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THE LIBRARY OF CONGRESS

WASHINGTON, D.C. 20540

OFFICE OF THE
INSPECTOR GENERAL

February 28, 2008

This letter responds to your request to our office for copies of our Semi-Annual Reports.

The Library of Congress Office of Inspector General became statutory upon the enactment of Public Law 109-55 in August of 2005. Consequently, we are only enclosing copies of our Semi-Annual Reports for the years between August, 2005, and the present. We are sending you hard copies of these reports because they are not available in digital/electronic form at present. There is no charge for these copies.

Thank you for expressing interest in the Library of Congress Office of the Inspector General.

Sincerely,

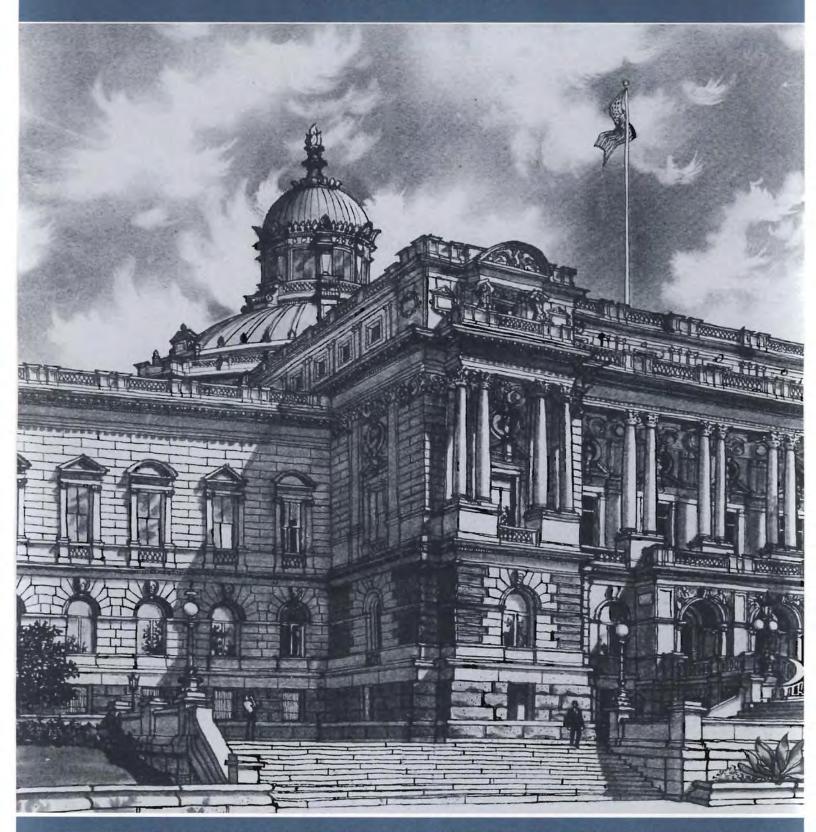Kenneth Keeler
Assistant Inspector General
for Investigations

SEMIANNUAL REPORT
TO THE CONGRESS

The LIBRARY of CONGRESS

Office of the Inspector General

Semiannual Report to the Congress

For the period April 1, 2005—September 30, 2005

The LIBRARY of CONGRESS

OFFICE OF THE INSPECTOR GENERAL

The Honorable James H. Billington   October 31, 2005
The Librarian of Congress
Washington, DC 20540-1000

Dear Dr. Billington:

I am pleased to present our Semiannual Report to the Congress for the period ending September 30, 2005, as required by Library of Congress Regulation 1519-1. Please forward the report to Congress by the end of November.

In the last six months we provided reports to you and the Library's managers about office space management; the Library's food services program; certification and accreditation of Momentum, the Library's new financial management system; and our quality control review of the audit performed by a CPA firm of the Education and Research Consortium of the Western Carolinas, the recipient of Library funds under the Adventure of the American Mind grant program. We conducted surveys of visitor tunnel preparations and cataloging processes. We followed up on our August 2004 audit of management and oversight of the Library's police force, and our September 2003 report on Human Resources Services performance challenges. We also advised the Chief Financial Officer and FedLink on implementation issues involving Momentum. In addition, we conducted several investigations.

In the next six months, we will report on in-progress reviews of the Library's management control program, transportation services, Momentum conversion, collections security in the Geography and Map Division, human resources policies, emergency preparedness, and other topics as needed.

