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Description of document: National Archives and Records Administration (NARA) records provided to Senator Charles E. Grassley and Senator Tom Coburn concerning the independence of Inspectors General necessary to promote efficiency and prevent fraud, waste and abuse in agency programs, in response to the Senators' inquiry, 2011-2012

Requested: 17-April-2012

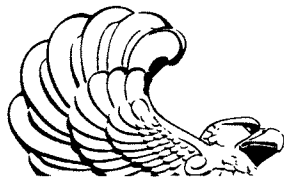
Released date: 28-June-2012

Posted date: 04-July-2012

Source of document: Office of the Inspector General
National Archives and Records Administration
FOIA Request
8601 Adelphi Road, Room 1300
College Park, MD 20740
Fax: 301-837-3197

Note: This is one of several files on the same subject for various agencies available on governmentattic.org. See: <http://www.governmentattic.org/6docs/GrassleyCoburn.htm>

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NATIONAL
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OFFICE of
INSPECTOR GENERAL

June 28, 2012

DELIVERED VIA E-MAIL

Re: Request for biannual responses to Senators Grassley and Coburn on non-public investigations, evaluations and audits (NARA OIG FOIA 12-16)

This letter is in response to your letter dated April 17, 2012 whereby you requested "a copy of each biannual response to Senators Grassley and Coburn regarding their April 8, 2010 request ... to provide a summary of ... non-public management advisories and closed investigations." I have searched our files and the responsive records are attached. Please note due to technical problems with some of NARA's information technology systems, some of the original signed PDF files are not currently available. Rather than delaying this response any further, the unsigned files were used in those instances.

I am releasing the attached documents with information redacted mainly under FOIA Exemptions b(6) and b(7)(C) due to the privacy interests of the parties involved. Redactions pursuant to Exemptions b(6) and b(7)(C) included information that constituted a clearly unwarranted invasion of personal privacy and/or records compiled for law enforcement purposes that could reasonably be expected to constitute an unwarranted invasion of personal privacy. Any black line without a specific FOIA exemption (i.e. "b(2)") noted on the page was redacted under Exemptions b(6) and b(7)(C). Redactions were also made under Exemption b(5) for deliberative material, and under Exemption b(2) for personnel matters.

You have the right to administratively appeal this determination by writing to the Archivist of the United States, National Archives and Records Administration, 8601 Adelphi Road, College Park, MD, 20740, within 35 calendar days of the date of this letter. If you choose to appeal, your appeal letter and its envelope should be clearly marked "Freedom of Information Act Appeal," and you should explain why you believe NARA should release the withheld information.

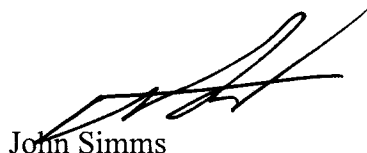
NATIONAL ARCHIVES *and*
RECORDS ADMINISTRATION

8601 ADELPHI ROAD, ROOM 1300
COLLEGE PARK, MD 20740-6001

www.archives.gov

If you have any questions, you may contact me at 301-837-1966 or john.simms@nara.gov.
Thank you for contacting the NARA OIG.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Simms', with a stylized flourish extending from the end.

John Simms
Counsel to the Inspector General
National Archives & Records Administration



National Archives and Records Administration

Office of Inspector General

8601 Adelphi Road, Suite 1300
College Park, Maryland 20740

June 16, 2010

Hon. Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Hon. Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
United States Senate
340 Dirksen Senate Office Building
Washington, DC 20510

RE: Your April 8, 2010 request for information

Gentlemen,

The Office of the Inspector General (OIG) at the National Archives and Records Administration (NARA) welcomes this opportunity to provide our response to your April 8, 2010 request for information on various aspects of our work. I appreciate your interest in our fight against fraud, waste and abuse at NARA. The OIG is committed to helping improve NARA as an agency, and to investigating any who make seek to harm NARA through criminal or fraudulent acts.

As your letter stated, OIG independence is necessary to carry-out our role. While most NARA employees are appreciative of our efforts, we unfortunately have had some instances where NARA officials have sought to hinder our work. There have been many examples where NARA officials have taken much longer than necessary to respond to requests for information or access from auditors and investigators, but these have typically been resolved when senior OIG officials became involved. More egregious examples have periodically arisen over my ten-year tenure, which had adversely impacted our capacity to meet our statutory mission. Since David S. Ferriero took over the agency as the Archivist of the United States in November 2009, we have worked to address such historic problems. However, there is one recent event which I believe warrants inclusion in this response.

Consistent with established practices throughout the IG community, this office provides appropriate NARA officials with draft audit reports to review and comment on. This process allows disagreements to be aired, vetted and addressed before a final report is released. It also serves as a check and balance process to validate accuracy and reliability of content and underlying work papers. While all management comments are not guaranteed to be addressed in the final product, this time honored process handles most issues at the lowest level before the final audit report is directed to the

agency head. In a recent audit, management officials ignored this standard protocol and NARA's own directives on the subject. Instead of civilly responding to the OIG about the draft, a group of senior NARA officials instead decided to go directly to the head of the agency attacking not only the draft, but the entirety of the OIG audit function as well. This attack made base and overly general allegations without understanding, or even bothering to check, the OIG's position. The Archivist of the United States was made aware of this breach in process, procedure and protocol; and I am confident he will address this matter in an appropriate manner.

In accordance with your request for biannual reports on all closed investigations, evaluations, and audits that were not disclosed to the public, please see Attachment 1. This attachment contains summaries of the non-public OIG investigations from January 1, 2009 through April 30, 2010. All other OIG reports and products have been summarized and discussed in our Semiannual Reports, available online at <http://www.archives.gov/oig/reports/semiannual-congressional.html>. If you need further details on anything discussed in these summaries please contact John Simms at 301-837-1966 or john.simms@nara.gov.

To answer your second question, no federal official has threatened or otherwise attempted to impede our ability to communicate with Congress on any topic. If this should happen in the future we will certainly contact you immediately. Finally, as you requested, Attachment 2 is a courtesy copy of our reply to the Ranking Member of the House Committee on Oversight and Government Reform regarding outstanding recommendations that have not been fully implemented.

Once again, we welcome any opportunity to work with you. If there is anything else we can do for you, or if you wish any further documentation, please do not hesitate to contact John Simms of my staff at 301-837-1966 or john.simms@nara.gov. Thank you.

Sincerely,



Paul Brachfeld
Inspector General
National Archives and Records Administration

Attachments:

1. Summaries of OIG products not released to the public
2. Reply to the Ranking Member of the House Committee on Oversight and Government Reform regarding outstanding recommendations that have not been fully implemented

Attachment 1

NARA OIG NON-PUBLIC CASES CLOSED FINAL FROM JANUARY 1, 2009
THROUGH APRIL 30, 2010.

07-016-I: Potentially Stolen/Alienated Records

Subject previously investigated by Army CID and FBI in 1992 and ultimately returned 7 boxes of POW/MIA materials to NARA. Prosecution was declined. More allegations surfaced in 2007 claiming that photographs [REDACTED] belonged to NARA. It could not be demonstrated that the photographs belonged to NARA. Subject refused to talk to investigators.

09-006-I: Unlicensed Security Company at Presidential Library

Subsequent to an intrusion at [REDACTED], it was discovered that the security guard contractor in place did not have a current license to provide security services. Instead their license was "pending renewal." Neither the contractor nor NARA performed due diligence to make sure that the contractor was properly licensed. Subsequent to our investigation, the [REDACTED] granted a license renewal to the contractor.

06-009-I: Lincoln-Welles Correspondence

Allegation of the existence of a mysterious trunk that held 713 letters/notes between President Lincoln and Gideon Welles. This investigation followed all leads developed over three plus years. Many of the items mentioned as being in the same collection with the 713 letters/notes have been tracked down and physically viewed. However, the 713 letters/notes still have not surfaced nor have dealers, collectors, or historians who collect Abraham Lincoln memorabilia heard of such a cache. No evidence was discovered indicating that such a cache exists.

06-031-I: Missing Lincoln Letter

Allegation made that a letter from Lincoln to Secretary of the Treasury Salmon Chase was potentially alienated from NARA. Investigation discovered that a portion of this document remained at NARA. This investigation tracked the original seller of the record to a descendant of John Sherman, former Secretary of the Treasury, who stated this letter was passed on from John Sherman. Testimony indicates this record was not stolen from NARA. During this investigation, it was discovered that an additional record was missing from NARA. Specifically, a letter, from the same volume of records, discussing George Harrington and his appointment as Acting Secretary of the Treasury, signed by President Lincoln in 1862. This will be included in a listing of documents missing from NARA.

