2008. The report summarizes the activities of the Office of Inspector General (OIG) for the first six months of fiscal year 2020. The Act requires that you transmit the report to Congress within 30 days after receipt. Your transmittal should also include any comments you consider appropriate.

During this reporting period, we began work on three audit engagements. We also closed eight investigations and opened 11 new investigations. In addition, we processed 79 hotline complaints, many of which were referred to other OIGs for action because the matters involved were within their jurisdictions. We remained active in the GAO and OIG communities by briefing new GAO employees on our audit and investigative missions, and participating in Council of Inspectors General on Integrity and Efficiency committees and working groups. Details of these activities and other OIG accomplishments are provided in the accompanying report.

We post our audit, evaluation, and semiannual reports on gao.gov and oversight.gov, a publicly accessible, text-searchable website containing the latest reports from contributing federal inspectors general. In addition, OIG reports are included in the listing of available updates on GAO's GovDelivery subscription page. We continue to look for innovative ways to enhance our oversight efforts and increase the transparency of our work.

I appreciate my team's dedication and professionalism in its efforts to help GAO improve its operations, and the team's resilience in doing so as we all face the challenges brought on by the COVID-19 pandemic. Their hard work and accomplishments are reflected in the attached report. I also thank GAO's Executive Committee, managers, and staff for their cooperation and attention to the important work of our office.

Attachment

INTRODUCTION

The United States Government Accountability Office

The U.S. Government Accountability Office (GAO) is an independent agency in the legislative branch of the federal government. GAO exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. It supports congressional oversight by (1) auditing agency operations to determine whether federal funds are being spent efficiently and effectively; (2) investigating allegations of illegal and improper activities; (3) reporting on how well government programs and policies are meeting objectives; (4) performing policy analyses and outlining options for congressional consideration; and (5) issuing legal decisions and opinions, such as bid protest rulings and reports on agency rules.

The Office of Inspector General

Established as a statutory office by the Government Accountability Office Act of 2008, GAO's Office of Inspector General (OIG) independently conducts audits, evaluations, and other reviews of GAO programs and operations and makes recommendations to promote economy, efficiency, and effectiveness in GAO. The OIG also investigates allegations of fraud, waste, and abuse, including the possible violation of law or regulation within GAO.

OIG STRATEGIC PUBLICATIONS

Strategic Plan

The OIG's Strategic Plan for Fiscal Years 2016-2020 identifies the vision, goals, objectives, and strategies for its activities under the authority of the Government Accountability Office Act of 2008, to promote efficiency, effectiveness, and integrity in GAO programs and operations. As discussed in the plan, the OIG supports GAO and Congress by helping to protect GAO programs and operations from fraud, waste, and abuse. Independent and objective audits, evaluations, and investigations are the primary methods for assessing GAO programs and operations and operations and identifying risks to GAO, enhancing its ability to protect and maximize its resources.

Biennial Work Plan—Fiscal Years 2019 and 2020

The OIG's biennial work plan provides a brief description of audits and other work planned for fiscal years 2019 and 2020 and an overview of its investigations program. In addition, the plan sets forth OIG's formal strategy for identifying priority issues and managing its workload and resources.

Top Management Challenges Facing GAO

Each year, the OIG is asked to comment on management's assessment and reporting of GAO's challenges for its annual Performance and Accountability Report. OIG work has resulted in improved reporting and transparency of GAO's management challenges and the efforts under way to mitigate the risk these challenges pose to GAO's ability to efficiently and effectively support Congress and the American people. Progress in addressing these challenges is monitored through the agency's annual performance and accountability process and OIG audits and evaluations.

GAO continues to address mission challenges including (1) managing a quality workforce, (2) improving the efficiency of GAO engagements, and (3) ensuring the risk to GAO's information technology services is effectively managed. The OIG identified infrastructure management as a potential challenge requiring appropriate attention. GAO's implementation of expanded telework has freed up space in its Headquarters building in Washington, D.C. The agency then initiated a space consolidation program with the intent to increase tenant occupancy. These efforts to maximize the use of GAO's building space and bring in revenue to offset rising costs have also resulted in expenditures related to development, approval, and implementation of the space consolidation plan.

