



governmentattic.org

"Rummaging in the government's attic"

Description of document: **Library of Congress (LOC), Office of the Inspector General Semiannual Report to the Congress For 01-Apr-2007 - 30-Sep-2007**

Released date: 28-February-2008

Posted date: 10-March-2008

Date/date range of document: 01-Apr-2007 - 30-Sep-2007

Source of document: The Library of Congress
Office of the Inspector General
101 Independence Ave, SE
Washington, DC 20540

The governmentattic.org web site ("the site") is noncommercial and free to the public. The site and materials made available on the site, such as this file, are for reference only. The governmentattic.org web site and its principals have made every effort to make this information as complete and as accurate as possible, however, there may be mistakes and omissions, both typographical and in content. The governmentattic.org web site and its principals shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information provided on the governmentattic.org web site or in this file.



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,

A handwritten signature in black ink, appearing to read "Ken Keeler", with a long horizontal line extending to the left.

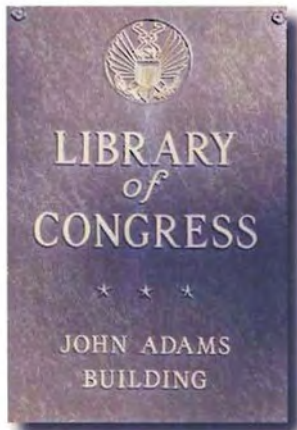
Kenneth Keeler
Assistant Inspector General
for Investigations



THE LIBRARY OF CONGRESS

OFFICE OF THE INSPECTOR GENERAL

SEMIANNUAL REPORT TO THE CONGRESS
SEPTEMBER 30, 2007



This issue of our Semiannual Report to the Congress features the Library of Congress' John Adams Building. The building is named in honor of the second United States president who in 1800 approved the law establishing the Library of Congress. Built in the late 1930s, the structure was intended to provide functional and efficient book stacks "encircled with work spaces." Opened to the public in 1939, the "Annex Building" was renamed the "Thomas Jefferson Building" in 1976 and received its current designation in 1980.

The Adams' classical style has been widely admired for decorative elements inspired by the 1925 Paris Exposition des Arts Décoratifs and the use of such materials as acoustical block, formica, and glass tubing. Of special note are the decorative features of the building, including metalwork in the first floor lobbies and corridors and in the fifth floor lobbies and reading rooms.

The dignified exterior is faced with white Georgia marble and pink North Carolina granite. Inside, the building contains 12 tiers of stacks, each providing about 13 acres of shelf space, in all, spanning 180 miles of shelving and holding 10 million volumes. Ezra Winter's murals in the North Reading Room on the fifth floor illustrate the characters in Geoffrey Chaucer's *Canterbury Tales*. One of Winter's murals in the South Reading Room contains themes drawn from Thomas Jefferson's writings reflecting his thoughts on freedom, labor, education, human rights, and government. Another Winter mural in the South Reading Room, a portrait of Thomas Jefferson at his residence in Monticello, is located in the lunette above the reference desk and bears the inscription "This Room is Dedicated to Thomas Jefferson."

For more information from John Y. Cole's *On These Walls* (1994), please visit <http://www.loc.gov/loc/walls/adams.html>. All photographs in this publication are of the John Adams Building.



The LIBRARY of CONGRESS

October 31, 2007

A MESSAGE FROM THE INSPECTOR GENERAL

I am pleased to present our Semiannual Report to the Congress for the period ended September 30, 2007.

In the last six months we prepared reports on the management of facility, design & construction operations; contracting operations; the National Digital Information Infrastructure and Preservation Program; travel operations; the Jakarta Field Office; and the Library's workforce diversity program. We provided suggestions on the Library's new Strategic Plan and several of the Library's regulations, and followed up on our March 2004 audit of reading room utilization. We also issued a report on the 2006 financial statements of the Open World Leadership Center, a separate legislative branch agency housed at the Library of Congress. In addition, we conducted investigations on topics such as physical security, credit card fraud, handling hazardous materials, and missing collections items.

Finally, in the last six months, we commented on H.R. 928 and two pending Senate bills that would amend the Inspector General Act of 1978. Additionally, we submitted a statement to the Committee on House Administration for a hearing on merging the Library's police with the U.S. Capitol Police.

In the next six months, we will report on in-progress reviews of the Library's disbursing operations, additional contracting activities, mail services, copyright reengineering, the Raiser's Edge system, cost/benefit and alternatives analyses for the proposed logistics center, the Library's and Madison Council's FY 2007 financial statements audits, and other topics.

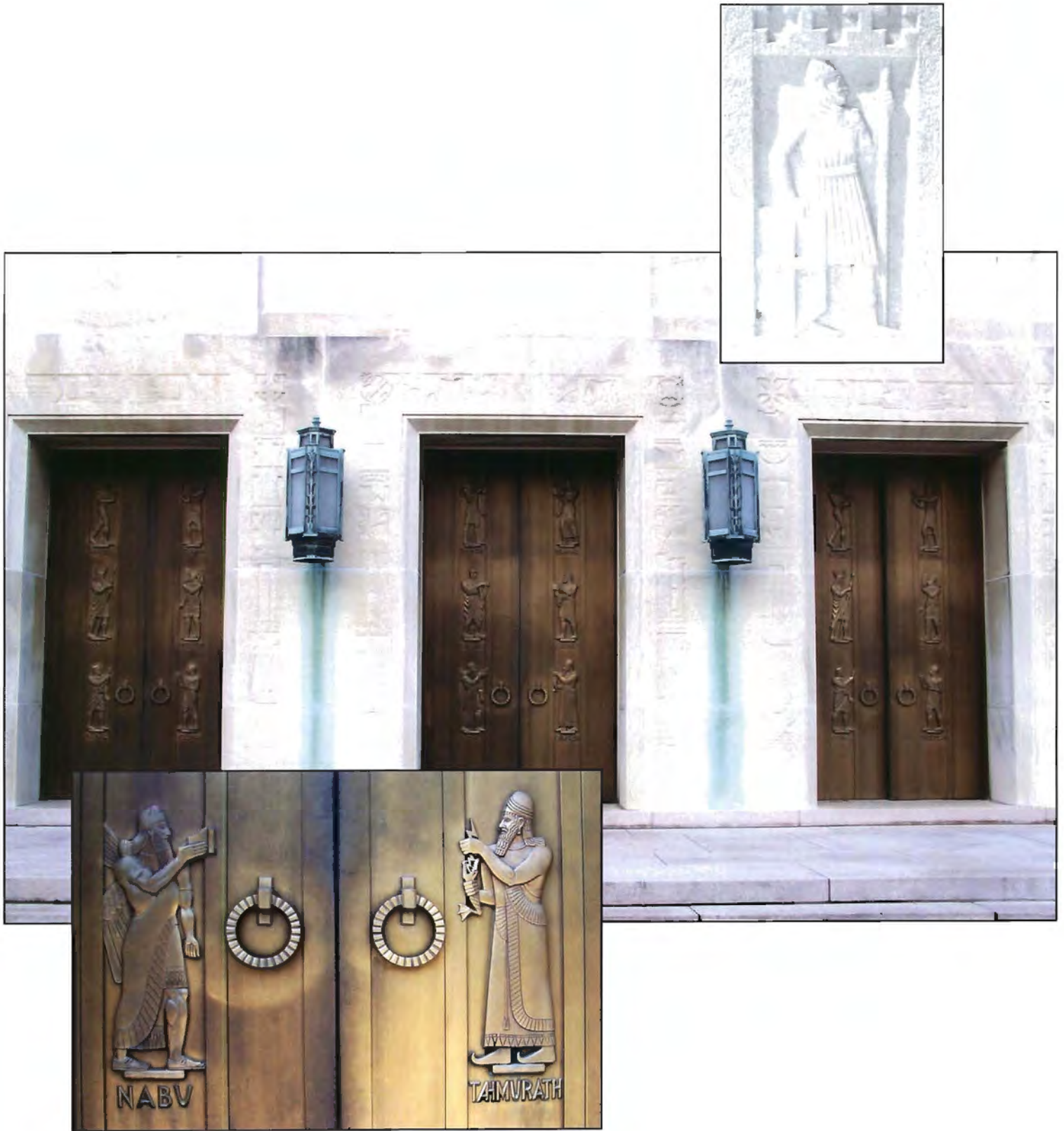
We are pleased by the efforts of the Library's new Chief Operating Officer to improve Library management. Initiatives such as the new "Dashboard," highlighting key performance metrics incorporated into the Library's Annual Planning and Program Performance process, should improve infrastructure accountability by providing critical information about the status of operations. Quarterly status meetings on resource issues and inspector general recommendations should result in timely progress in further improving Library operations. We are also encouraged by the Chief Operating Officer's request during the period that we review the Office of Workforce Diversity. The Office of the Inspector General should be viewed as a resource and collaborative partner in evaluating and improving the Library's economy, efficiency, and effectiveness.

We appreciate the cooperative spirit of Library managers and staff during our reviews.