08-022-I: Documents Found in Trash

Allegation that researcher threw away original NARA records. Video footage showed researcher putting pieces of documents into a research room trash can. Interview of the subject revealed that she had dumped scraps of paper from a file into the trash. Subject was forthcoming and apologetic explaining she thought it was trash. NARA determined the pieces of paper to be non-record copies. Case not referred as no criminal statutes violated.

09-010-I/09-011-I: Misuse of Government Credit Card/Government Vehicle

Allegation of misuse of Government gas cards and vehicles. Investigation revealed the allegation was based on faulty information. More stringent controls enacted to allow for more effective credit card and vehicle oversight.

06-032-I: Inappropriate Trips to Cuba

Allegation that subject employee with a security clearance had traveled to Cuba inappropriately. Subject admitted to these undocumented trips to Cuba and was suspended.

[REDACTED]

b(2)

07-006-I: Improprieties with ARC Contract

Allegation of improprieties in NARA's ARC program. Material provided during the course of this investigation needs to be reviewed by audit staff to determine whether the ARC contract is working appropriately. This office will follow up with audit to determine whether criminal conduct can be substantiated subsequent to an audit review of all of the material provided.

08-007-I: NARA Alaska Land Deal

Allegation that NARA did not perform due diligence on its purchase of land in Alaska for a Records Center. NARA paid \$3.5 million for land which when residentially zoned was valued at \$1.95 million. The property was given a business zone appraisal of between \$2.9 million and \$4.49 million. The land was sold to NARA zoned residential with special requirements for NARA to take to change the zoning. NARA never took action to change the zoning. It was not necessary for NARA to base its purchase price on a zoned-for-business appraisal and NARA may have overpaid for the property. However, the purchase was governed by GSA, and not NARA officials.

08-005-I: Workers Compensation Fraud

Allegation that NARA employee was violating worker's compensation laws in that he was not injured as he reported. Subject was out on disability for a back injury he received while at NARA. Subject submitted workers compensation paperwork claiming a spouse and an specific home address. Investigation revealed no evidence of a spouse and address given was to a home subject had previously sold. Subject lied to investigators. Prosecution was declined and subject resigned from NARA.

08-016-I: Stolen Laptop

Subjects in a related case stole a laptop and provided it to a contractor in this case. The contractor knew the computer was stolen. He was terminated from the contract. Prosecution was declined.

09-015-I: Recovery of Laptop Computer

Baltimore resident discovered NARA laptop in her backyard. Investigators met the resident who provided the laptop. Analysis of hardware revealed it was not related to any other ongoing property investigations in this office. Theft remains unresolved.

CASE CLOSED PENDING RESPONSE FROM NARA DURING THE PERIOD

08-012-I: Pornography on NARA email System

During the course of another OIG investigation, a computer forensic analysis was performed on NARA's Groupwise email system. During that review, 42 employees and contractors were discovered receiving, viewing, and/or distributing various forms of pornography on the NARA email system and on their government computers. This conduct violated NARA policy on appropriate use of office equipment. This case is referred to NARA and closed pending administrative action.

Attachment 2

National Archives



Office of Inspector General

8601 Adelphi Road, College Park, Maryland 20740-6001

April 19, 2010

The Honorable Darrell Issa
Ranking Member, Committee on Oversight and Government Reform
House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515-6143

Dear Representative Issa,

Pursuant to your March 24, 2010 request, please find attached four charts addressing the four questions in your letter. In response to the last paragraph of your letter you ask for any opinions or suggestions for improving the Inspector General Act of 1978, or the Inspector General Reform Act of 2008. At this time, I have no individual suggestions for improving these laws, but I do support the proposals put forth by the Legislative Committee of the Counsel of Inspectors General on Integrity and Efficiency.

Should you have questions or need additional information please contact me at 301-837-1532.

Paul Brachfeld
Inspector General
National Archives & Records Administration

Attachment:
Answers to Questions, 3 pgs

Question 1 The current number of open and unimplemented IG recommendations.
(as of 3/31/2010).

No of Audit Reports with open and unimplemented IG recommendations	No. of open and unimplemented IG recommendations
25	187

Question 2 For those recommendations that have an estimated cost savings associated with them, identify the recommendation, the date first recommended, and the total estimated cost savings your office believes is obtainable if the recommendation is implemented by agency management (as of 3/31/2010).

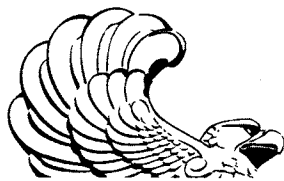
Pertinent OIG Report	Audit Report No. 09-10 Audit of NARA's Workers' Compensation Program
Recommendation No.	<p>Recommendation 4. Verify Workers' Compensation benefits by;</p> <ul style="list-style-type: none"> a. Developing procedures to promptly and continuously verify, validate, and document DOL's quarterly chargeback reports for accuracy and propriety including procedures to resolve any discrepancies. b. Developing processes to track and monitor NARA's continuation of pay benefits by including procedures such as: (a) coordinating with GSA Payroll Division to develop a COP benefits report; (b) developing a COP tracking information sheet to be included in each disability case file; (c) developing reconciliation procedures comparing the GSA COP benefits paid report to the COP tracking information sheet; (d) developing corrective action procedures for overpayments. These procedures should be included in NARA's comprehensive written policies and procedures for its WCP. c. Ensuring COP overpayments identified in this report are recovered.
The date first recommended	March 6, 2009
Estimated cost savings if implemented	\$35,685
Pertinent OIG Report	Audit Report No. 09-13 Audit of NARA's Vehicle Fleet Management Program
Recommendation No.	<p>Recommendation 3. Right-size NARA's vehicle fleet and provide written justification for retaining any underutilized vehicles. NAF should evaluate vehicle utilization and eliminate vehicles that do not meet the minimum guidelines or alternate utilization factors; and NAF may pool vehicles to fully utilize them whenever feasible.</p>
The date first recommended	August 26, 2009
Estimated cost savings if implemented	\$40,000
Pertinent OIG Report	Audit Report No. 09-15 Audit of NARA's Work-at-Home System
Recommendation No.	<p>Recommendation 6. We recommend the CIO enhance the controls in the IT Investment Management Process. With the issuance of the new NARA 801, we recommend the CIO specify who is responsible for verification activities in the IT Investment Management Process and controls to correct unfulfilled business requirements and variances in costs and schedule.</p>
The date first recommended	September 29, 2009
Estimated cost savings if implemented	\$200,000

Question 3 Identify what your office considers to be the three most important open and unimplemented recommendations (as of 3/31/2010).

Recommendations	Status	Cost Savings	Implemented in near future.
<p>Audit Report 07-06 Review of the Processing of Records Accessioned into NARA</p> <p>Recommendation 1 The Archivist of the United States (N) should:</p> <ul style="list-style-type: none"> a. not only ensure that work processes associated with processing records are examined and reengineered, in accordance with Long Range Performance Target 2.2 from NARA's 2007 Annual Performance Plan, but also develop a plan for formally reviewing the reengineering effort and evaluating the results. This evaluation should result in a written work product that assesses the results of the examination/reengineering effort and serve as a guide for future decisions on processing (including those identified in steps b. and c. below); b. establish agency wide processing priorities and request additional resources to accomplish this effort; c. continue to clearly define to stakeholders the processing challenges facing the agency and redefine strategic goals and mission statements as the situation dictates. 	Agreed to by management and corrective action has been initiated and is currently ongoing	NA	2 yrs
<p>Audit Report 08-15 Audit of NARA's PII/PIA Activities (Policies, Procedures, & Practices for Protection of Personally Identifiable Information)</p> <p>Recommendation 2. Ensure encryption mechanisms are in place for/on all portable devices containing privacy data such as laptops, thumb drives, and PDAs.</p>	Agreed to by management and corrective action is being initiated and is currently ongoing.	NA	2 yrs
<p>Audit Report 08-01 Audit of the Process of Safeguarding and Accounting for Presidential Artifacts</p> <p>Recommendation 1 The Assistant Archivist for Presidential Libraries (NL) should ensure that:</p> <ul style="list-style-type: none"> a. libraries perform an initial physical inventory of their entire collection within a reasonable timeframe; b. the results of the completed physical inventory are transmitted to NL and appropriately secured to serve as control or master copies establishing a reliable baseline for each library's museum collection; c. the results of the completed physical inventory are compared against legacy documentation about the collection in order to identify any discrepancies, and undertake to satisfactorily resolve these discrepancies; d. once an initial physical inventory has been completed, non-HVOs are re-inventoried/verified in a timelier manner than the current 5 percent or 1,000 items annually. 	Agreed to by management and corrective action has been initiated and is currently ongoing.	NA	2 yrs

Question 4 Identify the number of recommendations your office deems accepted and implemented by the agency during the time period January 5, 2009 – the date of the Committee's last report – and the present.

