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Description of document: Memo to the Department of Commerce (DOC) Chief Financial Officer (CFO), summarizing FY 2013 Trends in Office of Inspector General (OIG) Recommendations issued to Department and Department Units, 2014

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UNITED STATES DEPARTMENT OF COMMERCE  
Office of Inspector General  
Washington, D.C. 20230

October 15, 2015

VIA E-MAIL

RE: FOIA Request No. DOC-OIG-2015-001997

This letter is regarding your Freedom of Information Act (FOIA) request, tracking number DOC-OIG-2015-001997, dated September 22, 2015 and received by the Department of Commerce, Office of Inspector General (OIG) on September 28, 2015, in which you seek "a copy of the February 21, 2014 Memo to the CFO, summarizing FY2013 OIG report recommendations issued to Department and Department Units."

A search of records maintained by the OIG has located twenty-one (21) pages that are responsive to your request. We have reviewed these pages under the terms of FOIA and have determined that all twenty-one (21) pages may be released to you in full. Copies of these pages are enclosed.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of FOIA. See 5 U.S.C. § 552(c) (2012 & Supp. II 2014). This response is limited to those records that are subject to the requirements of FOIA. This is a standard notification to all OIG requesters and should not be taken as an indication that excluded records do, or do not, exist.

If you have any questions, please contact me via email at [FOIA@oig.doc.gov](mailto:FOIA@oig.doc.gov), or by phone at (202) 482-5992.

Sincerely,

Raman Santra  
FOIA Officer

Enclosures



UNITED STATES DEPARTMENT OF COMMERCE  
Office of Inspector General  
Washington, D.C. 20230

February 20, 2014

**MEMORANDUM FOR:** Ellen Herbst  
Chief Financial Officer and Assistant Secretary of Administration  
Simon Szykman  
Chief Information Officer (CIO)

**FROM:** Ann C. Eilers   
Principal Assistant Inspector General for Audit and Evaluation

**SUBJECT:** FY 2013 Trends in OIG Recommendations

This memorandum summarizes our observations on OIG report recommendations issued in FY 2013. We characterized recommendations according to 8 primary categories and 9 secondary categories. See attachment A for the primary and secondary recommendation categories. In addition, see attachment B for a complete list of recommendations.

We are providing this analysis for your information—and, if needed, for your risk assessments, A-123 reviews, and other management oversight processes. Please follow up with me at (202) 482-4328 if you have any questions.

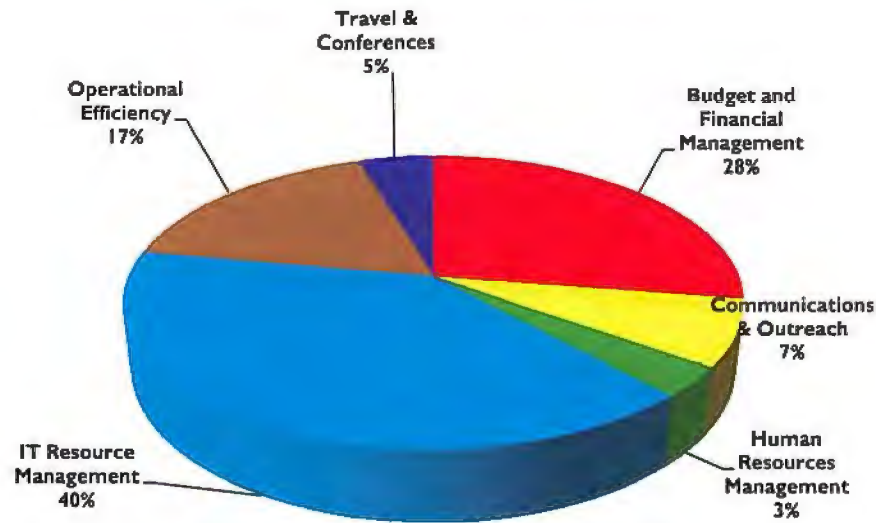
#### **Summary of FY 2013 Recommendations by Issue**

In FY 2013, OIG issued 16 reports with recommendations. We categorized the 149 recommendations from those 16 reports<sup>1</sup> into the primary categories shown in figure 1, on next page.

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<sup>1</sup> This total of 149 recommendations from 16 reports does not include recommendations made in memorandums issued during FY 2013.

**Figure 1.149 Recommendations (All Reports)**

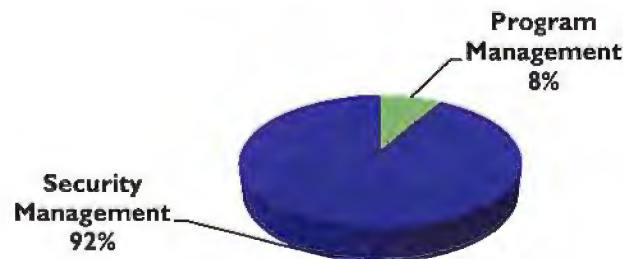


Source: OIG

The highest portion (40 percent) of all report recommendations concerned IT resource management, followed by budget and financial management (28 percent) and operational efficiency (17 percent). Figures 2, 3, and 4, below, present the secondary recommendation categories (subcategories) for the top three primary categories.