We appreciate the support and cooperation extended to OIG staff during our reviews. If you would like to discuss this report, please let me know.

Sincerely,

Karl W. Schornagel
Inspector General

Contents

The Office of the Inspector General mission is to independently advise the Librarian and the Congress in the promotion of economy, efficiency, and effectiveness by detecting and preventing fraud, waste, abuse, and mismanagement in Library programs and operations. To accomplish the mission, the OIG conducts audits and investigations of Library programs and operations. The goals, objectives, strategies, and performance indicators guiding OIG reviews are contained in the FY 2005-2008 Strategic Plan, available on the OIG Web site at: www.loc.gov/about/oig/index.html.

During the last several years, we have focused considerable attention on infrastructure offices, such as Integrated Support Services, Human Resource Services, Security and Emergency Preparedness, Contracts and Grants, and the Office of the Chief Financial Officer. In addition to audits, we lend our expertise on a consulting basis to many Library offices and externally. We are currently working with the Center for Research Libraries in an advisory capacity to determine an approach for auditing and certifying repositories of digital information.

Our approach to reviewing the Library's major programmatic and operational initiatives is to be proactive versus auditing "after the fact." We are following several key projects throughout the Library and rendering assistance and making recommendations as needed. We believe this approach will result in a more efficient use of Library resources by detecting and preventing problems early.

Our highly qualified staff of 11 auditors is educated and certified in various disciplines, and collectively includes five certified public accountants, two attorneys, two certified internal auditors, two certified information systems auditors, one certified fraud examiner, one certified government financial manager, and one librarian.

During this semiannual period, Congress created the Library of Congress Inspector General Act of 2005 that was included in Public Law 109-55, Title 1, Section 1307 of the 2006 Legislative Branch Appropriations. The Act increases the independence of the Office of the Inspector General and assigns criminal investigation responsibilities to the office. The Act became effective with the enactment of the law on August 2, 2005. Beginning with the next semiannual report, we will provide information on our criminal investigation activities.

Office Space Management
Audit Report No. 2004-PA-104
July 2005

The objective of this study was to assess the Integrated Support Services (ISS) office management of the Library's office space planning operations, including spatial efficiency, compared to other government agencies and the private sector. As an expert consultant, we engaged RTKL Associates, a top ten international architecture, engineering, and planning firm. In short, the Library's design layout of office-related space needs significant improvement. Many areas within the Library are under and over utilized due to the lack of standards for office and support function space. The Library's space management practices are improving; however, a long-term strategy is needed to adequately plan for utilization of space and productivity. Individual findings and recommendations are summarized as follows:

Establish Consistent Space Utilization Metrics—There are large discrepancies between the utilization rates between service units. The Library should establish an appropriate metric for space utilization and evaluate each service unit for compliance. The Library should also consider charging service units for their space usage (or employ an alternative mechanism) as an incentive to manage space more efficiently.

Develop Uniform Office and Workstation Standards—A sample drawn from the Madison Building found 77 different workstation/office sizes. It is difficult and expensive to move people and functions quickly and efficiently when there are so many variations. Efficient organizations are reducing the number of office and workstation configurations and using consistent standards based on job function. The Library should develop standards and present them to its unions for approval.

Establish Target Ratios for Open Workstations and Private Offices—We evaluated alternative office layouts for the fifth floor of the Madison Building utilizing varying ratios of open workstations to closed offices. Our contractor found that a 70:30 ratio of 7'-6" x 10' workstations to 10' x 15' offices complemented the physical parameters of the building and the functions performed in the space. The ratio provides for 277 staff with 195 useable square feet per person in a 54,000 square foot sample configuration. The Library should develop guidelines for planning ratios that relate to job function.

Develop a Space Use Concept Plan—There is no consistent planning concept for efficiently locating support spaces. There are currently 82 conference rooms throughout the Madison Building totaling nearly 26,000 square feet. Consolidating conference rooms, and training facilities, and sharing them

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between service units will provide for more efficient space usage and often creates a reduction in overall square footage. The Library should also locate open office areas along the perimeter to allow access to natural light and exterior views, and plan according to the Madison Building's structural grid and window spacing.