Number of recommendations deemed accepted and implemented by NARA from 1/5/09 – 3/31/10	30 recommendations
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OFFICE of
INSPECTOR GENERAL

January 13, 2011

Hon. Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Hon. Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
United States Senate
340 Dirksen Senate Office Building
Washington, DC 20510

RE: Your April 8, 2010 request for biannual reports on all closed investigations, evaluations, and audits that were not disclosed to the public

Gentlemen,

The Office of the Inspector General (OIG) at the National Archives and Records Administration (NARA) welcomes this opportunity to provide our continuing response to your April 8, 2010 request for biannual reports on all closed investigations, evaluations, and audits that were not disclosed to the public. This report contains summaries of the non-public OIG investigations from May 1, 2010 through September 30, 2010. All other OIG reports and products have been disclosed in our Semiannual Reports, available at www.archives.gov/oig/reports/semiannual-congressional.html. However, those reports have also been summarized below for your convenience. If you need further details on anything discussed in these summaries please contact John Simms at 301-837-1966 or john.simms@nara.gov.

Paul Brachfeld
Inspector General

Non-Public Office of Investigations Cases Closed (and Closed Pending) during the period of May 1, 2010 to September 30, 2010

06-0016-I: McGeorge Bundy Papers

Personal memoirs of McGeorge Bundy were deeded to the JFK Library. The collection was incomplete; [REDACTED] alleged another person was in possession of materials included in the deed. Additionally, some materials believed to be in that person's possession were thought to contain classified material. The investigation revealed no evidence that the person was in possession of items belonging to either NARA or [REDACTED].

07-0009-I: Fraudulent Requests for Veterans Records

The National Personnel Records Center (NPRC) reported the initiation of a US Postal Inspection Service investigation related to fraudulent requests for veterans' records from NPRC. The subject of this investigation pled guilty to wire fraud. He was sentenced to 1 day in jail, 2 years supervised release, restitution of \$11,300, and to seek psychiatric assistance on his own behalf.

07-0013-I: Procurement Integrity Act Violations

During the OIG investigation of parent Case No. 06-036-I, the OIG discovered possible Procurement Integrity Act violations committed by a contractor. It was indicated in Case No. 06-036-I that the contractor provided gratis services to NARA to support the Ourdocs.gov website. Management letter OI 10-01 issued to the Archivist on 3/2/10. Archivist responded on 4/9/10 with a corrective action plan.

08-0001-I: Building Maintenance Contractor

NASS reported they had been told by a building maintenance contractor's employees that the contractor had been using labor paid for under the facility maintenance contract to perform work on IDIQ projects. This practice is tantamount to double billing NARA for IDIQ project labor. Allegations in this case were disproved. Any "double billing" that may have occurred was unintentional. From a 9 pay-period sample, no double billing was found to have occurred and the contractor was operating within parameters for "core" personnel of their contract with NARA.

08-0003-I: Shipping contractor

[REDACTED] alleged [REDACTED] that a former [REDACTED] and subject of separate investigation, received bribes or gratuities from the owner and operator of the commercial shipping company. Investigation did not substantiate allegations of the company's president's involvement in bid-rigging and contract steering in awarding contracts to his company.

08-0010-I: President Andrew Jackson Endorsement

The Papers of Andrew Jackson at the University of Tennessee reported that an Andrew Jackson, as president, clipped signature was offered for sale by auction in 2004. The signature was removed from a lighthouse keeper appointment endorsed by Jackson, dated May 13, 1829. The Jackson Papers staff photocopied this document in 1973 at NARA, specifically from Letters Received, Department of National Archives, Record Group 26, Records of the Coast Guard, Box

64. It was then published in an edited volume of the Jackson Papers. The auctioneer [REDACTED] provided the names of the purchaser and the consignor of the signature. The purchaser had sold it almost immediately to an autograph dealer. That dealer said he purchased a clipped Andrew Jackson signature in February 2004, but sold it that year. He reluctantly said he would look at his sales records and then later advised he could not find a record of who he sold it to. He said his former associate may know where the records are located. The associate was contacted by OIG and he claimed that he kept all of his invoices and sales records and they remain with the owner. After avoiding contact with OIG for several months, the owner was sent an OIG subpoena in 2009 and he responded with a floppy disc containing an Excel spread sheet from 2004 that documents the sale of autographs through his company as well as copies of e-mails from the owner and another company about the OIG investigation of the clipped signatures. Neither proved helpful. The matter remains unresolved and the clipped signatures were added to the Recover Lost and Stolen Documents website.

08-0012-I: GroupWise E-Mail Pornography

During the computer forensic examination for a related case, the OIG discovered pornographic material stored on the e-mail accounts assigned to NARA employees and contractors. This investigation substantiated that 42 NARA employees and contractors were wrongfully viewing, receiving, and/or distributing pornography, to include bestiality, on their Groupwise Email accounts, in violation of NARA 802: Appropriate use of Office Equipment. This case is referred to NARA and closed pending administrative action. NARA has determined to examine emails of NARA personnel agency wide for pornography. One contractor has been removed from the LB&B services contract. No action has been taken against any NARA personnel at this time. Subsequent action will be noted in case file.

08-0014-I: Potentially Stolen Documents from the Mexican National Archives

An anonymous source indicated he had knowledge of the whereabouts of records stolen from the "Mexican National Archives." The source indicated the records were original documents clearly marked with identification related to the MNA, but he was unable to describe individual items. He asked for advice on the best method for reporting the potential theft and trying to stop the sale of the records on Ebay. He did not have a detailed listing of the materials, although he did indicate that he had worked on them with the current seller in the past, and that some of the material had already been sold to an American university. An undercover email was sent to determine if the university held the allegedly stolen documents. This action was coordinated with the FBI and the case was ultimately referred to them. Any action by the FBI on the case will be noted in the case file.

09-0003-I: Clinton Library Negatives Missing

NL reported that four files of photo negatives went missing between Oct. 7 and Oct. 8 while they were out for processing. Case is unresolved as files have not been recovered. Violations of NARA policy by library staff were substantiated. HR advised that the staff at the Clinton Library were reminded of the procedures and to safeguard their holdings. [REDACTED]

b(2)

09-0007-I: Sun Drives from CMRS Containing PII released outside NARA

The Sun computer drives used in CMRS were returned to Sun Microsystems Inc. as defective. The drives allegedly originated from the Case Management and reporting System (CMRS) system out of NPRC and contain information covered under the Privacy Act. As the drives were defective, they could not be accessed to delete PII as required. Substantiated that a drive likely containing voluminous amounts of veterans' PII, was released from NARA control to a maintenance contractor in violation of NARA policy. NARA and contractor staff did not exercise due diligence in ensuring this type of information did not leave NARA's control.

09-0013-I: NARA GOV-Fleeing Scene of Accident

NARA GOV was struck by another vehicle at intersection in DC. MPD responded and took report. A NARA employee in the GOV recorded the license plate number of the other vehicle. This information was used to trace the owner of the other vehicle. The owner had initially filed a claim with his insurance company stating that his vehicle had been struck by an unknown driver. Once confronted with the details of the OIG investigation, subject recanted his claim and accepted fault. MPD issued a citation and fined him \$200. NARA filed a claim with the General Services Administration (GSA) for damages totaling \$1388.51. Full reimbursement was remitted.

09-0019-I: Indecent Exposure

NARA employee observed a black male running without clothing from the research room public computer terminals. Subject initially lied to investigators but subsequently confessed to two incidents of indecent exposure at A1. This occurrence and an occurrence in August of 2007 that is documented in OIG Case No. 07-189-C. Subject has been summoned to appear in DC criminal court. Prosecution declined for failure to meet threshold of evidence of visible genitalia. [REDACTED]

b(2)

09-0021-I: NLHST Mismanagement

NL received correspondence from a [REDACTED] of mismanagement by a presidential library Director. Allegations included potential Hatch Act, tax fraud, sexual harassment, and hostile work environment. Second, NL told the OIG that their own internal financial audit revealed credit card misuse and other oversight issues.