TABLE OF CONTENTS

INTRODUCTION.....	1
AUDITS.....	3
Facility Design & Construction.....	3
The Library's Travel Program.....	4
National Digital Information Infrastructure and Preservation Program.....	5
Office of Contracts.....	6
Library Services Reading Room Space Allocations.....	7
Open World Leadership Center	8
INVESTIGATIONS.....	11
Significant Criminal and Administrative Investigations.....	12
Follow-up on Investigative Issues from Prior Reporting Periods.....	13
UNIMPLEMENTED RECOMMENDATIONS.....	15
IMPLEMENTED RECOMMENDATIONS.....	20
FUNDS QUESTIONED OR PUT TO BETTER USE.....	21
INSTANCES WHERE INFORMATION OR ASSISTANCE REQUESTS WERE REFUSED.....	23
STATUS OF RECOMMENDATIONS WITHOUT MANAGEMENT DECISIONS.....	23
SIGNIFICANT REVISED MANAGEMENT DECISIONS.....	23
SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREES.....	23
FOLLOW-UP ON PRIOR PERIOD RECOMMENDATIONS	23
OTHER ACTIVITIES.....	24
Comments on the Library's FY 2008-2013 Strategic Plan.....	24
Review of the Office of Workforce Diversity.....	24
Inspection of the Jakarta Overseas Office.....	25
REVIEW OF LEGISLATION AND REGULATIONS.....	27
Inspector General's Statement for the House Police Merger Hearing.....	27
Proposed IG Act Amendments.....	27
Internet Policy.....	28
Transit Benefit (Metrochek) Program Policy.....	29
Review of Library of Congress Regulations.....	30



ABOVE RIGHT, DETAIL OF CARVING ON THE BUILDING'S FACADE; ABOVE MIDDLE, THE EAST DOORS; BELOW LEFT, DETAIL FROM EAST DOORS—NABU AND TAHMURATH, CREDITED WITH GIVING THE ART OF WRITING TO THE AKKADIANS AND PERSIANS, RESPECTIVELY.

INTRODUCTION

THE MISSION OF THE OFFICE OF THE INSPECTOR GENERAL IS TO PROMOTE ECONOMY, EFFICIENCY, AND EFFECTIVENESS BY DETECTING AND PREVENTING WASTE, FRAUD, AND ABUSE.

To accomplish our mission, we conduct audits and investigations. Our goals, objectives, strategies, and performance indicators can be found in our Strategic Plan, available on our Web site at <http://www.loc.gov/about.oig>.

In addition to conducting audits and investigations, we lend our expertise on a consulting basis to many Library offices and external organizations.

Our philosophy is to be proactive rather than audit “after the fact.” We believe this approach results in a more efficient use of resources by detecting and preventing problems early. Accordingly, we are following several key projects throughout the Library and rendering assistance and making recommendations as needed.

Our staff is educated and certified in various disciplines. We are, collectively, four certified public accountants, three attorneys, two certified internal auditors, one certified information systems auditor, two special agents, one investigator, one Master of Library Science, and other highly qualified staff.



AUDITS

INTEGRATED SUPPORT SERVICES

FACILITY DESIGN & CONSTRUCTION FACES CHALLENGES IN PROVIDING SERVICE

AUDIT REPORT NO. 2006-PA-107
SEPTEMBER 2007

The Library's Facility Design and Construction Office (FD&C) is responsible for planning and designing spaces in the Library's buildings (approximately 4.4 million square feet) and providing interior design services. FD&C is a unit of Facility Services, under the direction of Integrated Support Services. This audit follows up on our fiscal year (FY) 2002 audit of Facility Services (Report No. 2001-PA-108). In that audit, we found that FD&C needed to improve its timeliness in delivering services and its communication with customers about work requests. We also found that Facility Services was not recording important information needed for effective oversight and sound decision-making regarding the FD&C workforce.

We followed up on those findings and conducted a more in-depth examination of FD&C. We found that FD&C had not corrected the conditions we identified in 2002; moreover, its ability to provide cost-effective and timely service had been adversely affected by high staff turnover, overwhelmed supervisors, and unclear guidance. Supervisors were burdened with hiring and performing staff functions, leaving little time for supervisory responsibilities. Without top management accountability, sustained leadership, adequate funding, and an effective system to measure results, these long-standing problems will continue to erode FD&C's ability to provide services to its customers. Our specific findings and recommendations were as follows:

FD&C's Workforce Planning Strategy Has Not Been Effective—Facility Services lacked the information to effectively determine FD&C's staffing requirements and whether outsourcing some FD&C functions would be advantageous. As a result, FD&C's staff was overwhelmed, projects were frequently delayed, staff turnover was rampant, and continuity of operations was a significant problem. We recommended that Facility Services collect information to effectively forecast the staffing resources it needs and explore procuring technical expertise.

FD&C's Project Management Approach is Unstructured and Undisciplined—FD&C lacked effective internal controls to help ensure that its goals and objectives are met and resources were used efficiently, economically, and effectively. At the time of our fieldwork, staff were operating without written policies and procedures; as a result, project files were incomplete and inconsistent and lacked adequate documentation. We offered several recommendations, including placing a priority on completing the Project Delivery Manual.

Ineffective Coordination with Logistics and Contracts Has Delayed Projects—Since our last audit, FD&C had improved its communication and coordination with customers, the Architect of the Capitol, and the Safety Services Office. However, it still needed to improve its coordination with the Contracts Office and Logistics Services. We recommended improved communication and assignment of liaisons with these offices.

FD&C's Centralized Space Planning Role is Unclear—It appeared service units still controlled their assigned space, and FD&C's role was that of an arbitrator. Centralized space planning authority is crucial to efficient use of space. We recommended that the Librarian reinforce Facility Services' centralized role in space planning and design.

FD&C is Not Effectively Monitoring and Assessing "FAST" Service Delivery—Facilities Automated Service Tracking (FAST) system service providers were not completing service requests within the time frames requested by their customers. Approximately 62 percent of requests took more than two weeks to complete. Moreover, FD&C was not effectively monitoring the FAST requests, following up on delays, or assessing overall service delivery. We recommended establishing better controls and placing more responsibility on customers for facilitating prompt service.

FAST Contains Misleading Data and Does Not Provide Useful Management Reports—FAST service providers were not recording completion dates in a timely manner and FD&C was not effectively monitoring open work

requests. Furthermore, FAST lacked useful management reporting capabilities. Facility Services management told us that the FAST system is temporary and will be replaced by the new Computer Aided Facilities Management System (CAFM), which is under development. We recommended that FD&C stress to the service providers the importance of recording the completion date as soon as a job is done.

ISS management substantially concurred with our recommendations and has already completed or initiated

Chief Financial Officer (OCFO) needs to do a better job of educating travelers about regulations regarding submitting travel forms in a timely manner and providing accurate and complete Travel Request and Authorizations (TAs) and Travel Vouchers (TVs). The program could be further improved by (1) requiring more detail on the TA about a trip's purpose and how it benefits the Library, (2) automating processes, (3) using performance measurements, and (4) securing the travel files to protect confidential information. Our specific findings and recommendations were as follows:



the procurement of technical expertise, development of a project process, review of alternative furnishings, evaluation of services, and is encouraging customer involvement. ISS also provided a time line detailing plans for completing all remaining corrective actions.

OFFICE OF THE CHIEF FINANCIAL OFFICER

THE LIBRARY'S TRAVEL PROGRAM:
GOOD OVERSIGHT, BUT SOME
ENHANCEMENTS ARE NEEDED

AUDIT REPORT NO. 2006-PA-106
SEPTEMBER 2007

The Library's Travel Program is generally well run, but some improvements are needed to strengthen its controls and its efficiency and effectiveness. The Office of the

OCFO's Oversight Role Over the Travel Program Needs Strengthening—The travel program needed to change some of its processes. Travelers did not provide sufficient detail on the purpose of travel, nor submit timely TAs and TVs. In many cases, service units rushed the processing of authorizations and vouchers, thus adversely impacting the Travel Office (TO) staff workload. To improve the program, we recommended that OCFO require a detailed purpose for travel and continue monitoring and addressing late authorizations. Further, we found that service units were not timely submitting TVs for reimbursement. In our sample, approximately fifty-three percent were submitted late. In addition, the TO at times did not promptly notify travelers when their vouchers were rejected. We recommended that the TO periodically remind all service units that travelers must submit vouchers within five workdays of their return; redesign the TA form to include a "return to duty station" date; revise the TV processing method so travelers are readily notified when a voucher is incomplete; and create an improved system to track TV submission so incomplete claims are not lost in the process.

The Travel Program's Efficiency is Compromised by its Manual Processes—The Library did not have an end-to-end integrated travel system. Instead of a streamlined process from authorization to reimbursement, the program relied on a combination of manual and electronic processes. This can result in errors and inefficiencies. We recommended that OCFO automate the travel processes with consideration given to an e-travel system and use

ABOVE: DETAIL OF INDEPENDENCE AVENUE DOOR—THE MAN ON THE LEFT REPRESENTS PHYSICAL LABOR, WHILE THE WOMAN ON THE RIGHT REPRESENTS INTELLECTUAL LABOR. THIS DOOR WAS ORIGINALLY DESIGNED FOR THE U.S. COPYRIGHT OFFICE.

statistical sampling methodology to audit travel claims if an e-travel system is implemented.