Semiannual Reports to Congress

GAO OIG's Semiannual Reports to Congress describe the OIG's work on identifying problems, abuses, deficiencies, remedies, and investigative outcomes relating to the administration of GAO programs and operations that were disclosed during the reporting period. This semiannual report presents the results of the OIG's work for the reporting period October 1, 2019, through March 31, 2020, including product and performance statistics for audits and investigations. It also provides an overview of each audit report issued, investigation closed, and, as appropriate, actions GAO took or initiated in response to those reports, as of the end of the reporting period.

ACTIVITIES OF THE OFFICE OF INSPECTOR GENERAL

GAO and OIG management work cooperatively in fulfilling the role of the OIG. In that light, there were no attempts by GAO to resist, object to, or interfere with OIG independence or delay OIG access to information during the reporting period.

Timely resolution of outstanding recommendations continues to be a priority for both the agency and the OIG. The OIG issued two audit reports at the end of September 2019, just prior to the reporting period for this semiannual report. GAO concurred with all OIG recommendations and provided agency comments within 60 days of the OIG audit report's issuance date for OIG-19-2. GAO provided comments for OIG 19-3 a few days subsequent to the 60-day timeline. Table 1 provides fiscal year summary statistics for unimplemented OIG recommendations as of March 31, 2020.

Fiscal Year	Number of Reports with Unimplemented Recommendations	
2018	1	1
2019	1	6
Total	2	7

Table 1: Fiscal Year Summary Statistics Related to Unimplemented Recommendations, as of March 31, 2020

Source: OIG assessment as of March 31, 2020.

Audits and Evaluations

All OIG audit and evaluation reports, with the exception of reports on GAO's compliance with requirements of the Federal Information Security Modernization Act of 2014 (FISMA), are fully disclosed to the public. Due to the sensitive nature of issues identified, generally only summary pages of the FISMA report are made publicly available.

OIG Reports and Status of Current Period Recommendations, and Other Work

The OIG did not issue any audit or evaluation reports within the reporting period, as noted in table 2 below. During the reporting period, the OIG initiated work on three audits designed to assess: (1) the extent to which GAO has effective policies and procedures for managing its voluntary leave transfer program; (2) adequacy of internal control over the awarding of contracts by other than full and open competition; and (3) GAO's New Blue¹ project management practices. OIG reports are available at gao.gov and oversight.gov.

 Table 2: Status of Agency Actions on OIG Audit Reports Issued in the Current Reporting Period (October 1, 2019, through March 31, 2020)

OIG Reports	Audit Objective	Number of Recommendations	Status of Recommendations
No reports issued during the reporting period.	N/A	N/A	N/A

Source: OIG assessment as of March 31, 2020.

Status of Unimplemented OIG Audit Recommendations

At the end of the prior reporting period (September 30, 2019), there were unimplemented recommendations from three OIG audit reports. Table 3 on the following page summarizes the status of actions planned or taken in response to recommendations made in prior reporting periods, as of March 31, 2020.

¹New Blue is a term GAO uses to describe a web-based report publishing platform, currently under development.

Table 3: Status of Agency Actions on Prior Period Unimplemented Recommendations, as of M	Jarch 31 2020
Table 5. Status of Agency Actions on Fhor Ferrou on inplemented Recommendations, as of N	naich 31, 2020