This investigation determined that NL proactively identified 23 procurement practice deficiencies occurring at the library. The OIG reviewed these findings, conducted a proactive fraud review, and determined that, while there are deficiencies, no evidence exists of fraudulent activity. NL removed purchase authority from one employee, is engaged in ongoing training and oversight to eliminate deficiencies, and instituted bi-annual reviews of all Presidential Libraries by NL staff. The OIG determined that while the subject issued [REDACTED] check to a private flight provider for \$28,914.28 to pay for a distinguished visitor's travel to the library to accept a public service award, an agreement to issue said check was co-signed by [REDACTED].

The OIG reviewed the allegation that subject's arrangement for a private donor to assist with paying for the visitor's travel committed a tax violation. The OIG determined the donor would be qualified for a tax deduction based on a charitable donation whether such donation was given

to either [REDACTED] or [REDACTED] sponsoring the public service award. The OIG found that insufficient evidence exists regarding the allegation of harassment. The OIG received no direct complaint from which to initiate an inquiry.

10-0006-I: Threat to NARA Employee via US Mail

NARA employee complained that NARA customer wrote threatening letter stating, "I kill people for a lot less but since I like you, you will not be terminated." Case was substantiated. AUSA declined due to lack of intent to harm.

10-0009-I: Unauthorized Access (Rocket Center, WV)

A NARA system at the Center for Advanced Systems and Technologies, physically located at the Allegany Ballistics Laboratory in Rocket Center, WV, was accessed without authorization. NHA administrators discovered, through log examination, that there was evidence of human intervention and as a result contacted OIG. Investigation revealed that the server was accessed without authorization by an unidentified individual(s) to act as a platform to launch further attacks against other machines and not for the purpose of deliberately infiltrating a government network or to access government data. Department of Justice, Computer Crimes and Intellectual Property Section, declined this case for prosecution.

10-0010-I: Misuse of a Government Travel Card

The Financial Services Division identified unauthorized charges on NARA employee's Citibank Visa Travel Card. The charges included purchases and cash advance withdrawals at Trump Plaza and Charlestown, WV, in the amount of \$7034.91. An OIG investigation established that the employee committed a crime of False Statements in violation of 18 U.S.C. § 1001 and violated NARA Notice 2003-148, Use of Citibank Visa Government Travel Card. The local United States Attorney's Office declined prosecution of the False Statements (18 U.S.C. § 1001). The employee received and has served a two day suspension.

10-0013-I: Theft from JFK Store

Allegation that a female suspect had been apprehended subsequent to stealing NARA property from the JFK store located in Boston, Massachusetts. Boston Police Department responded, at which time the suspect was arrested and charged with shoplifting \$200 and over. Subject found guilty in Massachusetts. Fined \$250 and barred from NARA for one year.

10-0017-I: Software Piracy

OIG received information alleging a contractor for NARA's webmaster services instructed a former contractor to download and use software from an illegal website. Additionally, the complainant alleged the contractor obtained a computer Trojan on a website she used for government demonstrations as a result of visiting illegal websites. Allegations were unsubstantiated. Case closed final. No referral.

10-0022-I: Pornography

NARA's WebSense software recorded thousands of blocked attempts to access certain websites by a NARA employee. Employee's hard drive was seized. Analysis showed attempted access to pornographic sites, some with indicia of child porn. Subject admitted to viewing pornography on his work computer. There was no evidence he viewed child pornography. Subject also admitted

to threatening bodily harm to his supervisor. Employee resigned in lieu of potential administrative action.

CLOSED PENDING RESPONSE FROM NARA DURING THE PERIOD

10-0008-I: Historical Society of Washington, DC Grant Fraud

Historical Society of Washington (HSW) was awarded a grant of approx. \$200,000. An employee of the HSW complained to NARA NHPRC that she was not getting paid or receiving her benefits under the grant. During a phone call between [REDACTED] and [REDACTED] [REDACTED] admitted that some of the grant funds provided (\$55,000 at the time of the complaint) had been used to fund projects not related to the grant. Investigation of this case revealed no direct evidence to support grant funds were obtained specifically for fraudulent purposes. Federal and civil prosecution of this case was declined. NARA-OIG Office of Audit will submit a report to the NARA Grant Office, NHPRC, providing recommendations for corrective actions in order for the grant to continue.

10-0015-I: [REDACTED]: Presidential Library Misconduct

Staff from a presidential library contacted the OIG to report that an employee alleged her supervisor approached all gift shop staff and asked them to contribute \$43 to cover for a cash register shortage. Subject allegedly discovered the shortage and never notified NARA management. Subject approached a security guard and requested to review gift shop surveillance footage. Both gift shop and safe room have installed surveillance cameras. Investigation substantiated theft was occurring at the gift shop, and a subject was identified who subsequently confessed to stealing cash on two occasions. Additionally, the allegations against the supervisor were confirmed by various employees and she admitted asking employees to provide money to remedy a deficit in the safe. Local prosecutorial opinion is pending on the thefts. No criminal charges are being sought against the supervisor.

10-0016-I: IRS Document Disclosure

A truck containing 24 pallets of IRS documents arrived at the Kingsridge FRC from the San Bruno FRC missing the NARA lock and seal. There was a non-NARA "wire" seal on the trailer. When the Kingsridge FRC staff opened the trailer, they observed all of the pallets intact and wrapped. The San Francisco FRC confirmed that the trailer left their facility with the NARA lock and seal. Subsequent incident occurred during the course of the investigation. Treasury Inspector General for Tax Administration notified but declined to open case. No evidence that any damage was done to IRS records. Subjects include unknown persons who break into freight cars at rail yard to steal merchandise for resale. NARA advised to secure cars with better locks. Recommend revisiting the Statement of Work with IRS to limit transportation to over the road trucks rather than train. Closed pending response from NARA security and contracting.

10-0021-I: Copper Wire Theft

NARA security reported that a contractor employee was observed transporting copper wire from A1 to A2. Subject stole copper and brass metals from Archives construction site on National Mall and sold them for his own profit to a recycler. Subject confessed. Prosecution determination pending. Will refer to NARA subsequent to determination.

Publicly Known Office of Audits Reports during the period of May 1, 2010 to September 30, 2010

During the reporting period we issued the following audit reports and management letters in three general categories: (a) Information Technology, (b) Electronic Records Archives, and (c) Programs and Operations. These are publicly known products, but are included here for convenience.

INFORMATION TECHNOLOGY

NARA's Network Infrastructure. Appropriate physical security and access controls had not been implemented on NARA's network, which left network equipment vulnerable to potential compromise, theft, or damage. These weaknesses could jeopardize the availability of NARANET NARA's computer network. We also identified several opportunities to improve security and operation of the network. We made 18 recommendations to assist NARA in providing appropriate management and technical controls over the network. Management concurred with 17 of the 18 recommendations. (OIG Report #10-07, dated April 28, 2010.)

Backup Computer Tape Disposal. NARA was not properly or adequately disposing of used or failed computer backup tapes. In response to a complaint to the OIG Office of Investigations, we found NARA failed to adequately control the disposal of these tapes, and NARA can provide no assurance that sensitive information has not inappropriately left NARA's control. Our analysis revealed confused and contradictory beliefs and understanding of what was and was not allowed in terms of computer backup tape disposal at NARA. (Management Letter #OI-10-03, dated May 13, 2010.)

ELECTRONIC RECORDS ARCHIVES (ERA)

Concerns with the ERA system's Ability to Conduct Full-Text Searches. The OIG advised the Archivist of our concerns as to the capacity and capability of the ERA System to search the records which it will eventually store. The ERA Requirements Document defines the system's core requirements, and based on our interpretation, it calls for a system which would ingest, preserve, and facilitate authorized user search, retrieval and access to all data in each record maintained in the ERA. For example, we believe ERA should be able to search the full text of an email's body, not just the subject line or delivery addresses. It had come to our attention NARA program officials may decide to limit ERA's searching functions short of full-text searches due to the costs involved. With Final Operation Capacity looming in 2012, NARA had yet to make this crucial decision, nor had officials alerted appropriators of the resource issues involved. (Management Letter #10-10, dated April 23, 2010.)

Inadequate Contingency Planning for the ERA System. Due to inadequate contingency planning, ERA officials lack assurance the ERA System can be successfully restored at an alternative location should its primary site be unavailable. Such a significant risk severely limits the reliability of the system. Specifically, the audit found: (a) the ERA Business Impact

Analysis (BIA), central to determining what recovery strategies should be implemented to ensure availability, was incomplete and lacks current system information; (b) it is unknown if the ERA System (in its entirety) can be successfully restored from backup tapes; and (c) there is not an alternative backup site. (Audit Report #10-11, dated April 29, 2010.)