Travel Office Management Needs Performance Measures to Become More Results Oriented—TO management had begun using statistics to analyze the timeliness of TAs and TVs, but did not utilize reports to evaluate the program's efficiency and effectiveness. We recommended that the Accounting Operations Officer and the Financial Systems Officer develop and use performance measurements for a results-oriented analysis and evaluation of the Travel Program.

The Travel Office is not Ensuring the Security of Confidential Employee Information—The TO did not lock its files. As a result, unauthorized persons could potentially retrieve confidential information from these unsecured files. We recommended that the TO secure its files whenever possible during business hours and at all other times.

OCFO agreed with our findings and recommendations, except redesigning the TA form, and efforts are underway to implement our recommendations.

OFFICE OF STRATEGIC INITIATIVES

LEAD INSTITUTIONS NEED TO IMPROVE SUB-AWARDEE COST MONITORING ON THE NATIONAL DIGITAL INFORMATION INFRASTRUCTURE AND PRESERVATION PROGRAM

AUDIT REPORT NO. 2007-FN-101
SEPTEMBER 2007

This report was the second of a two-part review of the Library's National Digital Information Infrastructure and Preservation Program (NDIIPP). The NDIIPP was established to develop a national strategy to collect, archive, and preserve the burgeoning amount of digital content, especially materials that are created only in digital formats, for current and future generations. Its strategy to achieve its goals is to partner with other public and private institutions. The Office of Strategic Initiatives (OSI) within the Library administers the NDIIPP. In

2004, it awarded approximately \$14 million in cooperative agreements to eight lead institutions (the "leads"). The leads, in turn, awarded grants to sub-awardees to perform parts of the leads' responsibilities.

In this report, our objective was to review the original eight NDIIPP leads' compliance with their cooperative agreements for FY 2005.

We found that the leads had received unqualified ("clean") opinions on their single audit reviews for FY 2005, which should indicate that they had adequate controls in place to ensure compliance with the agreements' terms and conditions.

Notwithstanding the clean opinions, we found that three of eight leads were not adequately monitoring sub-awardee funds. We also found that OSI needed to include a prior approval procedure in its improved NDIIPP cost-monitoring procedures. Specifically, three of the leads were not adequately reviewing sub-awardee invoices and had not submitted any prior approvals to the grants manager or the NDIIPP Agreement Officer's Technical Representatives.

We recommended that the leads institute procedures to monitor sub-awardee costs and OSI include prior approval procedures in the enhanced cost monitoring procedures it is currently drafting. Without these procedures in place, there is significantly reduced assurance that NDIIPP funds are being used effectively, efficiently, and for the intended purpose.

OSI agreed with our findings and recommendations.

OFFICE OF CONTRACTS

SERVICE REMAINS LESS THAN SATISFACTORY DESPITE STEPS TAKEN TOWARD IMPROVEMENT

AUDIT REPORT NO. 2007-PA-102
SEPTEMBER 2007

The Library of Congress is charged with a wide range of responsibilities—acquiring items to add to its unique and priceless collections, providing research and analysis for Congress, and processing copyright claims, among many others. Using contracts to acquire goods and services is a principal way the Library fulfills its mission. On average over the last couple of years, the Library's Office of Contracts has awarded contracts valued at \$189 million annually.

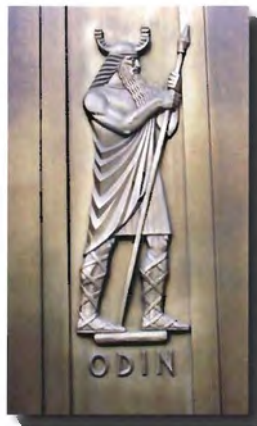
Near the close of FY 2004, we reported that several Library organizations were not satisfied with the quality and timeliness of the Office of Contracts' performance. This unfavorable opinion was consistent with the findings of a 2003 Library-wide survey we had conducted. The 2004 report cited vacancies in two critical management positions, understaffing at the contract specialist level, and inadequate staff training as prominent factors adversely affecting the Library's contracting operations.

This report provided the results of the first part of a two-part OIG assessment. For this part, we sought to determine whether the quality of the Office of Contracts' operations has improved since our 2004 report. To gauge current operational quality, we identified and assessed Library actions taken since the end of FY 2004 to address the office's deficiencies; surveyed service and infrastructure units to collect current views on the office's service; and took a sample of recent contracting activity to assess the timeliness with which contracting actions are addressed and completed. The second part of our assessment will focus on the Library's technical compliance with the Federal Acquisition Regulation.

The Library has taken some steps since the end of FY 2004 to address the deficiencies in the contracting function. Most significantly, it has hired two experienced contracting professionals: one to fill the Chief of Contracts position—one of the two critical management vacancies previously cited by OIG—and one to fill the Supervisor of Operations position. Respondents to our survey indicated these officers are having a positive influence on the Library's contracting operations. Additionally, the Library approved a 2006 request submitted by the Chief of Contracts to increase by three the number of contract specialist full-time equivalent (FTE) positions and is seeking FY 2008 funds to staff these positions. While the steps taken are commendable, they have not changed Library organizations' collective opinion of the office's service. Overall, our current survey showed service and infrastructure units continue to be less than satisfied with the contracting service they receive. Furthermore, work for a substantial portion of Library contracting transactions is not being completed within the office's established time frames, repeating another significant finding in our 2004 report.

Considering the absence of tangible progress since 2004, additional actions should be taken to improve the Library's contracting operations. Most importantly, the Library should:

- fund the three additional contract specialist FTEs that it approved in 2006 for contracting operations;
- establish policies and procedures clearly explaining the Library's contracting process and the roles and responsibilities of those who participate in it;
- determine the automated data the Office of Contracts needs to evaluate the Library's contract spending and manage the Library's contracting workload; and
- recruit for and select a qualified person to serve as the Director of the Office of Contracts and Grants



Management to ensure full accountability for the Library's contracting function.

Weaknesses in the acquisition function could threaten the Library's ability to timely obtain quality goods and services at a fair price. Given the fiscal challenges it is facing, it is critical that the Library have a highly efficient and effective contracting operation to ensure its procurement dollars are well spent.

Management concurred with our recommendations and, in most cases, actions to implement the recommendations are in progress. Funding was approved to hire six additional contractors and there are plans pending Congressional budget approval to hire three permanent employees.

LIBRARY SERVICES

FOLLOW-UP TO AUDIT REPORT NO. 2003-PA-104 READING ROOM SPACE ALLOCATIONS SHOULD BE REEVALUATED

MEMO DATED JULY 18, 2007

Our report, issued in March 2004, made a number of recommendations to better utilize reading room space. The Congressional Research Service and Law Library have implemented the spirit of our recommendations. Library Services has implemented a system to better measure reading room usage, however, more than three years after we issued our report, it has not implemented two critical recommendations: to develop a decision model for determining reading room space requirements, and to use the model to make decisions about reading room, office space, and storage requirements.

As part of the FY 2008 Budget Hearings, Senator Wayne Allard asked the Library to respond to these delays. To its credit, Library Services replied that "plans are now underway to enlarge the Performing Arts Reading Room—to date, serving Music Division collections—to incorporate service of the motion picture and recorded sound collections of the Motion Picture, Broadcasting & Recorded Sound Division." However, Library Services provided two main arguments for further delaying full implementation. We disagreed with both.

First, according to Library Services, "[t]he single most important milestone for completing an evaluation of reading room space is the effect on the Library's programs of the NVE¹ ... due to open in ... 2008. With the increase in visitors ... we anticipate a rise in readership ..." We agreed that the increase in visitors may impact the Main Reading Room's usage, simply by virtue of the fact that visitors may choose to get a better, close-up view. However, in our view, the impact on the area studies and special format collections is unlikely to meet expectations. These materials are used mostly by dedicated researchers who are aware of the Library's vast resources, and not by casual visitors. Furthermore, the NVE "experience scenarios" in "The New Visitor's Experience" booklet envision that visitors will turn to the Library's online resources from their schools, homes, and local libraries.

The second argument Library Services offered was "...given the overriding need to provide efficient and secure service of the Library's disparate collections, and specialized and multilingual reference assistance, there will always be a requirement to have numerous reading rooms." We disagreed with the assumption that consolidating reading rooms necessarily results in less efficient and secure service.

Library Services pointed out that each reading room has a dedicated staff of scholarly experts to provide in-depth reference services to patrons and we agreed varied expertise permits the Library to more effectively serve researchers. If the Library Services decision model requires consolidating reading rooms, we would expect the consolidated reading room to employ staff from all affected disciplines. For example, an Area Studies reading room consolidating the four current area studies rooms would encompass subject matter experts from all areas.

Library Services stated that "...a majority of the individual reading rooms are deliberately collocated with the collections they serve, not only to ensure efficiency

¹ New Visitor's Experience.

of public service, but also to provide maximum security for Gold and Platinum-level collections.” In our view, not having the materials collocated is unlikely to have a significant impact on service. The time it takes to transport an item from the stacks to a reading room is negligible, and the Library’s patrons are well aware of the fact that service is not instantaneous. The Asian collection is already not collocated with its reading room. Furthermore, the continued growth of the collections mandates that, over time, more materials will be stored off-site. As a result, the time to serve an item will increase,



irrespective of the collocation of collections and reading rooms. Regarding the security issues, first, it is our expectation that researchers are served surrogate copies of gold and platinum level collections whenever feasible, and second, a consolidated reading room having fewer points of entry and exit to monitor may well enhance, rather than detract from, the security of the collections.