Develop Workplace Standards that Enhance User Productivity—Other space factors that need standardizing include filing/storage methods (utilize high density filing systems), pantry areas, and technology support in conference rooms (including appropriate lighting).

Develop Long-Term Strategic Plan for Space and Staffing—Several initiatives under way at the Library are creating available space in the Madison Building. These include moving the audio/visual collections and activities to Culpeper, Va., and creating an off-site Alternative Computing Facility. Also, about 50 percent of the Library's workforce is eligible to retire in the next five years. If some positions are not filled, the space impact could be significant. In addition, fewer patrons are visiting the Library's reading rooms because of the availability of on-line materials, which could mean reducing the number of reading rooms. The Library needs a long-term strategic plan that deals with upcoming changes.

ISS agreed with only 12 of our 20 recommendations, and stated that it had known about and already taken substantial action to fix most of the problems that we found. We agree that ISS knew about many of its space management problems; however, it had not taken sufficient action to implement appropriate changes.

Certification and Accreditation of Momentum
Audit Report No. 2002-IT-301
September 2005

Information system certification and accreditation (C&A) is the process of designing, testing, and evaluating security for information systems. In October 2004, the Library replaced its old central financial management system with Momentum, a fully integrated Web-based system with significantly increased capabilities. Its design increases the span of control over business activities by capturing virtually all procurement activities at the source. While it pushes transaction initiation and approval out to its source (hundreds of Library users), it also increases risk and the need for more sophisticated security controls. Library management designated Momentum and its host environment – the hardware and operating system that supports Momentum – as the first Library systems to undergo the C&A process. We audited the C&A process and found:

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A New Certifying Agent Is Needed to Ensure C&A Integrity—"Certification" is when management and technical staff design and evaluate system security and conduct tests of a system's controls. The certifying agent is the Library's Financial Systems Officer, who makes recommendations regarding operating risks. "Accreditation" is done by the Library's Chief Financial Officer (CFO) as the Accrediting Authority (AA), who accepts or rejects the risks identified in the certification stage and permits a system to begin operation. We found that the certifying agent (CA) involved in the C&A also had responsibility for developing and operating the system and therefore was not independent. The independence of the CA is important to ensuring the credibility of certification. The CA should be someone not responsible for developing or operating the system.

C&A Should Occur Before Implementing Systems—Momentum was implemented without a completed C&A. As a result, operating risk could not be accurately determined before commissioning the system for use. The CFO allowed the system to operate on a "de facto interim approval to operate" pending completion of application and host environment C&As. The application C&A was not completed until April 2005. Inexperience with the C&A process delayed completion.

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C&A Documentation and Testing Should be Improved—The objective of certification is to identify residual risks: those that remain after mitigating controls have been built into a system. The CA recommends (based on relevant documentation like risk analyses, security plans, and test results) to the AA whether to implement a system. Incomplete documentation may inaccurately depict system security and residual risks, jeopardizing the accreditation decision. We found certification documents incomplete and not in full compliance with accepted criteria. For example, important systems interfaces were not identified and there was incomplete testing information.

Information Technology Services Should Review C&As Prior to System Implementation—Current Library policy does not ensure that application C&As are reviewed for adequacy prior to system implementation. An inadequate or incomplete C&A could affect both the application and other Library systems sharing the same host environment.

We recommended (1) that the CFO appoint a new CA who is independent, (2) that any new implementation or significant modification of existing systems be preceded by a C&A, (3) improving C&A documentation, and (4) amending current Library policy to require an independent quality review of all application C&As prior to new system implementation and significant system changes to current systems. In its responses, Library management substantially agreed with our recommendations and agreed to take appropriate

action. Information Technology Services proposed acceptable alternative procedures for ensuring the quality of the C&A process.

Quality Control Review of the Single Audit of the Education and Research Consortium of The Western Carolinas, Inc., for FY 2002
Audit Report No. 2005-FN-501
September 2005

The Education and Research Consortium of the Western Carolinas (ERC), a nonprofit organization, expended $3.1 million of federal award money in FY 2002, $2.9 million of which consisted of grants awarded by the Library of Congress. The Library administers its grants in accordance with the Single Audit Act and Office of Management and Budget Circular A-133. The circular requires that nonprofit organizations expending $300,000 or more in federal financial assistance in FY 2002 be subject to an audit performed in accordance with the Act. The audit firm of Moore, Elliott, and Company, Certified Public Accountants (Moore & Co.) performed the FY 2002 single audit of ERC.