No Alternative Backup Site for the ERA System. NARA expended over \$2.8 million dollars to lease space for the ERA system at the Stennis Space Center in Mississippi that was never put to use. Originally, Congress provided funds for NARA to begin working with the Naval Oceanographic Office at Stennis, and the facility was to serve as the primary site for the ERA System. However, the primary ERA site shifted to Rocket Center, West Virginia, and the Stennis site was never utilized as either the primary or back-up ERA site. Thus, over \$2.8 million was expended for leased space that was never used, and NARA continues to lack an alternative ERA back-up site. (Audit Report #10-16, dated August 18, 2010.)

Similar Developmental Issues Exist for both NARA's ERA Program and the FBI's Sentinel Project. This audit focused on assessing whether (a) the ERA Program is meeting cost and schedule requirements, and (b) NARA and contractor management officials are taking timely action to correct any actual or potential problems with program performance. In several ways, NARA's experience with developing the ERA System is similar to that of the Federal Bureau of Investigation's (FBI's) development of the Sentinel Information and Investigative Case Management System, both of which are being developed by the same contractor. In reports of the FBI's implementation of the Sentinel Project, the U.S. Department of Justice (DOJ) OIG has expressed concerns about Sentinel's overall progress, aggressive schedule, increased costs, and inability to satisfy user requirements, similar to the concerns we have about the ERA Program. (Audit Report #10-12, dated May 17, 2010.)

Defense Contract Audit Agency (DCAA) Audits. The Defense Contract Audit Agency (DCAA) reviewed contractor invoices submitted for work on the ERA development contract. The invoice reviews consisted of verifying direct labor charges, subcontractor labor charges, other direct costs, and overhead. We requested DCAA's assistance with this effort, because of their experience with performing this type of review and their access to contractor records. During the period, the DCAA issued 3 audit reports detailing the results of their reviews, none of which contained any significant findings. (DCAA Audit Report Numbers 6271-2010N17900001, 6271-2010N17900002 and 6271-2010N23000002 dated May 26, 2010, June 25, 2010 and September 10, 2010 respectively.)

PROGRAMS AND OPERATIONS

NARA's Contract for Information Technology and Telecommunication Support Services (ITTSS). Our review of NARA's \$56 million ITTSS contract disclosed that: (a) agency officials had the opportunity to select a contractual arrangement with less inherent risk to NARA for acquiring these services; (b) NARA officials did not prepare a Determination and Findings (D&F) justifying their use of a Time-and-Materials (T&M) component to this acquisition, and their documented rationale for using other than a firm-fixed-price (FFP) order or performance-based order was inadequate; (c) the Quality Assurance Surveillance Plan (QASP) for the contract did not adequately describe the

methodology, frequency, documentation required, or reporting on requirements; (d) contractor performance was not being evaluated on the basis of achieving the Service Level Agreements (SLAs) in the contract; (e) the surveillance process was poorly documented and not well-organized for review; (f) the contractor was not complying fully with the contract's Invoice Submission Requirements¹; and (g) the contractor failed to satisfy contract requirements related to the delivery of data items. We made six recommendations to assist the agency in correcting the reported deficiencies and to ensure the interest of the Government is protected. While management generally disagreed with the audit findings, they generally concurred with the recommendations. (Audit Report #10-05, dated August 18, 2010.)

Security at Archives I and II. Through this management letter, we informed the Archivist of serious safety and security risks noted during our ongoing fieldwork for the Audit of the Security Force Contract. Specifically, NARA has no assurance contractor employees (a) are proficient enough with their weapons to perform their duties, (b) have the physical capacity and capabilities needed to respond to the variety of emergency situations, and (c) would be able to respond appropriately during an incident. (Management Letter #10-18, dated September 16, 2010.)

Process for Providing and Accounting for Information Provided to Researchers. As a result of inadequate controls over records provided to researchers, NARA cannot adequately ensure the records are properly accounted for, nor can the agency appropriately safeguard them. We made four recommendations designed to strengthen internal control weaknesses defined in the report. Management concurred with all four recommendations. (Audit Report #10-14, dated August 6, 2010.)

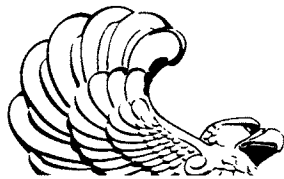
National Historical Publications and Records Commission (NHPRC) Grant No. RB-50061-09. We questioned the entire cost incurred to date on this grant, due to misuse of grant funds and poor management of the grant, to include a lack of supporting documentation for labor cost. An OIG investigation did not reveal direct evidence of intentional misuse of Federal grant funds by any person; however, the evidence suggested particular grantee staff were aware their actions were inappropriate. Based on our recommendation, NHPRC terminated this grant and a decision by NHPRC to recover the costs questioned is pending. (Audit Report #10-15, dated June 23, 2010.)

Accuracy of NARA's Performance Measurement Data. To assess the accuracy and reliability of performance data entered into NARA's Performance Measurement and Reporting System (PMRS), we reviewed nine of NARA's 37 FY 2009 performance metrics. Of those nine, we identified problems with five metrics. We made two recommendations to assist with ensuring the accuracy and reliability of future data entered into PMRS. Management concurred with both recommendations. (Audit Report #10-13, dated July 15, 2010.)

NARA's Internal Control Program. At the end of the Federal Managers' Financial Integrity Act (FMFIA) reporting period, September 30, 2009, NARA did not fully comply with the

¹ The Contracting Officer reported NARA officials verbally waived these requirements for the contractor.

requirements of the Office of Management and Budget's (OMB) Circular A-123, *Management's Responsibility for Internal Control*, as a formalized internal control program did not exist. Since then, NARA has made progress and should be commended for establishing an implementation plan for a comprehensive internal control program. However, while the plan was established, much more remains to be done. Further, management has not closed the open audit recommendations from the last two years' audit reports. As a result of these conditions, NARA continues to exhibit weaknesses in internal controls first identified in FY 2007 that degrade the effectiveness of internal controls and the accuracy of office assurance statements. We made two recommendations. Management concurred with both recommendations. (Audit Report #10-19, dated September 29, 2010.)



NATIONAL
ARCHIVES

OFFICE of
INSPECTOR GENERAL

June 3, 2011

Hon. Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Hon. Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
United States Senate
340 Dirksen Senate Office Building
Washington, DC 20510

RE: Your April 8, 2010 request for biannual reports on all closed investigations, evaluations, and audits that were not disclosed to the public

Gentlemen,

The Office of the Inspector General (OIG) at the National Archives and Records Administration (NARA) welcomes this opportunity to provide our continuing response to your April 8, 2010 request for biannual reports on all closed investigations, evaluations, and audits that were not disclosed to the public. This report contains summaries of the non-public OIG investigations from October 31, 2010 through May 31, 2011. All other OIG reports and products have been disclosed in our Semiannual Reports, available at www.archives.gov/oig/reports/semiannual-congressional.html. However, those reports have also been summarized below for your convenience. If you need further details on anything discussed in these summaries please contact John Simms at 301-837-1966 or john.simms@nara.gov.

Paul Brachfeld
Inspector General

Non-Public Office of Investigations Cases Closed (and Closed Pending) during the period of October 31, 2010 to May 31, 2010

06-0005-I: Procurement Integrity

Subject was alleged to have provided a NARA contractor with employee information concerning an upcoming contract, including weekly updates during the proposal and bidding phase and prior to the release of a request for quote. Subject was the [REDACTED].

Investigation substantiated that subject tailored the acquisition/procurement to favor the contractor. The Department of Justice, Antitrust Division, declined prosecution of this investigation. Subject left employment with NARA [REDACTED], and at that time went to work for another federal agency in a similar capacity.

06-0015-I: Contract Fraud

This investigation substantiated subject and co-conspirator conspired to commit fraud and theft against NARA by being paid for completing office construction projects using contract labor already paid for through the Archives II (AII) facility maintenance contract, or by using third-party contractors/labor at a significantly reduced rate and then charging NARA a false overhead. The work was invoiced through three front companies owned and operated by co-conspirator. The companies were paid through subject's Government Purchase Card (GPC) and resulted in a total loss to NARA of approximately \$958,280.64. Subject and co-conspirator both plead guilty to violation of one count of 18 USC 641, Theft of Government Property, and were each sentenced to 15 months imprisonment; three years supervised probation, court fee of \$100.00 and restitution in the amount of \$958,280.64.

06-0018-I: Stolen Material from Truman Presidential Library

Between 1962 and 1989, there were multiple thefts of valuable objects from the Harry S. Truman's Presidential Library's museum collection. This was recently brought to the attention of the Office of Investigations during a site visit. Thefts included stolen coins, swords and daggers, prints, and a Truman desk ornament. All thefts remain unresolved.