In light of the changes in reading room usage over the last several years, we saw no reason why Library Services would not develop the decision model we recommended in our report. More than three years has been ample time to develop an adequate response to our report.

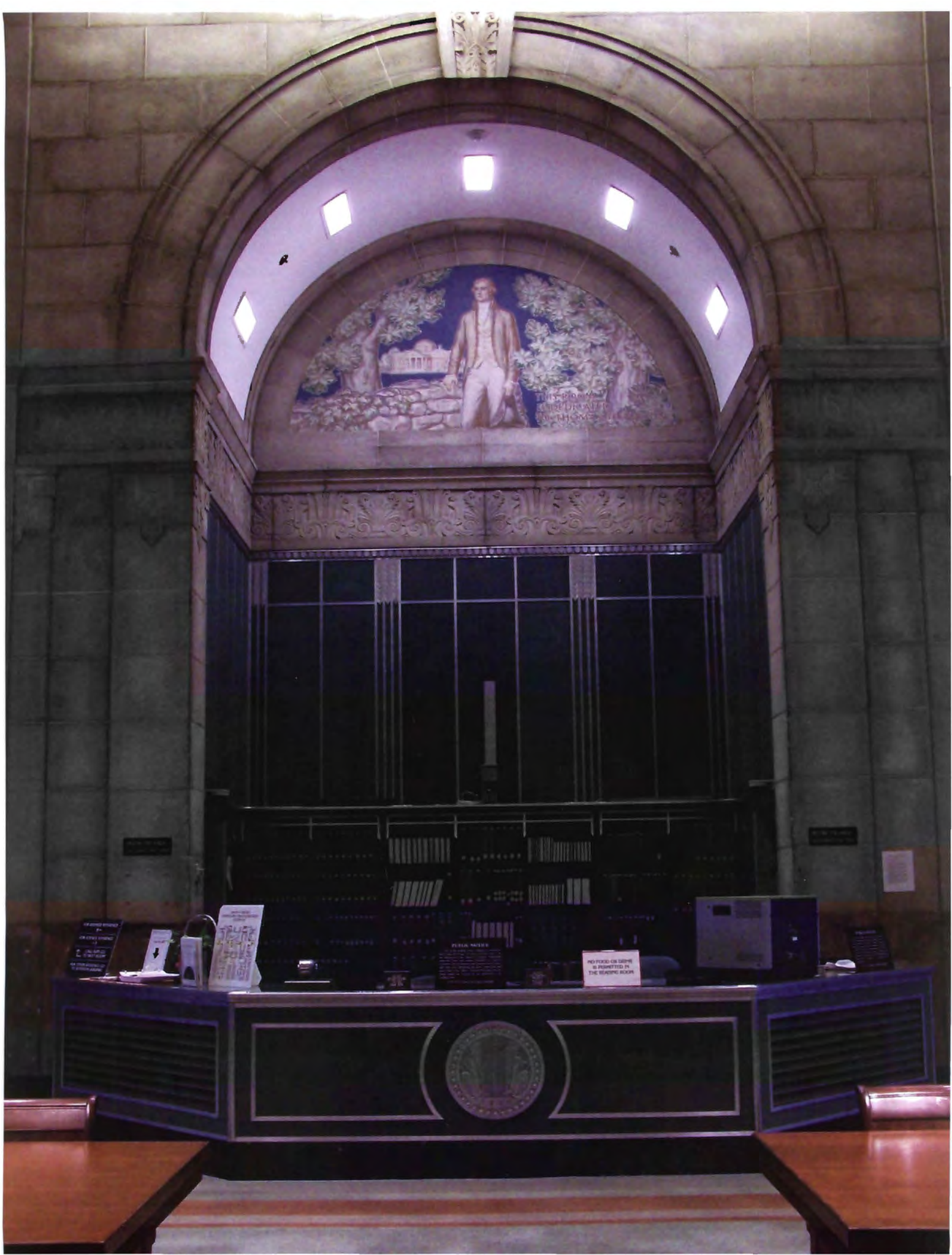
In a written response to our July 18 memorandum, the Librarian indicated that Library Services would develop a decision model within 120 days. The OIG recently provided guidance to Library Services for developing criteria for the model. We recognize the complexities inherent in any effort to consolidate reading rooms. Past proposals for consolidations have met with limited success due to both internal and external pressures. We encourage Library management to continue evaluating the utility of these resources.

OPEN WORLD LEADERSHIP CENTER

FISCAL YEAR 2006 FINANCIAL STATEMENTS

The mission of the Open World Leadership Center (the Center) is to enhance understanding between the United States and the countries of Eurasia and the Baltic States. The Open World Program enables emerging leaders from Russia and other Eurasian countries to experience American democracy and civil society in action. Since its founding by the Congress in 1999, the Open World Program has enabled nearly 10,500 current and future leaders from Russia, Ukraine, Lithuania, and Uzbekistan to experience American democracy and civil society, work with their American counterparts, live with American families, and gain new ideas and inspiration for implementing change at home. Today, the Open World Program is the largest U.S.-Russia exchange program and a proven model for exchanges for leaders from other Eurasian countries.

The Center is an independent entity in the Legislative Branch governed by a board of trustees. Board members consist of members of the Congress and private citizens. The congressional leadership appoints congressional members while the Librarian of Congress appoints citizen board members. The Librarian of Congress is currently the Chairman of the Board.



Under contract with the OIG, the accounting firm of Kearney & Company audited the Center's FY 2006 financial statements and issued its Independent Auditor's Report. The audit included the Center's balance sheet and the related statements of net costs, changes in net position, financing, and budgetary resources for the fiscal year then ended. The auditors concluded that the financial statements were presented fairly in all material respects, and in conformity with generally accepted accounting principles. The firm's auditors also performed tests of compliance with laws and regulations, and considered internal controls over financial reporting and compliance. In its audit of the Center, Kearney & Company found no material weaknesses

in internal control and no reportable noncompliance with laws and regulations it tested.

We reviewed the firm's planning and approach to the audit and significant working papers, evaluated the auditors' qualifications and independence, monitored the progress of the audit, coordinated meetings with management, performed other procedures we deemed necessary, and reviewed and accepted Kearney & Company's report.



INVESTIGATIONS

During the reporting period we opened 33 and closed 22 investigations. We referred four cases to the U.S. Attorney's Office: of those, three were declined and one is pending. We forwarded five cases to Library management for administrative action. Case and Hotline activity are detailed below:

TABLE 1: INVESTIGATION CASE ACTIVITY

	CRIMINAL/CIVIL	ADMINISTRATIVE	TOTAL
From Prior Reporting Period	9	10	19
Opened	9	24	33
Closed	12	10	22
<hr/>			
End of Period	6	24	30

TABLE 2: HOTLINE ACTIVITY

	COUNT
Allegations received	12
Referred to management for action	5
Opened as investigations	4
Closed with no action	3

SIGNIFICANT CRIMINAL AND ADMINISTRATIVE INVESTIGATIONS

HAZARDOUS MATERIAL INCIDENT

We reviewed actions taken by Library Services and Integrated Support Services in managing fire safety issues related to the relocation and handling of the recently acquired John E. Allen collection of nitrocellulose film. Nitrocellulose film is considered a hazardous material. We found that although Library Services provided training to its staff every two years covering shipping and receipt of nitrate motion picture film, it has no formal, written procedures on the proper protocols for handling, storing, and transporting this material. We also found that the Safety Services Office, which is responsible for developing and promulgating safety and environmental health directives and procedures, had not posted on its Web site policies or procedures for handling hazardous materials such as nitrocellulose film. We recommended that Library Services coordinate with the Safety Services Office or other safety experts to develop appropriate written guidance on managing hazardous materials, and that the Safety Services Office update the Library's regulations relating to hazardous materials. The Library's scheduled review of the applicable regulations was five years overdue.

COPYRIGHTED LIBRARY MATERIAL POSTED ON INTERNET

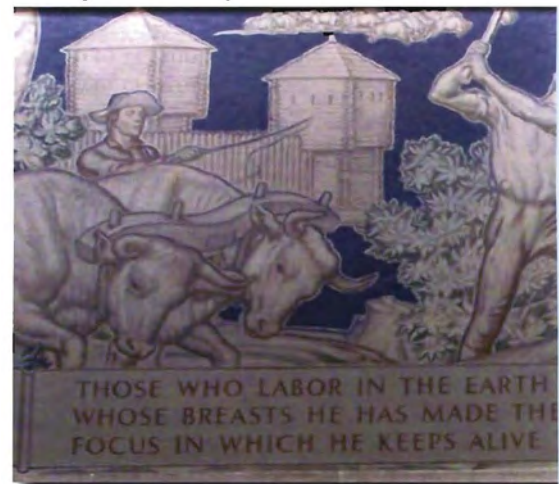
Managers at the Library's National Library Service for the Blind and Physically Handicapped (NLS) notified us that a file-sharing Web site had posted copyrighted NLS audio books without authorization. NLS limits access to these copyrighted materials to members who qualify for the NLS Talking Books program. An OIG Special Agent identified the administrator of the file-sharing Web site and requested that he remove the NLS material from the Web site. The administrator immediately removed the material and was suspended from the program.