Figure 2, below, categorizes OIG's IT resource management recommendations. Of the 59 recommendations in this category, the majority (92 percent) were related to security management. The remaining 8 percent were related to program management.

**Figure 2. Composition of 59 IT Resource Management Recommendations**



Source: OIG

Of the 41 recommendations concerning budget and financial management (see figure 3, next page), 37 percent related to policies management, 27 percent concerned program management, and 10 percent concerned training.

**Figure 3. Composition of 41 Budget and Financial Management Recommendations**



Source: OIG

Figure 4, below, categorizes the 26 recommendations concerning operational efficiency. More than a quarter (27 percent) related to grants management (post-award) and another 27 percent to policies management. Nineteen percent concerned program management.

**Figure 4. Composition of 26 Operational Efficiency Recommendations**

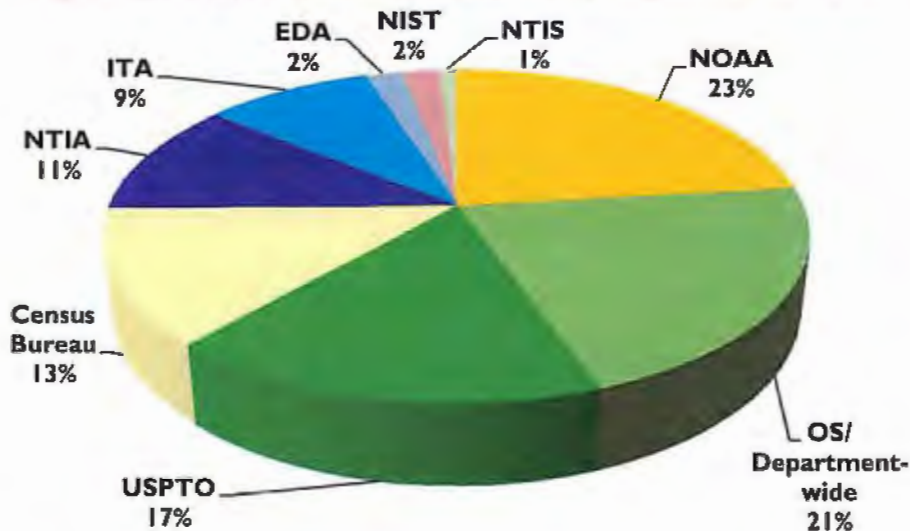


Source: OIG

### Summary of FY 2013 Recommendations by Departmental Unit

Figure 5, below, shows recommendations grouped by unit. OIG issued the most recommendations to NOAA (23 percent), followed by the Office of the Secretary/Department-wide programs (21 percent), USPTO (17 percent), and the Census Bureau (13 percent).

**Figure 5. FY 2013 Recommendations by Departmental Unit**



Source: OIG

The next three graphs (figures 6–8) detail subcategories of recommendations for NOAA, Office of the Secretary/Department-wide programs, and USPTO, the three units receiving the most recommendations for action. Four NOAA programs were audited, with a total of 35 recommendations made: *NOAA Needs to Continue Streamlining Rulemaking Process and Improve Transparency and Consistency in Fisheries Management* (OIG-13-011-I), with 6 recommendations; *Audit of Geostationary Operational Environmental Satellite-R Series: Comprehensive Mitigation Approaches, Strong Systems Engineering, and Cost Controls Are Needed to Reduce Risks of Coverage Gaps* (OIG-13-024-A), with 7 recommendations; *U.S. Department of Commerce Independent Auditors' Report Exhibit I—Material Weakness* (OIG-13-006), with 17 recommendations; and *Review of IT Controls for FY 2012 Consolidated Financial Statements Audit* (OIG-13-007), with 5 recommendations.

Figure 6, next page, categorizes the 35 recommendations by subcategory for NOAA. Almost a third (31 percent) related to program management, and a comparable portion (29 percent) related to policies management.



**Figure 6. Composition of 35 Recommendations by Subcategory for NOAA**



Source: OIG

Seven Office of the Secretary/Department-wide programs were audited, with a total of 32 recommendations: *Quarterly Conference Reporting Processes Need Improvement* (OIG-13-001-I), with 7 recommendations; *FY 2012 Compliance with Improper Payment Requirements* (OIG-13-020-I), with 1 recommendation; *Internal Controls for Commerce Purchase Card Transactions Need to Be Strengthened* (OIG-13-025-A), with 8 recommendations; *Monitoring of Department's Obligation Balances Needs Strengthening* (OIG-13-026-A), with 5 recommendations; *Malware Infections on EDA's Systems Were Overstated and the Disruption of IT Operations Was Unwarranted* (OIG-13-027-A), with 3 recommendations;<sup>2</sup> *Classified Information Policies and Practices at the Department of Commerce Need Improvement* (OIG-13-031-A), with 5 recommendations; and *Review of IT Controls for FY 2012 Consolidated Financial Statements Audit* (OIG-13-007), with 3 recommendations.