07-0002-I: Qui Tam – [REDACTED]

A qui tam suit alleged a contractor was [REDACTED]. The OIG found no direct purchases from the contractor from fiscal years 2000 to 2007. All records were provided to the DoJ and another investigating OIG, who advised they reviewed the NARA records provided and it did not appear that NARA was connected to the companies associated with the investigation.

08-0004-I: [REDACTED] Employee Misconduct

Subject announced his retirement from Federal service, went home and began using [REDACTED] resources to make nearly \$100,000 in purchases. [REDACTED] recovered all but \$16,000 in funds. Subject was determined to be mentally disabled. The United States Attorney's Office declined prosecution of this case.

08-0013-I: Presidential Library Guard Contract

Former Library security guard detailed several allegations including a lack of functional surveillance cameras, false claims and the use of personal weapons by contract guards. NARA's Contracting Officer's Technical Representative (COR) conducted a "spot" check of security guards and determined company was compliant with the contract regarding security guards carrying contractor-issued firearms. The allegation of security guards carrying personally- owned firearms while on duty was unsubstantiated. The supervisory guard admitted approximately "three to five times per year" some security guards were tardy for their scheduled shift and made this time up at the end of their shift. The allegation of invoicing for hours not worked was unsubstantiated. However, it was substantiated that on occasion the guards were inaccurately reflecting their work hours and not complying with the contract. This was referred to the COR on the contract. Allegations the contractor failed to pay social security payroll taxes after withholding such tax from security guards' paychecks were referred to the Internal Revenue Service, Criminal Investigation.

08-0015: Employee Theft

Subject was alleged to have stolen government property from a NARA warehouse over the course of several years. The OIG substantiated that subject removed from NARA holdings two computers for his own personal use that he knew to be government property. The two computers were seized pursuant to a NARA OIG search warrant on subject's residence. The OIG also substantiated that subject was paid \$500 when he removed panel furniture from NARA holdings that he knew to be government property and provided the furniture to a private business. Prosecution on this matter was declined whereas subject plead guilty and was sentenced under a separate case [REDACTED].

08-0017-I: Employee Theft

Subject was alleged to have stolen government property from a NARA warehouse over the course of several years. The OIG substantiated that subject fraudulently appropriated government property while employed as [REDACTED] at NARA. Prosecution on this matter was declined whereas subject plead guilty and was sentenced under a separate case [REDACTED].

08-0025-I: Usenet Access via NARANet

During the forensic analysis of an excessed NARA laptop, subject was found to have accessed Usenet sites on his government computer. Such access violated NARA policy and served as an indicator of potential copyright infringement as well as potential child pornography violations. OIG's investigation yielded negative results for subject misconduct/illegal conduct determined by forensic review of NARANet's web use activity pertaining to Usenet sites. However, OIG determined that NARANet's web browsing filter is not tuned to restrict access to Usenet sites. The OIG advised NARA to take corrective action.

09-0005-I: Unlawful Entry – Jimmy Carter Presidential Library

Unlawful entry at Carter Library resulted in theft of three bicycles. USSS and Atlanta PD lead investigation. NARA OIG followed up with investigation into security lapses that allowed entry to occur. Multiple security and oversight deficiencies were found at the library which violated

the terms and conditions of the security guard contract. One guard was terminated from the contract and vendor took steps to address deficiencies.

09-0009-I: Theft of Government Property

Subject alleged to have stolen NARA property, misused government credit cards and vehicles. Allegations were not substantiated and were the result of miscommunication among loading dock personnel related to NARA's inventory database. Property initially thought to be missing was recovered.

09-0012-I: Misuse of Position

Subject alleged to have misused position by inappropriately denying [REDACTED] to NARA employee. OIG investigation determined that no misuse occurred; and that employee ultimately received [REDACTED] in a timely manner.

09-0018-I: Clipped Signatures from Army Air Corps Operations Reports

A NARA researcher reported to OIG that multiple signatures of WWII flying aces had been clipped from Air Corps Operations Reports. OIG's Archival Recovery Team substantiated that signatures were removed ("clipped") from six Encounter Reports generated by the 56th Fighter Group which are among the Records of the Army Air Forces (Record Group 18). The reports were written in 1943 by some of the more prominent fighter pilots from the World War II era. The Archival Recovery Team (ART) attempted to track the whereabouts of the signatures by searching online collector's sites and dealer displays at historical shows. At the time of this report none of the signatures were located. The documents from which the signatures were clipped will be posted to the "Recover Lost and Stolen Documents" website operated by NARA.

09-0024-I: Obstruction of Federal Audit and Criminal Investigation

OIG-OI received information that contract employees communicated to OIG staff that they were prohibited from entering into discussions with the OIG. Also, during a criminal investigation contractors were advised that they could not discuss information with the OIG without the presence of the NARA Contracting Officer's Representative (COR). The OIG substantiated that the COR directed contract employees not to talk to the OIG and to not directly provide the OIG with requested information without first consulting with the COR. The Department of Justice, Office of Public Integrity, declined prosecution for obstruction of justice and conflict of interest. This investigation was referred to NARA management for appropriate administrative action. Training was provided to the COR to better facilitate cooperation with OIG.

10-0016-I: IRS Document Disclosure

A truck containing 24 pallets of IRS documents arrived at the Kingsridge Federal Records Center missing the NARA lock and seal. There was a non-NARA "wire" seal on the trailer. When the Kingsridge staff opened the trailer, they observed all of the pallets intact and wrapped. The sender confirmed that the trailer left their facility with the NARA lock and seal. OIG determined that the lock had been broken while the trailer awaited shipment in a railyard that had seen a string of thefts. NARA switched to new and better locks to prevent theft. Additionally, agreements between NARA and its shipping vendors were amended to reflect NARA's strong preference for non-rail transportation to avoid such layovers.

10-0018-I: Harassing Phone Calls

NARA employees received multiple harassing calls and messages from subject discussing NARA personnel at certain presidential libraries. OIG determined the calls were non-threatening, but did rise to the level of harassment in that they interfered with employees' abilities to do their work. Subject was found to be a habitual offender. She was banned from NARA facilities and arrested by local authorities for violation of an Illinois state statute. The State's attorney sought a continuance, but the case was dismissed based on the fact that the defendant had already been in custody for 108 days on a case where the maximum punishment is 180 days.

10-0020-I: Grey Market IT Components

NARA acquisitions reported to OIG that they may have procured counterfeit/grey market [REDACTED] server components from a vender. Anti-counterfeit language was included in the contract, and the contract stated equipment must be purchased from original/certified vendors only and certified new, non-refurbished and authentic. 96 of 121 pieces were found to be grey market, but not counterfeit. The remaining pieces could not be identified. The OIG referred this investigation to the Computer Crime & Intellectual Property Section of the U.S. Department of Justice who declined prosecution. The contract was terminated by NARA.

10-0023-I: Email Misuse

NARA employee was accused of rape. OIG investigated this case with [REDACTED] Police Department, Special Victims Unit. Investigation found that alleged victim was not truthful and employee did not commit rape. However, during the course of the investigation, the employee, in an ill-advised effort to clear his name, sent a variety of inappropriate emails from his NARA computer and email account in violation of NARA policy. Employee was counseled by NARA.

11-0004-I: Microfilm Recovery

Microfilm was discovered in employee's locker. The OIG substantiated that subject took NARA property to include two ledgers and over one hundred films to her personal residence for her personal use. When interviewed, subject admitted that she took the two ledgers and more than one hundred NARA films. Subject concealed the ledgers in her backpack and took them home because she believed that this act would harm her supervisor, who subject was having problems with. This investigation was declined for criminal prosecution. Subject was placed on administrative leave and subsequently was allowed to resign. One hundred fifty-two (152) microfilm rolls were recovered.

11-0005-I: Altered Court-Martial File with Lincoln Signature

A court-martial file for Pvt. Patrick Murphy included a hand-written pardon signed and dated by President Lincoln. It was determined that the date had been changed from April 14, 1864 to April 14, 1865. The latter is the last day of Lincoln's life and the change made the document appear to be one of Lincoln's last official acts. Subject was a researcher and Civil War author. Subject confessed to altering the document and wrote and signed a detailed confession. Prosecution was declined because the statute of limitation had run. Subject has since recanted confession. Subject was banned from all NARA facilities.