OIG reports	Recommendations	Status of actions planned or taken by GAO in response to the recommendations
INFORMATION SECURITY: Review of GAO's Program and Practices for Fiscal Years 2016 and 2017 OIG-18-4 (July 17, 2018)	Document and implement a process to evaluate current and future enterprise Information Technology (IT) investment portfolio assets, including risks, and ensure alignment with GAO's IT Strategy for fiscal years 2017-2019.	Recommendation: Closed GAO has addressed the intent of the recommendation by developing a process to evaluate current and future enterprise IT investment portfolio risks and assets, and aligning it with GAO's IT Strategy.
	Document plans, policies, and procedures for identifying, prioritizing, and mitigating operational risk related to establishing full failover capabilities at the Alternate Computing Facility (ACF) in the event of a disaster and preparing for end-of-support upgrades for Windows 7.	Recommendation: Open Extended support for Windows 7 ended in January, 2020. GAO has upgraded its Virtual Desktop Infrastructure (VDI) and thereby converted virtually all users to Windows 10. The new VDI is hosted in the ACF, and while the agency's original contingency plan was to fully switch to using headquarters hardware as the primary backup, based on recent hardware failures, the agency is now working towards a disaster recovery approach that would employ cloud technology as the failover going forward.
	Document and implement a process to identify and track hardware and software interdependencies for GAO's system inventory including vendor support data such as end-of- life or end-of-support dates.	Recommendation: Closed GAO has addressed the intent of the recommendation by implementing a process to identify and track software and hardware interdependencies for its systems inventory, including vendor support data. GAO has developed software and hardware inventories and has established a process for tracking end-of-life or end-of-support dates.
DATA Act: Audit of GAO's Fiscal Year 2019, First Quarter, DATA Act Submission OIG-19-2 (September 27, 2019)	Implement procedures to ensure obligations are properly assigned to the proper project group and fund groups to allow mapping to a valid program activity, instead of "unknown/other" (0000).	Recommendation: Closed GAO addressed the intent of our recommendation by replacing the program activity, "unknown/other" (0000) with two new program codes (0009 Program Support, and 0809 Program Support Reimbursable).
INFORMATION SECURITY: Review of GAO's Program and Practices for Fiscal Year 2018 OIG-19-3 (September 30, 2019)	To ensure a complete and actionable cybersecurity risk management program, finalize a key input to GAO's Enterprise Risk Management Strategy, specifically the risk appetite statement including risk tolerances.	Recommendation: Closed GAO finalized its risk appetite statement, which includes risk tolerances, on March 31, 2020.
	Ensure that all entries in GAO's system inventory have been reviewed to determine if an impact assessment is needed and assessments are performed as appropriate.	Recommendation: Open GAO has established a process for reviewing its systems inventory and is determining the extent that additional security assessments are warranted. GAO expects to complete this process by the end of September 2020.

OIG reports	Recommendations	Status of actions planned or taken by GAO in response to the recommendations
	Update standard operating procedures to ensure that standard contract language for security aligns with National Institute for Standards and Technology (NIST) recommendations as appropriate.	Recommendation: Open Key GAO stakeholders are collaborating to ensure that standard contract language aligns with NIST recommendations. GAO expects to complete this process by the end of September 2020.
	Take steps to ensure that identified vulnerabilities are remediated within prescribed time frames. Ensure that baseline configurations for all identified environments have been documented and approved. Ensure that contingency planning testing accurately reflects the ability of GAO to recover mission critical systems in the event of a disaster.	Recommendation: Open GAO is continuing its efforts to address reporting issues that are identified by vulnerability scanning tools, focusing on strategies for remediating issues affecting the highest-risk assets. GAO expects to complete these process improvement efforts by the end of September 2020.
		Recommendation: Open GAO is working to improve its management of baseline configurations by changing its approach to maintaining the documentation and continuing efforts to conduct reviews that ensure baselines are properly vetted and approved. GAO expects to complete these process improvement efforts by the end of September 2020.
		Recommendation: Open GAO expects to conduct a disaster recovery test for a target system by the end of September 2020.
	Document and approve a contingency plan for the Applied Resource & Methods (ARM) Data Facility.	Recommendation: Closed GAO finalized a contingency plan for the ARM Data Facility which addresses the plan elements recommended by the National Institute for Standards and Technology.
	Complete business impact analysis for IT systems and update contingency plans where necessary to ensure that business needs are met in the event of a disaster.	Recommendation: Open GAO expects to complete a business impact analysis as part of its continuity of operations planning by the end of September 2020.

Source: OIG assessment as of March 31, 2020.

Complaints and Investigations

The OIG hotline is the primary source of complaints or information for identifying suspected fraud and other problems, abuses, and deficiencies relating to the administration of GAO's programs and operations. As shown in Table 4, the OIG processed 79 substantive hotline complaints during this 6-month reporting period.