LOADING DOCK SECURITY COMPROMISES

During an investigation into the theft of electrical cable we identified two serious security breaches at the Library's main loading dock. Library regulations require that all persons entering or leaving Library buildings pass through police screening points. We found that in some cases Library employees failed to pass through police inspection points upon arrival and departure from the main loading dock. Library management agreed with our finding and issued a memorandum for agency-wide distribution requiring all persons entering or leaving the main loading dock to pass through the police inspection point and sign a log. The other security breach involved the temporary storage on the loading dock of Library property including collections material. The property was vulnerable to theft because the contract personnel working on the loading dock are not tasked with security responsibilities. Library management accepted our recommendation that the Dock Master position should be performed by a government employee whose responsibilities should include securing the loading dock.

AUTHORSHIP/EMPLOYEE ETHICS

We reviewed the circumstances surrounding a presentation given by a current Library employee at which copies of his book were sold. Library ethics regulations require that, unless acting in their official capacity, employees must clearly indicate that they are expressing their personal views. Although the book represented his personal views, the advertising materials for the event referred to the employee's position at the Library. The employee did not qualify that the views presented during the talk were his personal views until some 40 minutes into the



presentation. Nowhere did the book clearly state that it expressed his personal opinions and not Library policy.

We found that the employee's actions gave the appearance of violating the ethical principle of using public office for private gain. The employee conceded that he uses government time and resources for his personal work and finds it difficult to distinguish between the two. We requested that the Library's Office of General Counsel respond to our concerns. This matter remains unresolved.

COMPUTER SECURITY BANNER

We reviewed the Computer Security Banner that appears on the Library's computer networks to determine its sufficiency. The U.S. Department of Justice advised us on criteria applicable to computer banners. As a result of our review, we recommended that the Library revise the banner to broaden its application so that it will better meet the needs of both management and law enforcement.

TRAVEL CARD FRAUD

A Copyright Office security manager reported that an employee in Copyright had found unauthorized charges on his government travel credit card. Upon further investigation, a total of four Copyright employees who had attended an annual copyright conference in New York had noticed fraudulent charges on their credit cards. OIG Special Agents, in coordination with the card issuer, discovered the common points of compromise and the

fraudulent purchases made with each card. OIG also became aware that the New York Police Department (NYPD) also had an open investigation relating to the compromised credit cards. Working jointly, the OIG and NYPD identified a suspect who was selling the stolen credit card numbers throughout the New York City area. An Assistant U.S. Attorney deferred the matter to New York City prosecutors, and the NYPD is continuing their investigation. Multiple arrests are expected.

UNAUTHORIZED SURPLUS BOOK SALES

The Library makes surplus books available to educational institutions, government agencies, and non-profit tax-exempt organizations in the United States having tax-exempt status. A Library patron informed staff in the Anglo-American Acquisitions Division that a large number of books with Library barcodes were being offered for sale at a local bookstore. The bookstore owner identified the source of the books as an individual who participated in the Library's Surplus Books Program. The individual was originally approved to participate in the program when working for a participating association but is no longer employed by that association, and therefore no longer eligible for the program. The individual will be barred from obtaining books from the Library's Surplus Books Program. The U.S. attorney declined to prosecute the case.



FOLLOW-UP ON INVESTIGATIVE ISSUES FROM PRIOR SEMIANNUAL REPORTS

THEFT OF COPPER TUBING AT THE LANDOVER WAREHOUSE

In our previous semiannual, we reported the theft of copper tubing from the Library's Landover warehouse facility and recommended that the Office of Security and Emergency Preparedness upgrade malfunctioning security equipment and install additional security equipment. During this reporting period, the Library implemented our recommendations for improving security at the Landover facility. The investigation into the theft is continuing.

THEFT FROM LOADING DOCK

We previously reported that a Library employee had removed and attempted to sell 2,000 pounds of coaxial cable from a Library loading dock. In addition to a court approved agreement requiring the employee to perform 40 hours of community service and serve probation, the employee was removed from his Library position during this reporting period. He is appealing the termination.

ETHICS/FINANCIAL DISCLOSURE

In the previous period, we reported that the Library's Office of General Counsel (OGC) did not conduct substantive conflict of interest reviews for the 2005 and 2006 Financial Disclosure Statement submissions. Specifically, OGC did not review financial disclosure forms for any connection between a filer's financial interests and his or her official duties.

Since our last report, OGC has developed and documented a review and certification process comparable to the process adopted by the Office of Government Ethics (OGE). The process includes a substantive analysis of content to determine the existence of conflicts of interest. To further enhance and expedite the Library's review process, OGC staff attended the OGE's 2007 basic and advanced training on certifying public financial disclosure reports. We commend the OGC's actions.



STONE CARVING OF AN OWL IN THE SOUTH READING ROOM

UNIMPLEMENTED RECOMMENDATIONS

TABLE 3A: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. AND ISSUE DATE	SERVICE UNIT	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Office of the Librarian				
Dispute Resolution Center	2002-PA-104 September 2003	Office of Workforce Diversity	III	Revise Library of Congress Regulation (LCR) 2020-7 to allow complainants to use dispute resolution during the formal EEO complaint process—The OGC is drafting a revised LCR to address this recommendation.
Equal Employment Opportunity Complaints Office	2001-PA-104 February 2003	Office of Workforce Diversity	I	Evaluate and revise LCR 2010-3.1—The OGC is drafting a revised LCR.
Succession Planning	2004-PA-105 March 2005	Office of the Librarian	I.1	Mandate a Library-wide succession planning program that endows Human Resources Services (HRS) with a strong leadership role—In FY 07 HRS created a team to develop a succession planning proposal that would address these recommendations.
Office of the Chief Financial Officer (OCFO)				
Management Control Program	2004-PA-106 March 2006	Strategic Planning Office	II	Implement an automated tracking system—A system is in the planning stage and the functional requirements document is being finalized. The Strategic Planning Office (SPO) has requested funding for the automation program.
Management Control Program	2004-PA-106 March 2006	Strategic Planning Office	III	Implement a verification review process—The verification review process is outlined in a proposed LCR which the SPO expects to publish by the end of December 2007.
Management Control Program	2004-PA-106 March 2006	Strategic Planning Office	V	Report implementation delays to the Librarian—The proposed LCR provides for this process. Once the LCR is implemented, the report to the Librarian will occur once per cycle. OCFO submitted the first report to the Chief Operating Officer on September 28, 2007.
Performance-based Budgeting	2004-FN-501 September 2006	Strategic Planning Office/ Budget Office	I	The Library should develop a formal plan for implementing Performance-based Budgeting—The Library has developed building blocks leading to a performance-based budget without a formal plan of action. OIG agreed with this approach and will conduct follow-up reviews.
Performance-based Budgeting	2004-FN-501 September 2006	Strategic Planning Office/ Budget Office	III	The Library needs a performance management information system—Planning for a system is occurring and certain components of a reporting system have been implemented through an Annual Operations Performance “dashboard.” OIG agreed with this approach and will conduct follow-up reviews.

TABLE 3A: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. AND ISSUE DATE	SERVICE UNIT	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Performance-based Budgeting	2004-FN-501 September 2006	Strategic Planning Office/ Budget Office	IV	Coordinate more closely the Workforce Transformation and Workforce Performance Efforts—Library management is coordinating these efforts under the direction of HRS. Recently, AFSME 2477 began to transition its membership to the Library's performance management system. OIG will conduct follow-up reviews to monitor the Library's progress in transitioning remaining staff.
Office of Security and Emergency Preparedness (OSEP)				
Emergency Preparedness Program	2005-PA-104 March 2006	OSEP	III	Develop or obtain a threat/risk assessment—OSEP is currently soliciting assistance from all Library units to determine Library vulnerabilities.
Library Services				
Utilization of Reading Rooms	2003-PA-104 March 2004	Library Services	II.1	Develop a decision model for determining reading room space requirements—The Librarian, in response to our July 18, 2007 memo indicated that Library Services would develop a decision model within 120 days.
Utilization of Reading Rooms	2003-PA-104 March 2004	Library Services	II.2	Use the decision model to make decisions about reading room, office space, and storage requirements—Library Services will await the completion of the New Visitor's Experience prior to addressing this recommendation.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	I.1	Focus Library resources more on materials not widely held by other libraries—The Library is studying the OIG recommendation and has agreed to use the "WorldCat Collection Analysis" tool to identify gaps in the collections.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	I.2	Explore developing collaborative partnerships with other institutions to act as "trusted" repositories—Library Services is exploring this as part of its Strategic Working Group's efforts.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	I.3	Reevaluate the Library's collection policies, bearing in mind the high costs associated with each acquisition—Given the Library's goal to universally collect, we have decided not to pursue this recommendation.