CASES CLOSED PENDING RESPONSE FROM NARA DURING THE PERIOD

08-0026-I: WNRC - Classified Material Unaccounted For

Continuing security violations at the Washington National Records Center (WNRC) prompted the National Archives and Records Administration (NARA) Office of Inspector General (OIG) to initiate an investigation in the interest of National Security. Upwards of 2,500 boxes of classified material stored at WNRC by other federal agencies are presently unaccounted for. Investigation opened specifically to determine status of 268 missing boxes of TS or RD material determined to be missing after completion of TS/RD inventory. Number of missing boxes was reduced to 81 during the course of this investigation. The OIG will continue to monitor the status of the 81 missing boxes of classified material. The Federal Bureau of Investigation has been notified of the missing classified materials per Department of Justice requirements.

09-0002-I: Counterfeit and Gray Market IT Procurment

OIG was informed of NARA acquisition of allegedly grey market/counterfeit computer equipment. The OIG substantiated the vendor provided counterfeit and grey market [REDACTED] equipment to NARA, purchased from an unauthorized distributor. The United States Attorney's Office for the Southern District of Maryland declined prosecution [REDACTED] b(5) [REDACTED]. Despite the concerns raised with NARA about the origin of the equipment, NARA continued to pursue the contract. Upon learning the status of the equipment, NARA continued to seek compensation for the vendor. NARA did not appear to initially comprehend the consequences of working with grey market or counterfeit equipment including the lack of a manufacturer's warranty and the potential impact to NARA systems. [REDACTED]

b(5)

[REDACTED] The OIG prevented the undue payment of \$1,149,100 for counterfeit and grey market products.

11-0006-I: Email Misuse

NARA employee was cleared of a sexual allegation, but violated NARA policy during the course of the investigation. Employee began a series of meandering, ranting, somewhat threatening emails to OIG personnel. Employee ultimately included references to the assassination attempt in Tucson, AZ, of a US Congresswoman. FBI was notified of elevated level of employee's emails. OIG forwarded case to employee's supervisory chain of command, and NARA's human resources for appropriate administrative action.

Publicly Known Office of Audits Reports during the period of October 31, 2010 to April 30, 2011

During the reporting period we issued the following audit reports and management letters in three general categories: (a) Information Technology, (b) Electronic Records Archives, and (c) Programs and Operations. These are publicly known products, but are included here for convenience.

Information Technology (IT)

Network Vulnerability Assessment and Penetration Testing. This audit found vulnerabilities in NARA's IT systems allowing an intruder to intentionally or accidentally gain access to NARA's network or systems. We identified several improvements which needed to be made to the configuration, upgrade, and patch management processes at NARA, and made 14 recommendations to correct these weaknesses. Management concurred with all the recommendations and initiated corrective actions. (OIG Report #11-02, dated November 8, 2010.)

Controls over Inappropriate Personal Use of the Internet. Controls over internet usage are inadequate, and NARA employees continue to access prohibited material. NARA has worked to monitor and prevent inappropriate internet usage, and the filter application used is generally successful in blocking the majority of NARA staff who carelessly or inadvertently attempt to access inappropriate material. However, with little effort, NARA staff have been able to bypass the web filter. Further, while the filter maintains a record of all NARA staff internet usage, the limited amount of information reviewed and analysis conducted by NARA allowed excessive personal and inappropriate use to go undetected or unaddressed. Our audit identified several needed improvements, and made five recommendations to more thoroughly ensure internal controls are enforced and risks are minimized. Management concurred with the recommendations. (OIG Report #11-10, dated March 9, 2011.)

NARANET Server Upgrade Project. We audited NARA's project to upgrade the server hardware and software infrastructures of the current NARANet system installed across NARA. This upgrade was necessary because the current system was at risk of failure due to outdated hardware and unsupported software. Our review found this project was not adequately managed and monitored to ensure requirements were met in the most economic and efficient manner. Planning was not adequate, and critical stakeholders were not included in the decision to continue with Novell. There was no comprehensive analysis of alternatives, and other platforms which could have improved productivity and increased efficiencies were not fully considered. Finally, monthly status reports used to monitor the project did not accurately reflect the full cost and risks. To mitigate these risks and prevent similar occurrences, we made seven recommendations to aid in the completion of this project and improve NARA's IT Investment Management Process. Management concurred with the recommendations. (OIG Report #11-06, dated November 30, 2010.)

NARA's Work-At-Home System (WAHS). The OIG initiated follow-up work to the Audit of NARA's Work at Home System (OIG Audit Report No. 09-15) due to concerns about the

management of RSA tokens, the hardware devices providing two-factor authentication for remote access to NARA's IT systems. However, during the audit substantial improvements were made in token management. We made several suggestions, and encouraged NARA to consider using acknowledgement statements for token holders to accept the responsibility for security and following all organizational policies for remote access, as suggested by the National Institute of Technology and Standards (NIST). (Audit Memorandum #11-09, dated January 31, 2011.)

Electronic Records Archives (ERA)

ERA Lacks Ability to Search Records' Contents. ERA will not allow users to search the content of the full inventory of public electronic records ERA will store. However, NARA will manually select certain records to copy to the Online Public Access interface to allow full content searching. Aside from this select group, the default will be that ERA only allows users to locate records by searching through metadata and descriptions generated about the records. In a computer system that does not search the content of records, the record descriptions take on additional importance as the only searchable narrative of the record's contents. However, as ERA has now been set-up, such descriptions will not be automatically generated by the system, but instead must be done manually. Considering the massive amount of data expected to be put into the system, such a manual process will invariably create substantial, perhaps insurmountable, bottlenecks. (Management Letter #11-08, dated January 5, 2011.)

Defense Contract Audit Agency (DCAA) Audits. The Defense Contract Audit Agency (DCAA) reviewed contractor invoices submitted for work on ERA. The reviews consisted of verifying direct labor charges, subcontractor labor charges, other direct costs, and overhead. DCAA assists with this effort because of their experience with performing this type of review and their access to contractor records. DCAA issued eight audit reports, none of which contained any significant findings. (DCAA Audit Report Numbers 6271-2011N25000001-002, 6271-2010N25000001-013 and 6271-2010N25000001-014 dated October 22, 2010; DCAA Audit Report Numbers 6271-2010N17900006, 6271-2010N17900003, and 6271-2010N17900004, 6271-2010N17900005 and 6271-2010N17900007 dated March 14, 2011.)

Programs and Operations

NARA's Security Guard Contract for Archives I and II. The contractor was not following the firearm qualification requirements of the contract; scenario test and exercises were not conducted to assess security officer's response to real-world type situations; and the contractually required physical fitness program was not in place to ensure officers remained physically fit to be able to perform all the duties required of the job. We made seven recommendations to assist NARA in administration and oversight of the contract and management concurred. (OIG Report #11-05, dated February 18, 2011.)

Oversight of Selected Grantees' Use of Grant Funds. NARA does not employ a formal structured or systematic risk management approach to monitoring grants. As a result, NARA's grant program is at risk of waste and abuse. Grantees reviewed were not always following grant regulations or the intent of their grant contracts, and they did not always use grant funds as intended. Our review of a sample of active and closed grants resulted in questioned costs of

\$789,479, and funds to better use of \$434,589. We made four recommendations to assist management in improving program stewardship, and management concurred. (OIG Report #11-03, dated February 16, 2011.)

NARA's Photocopier Security. We performed this audit to determine if appropriate security measures were in place to safeguard and prevent inappropriate release of sensitive information and personally identifiable information (PII) residing on NARA photocopiers containing hard drives. We found opportunities existed to strengthen controls to ensure photocopier hard drives are protected from potential exposure, and made seven recommendations to assist NARA in providing appropriate administrative, technical, and physical safeguards over sensitive information and PII. Management concurred with all the recommendations. (OIG Report #11-07, dated March 22, 2011.)

Movement of Freight. This audit was initiated as a result of a FY 2007 investigation by the OIG where a NARA employee was indicted for theft of government property and conspiracy to embezzle \$958,280 from the United States. The audit sought to determine if controls are effective and efficient to ensure NARA obtains the best value and most economical prices for the movement of freight. Our review disclosed NARA has taken several significant steps to improve controls since FY 2007. We made three recommendations to further assist NARA in enhancing controls in freight management, most notably in the area of separation of duties. Management concurred with all the recommendations. (OIG Report #11-01, dated November 3, 2010.)

NARA's Fiscal Year 2010 Financial Statements. Cotton & Company LLP (C&C) was contracted to audit NARA's consolidated balance sheets as of September 30, 2010, and the related statement of net cost, changes in net position and budgetary resources. For the fifth year in a row NARA received an unqualified opinion on their financial statements. C&C reported one significant deficiency in internal control over financial reporting in Information Technology, resulting in four recommendations. C&C disclosed no material weaknesses, and no instances of noncompliance with certain provisions of laws and regulations. (OIG Report #11-04, dated November 26, 2010.)