<sup>2</sup> OIG Report No. OIG-13-027-A contained 6 total recommendations—3 for the Office of the Secretary and 3 for EDA.

Figure 7, below, categorizes the 32 recommendations by subcategory for Office of the Secretary/Department-wide programs. About a third (34 percent) of the recommendations concerned policies management. Security management related to 28 percent of the recommendations, and 16 percent to reporting practices.

**Figure 7. Composition of 32 Recommendations by Subcategory for Office of the Secretary/Department-wide Programs**



Source: OIG

Three USPTO programs were audited, resulting in a total of 25 recommendations: *USPTO Deployed Wireless Capability with Minimal Consideration for IT Security* (OIG-13-014-A), with 4 recommendations; *USPTO Successfully Implemented Most Provisions of the America Invents Act, but Several Challenges Remain* (OIG-13-032-A), with 7 recommendations; and *Review of IT Controls for FY 2012 Consolidated Financial Statements Audit* (OIG-13-007), with 14 recommendations.



Figure 8, below, categorizes the 25 recommendations by subcategory for USPTO. Almost three-fourths (72 percent) of the recommendations concerned security management. Program management related to 20 percent of the recommendations, and 8 percent concerned reporting practices.

**Figure 8. Composition of 25 Recommendations by Subcategory for USPTO**



Source: OIG

We audited one Census Bureau program, issuing a total of 19 recommendations: *Review of IT Controls for FY 2012 Consolidated Financial Statements Audit* (OIG-13-007). All 19 recommendations for the Census Bureau concerned security management.

In FY 2014, we will continue to track report recommendations by the primary and secondary categories listed in appendix A.

#### Attachments

cc: Chief Financial Officers  
Chief Information Officers  
Hari Sastry, Deputy Assistant Secretary for Resource Management  
Lisa Casias, Director for Financial Management and Deputy Chief Financial Officer  
Michael Phelps, Director, Office of Budget

**Attachment A**  
**Primary and Secondary Recommendation Categories**

*Primary Recommendation Categories*

1. Budget and Financial Management
2. Buildings and Space
3. Communications and Outreach
4. Human Resources Management
5. IT Resource Management
6. Operational Efficiency
7. Organizational Structure and Leadership
8. Travel and Conferences

*Secondary Recommendation Categories (Subcategories)*

1. Contract Management (Pre-Award)
2. Contract Management (Post-Award)
3. Grants Management (Pre-Award)
4. Grants Management (Post-Award)
5. Program Management
6. Policies Management
7. Training
8. Reporting Practices
9. Security Management

**Attachment B**  
**OIG Recommendations in FY 2013**

<b>Budget and Financial Management</b>	
<b>NOAA</b>	
<i>Audit of Geostationary Operational Environmental Satellite-R Series: Comprehensive Mitigation Approaches, Strong Systems Engineering, and Cost Controls Are Needed to Reduce Risks of Coverage Gaps (OIG-13-024-A)</i>	
<i>To limit cost overruns and improper award fees for GOES-R Flight Project contracts, we recommend that the NOAA Assistant Administrator for Satellite and Information Services ensure that NASA:</i>	
	Effectively validates contractors' proposals and any subsequent plans, to verify that technical designs meet technology readiness requirements per NASA standards.
	Modifies ABI, GLM, and spacecraft contract award-fee structures to reduce award fee percentages in accordance with the current NASA FAR Supplement, as well as clearly articulates how scores should be adjusted based on the magnitude of cost overruns.
	Adjusts future award fees for the ABI to be more commensurate with contractor performance, to incentivize the contractor to control costs.
	To improve contract administration and management, we recommend that the NOAA Deputy Under Secretary for Operations directs the development of a policy for managing undefinitized contract actions and includes Federal Acquisition Regulation guidance on definitizing change orders in the shortest practicable time.
<i>NOAA Needs to Continue Streamlining Rulemaking Process and Improve Transparency and Consistency in Fisheries Management (OIG-13-011-I)</i>	
<i>We recommend that the Assistant Administrator for NOAA Fisheries:</i>	
	Strengthen processes for formal reviews of financial interest disclosures, considering the time period that the disclosure covers, how financial interest amounts relate to voting restrictions, and when affiliations with outside organizations should be reported.
<i>U.S. Department of Commerce Independent Auditors' Report Exhibit I – Material Weakness (OIG-13-006)</i>	
<i>We recommend that NOAA:</i>	
	Implement the recommendations arising from the Internal Inquiry into Alleged Mismanagement of Funds within the National Weather Service, dated May 11, 2012.
	Implement the actions described in the Deputy Secretarial Decision Memorandum, dated May 24, 2012.
	Implement the recommendations resulting from the Department's OMB Circular A-123 review of SLTs and Other Adjusting Entries, described in a management report dated August 28, 2012.
	Complete the review of other transactions, such as those where expenses were moved between accounts, or where appropriations may not have been used for intended purposes, identified at the National Weather Services, to determine if additional Anti-Deficiency Act violations have occurred, and make appropriate reports, if necessary.
	Complete a comprehensive review of all property accounting policies, to ensure clarity of procedures and compliance with generally accepted accounting principles.