The objective of our audit was to determine whether Moore & Co. conducted the audit in accordance with the Act and Government Auditing Standards. We found that Moore & Co. adequately reviewed accounts receivable and payable, properly determined ERC's major programs (the Library's Adventure of the American Mind grant and the USDA Rural Development grant), and its audit reports (on ERC's financial statements, compliance with internal control over financial reporting, and compliance with requirements) complied with applicable reporting requirements. However, we also found instances where the audit was not adequately planned, executed, or documented. As a result, the Library and other federal agencies providing funds to ERC may not be able to rely on the audit reports for assurance that ERC is managing federal awards in compliance with laws, regulations, and award provisions. The following summarizes our findings and recommendations.

ERC's FY 2002 Single Audit Was Not Adequately Planned—Moore & Co. failed to consider ERC's lack of (1) personnel activity reports (timesheets), (2) rates for allocating indirect costs, and (3) adequate equipment controls in planning the audit, and did not plan for adequate audit coverage to achieve required sampling objectives. By not including these items, planning did not meet auditing standards.

ERC's FY 2002 Single Audit Was Not Adequately Performed—Moore & Co. failed to identify all the compliance requirements applicable to ERC's major federal programs (the Library and USDA grants). In addition, the auditors did not perform adequate internal controls and compliance testing. Consequently,

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we do not believe that the auditors' opinion statement on compliance with grant requirements is substantiated.

ERC's FY 2002 Single Audit Was Not Adequately Documented—Moore & Co. did not properly document (1) the sampling methodology for the selection of transactions, (2) tests of internal controls and compliance, and (3) three compliance requirements the auditors determined were not applicable to the Library and USDA grants. As a result, the working papers do not comply with auditing standards.

We recommended that ERC direct Moore & Co. to perform additional audit procedures at no additional cost to the federal government and correct their working papers to comply with auditing standards. In responding to our draft report, ERC and Moore & Co. disagreed with all of our findings and recommendations; however, ERC subsequently agreed to implement the recommendations.

Food Services Program
Audit Report No. 2004-CA-201
May 2005

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The Library of Congress has a contract with Sodexho Inc. to provide food service and vending facilities for Library employees and visitors. The contract was awarded in 1999 and recently extended through March 2006. The Library's Integrated Support Services (ISS) requested the audit over concern about the contractor's continuous financial losses at the Library. Our objectives were to determine whether Sodexho reported financial results in compliance with contract terms, and evaluate the Library's monitoring of the contract.

We determined that Sodexho's FY 2004 operating statements accurately reported revenues and direct expenses. However, the contract's terms and conditions were vague about financial reporting. We benchmarked with three successful food service operations and found a threefold common thread: a clear strategy, profitability, and active oversight. Until ISS applies business acumen to managing food services, the Library will continue to face challenges in this area. Specifically, we found that:

Improvements are Needed in Small Wares Inventory and Catering Accounts Receivable—Generally, Sodexho complied with the financial requirements and conditions of the contract; but it needed to inventory small wares (dishes, glasses, silverware, etc.) to determine the amount, value, and ownership, and make sure that listings of catering accounts receivable include only invoices attributable to the Library.

Administrative Expenses Should be Defined and the Operational Reserve Adjusted—The Sodexho contract provides that two percent of sales be set aside in an operational reserve account, first to cover the contractor's losses, then to lower the food cost to patrons if funds are available; however, the contract is ambiguous about how administrative expenses are used to calculate the amount. The contribution to the operating reserve was understated by about $23,000 from 1999 through 2004.

Oversight of the Food Services Contract Needs Improvement—ISS did not review financial activity or the condition of kitchen equipment. Consequently, it did not know that operating losses included unallowable expenses and that the cumulative loss would preclude any future reimbursements to the Library from the operational reserve account. When ISS renewed the food service contract in the spring of 2004, non-operating kitchen equipment was cited as contributing to operating losses.

Ignoring Contractor Losses Can Interfere with Obtaining Best Value—The current food service operations may not be meeting the needs of the Library because the contract emphasizes inputs rather than results. Prescribing detailed requirements limited the ability of Sodexho to implement best solutions, which contributed to losses from 1999 through 2004. These financial losses resulted in no funds available to the Library from the reserve account, and concerns about the quality and high cost of food service. The Library needs to prioritize its goals for food service operations, be flexible with the contractor, and recognize the use of profit as a motivator.