OFFICE of
INSPECTOR GENERAL

April 26, 2012

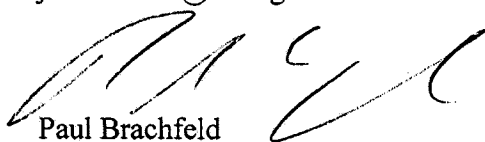
Hon. Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Hon. Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
United States Senate
340 Dirksen Senate Office Building
Washington, DC 20510

RE: Your April 8, 2010 request for biannual reports on all closed investigations, evaluations, and audits that were not disclosed to the public

Gentlemen,

The Office of the Inspector General (OIG) at the National Archives and Records Administration (NARA) welcomes this opportunity to provide our continuing response to your April 8, 2010 request for biannual reports on all closed investigations, evaluations, and audits that were not disclosed to the public. This report contains summaries of the non-public OIG investigations from June 1, 2011 through October 30, 2011. I apologize for the tardiness of this report, but note we have now added closed investigative complaints to the disclosure as well to give a more complete picture of the work at this office. All closed audits and other inquiries are discussed in our Semiannual Reports to Congress. Further details on these are available in our Semiannual Reports, available at www.archives.gov/oig/reports/semiannual-congressional.html. If you need further details on anything, please contact John Simms at 301-837-1966 or john.simms@nara.gov.



Paul Brachfeld
Inspector General

Case Number	Allegation Description	Closing Status	Date Closed
11-0075-C	Missing Court Files	Closed Final - Referred to NARA for Info. Only; No Response Req.	02Jun2011
09-0008-I	Missing Classified Documents	Closed Final	07Jun2011
10-0005-I	Stolen Hard Drive	Closed Final	07Jun2011
11-0054-C	Unclassified Records issues to include the Research Room	Closed Final - Rtd Action Complete	15Jun2011
10-0040-C	Presidential Museum Security Contract	Closed Final - Rtd Action Complete	15Jun2011
11-0009-C	Improperly Mailed Classified Materials	Closed Final - Rtd Action Complete	16Jun2011
10-0106-C	Missing George Custer Letter	Closed Final - Rtd Action Complete	16Jun2011
11-0004-C	Allegations of Hiring Misconduct	Closed - Complaint to File - No Referral	20Jun2011
11-0048-C	Suitland Audit Issues	Closed - Complaint to File - No Referral	20Jun2011
11-0057-C	Military Records	Closed Final - Referred to NARA for Info. Only; No Response Req.	20Jun2011
11-0060-C	Privacy Act violation	Closed - Complaint to File - No Referral	20Jun2011
11-0064-C	Allegations of Hostile Work Environment	Closed - Complaint to File - No Referral	20Jun2011
11-0019-C	Potential Unauthorized Disclosure of Classified	Closed Final - Rtd Action Complete	24Jun2011
11-0077-C	Missing Photos of Hiroshima	Closed Final - Rtd Action Complete	06Jul2011
11-0082-C	Inappropriate Use of Public Access Computer	Closed Final - Referred to NARA for Info. Only; No Response Req.	08Jul2011
11-0062-C	Mishandling Classified Records	Closed - Complaint to File - No Referral	11Jul2011
11-0051-C	Unauthorized Access of NARA Holdings	Closed Final - Referred to NARA for Info. Only; No Response Req.	11Jul2011
10-0003-I	Proactive Holdings Security Assessment	Closed Final	12Jul2011
10-0008-I	Grant Fraud	Closed Final	12Jul2011
11-0092-C	Korea Map Missing from Treasure Vault	Closed Final - Referred to NARA for Info. Only; No Response Req.	18Jul2011
11-0095-C	Potential OIG Badge for Sale	Closed - Complaint to File - No Referral	28Jul2011
11-0097-C	Inappropriate Use of Government Travel Card	Closed Final - Referred to NARA for Info. Only; No Response Req.	29Jul2011
09-0062-C	Mishandling of Classified Materials	Closed - Complaint to File - No Referral	01Aug2011
10-0099-C	Wage Determination Violation	Closed - Complaint to File - No Referral	01Aug2011

11-0085-C	Employee Concerns about Violation of Congressional Act	Closed Final - Referred to NARA for Info. Only; No Response Req.	01Aug2011
11-0086-C	Background Investigation Request for Information	Closed - Complaint to File - No Referral	01Aug2011
09-0103-C	Illegal Hiring Practices	Closed Final - Referred to NARA for Info. Only; No Response Req.	02Aug2011
10-0050-C	Unauthorized Release of Records	Closed - Complaint to File - No Referral	02Aug2011
11-0090-C	Classified Document Found in Unclassified Transfer	Closed Final - Rtd Action Complete	02Aug2011
11-0091-C	Classified Documents Found in Unclassified Transfer	Closed Final - Rtd Action Complete	02Aug2011
11-0087-C	Identity Theft	Closed - Complaint to File - No Referral	02Aug2011
10-0007-I	Alteration of Procurement Fraud	Closed Final	03Aug2011
10-0019-I	Access to Passwords for NARA Servers	Closed Final	03Aug2011
11-0068-C	Potential Unauthorized Disclosure of Classified	Closed Final - Rtd Action Complete	03Aug2011
11-0099-C	Security Violation	Closed Final - Rtd Action Complete	05Aug2011
10-0021-I	Suspicious Activity	Closed Final	08Aug2011
10-0015-I	Presidential Library Misconduct	Closed Final	12Aug2011
08-0026-I	Classified material unaccounted for	Closed Final	15Aug2011
11-0105-C	Information Security Violation	Closed Pending - Referred to NARA for Action/Response	15Aug2011
09-0029-C	Missing NARA Laptop	Closed - Complaint to File - No Referral	15Aug2011
11-0103-C	Document Save at A1 Research Room.	Closed - Complaint to File - No Referral	15Aug2011
11-0035-C	Potential Unauthorized Disclosure of Classified Material	Closed Final - Rtd Action Complete	01Sep2011
10-0049-C	Federal Register: Use of Great Seal	Closed Final - Rtd Action Complete	16Sep2011
11-0104-C	Document Save at A1 Research Room	Closed - Complaint to File - No Referral	16Sep2011
11-0083-C	Potential Unauthorized Disclosure of Classified Material	Closed Final - Rtd Action Complete	26Sep2011
11-0106-C	Unauthorized Access to Military Records	Closed Final - Referred to Other Entity	27Sep2011
10-0114-C	Forged DD 214	Closed - Complaint to File - No Referral	29Sep2011
11-0114-C	A1 Document Save	Closed - Complaint to File - No Referral	29Sep2011
11-0014-I	St. Louis Military Records Destruction	Closed Final	30Sep2011
11-0101-C	Missing Wallet	Closed - Complaint to File - No Referral	18Oct2011
11-0028-C	Missing Correspondence From Records Of The U.S. Mint Pertaining To Double Eagle Gold Coins	Closed - Complaint to File - No Referral	18Oct2011
11-0046-C	Missing IT Equipment	Closed - Complaint to File - No Referral	18Oct2011

11-0066-C	Cigarette and Shell Casing Found in Trash AI Men's Restroom	Closed - Complaint to File - No Referral	18Oct2011
11-0067-C	Suspicious Comments Found in Rotunda Book - AI	Closed - Complaint to File - No Referral	18Oct2011
11-0071-C	Clip Signatures (Pleasonton and Harvey) at AI	Closed - Complaint to File - No Referral	18Oct2011
11-0115-C	Document Save AI	Closed - Complaint to File - No Referral	18Oct2011
11-0116-C	Document Save AI	Closed - Complaint to File - No Referral	18Oct2011
11-0089-C	Stolen NARA Seal Magnets	Closed Final - Referred to Other Entity	19Oct2011
11-0041-C	Improper Handling of Classified Material	Closed Final - Rtd Action Complete	26Oct2011
11-0052-C	Improper Handling of Classified Material	Closed Final - Rtd Action Complete	26Oct2011
11-0100-C	Security Violations (repository)- Outside WNRC and by No Fault of NARA	Closed - Complaint to File - No Referral	26Oct2011
11-0016-C	NARA IT Management	Closed Final - Referred to NARA for Info. Only; No Response Req'd.	27Oct2011
10-0119-C	Inadvertent PII / Military Records Disclosure	Closed Final - Rtd Action Complete	27Oct2011
11-0094-C	Security Violation	Closed Final - Rtd Action Complete	27Oct2011
07-0025-C	Missing FDR Document	Closed Final - Rtd Action Complete	28Oct2011