Develop training on property policies and procedures for NOAA's Finance Office, as well as line office personnel.
Implement greater Finance Office oversight for property accounting transactions.
Establish stronger CFO oversight of accounting for satellites and related areas.
Ensure that the classification between CWIP and completed PP&E for satellites and satellites ground systems is based on generally accepted accounting principles.
Analyze the components of the ground system costs, to segregate costs that are applicable to the future JPSS satellite ground system, and determine if any impairment exists with remaining ground system costs that may not benefit the NPP program.
Improve the process to identify and determine the financial statement impact of significant events or transactions, particularly those related to satellite programs, and ensure that accounting positions are based on standards.
Continue to review the JPSS component cost analysis, and the overall JPSS program, to ensure that the impairment analysis is accurate, and reviewed annually until the program's completion.
Establish and implement stronger NOAA-wide policies and procedures for review and approval of IPAC payments, and work with NASA to ensure that sufficient documentation is received for all charges, to enable a determination of the nature of the charge and the period of performance.
Work with NASA to analyze costs incurred subsequent to recent satellite additions, to determine if such costs should have been capitalized, rather than expensed.
<b>NTIA</b>
<b><i>Fourth Annual Assessment of the PSIC Grant Program (OIG-13-016-A)</i></b>
<i>We recommend that the Assistant Secretary for Communications and Information:</i>
Pursue the return of questioned unallowable costs for each grant recipient and determine the most appropriate process to recover questioned costs in the future.
Require recipients to submit all necessary reports in conformance with grant terms and conditions.
Calculate the impact of the unrealized cost match on the PSIC program and alert those recipients who have not met this match of their responsibilities under their grants.
<b>Office of the Secretary/Department-wide</b>
<b><i>FY 2012 Compliance with Improper Payment Requirements (OIG-13-020-I)</i></b>
We recommend that the Department identify items that lack sufficient documentation from OIG audits and reviews of its programs and activities—and report the unsupported costs related to those items as improper payments in its annual PAR.
<b><i>Internal Controls for Commerce Purchase Card Transactions Need to Be Strengthened (OIG-13-025-A)</i></b>
<i>We make the following recommendations to the Chief Financial Officer and Assistant Secretary for Administration:</i>
Direct cardholders to document purchase requests and approvals, budget approvals, and bona fide government needs for all purchase card transactions.



Strengthen the monthly purchase card reconciliation process by requiring approving officials to ensure all transactions have proper receipt or invoice support, evidence of receipt and acceptance for goods and services received, and evidence that accountable property purchases were forwarded to property custodians, when applicable. The reconciliation should also identify and initiate corrective action when sales taxes have been paid or invoices have not been paid within the 30-day payment period.
Ensure that purchases are equitably distributed among all qualified vendors and that agencies determine the most efficient and effective method of obtaining services (i.e., insourcing versus outsourcing, purchase cards versus other procurement tool).
Develop policies and procedures to ensure that purchase card files are retained when cardholders and/or approving officials end employment with the Department or otherwise discontinue their functions as cardholders and approving officials.
Improve training for cardholders and approving officials to ensure that all purchase card program participants have an adequate understanding of all applicable laws and regulations over the use of purchase cards, including the proper security of purchase cards.
Improve the tracking and monitoring of training to ensure that all cardholders and approving officials receive the required annual refresher training and that accounts are suspended when they do not.
Ensure the Department's Electronic Transmission of PII Policy is consistent with the CAM regarding the faxing of purchase card information.
Ensure the CAM's record retention requirements expressly state the NARA requirements.
<b>Monitoring of Department's Obligation Balances Needs Strengthening (OIG-13-026-A)</b>
<i>We recommend that the Senior Advisor to the Deputy Secretary Performing the Non-Exclusive Duties of the Chief Financial Officer and Assistant Secretary for Administration:</i>
Develop a Department-wide initiative related to the timely liquidation, deobligation, and closure of unneeded open obligations.
Enhance policies and procedures to include specific, comprehensive guidance for the consistent monitoring and deobligation of unliquidated obligation balances, as well as ongoing departmental oversight.
Develop guidance and training on the quarterly verification of open obligations.
Investigate each specific instance noted in this report where contract obligations may have been liquidated against an incorrect fiscal year funding source or charged to the wrong account.
Provide training on the proper methodology for funding invoices of multiple-year contracts.
<b>ITA</b>
<b><i>U.S. Export Assistance Centers (USEACs) Could Improve Their Delivery of Client Services and Cost Recovery Efforts (OIG-13-010-1)</i></b>
<i>We recommend the Director General of the U.S. &amp; Foreign Commercial Service take the following actions:</i>
Standardize the review process for the fee schedule to ensure biennial updates, as required by OMB Circular A-25.