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We recommended that ISS and the Contracts Office enforce requirements for inventorying and valuing small wares, clarify the treatment of administrative expenses, adjust past financial results, and adjust the carry-forward balance. We also recommended that ISS provide a clearly defined work plan for contract monitoring. We recommended that the Chief Financial Officer request Sodexho to improve receivable listings. ISS agreed with most of our recommendations and is taking action to make changes in its next food services contract, expected in 2006.

Audit Survey of the Cataloging Process
Audit Report No. 2005-PA-103
May 2005

We performed a preliminary survey of cataloging processes within the Library. Although we identified inefficiencies in the cataloging workflows, underutilization of technicians for copy cataloging and cataloging-in-publication (CIP) verification, and shortcomings in the management

information system, we determined that the Cataloging Directorate is effectively addressing these deficiencies.

We confirmed that Cataloging management is undertaking a complete review of its polices and procedures, and rethinking how it does business, including better alignment of its cataloging products with the needs and demands of a changing world and society. Based on our survey work, we believe that the numerous work groups established by management are effectively assessing how to streamline and reengineer cataloging operations and processes. Moreover, we were pleased to find that management is investigating privatization activities and processes such as joint ventures and partnerships, outsourcing, volunteer activities, and service shedding (reducing or eliminating some services).

We believe a fundamental review of the cataloging programs, processes, and policy areas will serve the vital function of updating and modernizing the cataloging programs and priorities to meet current and future challenges. The Cataloging Directorate's ongoing assessment of itself is comprehensive.

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Notwithstanding the initiatives currently under way, we have two major concerns. First, the Cataloging Directorate's inability to effectively use the Copyright catalog record, at least where data elements between records may be common. Joint working groups have been convened to discuss this issue, but no useful changes have taken place. Second, we are concerned with delays in implementing needed changes. This is due in part to the unreasonably lengthy bargaining sessions with Library unions.

Another example of the difficulties management faces trying to enact changes involves implementing the "whole book cataloging" concept. According to Cataloging management, the agreement reached with Local 2910 allows catalogers to remain in their specialized areas (name, subject, or descriptive) if they choose to do so, or become "whole book" catalogers. The agreement did not require anyone to become a "whole book" cataloger. The result is that the Cataloging Directorate has divergent, and often inefficient, workflows.

In summary, we applaud the Cataloging Directorate's present efforts. Taking a hard look at existing programs and carefully reconsidering its goals and its financing is a challenging task. Although we elected not to perform a full-scale audit, the OIG stands ready to assist the Cataloging Directorate with the much-needed review of existing programs, policies, functions, and activities. Furthermore, we plan to conduct a follow-up review to assess progress in weeding out programs and policies that are outdated or ineffective, and improving the efficiency of the policies and procedures retained.

Audit Survey of Visitor Tunnel Preparations
Audit Report No. 2005-PA-102
June 2005

We performed an audit survey of the Library's plans to prepare for the tunnel connecting the Capitol Visitor Center (CVC) to the Library's Thomas Jefferson Building. Based on the survey, we determined that a full audit is not necessary at this time.

We looked at two operational areas: Integrated Support Services' Facility Design and Construction (FD&C) and Library Services to determine whether preparations needing long lead-times are being planned and executed to prepare for opening the tunnel to the public. FD&C currently has all CVC projects in progress and on schedule for completion well before the planned opening in September 2006 (or later). Library Services' CVC tunnel-related plans are in the preliminary stage. Its contractor has already developed a conceptual master plan that is being used to prepare for more detailed planning.

Based on our survey work, we believe that the planning frameworks established by both FD&C and Library Services are effectively addressing the Library's plans to accommodate the tunnel. Moreover, we were pleased to find that FD&C management is aggressively planning and executing required projects to enable a projected early completion. We also commend Library Services for its leadership in facilitating discussion through a detailed process of conceptualizing the visitor's experience at the Library of Congress. The nature and magnitude of the opportunities and adjustments to be considered are not amenable to "quick fixes;" rather, they will likely require the iterative, thoughtful process of disciplined planning that Library Services has initiated.