Table 4: Summary of OIG Hotline Complaint Activity, October 1, 2019, through March 31, 2020

Hotline complaints open at the start of the reporting period	8
New hotline complaints received this reporting period ^a	79
Total hotline complaints	87
Complaints closed (referred to other GAO offices)	7
Complaints closed (referred to FraudNet ^b)	2
Complaints closed (referred to Office of Audit) within GAO OIG)	2
Complaints closed (no jurisdiction and referred by the GAO OIG to appropriate agency OIG or other law enforcement offices ^c)	59
Complaints converted to investigations	11
Total hotline complaints open at the end of the reporting period	6

Source: OIG hotline summary statistics as of March 31, 2020.

^aThe OIG received 2 hotline complaints that were largely similar to a third complaint so these were closed, and the third complaint was converted to an investigation. The two similar complaints are not included in this number. ^bFraudNet is a government-wide hotline operated by GAO staff on its Forensic Audits and Investigative Service team that receives complaints of fraud, waste, abuse, and mismanagement of federal funds.

°FraudNet was provided a copy of each referral made to federal entities outside of GAO

In addition to the 79 hotline complaints shown in Table 4, the OIG received 75 complaints that were closed due to insufficient information or no basis for opening an investigation. These complaints generally did not involve GAO programs and operations, and lacked either (1) sufficient merit to warrant direct OIG referral to another federal or state organization, or (2) actionable information.

As shown in Table 5, there were 20 open investigations during this reporting period. At the end of the reporting period, 12 investigations remained open. During the reporting period, the OIG issued six administrative subpoenas for records maintained by organizations external to GAO.

Table 5: Summary of OIG Investigations, October 1, 2019 through March 31, 2020

Investigations open at the start of the reporting period	9
New investigations initiated this reporting period	11
Total Investigations	20
Investigations closed this reporting period	8
Total investigations open at the end of the reporting period	12
Total investigative reports issued during reporting period	2
Referred to Department of Justice	0
Referred to state/local prosecutor	0
Total referrals for criminal prosecution	
Total indictments/information obtained during reporting period	

Source: OIG investigative activity statistics as of March 31, 2020.

Significant Investigations

Time & Attendance Fraud and Misuse of Government Time & Equipment

The OIG received a hotline complaint alleging that a senior government employee (SGE) committed time and attendance fraud by knowingly approving false time and attendance records for an ill subordinate. The investigation corroborated the allegation and also found that the SGE directed staff to falsify timecards for the ill subordinate. In addition, the OIG found that for almost three years, personal services were rendered to the ill subordinate which resulted in financial benefits to the SGE's spouse. Further, the OIG identified evidence that the SGE misused government time and equipment to support outside employment, including directing staff to specifically configure and issue a laptop to facilitate the outside employment. The case was referred for criminal prosecution and was declined. The OIG issued a Report of Investigation on November 15, 2019. The agency planned to issue a notice of proposed removal to the SGE on March 4, 2020; however, prior to GAO issuing the notice, the SGE informed the agency that they would be retiring in March 2020. The investigation was closed on March 13, 2020, and was not previously disclosed publicly. (G-18-0248-HL-O)

Falsification of Documents by GAO Maintenance Contractor

The OIG received information alleging that GAO's maintenance contractor falsified work orders for preventive maintenance at GAO's headquarters building and that the work was not performed. The investigation corroborated the allegation. The OIG's review of approximately 2,800 work orders showed that 939, about one-third, were questionable, based on witness information, review of building access records, and apparent forged signatures. The case was accepted for civil prosecution. The Department of Justice (DOJ) settled the case which resulted in the maintenance contractor agreeing to pay the government \$295,920. In March 2020, GAO received \$229,633² from DOJ as recompense for its losses. This investigation was closed on March 30, 2020, and was not previously disclosed publicly. (G-16-0197-O)

²The \$229,633 received by GAO was derived from GAO's actual losses less DOJ's administrative fees.