TABLE 3A: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. AND ISSUE DATE	SERVICE UNIT	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	II.3	Review the collections policy statements at least once every five years—Although the Collection Policy Committee is reviewing policy statements for certain areas, it has not implemented a procedure for reviewing all statements.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	III.1	Develop and communicate to recommending officers criteria for recommending activities—The Strategic Working Group is looking at how to develop and apply consistent standards.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	III.3	Consider expanding recommending officers' authority to deselect materials—The Librarian has expressly forbidden staff to deselect materials without his written approval. Given the Library's goal to universally collect, we have decided not to pursue this recommendation.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	IV.2	Consider creating a full-time Digital Subscription Manager—This recommendation is held pending the report from the Strategic Working Group.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	IV.3	Reevaluate the policy of maintaining both analog and digital copies of the same item—Library Services is reluctant to do this until the life expectancy and migration ability of digital media are determined.
Office of Strategic Initiatives (OSI)				
Financial Management Policies of the NDIIPP	2006-PA-105 March 2007	NDIIPP	I	More Effective Procedures to Monitor Costs are Needed—OSI does not believe it is responsible for implementing such procedures. OIG is currently discussing the recommendation with OSI.
Financial Management Policies of the NDIIPP	2006-PA-105 March 2007	NDIIPP	II	OSI Needs to Improve Oversight of NDIIPP Partners' Matching Requirements—OSI does not believe it is responsible for the oversight called for in our audit. OIG is currently discussing the recommendation with OSI.
Financial Management Policies of the NDIIPP	2006-PA-105 March 2007	NDIIPP	III	OSI Needs to Formalize and Fully Implement NDIIPP Draft Procedures—OIG has reviewed the draft procedures but they have not yet been formally implemented.

TABLE 3A: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. AND ISSUE DATE	SERVICE UNIT	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Human Resources Services (HRS)				
Human Resources Policies	2005-AT-902 March 2007	Human Resources Services	I.a	The Library should make its personnel policies more accessible—To guide it in an effort to make its policies more accessible, HRS has completed the first phase of a study which made recommendations for improving the user-friendliness of its Web page.
Human Resources Policies	2005-AT-902 March 2007	Human Resources Services	I.b	The Library should update its personnel policies—HRS and OGC are currently engaged in an effort to revise LCRs which pertain to personnel issues.
Human Resources Policies	2005-AT-902 March 2007	Human Resources Services	II.b	The Library should adopt a table of penalties—HRS revised LCR 2023-3 to incorporate the concept of a table of penalties. The LCR is in the final stages of the approval process.
Human Resources Policies	2005-AT-902 March 2007	Human Resources Services	II.c	The Library should establish a supervisor's manual—HRS agreed with the recommendation and will begin this effort following the issuance of the employee manual referred to in recommendation II.d of the audit report.
Human Resources Policies	2005-AT-902 March 2007	Human Resources Services	II.d	The Library should establish an employee manual—HRS expects to have its second draft of the manual completed in November 2007.



IMPLEMENTED RECOMMENDATIONS

TABLE 3 B: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION WAS COMPLETED DURING THIS PERIOD

SUBJECT	REPORT NO. AND ISSUE DATE	SERVICE UNIT	REC. NO.	SUMMARY OF RECOMMENDATIONS AND ACTIONS
Office of the Librarian				
Learning at the Library	2001-PA-105 April 2003	Operations Management and Training	I.g	Provide training to new supervisors—"Essential Supervisory Skills" training was approved by the Executive Committee in February 2007, and a pilot program was introduced in May 2007.
Human Resource Services				
Human Resources Policies	2005-AT-902 March 2007	Human Resources Services	I.c	The Library should better communicate issues affecting staff—HRS, in conjunction with OGC, is improving the way it advises staff of the status of LCRs under revision and review.
Human Resources Policies	2005-AT-902 March 2007	Human Resources Services	II.a	The Library should follow best practices with respect to external hearings—HRS and OGC have implemented action that accomplished the intent of two of the three actions recommended in this finding. After discussions with Library management, we have decided not to pursue further the recommendation to make PAB decisions binding.
Library Services				
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	II.1	Establish a methodology to determine which materials are more useful to researchers—Library Services is using statistics to evaluate usage and the Strategic Working Group is pursuing the issue.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	II.2	More effectively use loan records and vendors' usage records of electronic databases and subscriptions—Implemented.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	III.2	Ensure that recommending officers receive timely performance evaluations that include their recommending duties—Implemented.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	IV.1	Examine the amount the Library is spending on electronic resources in relation to other research libraries and reevaluate whether the Library is successfully serving its patrons—Library Services has set a goal of spending \$2 million on electronic resources.

FUNDS QUESTIONED OR PUT TO BETTER USE

TABLE 4: AUDITS WITH RECOMMENDATIONS FOR BETTER USE OF FUNDS

REPORTS...	NUMBER	VALUE
...for which no management decision was made by the start of the period:	-	-
...issued during the period:	-	-
Subtotal	-	-
...for which a management decision was made during the reporting period:		
value of recommendations agreed to by management	-	-
value of recommendations not agreed to by management	-	-
...for which no management decision was made by the end of the reporting period:	-	-
...for which no management decision was made within six months of issuance:	-	-

TABLE 5: AUDITS WITH QUESTIONED COSTS

REPORTS...	NUMBER	VALUE
...for which no management decision was made by the start of the period:	-	-
...issued during the period:	-	-
Subtotal	-	-
...for which a management decision was made during the reporting period:		
value of recommendations agreed to by management	-	-
value of recommendations not agreed to by management	-	-
...for which no management decision was made by the end of the reporting period:	-	-
...for which no management decision was made within six months of issuance:	-	-



INSTANCES WHERE INFORMATION OR ASSISTANCE REQUESTS WERE REFUSED

No information or assistance requests were refused during this period.

STATUS OF RECOMMENDATIONS WITHOUT MANAGEMENT DECISIONS

During the reporting period there were no recommendations more than six months old without management decisions.

SIGNIFICANT REVISED MANAGEMENT DECISIONS

During the reporting period there were no significant revised management decisions.

SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREES

During the reporting period there were no significant disagreements with Library management about decisions on OIG recommendations.

FOLLOW-UP ON PRIOR PERIOD RECOMMENDATIONS

In this semiannual period, we followed up on all open recommendations from our prior semiannual period. Comments on the status of individual recommendations appear in table 3A. Recommendations implemented during the period appear in table 3B.

OTHER ACTIVITIES

COMMENTS ON THE LIBRARY'S FY 2008-2013 STRATEGIC PLAN

Our review of the Library's draft FY 2008-2013 Strategic Plan found it structurally sound as compared to strategic planning requirements of the Government Performance and Results Act of 1993 and other best practices. In addition to reviewing the structure of the Strategic Plan, we also analyzed the content of the plan, including its outcomes, strategies, performance indicators, representative measures, and external factors. We expect that the Library will continue to revise and enhance performance indicators and had no comment on the representative measures because they were only a sample and not comprehensive at the time.

In general, we found that the Strategic Plan properly focuses on the delivery of the Library's products and services to its customers. To assure that the Library has effectively considered all relevant issues affecting the plan, we recommended presenting the plan for review and comment to representatives of the Library's major stakeholders. To adequately measure the plan's progress, in addition to performance indicators and performance measures, we also recommended preparing a statement summarizing and assessing the current condition of those elements to be improved by the plan.

In addition to our general comments, we also provided some guidance on specific goals the Library included in its plan. The Library's Chief Operating Officer responded to our comments and generally concurred with our recommendations; however, she suggested that some of our more specific comments belonged in documents that flowed from the Strategic Plan.

OFFICE OF THE LIBRARIAN

REVIEW OF THE OFFICE OF WORKFORCE DIVERSITY
REVIEW REPORT NO. 2007-5P-103

SEPTEMBER 2007

This report presented the results of our review of the Library's Office of Workforce Diversity (OWD). Organizationally, the OWD resides within the Office of the Librarian and includes the Dispute Resolution Center (DRC), the Affirmative Action and Special Programs Office (AASPO), and the Equal Employment Opportunity Complaints Office (EEOCO). We performed this review at the request of the Library's Chief Operating Officer to determine if the OWD is properly organized and staffed, and whether it is functioning effectively.

We determined that Library spending for its diversity function is considerably more than the amounts other agencies spend on corresponding programs. Compared with our benchmark agencies, OWD has higher grade levels and nearly twice the staff resources per capita. Other agencies are using collateral duty staff, special interest groups, ad hoc committees, and "shared neutral" programs to increase cost effectiveness.

Moreover, we found, outside of the EEOCO, that OWD is overstaffed, over-graded, unable to reliably demonstrate results, not cost effectively aligning its staff resources, and not properly focusing its affirmative action program.

We also found that neither the DRC nor the AASPO collect reliable workload and staff utilization data and that the AASPO does not analyze its programs for effectiveness. Other agencies conduct regular systematic workforce and workload analyses, identify and define systemic barriers to equal opportunity, and develop concrete, practical solutions to these problems.

The recently appointed OWD director has made some positive changes to the office, but considerably more work needs to be done.

LIBRARY SERVICES

INSPECTION OF THE JAKARTA OVERSEAS OFFICE INSPECTION REPORT NO. 2007-15-101

JULY 2007

We performed an inspection of the Library's Jakarta, Indonesia, Overseas Office (Field Office) in conjunction with Kearney & Company, our independent public accountants.