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Follow-up on Prior Period Recommendations

Effecting positive management change in Library programs and activities requires a four-phase process: (1) identifying areas that could benefit from OIG reviews, then planning audits, (2) conducting audits and reporting the results, (3) obtaining agreement from Library managers to take action to resolve recommendations, and (4) following up to determine that implementation has occurred. The unresolved recommendations from prior period OIG reports are contained in Table 1 on page 13.

We conducted two reviews this period to follow up on audits reported in prior semiannual reports:

Management And Oversight of the LC Police Force
Audit Report No. 2003-PA-105
August 2004

We issued a follow-up report in June 2005. Our review indicates that, overall, the Office of Security and Emergency Preparedness (OSEP), which is responsible for the LC Police Force, is effectively addressing the audit findings and recommendations, and tracking their status. Specifically, OSEP has reviewed and updated many policies and procedures, and has created controls to ensure they are effectively updated, communicated, applied, and followed. Further, it has addressed deficiencies in performance documentation and review, employee development, communication, and supervision. OSEP's action plan incorporates the majority of our recommendations. As of the date of this report, OSEP has initiated action on those recommendations. We will continue to monitor and report on the implementation process, and evaluate the effectiveness of the corrective actions taken by OSEP.

Transforming and enhancing the Police management and accountability framework is a difficult and long-term process. OSEP has effectively initiated this transformation by: (1) demonstrating top leadership commitment to organizational transformation, (2) involving key stakeholders in developing a strategic plan, policies, and procedures, and (3) establishing a communications strategy to build involvement, foster transformation, and create shared expectations. The officers we interviewed for this follow-up all believed improvements have occurred the past six months in communication, morale, training opportunities, and performance management. Part of this is due to the extra manpower provided by the U.S. Capitol Police (USCP) and the leadership of the USCP Inspector. It is the sense among rank-and-file officers that the Inspector has made substantial progress in improving problems existing in the Police Force. Some officers, as well as some Police managers, criticized OSEP's decision not to rotate the Acting Captain position among the

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four qualified lieutenants within the Police. OSEP contended that "[t]here were compelling operational and managerial reasons why management chose to maintain stability and continuity of leadership." It was our view, however, that the need for continuity and stability must be balanced against the perception of unfairness or favoritism in the selection of a single lieutenant, among the four who are qualified. Library offices often rotate the "acting" position among second-level managers when more than one is available and qualified. In response to this criticism, OSEP appointed a second Captain.

Notwithstanding the improvements and progress made, management is at the initial stages of its transformation. Much work is still needed, particularly with management oversight. A critical step in the transformation is developing and using the strategic plan as the foundation for aligning activities, core processes, and resources to support mission-related outcomes. Management has not completed this process. Likewise, the process of developing specific and measurable goals is under development. Management has not fully established the systems for measuring, reporting, and monitoring individual and program performance. Management has formulated effective policies by reviewing and revising the 86 General Orders that provide direction on police operations. However, increased supervisory oversight and administrative review is still needed to ensure compliance.

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We will follow up again and issue a report in December 2005 on implementation progress, including the integration of the USCP Inspector into the Library's Police management framework.

HRS is Responding to Performance Challenges,
But Additional Controls and Oversight Are Needed
Audit Report No. 2003-PA-101
September 2003

We completed our second follow-up review to determine whether HRS addressed the unimplemented recommendations. Our first follow-up report dated June 2004 reported that HRS had not fully implemented two recommendations critical to improving overall performance: (1) supervisors detecting errors and monitoring individual staff error rates, and (2) the HRS Director evaluating how well supervisors are monitoring staff performance. HRS addressed these recommendations and has now implemented all 17 of our recommendations.

The Worklife Services Director is receiving and evaluating reports detailing errors as reported by the National Finance Center. Moreover, he is monitoring any retirements that the Office of Personnel Management returns to HRS due to error. In addition to assessing accuracy, HRS is more closely monitoring the

quantity of work, as we had recommended. We believe this data will aid the Director in recognizing outstanding performance and in identifying performance that needs improvement.

Notwithstanding this enhanced oversight, HRS has not achieved its accuracy goals nor its goal of processing Personnel Action Requests (PAR) within ten days. During our initial fieldwork in 2003, HRS averaged 26 days to process a PAR. We tested two random months for this second follow-up and found HRS averaged 16.75 workdays during November 2004, and 27.92 days during March 2005. HRS management expressed confidence that the processing time will improve during the next six months. We also found that the Service Units continue to submit about half of their PARs to HRS without the ten-day lead-time requested by HRS.