Ensure that surveys used to determine user fees are methodologically sound and sample participation agreements for client services to validate the survey results.
Analyze and document the methodology for estimating overhead costs and include appropriate costs in the fee schedule to approximate full-cost recovery.
Develop (a) formal policies prohibiting trade specialists from handling checks and (b) appropriate internal controls for check payments, consistent with those in place for credit card payments.
Create official policies for account reconciliation, providing second-party review of reconciliation activities and guidance for corrective action.

Communications & Outreach	
NTIA	
<i>Proper Classification and Strengthened Monitoring of Subrecipients Are Needed for the Broadband Technology Opportunities Program (OIG-13-013-A)</i>	
<i>We recommend that the Assistant Secretary for Communications and Information direct BTOP personnel to:</i>	
Notify recipients of the vendor/subrecipient payment reporting requirements to <a href="http://www.FederalReporting.gov">www.FederalReporting.gov</a> pursuant to OMB M-09-21 and develop procedures to monitor reporting and ensure compliance.	
Provide additional guidance to recipients as to what information should be reported as federal expenditures and the importance of consistency between the reported expenditures and information included in the recipients' financial records.	
Encourage recipients to review vendors and their principals for suspension and debarment throughout the life of the grant.	
Encourage recipients to promote proper competition in the vendor selections.	
Communicate to recipients the importance of maintaining vendor contracts.	
ITA	
<i>U.S. Export Assistance Centers (USEACs) Could Improve Their Delivery of Client Services and Cost Recovery Efforts (OIG-13-010-1)</i>	
<i>We recommend the Director General of the U.S. &amp; Foreign Commercial Service take the following actions:</i>	
Determine why guidance on collaboration is not effectively communicated to trade specialists working in the field and take corrective action.	
Develop guidance on how to incorporate GAO practices for enhancing collaboration to structure partnerships to add value in achieving the USEACs' mission.	
Develop and provide training to USEAC and partner staff on collaboration strategies and techniques.	
As chair of the TPCC, request expanded TPCC Trade Officer Training with a web-based alternative that is available to all domestic trade specialists.	
Explore the possibility of requiring CS clients to waive confidentiality, in whole or in part, as a condition for receiving services.	



<b>USPTO</b>
<i>USPTO Successfully Implemented Most Provisions of the America Invents Act, but Several Challenges Remain (OIG-13-032-A)</i>
We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office:
Provide Congress with an updated assessment of the agency's ability, or not, to establish satellite offices that meet the provisions outlined in the AIA and provide a plan to establish its remaining satellite offices as resources become available.

<b>Human Resources Management</b>
<b>NOAA</b>
<i>U.S. Department of Commerce Independent Auditors' Report Exhibit I -- Material Weakness (OIG-13-006)</i>
We recommend that NOAA:
Fill the vacant NWS CFO and NWS Deputy CFO positions with qualified financial management personnel experienced in both federal accounting and budgeting.
Evaluate staffing at line offices to ensure that personnel with appropriate accounting experience are responsible for property accounting.
Evaluate staffing at NESDIS to ensure that personnel with appropriate financial accounting training and experience are responsible for satellite accounting.
<b>ITA</b>
<i>U.S. Export Assistance Centers (USEACs) Could Improve Their Delivery of Client Services and Cost Recovery Efforts (OIG-13-010-1)</i>
We recommend the Director General of the U.S. & Foreign Commercial Service take the following actions:
Develop strategies for minimizing the administrative duties of trade specialists.
<b>USPTO</b>
<i>USPTO Successfully Implemented Most Provisions of the America Invents Act, but Several Challenges Remain (OIG-13-032-A)</i>
We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office:
Strengthen the management of the satellite office program to develop a consistent and coordinated approach to establish and operate satellite offices by taking the following actions: b. Determine a standardized position description for the satellite office regional director whose documented responsibilities are commensurate with and reflect their responsibilities and grade level, or develop a single, centralized managerial function at USPTO headquarters responsible for operating and evaluating satellite offices.

<b>IT Resource Management</b>	
<b>EDA</b>	
<i>Malware Infections on EDA's Systems Were Overstated and the Disruption of IT Operations Was Unwarranted (OIG-13-027-A)</i>	
<i>We recommend that the Deputy Assistant Secretary for EDA:</i>	
	Identify EDA's areas of IT responsibility and ensure the implementation of required security measures.
	Determine whether EDA can reduce its IT budget and staff expenditures, through the increased efficiencies of EDA's involvement in the Department's shared services.
	Ensure that EDA does not destroy additional IT inventory that was taken out of service as a result of this cyber incident.
<b>ITA</b>	
<i>U.S. Export Assistance Centers (USEACs) Could Improve Their Delivery of Client Services and Cost Recovery Efforts (OIG-13-010-I)</i>	
<i>We recommend the Director General of the U.S. &amp; Foreign Commercial Service take the following actions:</i>	
	Upgrade or replace the current Client Tracking System.
<b>Office of the Secretary/Department-wide</b>	
<i>Malware Infections on EDA's Systems Were Overstated and the Disruption of IT Operations Was Unwarranted (OIG-13-027-A)</i>	
<i>We recommend that the Department's Chief Information Officer:</i>	
	Ensure DOC CIRT can appropriately and effectively respond to future cyber incidents.
	Ensure incident response procedures clearly define DOC CIRT as the incident response coordinator for the bureaus relying on DOC CIRT's incident response services.
	Ensure that DOC CIRT management has proper oversight and involvement in cyber incidents to ensure that required incident response activities take place.
<i>Review of IT Controls for FY2012 Consolidated FS Audit (OIG-13-007)</i>	
<i>We recommend that OFM/CSC [Office of Financial Management/Commerce Solutions Center]:</i>	
	CSC management update the Access Control Policies to include a requirement to change the passwords for network service and administrator accounts periodically.
	CSC management should continue with ongoing efforts and include all the applicable systems in the credentialed scans in accordance with Department of Commerce requirements.
	CSC management should improve the process of updating the CBS System Security Plan to reflect current changes.