Time & Attendance Fraud and Excessive Local Travel Reimbursement Requests

The OIG received a referral from GAO's Human Capital Office (HCO), involving allegations that a SGE had committed time and attendance fraud and filed excessive reimbursement requests for local travel expenses. The investigation was unable to substantiate whether the SGE committed time and attendance fraud on their regular work days when they were in the GAO building. However, the investigation found discrepancies involving regular work days when the SGE was not in the GAO building and telework days when they may not have been working. In addition, the OIG questioned over 50 percent of the claims for which the SGE requested local travel reimbursement, totaling \$1,920 over an approximate 2-year period. The OIG issued a Report of Investigation on December 9, 2019. The SGE retired from GAO in January 2020. In February 2020, GAO initiated a monetary recovery for the \$1,920 unsupported local travel claims. The investigation was closed on February 12, 2020, and was not previously disclosed publicly. (G-19-0151-HL-O)

GAO Analyst Fraudulently Receives Social Security Benefits

Another investigation closed during the reporting period concerned a GAO analyst who fraudulently received Social Security benefits in 2009, 2010, and 2011. The analyst admitted to being overpaid \$35,000 in Social Security benefits; failed to notify GAO of bankruptcies in 2012 and 2017; and inaccurately reported debts on financial disclosure forms for 7 of the 9 years that GAO employed the analyst. The investigation was publicly disclosed in the OIG's prior Semiannual Report to Congress.³ GAO removed the employee in March 2020. (G-18-0069-HL-O)

Other Investigations

In addition to the four investigations described above, the OIG closed four investigations during the period that were not previously disclosed publicly. The OIG also issued a memorandum to management recommending corrective action to address errors in a personnel file that came to our attention during an investigation into benefits fraud. The OIG will close this investigation when management provides GAO with a final action report. A summary of these investigations is provided in Table 6 below.

	Subject	Results	Completed
1.	Improper Activities The OIG received a hotline referral alleging that an employee was conducting an outside business on GAO time; committing time and attendance fraud; and working at unapproved telework locations. (G-19-0144-HL)	The employee resigned from GAO prior to the completion of the investigation. As a result, the investigation was closed.	January 22, 2020

 Table 6: Closed/Pending Investigations Not Previously Disclosed Publicly, October 1, 2019, to March 31, 2020

³OIG, Semiannual Report–April 1, 2019, through September 30, 2019, OIG-20-1SP (October 23, 2019).

	Subject	Results	Completed
2.	Contracting Officer's Representative Exceeding Authority The OIG received an anonymous hotline complaint alleging that some Contracting Officer's Representatives (CORs) were improperly soliciting proposals and making changes to contracts to add more goods and services. (G-18-0144-HL-P)	The complainant identified two contracts as examples to support the allegations. In addition, the complainant alleged improprieties with a third contract. The OIG found no evidence to substantiate the allegations outlined in the complaint. The investigation was then closed.	February 14, 2020
3.	Bid Protest Leak The OIG received a referral from the General Services Administration's (GSA) OIG of a complaint that was filed by the GSA contracting office notifying GSA OIG of potential procurement integrity violations. Specifically, the complainant objected to the disclosure of (i) GAO's dismissal of a bid protest prior to the formal dismissal and (ii) the actual dollar value of the price quote submitted by the unsuccessful offeror. (G-20-0016-P)	The investigation did not substantiate the allegation. The investigation was closed.	January 22, 2020
4.	Unnecessary Security Clearances The OIG received a hotline complaint alleging that a broad request for top secret security clearances was made for a large number of SES Directors in the Chief Administrative Office (CAO), which were unnecessary. (G-20-0041-HL-P)	The OIG confirmed that top secret security clearances were being considered for the heads of CAO reporting offices, as well as one office deputy, but the CAO did not submit the requests for clearances to the Office of Security and Emergency Management. The investigation was closed.	March 30, 2020
5.	Time and Attendance Fraud The OIG received a hotline complaint alleging potential time and attendance fraud by a GAO employee. In addition, the complainant alleged that the employee was aware that their annual leave accrual was overstated. (G-20-0108-P)	The investigation did not substantiate the allegation of time and attendance fraud The employee provided documentation indicating GAO's Human Capital Office (HCO) was notified of the incorrect leave accrual due to an error in the employee's service computation date. On March 17, 2020, the OIG issued a memo to HCO requesting corrective action, the response for which is due on May 1, 2020.	Pending

Source: OIG investigative activity statistics as of March 31, 2020.