Concerning the then-HRS Director's evaluation of supervisors, she completed performance evaluations for each of her managers during November 2004. Included as a critical element in the evaluation is "Program Management." Furthermore, HRS managers completed annual performance evaluations for 97.4 percent of staff (1 overdue out of 39) as of April 2005. In addition to its own staff, HRS is monitoring performance appraisals Library-wide by tracking the performance appraisal certifications reported in the Library Employee Automated Data System. Over the past two years, we believe HRS has increased its efforts to develop, use, and refine performance measures. If managers are to be held accountable for improving productivity, it is vital that tools are made available for assessing performance.

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Table 1—Unresolved Recommendations from Prior Semiannual Reports

Subject	Report No.	Issue Date	Rec. No.	Summary of Recommendation
Contracts and Grants Management				
Contracts and Grants	2003-PA-103	3/16/04	IV (2)	Revise the Manual so that it says that the coordinator is responsible for sending subsequent revisions and supplements to the OGC for posting.
Information Technology Services[1]				
FY 2003 Financial Statements	2003-FN-501	2/6/04	1	Entity-Wide Security Program is not implemented. (Comment originated in FY 2002 and is still outstanding.)
FY 2003 Financial Statements	2003-FN-501	2/6/04	2	Risk Assessment is overdue.
FY 2003 Financial Statements	2003-FN-501	2/6/04	3	Certification and Accreditation program is not fully functioning.
FY 2003 Financial Statements	2003-FN-501	2/6/04	4	Application change and system development controls require enhancement.
FY 2003 Financial Statements	2003-FN-501	2/6/04	5	Segregation of duties should be enhanced. (Comment originated in FY 2002 and is still outstanding.)
FY 2003 Financial Statements	2003-FN-501	2/6/04	6	Computer security awareness training program is incomplete.
FY 2003 Financial Statements	2003-FN-501	2/6/04	7	The Library has not developed and documented an entity-wide disaster recovery plan. (Comment originated in FY 2002 and is still outstanding.)

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[1] (a) All financial statements recommendations made in FY 2003 also apply to FY 2004. (b) According to ITS, substantial progress toward resolving these recommendations was made during FY 2005. The external auditors are currently reviewing documention supporting this assertion.

Cancellation of FedLink Momentum Conversion

In early 2003 FedLink (Federal Library and Information Network) management began looking at options for replacing its aging System Management Information Network (SYMIN). The conceptual design of the replacement system included an automated interface with FedLink's online registration process. Later in 2003, FedLink was encouraged by the Chief Financial Officer (CFO) and our office to consider the advantages of using Momentum for the SYMIN replacement, based on the perceived advantages of a fully integrated Library-wide financial system.

The CFO, FedLink, and the Momentum support contractor determined in early 2004 that Momentum could support FedLink operating requirements. FedLink and the Momentum contractor negotiated an implementation strategy that appeared to be economically feasible. This strategy required FedLink to assume major responsibility for developing the online registration interface, managing the data conversion, and re-engineering its processes to conform to standard Momentum workflows.

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In November 2004, we joined the working group developing SYMIN's replacement. We reviewed development plans, evaluated the role each participant group was playing, and monitored development progress. At the same time, we were reviewing and evaluating post implementation issues for core financial system conversion. We determined that there were high risks that could adversely affect FedLink's competitive market position.

In February 2005, we met with FedLink and the Acting CFO and reached a consensus to mitigate the risks. These actions included adding a professional project manager independent of Momentum contractors to direct the project, and installing a rigorous testing program. Additionally, the group asked FedLink to revise its task order with the Momentum contractor to include control conversion tasks and deliverables based on FedLink's inexperience with system-wide conversions and the benefits derived from consolidating conversion tasks. However, the changes added $1,150,000 to the development project.

At a March 2005 meeting, FedLink advised us that projected revenues were inadequate to offset conversion costs and consequently decided to terminate the Momentum development and conversion project. We concur with this decision, and are disappointed with the excessive costs associated with Momentum and the potential dampening effect these costs will have on future efforts to build a fully integrated financial system at the Library.