Census	
Review of IT Controls for FY2012 Consolidated FS Audit (OIG-13-007)	
We recommend that Census:	
	Expedite implementation of its risk management framework so that all relevant CEN 01 security program documentation will be updated and kept current.
	Update its CBS (CEN 04) Security Plan to reflect the current ISA it has in place.
	Update its CBS (CEN 04) Security Plan to reflect the risk assessment performed to address the risk that the Census Headquarters building in Suitland (currently serving as an alternate storage site) is not geographically separated from the primary site in Bowie.
	Census management implement a process to ensure that role based training is taken in accordance with Census policy.
	Include the CBS databases in the CBS recovery tests at Sunguard.
	Clearly identify and document the priority of service for CBS in the CBS Contingency Plan.
	Include the CBS databases in the annual testing of CBS backup tapes.
	Update its CBS database password profiles to be consistent with Census policy. If business needs prevent the implementation of the Census policy, then the risk should be assessed and compensating controls should be implemented to mitigate the risk to acceptable levels.
	Periodically review and recertify datacenter access permissions in accordance with Census policy.
	Ensure that access documentation or evidence of recertification are maintained for all CBS users.
	Ensure that Tru64 Unix access permissions are periodically recertified in accordance with Census requirements.
	Update its configuration management policies and procedures to incorporate the AR approval and scheduling process.
	Ensure that CCB approvals are documented for all ARs before they are moved into production.
	Continue with its plans to migrate to supported Sun Solaris operating system versions and implement compensating controls for the Tru64 operating system until the migration to Solaris is completed.
	Update its CBS patch management procedures to clearly identify the approvals that are necessary for moving patches into production and ensure that patches are approved in accordance with the updated procedures.
	Implement a process to periodically review account activity associated with the shared accounts on the CBS production database and database server.
	Strengthen its exit process to ensure that notifications are sent to system administrators when individuals separate from Census.
	Document and approve a baseline configuration for Tru64, until the transition to a new system has been completed.

Census management continue efforts to maintain up-to-date system patches, review the system for configuration discrepancies, and implement the specific corresponding recommendations provided with the results of our vulnerability scans.
<b>NIST</b>
<i>Review of IT Controls for FY2012 Consolidated FS Audit (OIG-13-007)</i>
<i>We recommend that NIST management:</i>
Enforce existing NIST policy that requires IT accounts to be suspended (or locked) by the next business day after notification that a user no longer has a legitimate business need for access.
Reinforce the need of timely notification, by contractor supervisors, of terminated associates.
Continue efforts to maintain up-to-date system patches, review the system for configuration discrepancies, and implement the specific corresponding recommendations provided with the results of our vulnerability scans.
<b>NOAA</b>
<i>Review of IT Controls for FY2012 Consolidated FS Audit (OIG-13-007)</i>
<i>We recommend that NOAA management:</i>
Ensure that all remote users provide multifactor authentication when accessing the CBS front-end application.
Review and update the general support system contingency plan at least annually or more often, if its IT infrastructure, operations or risk posture change significantly or if regulations or guidance necessitate a more frequent testing schedule.
Analyze all contingency plan test results and update the contingency plan accordingly, as well as document testing results, including lessons learned.
Update, approve and execute a current service level agreement for alternate storage of backup media.
Continue efforts to maintain up-to-date system patches, review the system for configuration discrepancies, and implement the specific corresponding recommendations provided with the results of our vulnerability scans.
<b>NTIS</b>
<i>Review of IT Controls for FY2012 Consolidated FS Audit (OIG-13-007)</i>
<i>We recommend that NTIS management:</i>
Perform a detailed review of access roles and privileges for Active Directory, CIS-PUB, BAPS and corresponding database and operating system accounts semi-annually, as required by DOC policy.
Continue efforts to maintain up-to-date system patches, review the system for configuration discrepancies, and implement the specific corresponding recommendations provided with the results of our vulnerability scans.