The Field Office acquires, catalogs, binds, and ships materials from ten Southeast Asian nations. In addition to handling materials for the Library's collections, the Field Office also runs the Cooperative Acquisitions Program Southeast Asia, a collection of research libraries at major universities in the United States, Canada, Europe, and Asia that use the Library's Cooperative Acquisitions Program to purchase materials on their behalf in foreign countries, among other functions.

Internal control is a significant part of the management of any well-run organization, including the Field Office. Internal control serves as the first line of defense in the stewardship of an organization's assets, and in preventing and detecting fraud. Although internal controls in most areas of the Field Office appeared to be properly designed and functioning as intended, we found that controls over the acquisition of materials—the bulk of the Field Office's business—were improperly designed and not functioning as intended. Our specific findings were as follows:

The Jakarta Overseas Office's Controls Over Acquisitions Are Inadequate—In a typical purchasing operation, two key principles must be followed: the segregation of duties and the three-way matching of documents. Failure to follow both of these principles creates an environment that allows opportunity for error or fraud. The process for ordering, receiving, and approving payment for materials at the Field Office was unclear; key controls

were missing; and one individual had substantial control over many parts of the process. Taken as a whole, the controls present in the Field Office acquisitions section did not provide reasonable assurance regarding prevention or prompt detection of unauthorized acquisition, use, or disposition of assets. We recommended that the Field Director implement a system of segregation of duties and a three-way match of purchase orders, receiving reports, and vendor invoices. Library Services concurred with this finding and recommendation and implemented corrective action.

Supervisors Are Not Required to Approve Timesheets—The Field Office did not require a supervisor to approve staff time worked. Supervisors approved only leave slips. The computerized time-keeping system in use at the Field Office allowed employees to swipe their ID cards at a single computer upon entry and exit. The Field Director approved the Field Office's biweekly time report; however, he may have been unaware of the times each of his 30-some employees came and went. Without a supervisor's signature, there can be no assurance that all employee time is completely and accurately recorded. As a result, inaccuracies in the time worked can result in a risk of loss to the government. We recommended that the Field Director issue a directive requiring that section heads review and approve employee time worked. Library Services concurred with this finding and recommendation and implemented corrective action.

The Timekeeping System Does Not Require a Password—The office timekeeper operated the timekeeping system, which aggregates time worked, leave, and other elements of time & attendance (T&A). The timekeeper used this system to enter and delete employee names, enter leave records, and make adjustments to employee time. The system did not require a password for access. Without password-controlled access to the time system, it is possible that any individual could

access the system and make changes to T&A records. Although the timekeeper reviewed the input on a biweekly basis, there was no guarantee that improper changes to T&A records would be discovered. As a result, the government was placed at risk of paying excess or incorrect wages to its employees. We recommended that the Field Director determine if the timekeeping software has the

ability to implement an access password, and, if so, require the timekeeper to use a password when logging in to the system. Library Services concurred with this finding and recommendation.



REVIEW OF LEGISLATION AND REGULATIONS

INSPECTOR GENERAL'S STATEMENT FOR THE HOUSE POLICE MERGER HEARING

JUNE 26, 2007

We submitted a written statement for the Committee on House Administration's June 26, 2007 hearing on merging the Library's police force with the U.S. Capitol Police (USCP). The statement addressed two considerations for the Congress on collections security when preparing implementing language for the pending merger. The considerations are relevant not only when the merger occurs, but also currently, because a USCP Inspector is overseeing Library police operations and USCP officers work alongside Library officers.

The first consideration stated that the Librarian should retain exclusive authority and responsibility for establishing policy, procedures, and priorities for securing the collections, including physical storage and access controls. Defining language is needed to clarify potentially overlapping USCP collections security responsibilities contained in 2 USC 1901.

Second, implementing language should be clear about investigations concerning the Library's collections. The USCP also conducts investigations, and its jurisdiction is broad. Attempts by the OIG to discuss with USCP potentially overlapping jurisdiction with the OIG have not been successful, and investigations could be jeopardized if responsibilities are not clear.

The Library of Congress Inspector General Act of 2005, 2 USC 185, establishes responsibility for this office to "conduct and supervise audits and investigations (except incidents involving violence and personal property) relating to the Library of Congress." We believe thefts of Library property (including the collections) fall under OIG jurisdiction. The USCP has responsibility for exit inspections and would be the first responder to attempted thefts. There needs to be agreement as to which party would conduct investigations related to such matters.

We believe our knowledge of the collections and the Library's collections security program, our sense of importance and urgency in reacting to thefts of the Library's collections, our proactive work in the area of collections security, and our ongoing efforts on cold case files to recover collections items are of significant benefit to the Library's collections security program.

USCP jurisdiction is too limited to react to needed searches and arrests outside of Capitol Hill. OIG Special Agents have law enforcement authority through special deputation from the U.S. Marshals Service. OIG Agents use this nationwide authority to expeditiously obtain and execute search warrants when needed. Having to work through local law enforcement agencies can slow the process down considerably and make a significant difference in the success rate of theft recoveries.

Our concerns were raised by the Committee Chairman during the hearing. The USCP Chief assured the Committee that our jurisdictional concerns could be resolved. We are working cooperatively with the USCP and the USCP OIG on a memorandum of understanding to address jurisdictional issues, and we are confident of a mutually agreeable result.

PROPOSED IG ACT AMENDMENTS

As reported in our March 2007 Semiannual Report to the Congress, we began in late 2006 to attend Executive Council on Integrity and Efficiency (ECIE) meetings. The ECIE is a consortium of statutory executive branch inspectors general (IGs) appointed by the agency heads. The ECIE has the same purpose as the Presidents Council on Integrity and Efficiency (PCIE), which is composed of IGs nominated by the President and confirmed by the United States Senate.

ECIE and PCIE IGs derive their authority from the Inspector General Act of 1978, as amended. The three legislative branch statutory IGs at the U.S. Capitol Police,



Government Printing Office, and Library of Congress derive their authority from individual IG acts unique to their individual agencies, but also include by reference many of the fundamental provisions of the 1978 act.

During the semiannual period, our office participated in ECIE commentary on three separate proposed amendments to the

1978 act: H.R. 928, the "Cooper Bill;" S. 680, the "Collins Bill;" and S. 1723, the "McCaskill Bill." Although differing in their particulars, the three bills collectively amend the 1978 act to provide for more independence and accountability for federal statutory IGs. Subjects addressed in these bills include:

- providing advance notice of removal of the IG to Congress,
- establishing terms of office for IGs,
- requiring independent counsels,
- allowing direct submission of budgets,
- establishing a joint Council,
- imposing minimum qualifications,
- establishing offices as discrete agencies,
- fixing pay levels,
- eliminating bonuses,
- clarifying subpoena power,
- statutory law enforcement authority,
- making applicable the Program Fraud Civil Remedies Act,
- including inspection and evaluation products in semiannual reports, and
- requiring report postings on Web sites.

The House Committee on Oversight and Government Reform, Subcommittee on Government Management, Organization, and Procurement held hearings in June; and the Senate Homeland Security and Governmental Affairs Committee in July to discuss issues contained in the draft bills.

The legislative branch IGs were invited to meet with Congressman Cooper to express views on his bill and its applicability to the legislative branch IGs. We generally agreed with the bill's amendments. The Cooper Bill passed the House this summer, but most of the bill's provisions are not applicable to legislative branch statutory IGs. We will report on future developments that may result in amending the 1978 act, or the individual legislative branch IG acts.

INTERNET POLICY

Our review of the Library's Internet usage policy found it deficient. Specifically, we do not believe that the policy adequately prohibits access to sexually explicit material and certain types of non-business related Web sites such as gaming and auction sites, and other activity not related to official Library duties.

The Library responded that only a few such incidents have been processed for administrative action, and have been successfully handled under existing policy. There is evidence, however, that this activity may be occurring at a much higher rate than indicated by the administrative proceedings. Besides the obvious loss of productivity from this behavior, we believe there is also a significant potential for viruses and other threats infiltrating the Library's networks, and the risk of allegations of a hostile work environment resulting from the Library's failure to prohibit its staff from exposing fellow staff members to sexually explicit materials.

We recommended strengthening existing Library regulations to clearly prohibit inappropriate conduct using government resources on government time. We are also working with the Library to explore options and related costs of blocking access to prohibited sites.

TRANSIT BENEFIT (METROCHEK) PROGRAM POLICY

After receiving a complaint, we reviewed alleged inconsistent advice by OGC concerning the Library's Transit Benefit Program policy. One OGC legal opinion stated that it was "illegal and criminal" to participate in both the Library Parking Program and the Metrochek Program at the same time. Another OGC opinion advised that as a general rule, the Metrochek program is available only to those employees who do not have a parking permit, but Metrochek benefits may be distributed pro rata when an employee occasionally utilizes parking services.