Issues with stability and viability of the aging SYMIN system gave rise to considering conversion to Momentum. The termination of the project leaves this concern unanswered. Consequently, we recommended that FedLink pursue alternative cost effective measures for preserving and supporting SYMIN until future revenues can support conversion to Momentum. This should include finding a cost-effective product for developing an automated interface between SYMIN and FedLink's online registration.

Auditing and Certification of Digital Repositories

The Inspector General was asked by the Center for Research Libraries (CRL) to be an advisor on an 18-month project funded by the Andrew F. Mellon Foundation to formulate and model the processes and activities required to audit and certify digital archives. CRL is a consortium of 200 North American research libraries and universities. The research is being undertaken to determine a standard for providing assurance about digital repositories to publishers and users, and to build on prior research efforts by the Research Libraries Group and the National Archives and Records Administration.

The project has three phases: (1) designing the process of auditing the digital archives, (2) modeling the auditing process by test auditing three digital archives, and (3) providing a profile and business model for a certifying agency. The three test audit archives are (1) the Inter-University Consortium for Political and Social Research, affiliated with the University of Michigan, (2) the Koninklijke Bibliotheek operated by the Dutch government, and (3) Portico, an evolving non-profit electronic archiving organization under the wing of Ithaca Harbors, Inc.

Other advisors include experts from Harvard and Yale Universities and the Universities of California, Chicago, and Kansas with expertise in scholarly publishing, digital preservation, e-journals licensing, and information technology administration in higher education. The Inspector General brings knowledge and insight of fiscal management and oversight to the project.

As an advisor, the Inspector General is acting in his official capacity for purposes that will benefit the Library's National Digital Information Infrastructure and Preservation Program as well as other digital operations and programs at the Library. The project started in May 2005 and the Inspector General has contributed two papers: *Position Paper (Certification Output Proposal)*, September 2005; and *Standards for Audits of Digital Repositories*, October 2005.

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Review of Legislation and Regulations

During the period, we reviewed the following draft legislation and regulations:

Draft Legislation: None

Draft Revisions or New Regulations:

- 111   Personal Property Lost, Stolen, Found, or Abandoned on Library Premises
- 212-2   Functions and Organization of Information Technology Services
- 1012   Certification of Material in the Library's Collections
- 1518-1   Government Losses in Shipment
- 1615-2   Protection of Government Property of the Library of Congress at Overseas Posts
- 1618   Responsibilities and Procedures Governing Office Copying Equipment
- 1913   Procurement of In-House Printing and Reproduction Services, Integrated Support Services
- 1920   Records Management Policy and Program
- 2010-3.1   Resolution of Problems, Complaints, and Charges of Discrimination in Library Employment and Staff Relations Under the Equal Employment Opportunity Program
- 2013-23   Salary Offset
- 2014-8   Telework (Working Offsite)
- 2017   Employee Training and Development
- 2020-2   Policies and Procedures for Resolving Grievances
- 2020-4   Hearing Procedures

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Hotline Activity Summary

The Office of the Inspector General processed 22 allegations this reporting period. Seventeen allegations were received during this semiannual period, and 5 were in progress from prior periods. At the end of the reporting period, 20 cases were closed and 2 remained open.

Table 2—Status of Hotline Allegations

DISPOSITION	RECEIVED	CLOSED	OPEN
Current Period			
Office of the Inspector General	11	11	0
Office of Investigations	3	2	1
Office of the General Counsel	2	2	0
Human Resources Services	1	0	1
Sub-Total	17	15	2
Prior Periods			
Office of the Inspector General	5	5	0
Sub-Total	5	5	0
Total	22	20	2

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Inspector General Hotline

Help Promote Integrity, Economy, and Efficiency!

Report Suspected Fraud, Waste, Abuse, or Mismanagement

Complaints May be Made Anonymously*

**Inspector General
Library of Congress
101 Independence Avenue, S.E., LM-630
Washington, DC 20540-1060
(202) 707-6314**

OIG Hotline Telephone Number: (202) 707-6306

OIG Fax Number: (202) 707-6032

OIG Hotline E-mail: oighotline@loc.gov

*Information provided will be held in confidence. If additional information about an allegation is needed, providing your name and a means of communicating with you could enhance the Inspector General's ability to investigate or audit the issue.