USPTO	
Review of IT Controls for FY2012 Consolidated FS Audit (OIG-13-007)	
We recommend that USPTO management:	
	Continue with its plans to implement an operational alternate processing site in accordance with the POA&M and NIST Guidance.
	Continue to update the contingency plans to reflect any current progress with the alternate processing site.
	Enforce existing USPTO policies to disable contractor and employee accounts that exceed periods of inactivity, as defined by policy.
	Implement policies and procedures to ensure a script for the USPTO domain is consistently run and correctly configured to identify accounts inactive for more than 60 days and take appropriate actions to disable accounts and associated permissions if user accounts are no longer required for performing job functions.
	Enforce the existing USPTO policy that requires user access to USPTO information systems be terminated by the next business day, when employees and contractors are terminated.
	USPTO management implemented partial corrective actions during the audit related to updating RAM policy documentation. We recommend that USPTO management finish updating and promulgating RAM and USPTO policy documentation or perform system access reviews semi-annually for RAM and Momentum, as well as the Oracle databases and UNIX servers that support these applications, in accordance with USPTO policies.
	Perform an annual access recertification, during each fiscal year, for all Momentum users.
	USPTO management implemented partial corrective actions during the audit related to the OID account management tool. We recommend that USPTO management complete the remaining actions for this implementation.
	Perform documented reviews of the RAM application audit logs and retain evidence to support the occurrence of those reviews.
	Document access administration procedures for RAM Oracle servers.
	Review, authorize, document and maintain all database user access requests prior to account set up.
	Define documentation requirements for RAM and Momentum change requests and system development lifecycle projects, including testing and overall project requirements for each project type.
	Provide additional training to key IT personnel on the overall SDLC process and related testing roles, responsibilities and requirements.
	Continue efforts to maintain up-to-date system patches, review the system for configuration discrepancies, and implement the specific corresponding recommendations provided with the results of our vulnerability scans.



<b>USPTO Deployed Wireless Capability with Minimal Consideration for IT Security (OIG-13-014-A)</b>
<i>To help ensure that USPTO appropriately considers IT security in future IT system development efforts, we make the following recommendations to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office:</i>
Ensure that system owners register all systems under development in Cyber Security Assessment and Management during the initiation phase of the SDLC.
Ensure that USPTO rigorously applies its SDLC process and the RMF to all IT system development projects. This should include ensuring that required system security documents are appropriately developed and updated and that security controls required to protect a system are implemented and assessed.
Ensure that system owners, information system security officers, technical leads, project managers, and program managers attend the SDLC role-based training course on a regular basis.
Ensure that the Cybersecurity Division representatives have a role in deciding whether IT system development projects should transition to a subsequent phase in the SDLC based on their assessment of the effectiveness of incorporating security into the process.
<b>USPTO Successfully Implemented Most Provisions of the America Invents Act, but Several Challenges Remain (OIG-13-032-A)</b>
<i>We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office:</i>
Strengthen project planning and execution between OCIO and PTAB and, looking forward, with other USPTO units lacking a working relationship with the OCIO by adhering to USPTO's System Development Lifecycle policies for risk management practices, requirements collection, and communications and reevaluating whether waivers to specific project requirements should apply if initial funding and scope assumptions change.
Develop a multiyear plan that comprehensively addresses PTAB's IT requirements, including internal IT staffing and training needs, to support its expanded responsibilities under the AIA.

<b>Operations Management</b>
<b>NOAA</b>
<b><i>Audit of Geostationary Operational Environmental Satellite-R Series: Comprehensive Mitigation Approaches, Strong Systems Engineering, and Cost Controls Are Needed to Reduce Risks of Coverage Gaps (OIG-13-024-A)</i></b>
<i>To mitigate GOES two-imager coverage gap threats, we recommend that the NOAA Deputy Under Secretary for Operations ensure that NOAA:</i>
Develops a comprehensive set of tradeoff approaches (with impacts and implementation timetable) to mitigate launch delays and communicates approaches to stakeholders and users.
Keeps stakeholders and users informed of any tradeoffs that have to be made to meet the launch readiness date.



<i>To maintain robust systems engineering for the GOES-R program, we recommend that the NOAA Deputy Under Secretary for Operations:</i>
Directs NESDIS to report periodically to the NOAA Program Management Council on the adequacy of program systems engineering integration and NASA GSFC and headquarters systems engineering support.
<i>NOAA Needs to Continue Streamlining Rulemaking Process and Improve Transparency and Consistency in Fisheries Management (OIG-13-011-I)</i>
<i>We recommend that the Assistant Administrator for NOAA Fisheries:</i>
Strengthen policy guidance on financial disclosure by FMC voting members, with emphasis on how NOAA intends to handle specific consequences for conflicts or potential conflicts it identifies.
Strengthen criteria for identifying conflicts of interest and processes to follow up on any conflicts that are identified.
Finalize draft Operational Guidelines and provide them to NMFS regional offices.
Finalize regional operating agreements between NMFS regional offices and FMCs.
Develop uniform procedures for the collection, management, and maintenance of documents supporting decisions and administrative records associated with fishery regulations.
<b>Office of the Secretary/Department-wide</b>
<i>Classified Information Policies and Practices at the Department of Commerce Need Improvement (OIG-13-031A)</i>
<i>We recommend that the Director, Office of Security:</i>
Ensure that the document custodian take action to finalize the disposition of the three documents identified in the audit with expired declassification dates.
Require container custodians to be responsible for the classified documents in the container(s) they control and (a) promote and enforce user reviews of classified documents, as well as (b) ensure custodians are trained and understand their responsibilities to account for, control, and purge classified materials.
Amend the Security Manual to align with the language in Executive Order 13526 that requires the name and position or personal identifier to be listed on derivatively classified documents, as well as update biennial training to include how to apply classification markings on derivatively generated documents.
Improve the process for entering accurate data into Security Manager and develop guidance addressing the processes to be followed to conduct and document annual classified information inventory reviews.
Incorporate any relevant changes made as a result of recommendations in this report as part of the Office of Security's annual reviews of the Department's classified information.