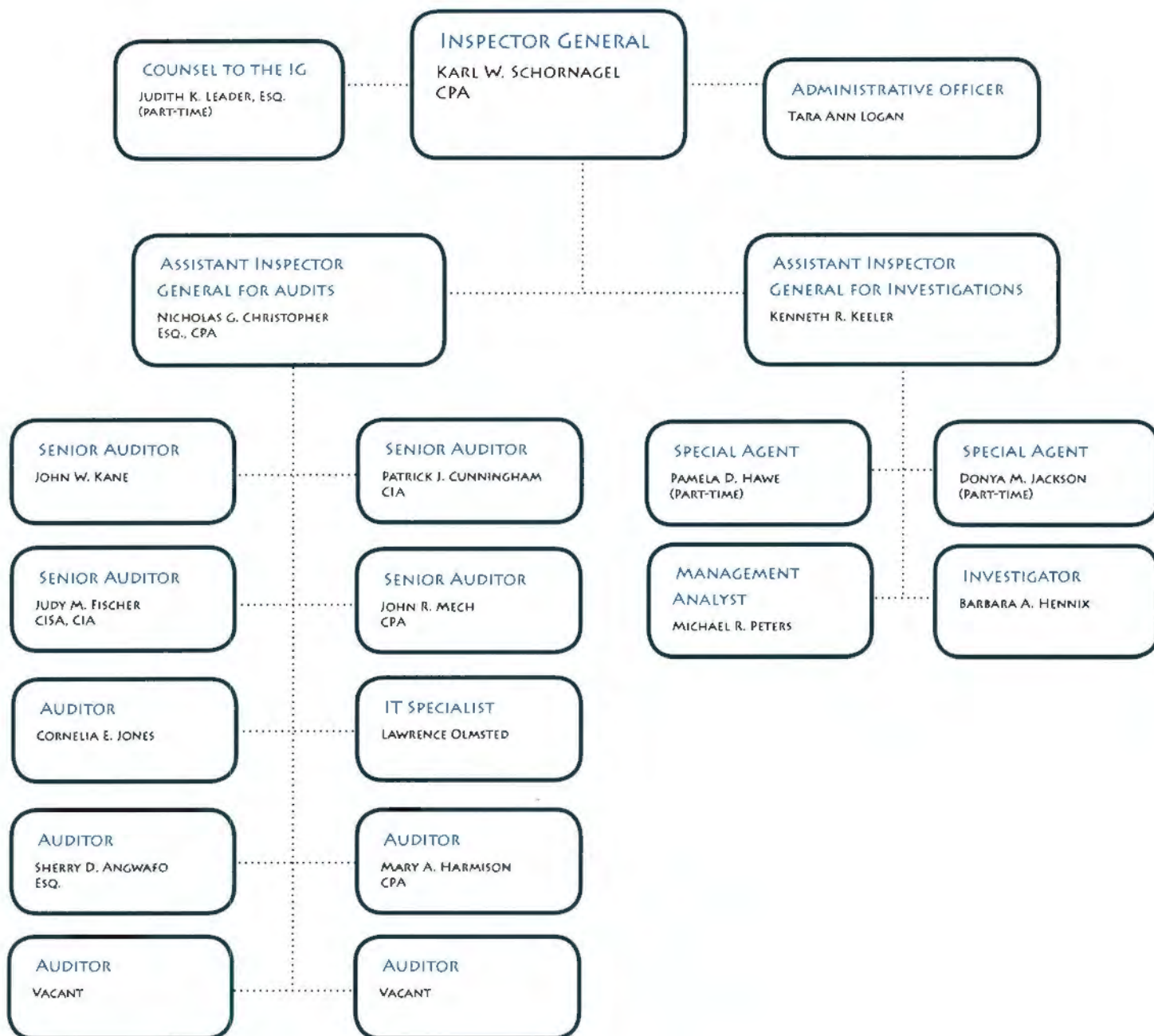
We recommended the Library finalize its Metrochek policy and specifically address the issues raised by the complainant. OGC responded that the determination of when simultaneous participation is permissible must be made on a case-by-case analysis. We suggested it is possible to craft language that would clarify situations making staff eligible to receive both benefits.



TABLE 6: REVIEW OF LIBRARY OF CONGRESS REGULATIONS

LCR REVIEWED	COMMENTS BY THE OFFICE OF THE INSPECTOR GENERAL
LCR 1820 Informational Signs	We commented that the regulation refers to a Sign Manual. The Library does not have a Sign Manual. We also commented that the regulation refers to an obsolete form.
LCR 2010-9 Part-time Career Employment	We commented that the regulation should state that federal law requires the Office of Personnel Management to factor in a penalty for employees who elect to convert to part-time employment at the end of a career.
LCR 2010-10 Position Terminology in the Library of Congress	We commented that the regulation does not include definitions of excepted service appointments, conditional appointments, and senior-level executive appointments.
LCR 2020-3 Policies and procedures Governing Adverse Actions	We commented that the Library should consider retaining an outside professional editor to make the regulation easier to understand. We also commented that the regulation incorrectly implies that the Library has recent case files that shows it has removed employees for safety violations such as driving a vehicle without a license.
LCR 2022-2 Recognized Employee Organizations Concerned with Welfare, Financial Assistance, Recreational, Cultural, or Professional Activities	We commented that the regulation cites an obsolete form.





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

MAIN TELEPHONE NUMBER: (202) 707-6314

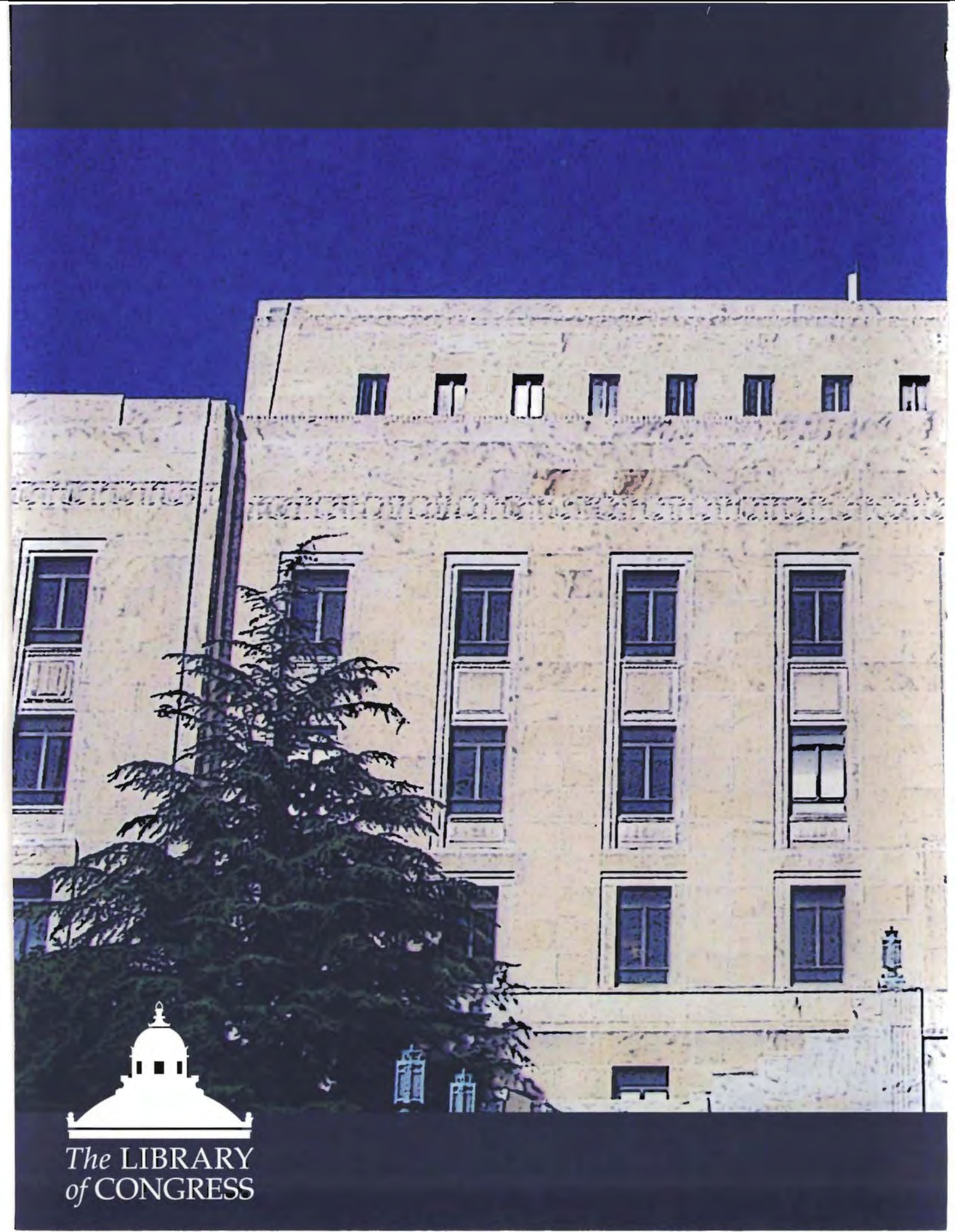
FAX NUMBER: (202) 707-6032

HOTLINE TELEPHONE NUMBER: (202) 707-6306

HOTLINE E-MAIL: OIGHOTLINE@LOC.GOV

P.O. BOX: 15051 S.E. STATION
WASHINGTON, DC 20003

ANY INFORMATION YOU PROVIDE WILL BE HELD IN CONFIDENCE.
HOWEVER, PROVIDING YOUR NAME AND A MEANS OF COMMUNICATING
WITH YOU MAY ENHANCE OUR ABILITY TO INVESTIGATE.



The LIBRARY
of CONGRESS