Ongoing Matters Referred for Prosecution

During the period, the OIG continued to lead a task force involving a phishing attempt to divert several high-level GAO officials' paychecks as well as the paychecks for high-level officials from other federal and state agencies. The task force includes the OIGs for the Federal Housing Finance Agency, Department of Energy, National Archives and Records Administration, and National Endowment for the Humanities. Other task force members include the Secret Service, Federal Bureau of Investigation, and Maryland State Police. The task force is working with the District of Columbia's U.S. Attorney's Office to develop the case for prosecution. (G-19-0077-O)

The OIG continues to work with prosecutors from the U.S. Attorney's Office in Atlanta, Georgia involving fraud by a GAO employee. This case was accepted by the U.S. Attorney's Office in a previous reporting period and is ongoing. (G-17-0163-O)

OTHER ACTIVITIES

Activities within GAO

In December 2019, the Inspector General (IG) and Assistant IG for Audit met with the Auditor General of Pakistan for a discussion of audit practices and challenges and the role of GAO's IG.

OIG leadership continued its discussion of the duties, responsibilities, and authorities of the OIG with participants in GAO's new employee orientation program. The IG and Assistant IG for Investigations continued to provide briefings to GAO mission teams on the OIG's investigations program, including investigative outcomes.

In addition, OIG leadership attends weekly senior staff meetings and meets periodically with staff of the independent public accounting firm conducting GAO's annual financial statement audit and the Audit Advisory Committee.

Activities within the Inspector General Community

The OIG continued to participate on the Council of Inspectors General on Integrity and Efficiency (CIGIE), a council of federal inspectors general that promotes collaboration on issues of economy, efficiency, and effectiveness that transcend individual agencies. OIG leadership regularly participated in monthly CIGIE meetings, quarterly Legislative Branch Inspectors General meetings, and periodic meetings with other OIGs designed to address issues common to smaller OIGs. The Assistant Inspector General for Investigations (AIGI) participated in monthly CIGIE Investigations Committee meetings, quarterly AIGI meetings, and various investigative working groups. The Counsel to the Inspector General participated in monthly CIGIE Legislation Committee meetings and Council of Counsels to Inspectors General meetings.

In addition, the OIG responded to requests from OIGs for support in developing internal operating policies and procedures. The OIG continues to increase public access to and transparency of its work by posting audit, evaluation, and semiannual reports on gao.gov and oversight.gov. Oversight.gov is a publicly accessible, text-searchable website containing public reports from contributing federal Inspectors General who are CIGIE members.

Freedom of Information

During the current reporting period the OIG received and processed four access requests under GAO's access regulation, 4 C.F.R. Part 81.

Whistleblower Retaliation

The GAO OIG has no statutory authority to investigate allegations of whistleblower retaliation. Although GAO is not subject to the Whistleblower Protection Act or the Whistleblower Protection Enhancement Act, GAO personnel management system controls are intended to protect GAO employees from prohibited personnel practices. During this reporting period, the OIG worked with the agency's General Counsel to respond to an information request from the Senate Minority Leader regarding GAO policies protecting employees from retaliation or reprisal for protected disclosures.

OIG Mission	Our mission is to protect GAO's integrity through audits, investigations, and other work focused on promoting the economy, efficiency, and effectiveness in GAO programs and operations, and to keep the Comptroller General and Congress informed of fraud and other serious problems relating to the administration of GAO programs and operations.
Reporting Fraud, Waste, and Abuse in GAO's Internal	To report fraud and other serious problems, abuses, and deficiencies relating to GAO programs and operations, you can do one of the following (anonymously, if you choose):
Operations	 Call toll-free (866) 680-7963 to speak with a hotline specialist, available 24 hours a day, 7 days a week.
	Visit https://OIG.alertline.com.
Obtaining Copies of OIG Reports and Testimonies	To obtain copies of OIG reports and testimonies, go to GAO's website: https://www.gao.gov/ig/ or https://www.oversight.gov/reports, created by the Council of Inspectors General on Integrity and Efficiency.