<b>NTIA</b>	
<b><i>Fourth Annual Assessment of the PSIC Grant Program (OIG-13-016-A)</i></b>	
<i>We recommend that the Assistant Secretary for Communications and Information:</i>	
	Institute a routine follow-up process with recipients, to ensure that grant requirements are understood and met.
	Strengthen existing requirements for grant recipients to perform subrecipient monitoring.
	Document the follow-up conducted with PSIC grant recipients on recommendations included in appendices to this report.
<b><i>Proper Classification and Strengthened Monitoring of Subrecipients Are Needed for the Broadband Technology Opportunities Program (OIG-13-013-A)</i></b>	
<i>We recommend that the Assistant Secretary for Communications and Information direct BTOP personnel to:</i>	
	Review their grants, including the two vendors identified, for subrecipient relationships to help ensure that subrecipients are properly classified. If NTIA determines that the two vendors were improperly identified, NTIA should request that the entities be appropriately classified and funds appropriately accounted for.
	Review all projects to make sure they will be completed on time, accelerate those projects at risk of not meeting their 3-year completion dates, and assist the recipients in addressing potential risks to projects or issues delaying their progress.
	Work with recipients to ensure that they have effective monitoring mechanisms in place, such as subrecipient monitoring plans, to facilitate sufficient monitoring.
	Reemphasize to recipients the importance of including all BTOP provisions in subrecipient agreements and the importance of meeting the terms and conditions of the award.
	Have grant officers remind recipients of the importance of reconciling financial information that they maintain with expenditures reported on the <a href="http://www.Recovery.gov">www.Recovery.gov</a> website.
<b>ITA</b>	
<b><i>U.S. Export Assistance Centers (USEACs) Could Improve Their Delivery of Client Services and Cost Recovery Efforts (OIG-13-010-I)</i></b>	
<i>We recommend the Director General of the U.S. &amp; Foreign Commercial Service take the following actions:</i>	
	Determine why some USEACs are underperforming and take corrective action or explore the following options: (1) consolidate lower-producing USEACs with higher-producing USEACs located within the same MSA, (2) close lower-producing USEACs operating in MSAs with low export potential, and (3) consider closing vacant USEACs.
	Track overseas posts that are unable to deliver services in an adequate manner and use the pilot tracking tool to provide estimated service delivery times to clients based on post performance and service type.

<b>USPTO</b>	
<b><i>USPTO Successfully Implemented Most Provisions of the America Invents Act, but Several Challenges Remain (OIG-13-032-A)</i></b>	
<i>We recommend that the Under Secretary for Intellectual Property and Director of the U.S. Patent and Trademark Office:</i>	
	Ensure the quality of first-inventor-to-file (FITF) application processing by soliciting feedback from examiners after they have taken substantive FITF training and after they have reviewed their first FITF applications, and oversample recently filed FITF applications included in USPTO's established quality assurance reviews.
	Strengthen the management of the satellite office program to develop a consistent and coordinated approach to establish and operate satellite offices by taking the following actions: a. Develop a consistent and centralized approach to effectively manage the planning and opening of currently planned satellite offices and assess whether this approach should continue if additional satellite offices are needed.
	Prepare a comprehensive implementation plan for the issuance of the overall AIA Implementation report, to include milestones for completing the six other remaining AIA reports, and individual implementation plans to address the operational oversight needed to carry out its Pro Bono and Diversity of Applicants programs.

<b>Travel &amp; Conferences</b>	
<b>Office of the Secretary/Department-wide</b>	
<b><i>Quarterly Conference Reporting Processes Need Improvement (OIG-13-001-I)</i></b>	
<i>We recommend that the Director of OAS:</i>	
	Strengthen operating policy to ensure bureaus accurately report actual conference spending data, identify estimated costs, and provide updates to these estimates when actual costs become available.
	Require bureaus to maintain supporting documentation for costs incurred, planning considerations, and decision justifications.
	Acquire assurances from bureaus that all required conferences are included in the quarterly report.
	Provide training to ensure clear understanding of developed policies, documentation requirements, and the conference spending data report process.
	Develop a process to examine questionable costs and document results.
	Conduct and document tests of the reasonableness of second quarter FY 2012 conference expenditure data provided by the bureaus.
	Review bureau procedures for planning conferences and selecting facilities to ensure compliance with Departmental policies and procedures.