





ABOVE: INTERIOR DETAIL OF MARBLE COLUMNS ON THE SECOND FLOOR OF THE THOMAS JEFFERSON BUILDING WITH BACKGROUND VIEW OVERLOOKING THE MAIN READING ROOM.  
PHOTOGRAPH: CAROL HIGHSMITH  
REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, THE LIBRARY OF CONGRESS.



# LIBRARY OF CONGRESS

March 31, 2015

## MESSAGE FROM THE INSPECTOR GENERAL

The last six months have been noteworthy in that the Librarian of Congress appointed individuals to the positions of Deputy Librarian, Chief of Staff, Chief Financial Officer, Associate Librarian for Library Services, and Interim Chief Information Officer (CIO). The Library of Congress (Library) has begun a national search to hire a permanent CIO by September 2015. We are pleased to report that throughout this period of change the Office of the Inspector General continued to receive excellent cooperation. We appreciate the courtesies that continue to be extended to our office.

During this semiannual period, we issued reports on the maturity of the Library's system development life cycle processes and procedures and on the design of Library-wide internal controls for tracking information technology investments. These reports highlighted a number of structural issues that need to be addressed, and confirmed that managing information technology continues to be a top management challenge for the Library. We also issued a report on the Library's fiscal year 2014 financial statement audit and continued various other audits and investigations.

During the next six months, we will issue a final report on the Library's eDeposit Program, which was created to collect digital materials available online only. A draft report was issued to the Library on March 24, 2015. We will also issue reports on the security of the Library's facility in Landover, Maryland, and the Library's mechanisms for tracking and accounting for items acquired in its Prints and Photographs division. Additionally, we will report on the Library's information technology costs and on its tier one systems' architecture and configuration management. We will hire contractors to perform this work.

The Library implemented 24 of our recommendations from prior semiannual periods, including nine recommendations from reports that were not for public release.

Our publicly released reports are available online at [www.loc.gov/about/oig](http://www.loc.gov/about/oig).

A handwritten signature in blue ink, appearing to read "Kurt W. Hyde".

Kurt W. Hyde  
Inspector General

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# PROFILES

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## LIBRARY OF CONGRESS

The Library is the research and information arm of the United States' national legislature and the world's largest storehouse of knowledge. The Library's mission is to support the Congress in fulfilling its constitutional duties and to further the progress of knowledge and creativity for the benefit of the American people. This mission is accomplished through more than 3,100 employees and contractors.

Founded in 1800, the Library is also the nation's oldest federal cultural institution, holding more than 160 million physical items on 838 miles of shelves. These items include books and other print materials, recordings, photographs, maps, sheet music, and manuscripts. Half of the Library's collections are in languages other than English. Some 470 languages are represented in the collections. In addition to its three Capitol Hill buildings and Taylor Street Annex in Washington, DC, the Library operates six overseas offices and stores collections material in purpose-built facilities in Maryland, Illinois, and at the Packard Campus for Audio-Visual Conservation in Culpeper, Virginia. More than 52.3 million primary source files have been digitized and are accessible at [www.loc.gov](http://www.loc.gov). The Library also holds an expanding collection of born-digital content.

The Library is comprised of seven primary components:

- The Office of the Librarian
- Library Services
- The U.S. Copyright Office
- The Congressional Research Service
- The Law Library
- The Office of Strategic Initiatives
- The Office of Support Operations

**The Office of the Librarian** provides leadership and executive management to the Library, overseeing the implementation of the Library's mission to support the Congress in fulfilling its constitutional duties and to further the progress of knowledge and creativity for the benefit of the American people.

**Library Services** performs the traditional functions of a national library: acquisitions, cataloging, preservation, and reference services for both digital and conventional collections. It operates the National Library Service

for the Blind and Physically Handicapped and the American Folklife Center, among other programs.

**The U.S. Copyright Office** administers the copyright laws of the nation and registers copyrightable material; its deposits of intellectual material, such as books, music, and movies, substantially contribute to the Library's collections.

**The Congressional Research Service** supports the legislative process by providing, exclusively to Congress, objective, confidential assessments of public policy issues and legislative options for addressing those issues.

**The Law Library** assists Congress and the legislative process by supporting comprehensive research on foreign, comparative, international, and U.S. law, and other legal reference services.

**The Office of Strategic Initiatives** directs the overall digital strategic planning for the Library, leads a collaborative institution-wide effort to develop consolidated digital plans, and integrates the delivery of information technology services.

**The Office of Support Operations** provides centralized leadership and oversight of infrastructure services and includes the following departments: Human Resources Services; Integrated Support Services; the Office of Security and Emergency Preparedness; and the Office of Opportunity, Inclusiveness, and Compliance.

In fiscal year 2014, the Library:

- Circulated approximately 23 million copies of Braille and recorded books and magazines to more than 890,000 blind and physically handicapped reader accounts;
- Registered over 476,000 copyright claims;
- Received about 15,000 items daily and added more than 12,000 items daily to its collections;
- Responded to more than 593,000 congressional reference requests and delivered approximately 20,600 volumes from the Library's collections to congressional offices; and
- Provided access to online research products through the Congressional Research Service's website to congressional clients on more than 656,000 occasions.

The Library also welcomed more than 1.5 million visitors on-site and the Library's websites had about 78.1 million visits and 489.3 million page views.

## OFFICE OF THE INSPECTOR GENERAL

The Library's Office of the Inspector General (OIG) was established in 1988 as a non-statutory office deriving its authority from the Librarian of Congress. The OIG became statutory with the passage of *The Library of Congress Inspector General Act of 2005* (2 U.S.C. § 185), with a mandate to:

- Independently conduct and supervise audits and investigations of fraud, waste, and abuse relating to the Library;
- Lead, coordinate, and recommend policies to promote economy, efficiency, and effectiveness; and
- Keep the Librarian of Congress and the Congress fully and currently informed about problems and deficiencies relating to the administration and operations of the Library.

The Inspector General is a member of the Council of the Inspectors General on Integrity and Efficiency, a unified council of all federal statutory Inspectors General. This Semiannual Report to the Congress is part of the OIG's statutory reporting requirements and is organized to address the major functions of the office, including:

- Significant audits, investigations, and other activities of the OIG;
- Review of legislation and regulations affecting the Library; and
- Library decisions on OIG recommendations and the status of implementation, along with any resulting monetary benefits.

**The Audits Division** conducts in-depth reviews that address the efficiency, effectiveness, and economy of the Library's programs, activities, and functions; provides information to responsible parties to improve public accountability; facilitates oversight and decision-making; and initiates corrective action as needed.

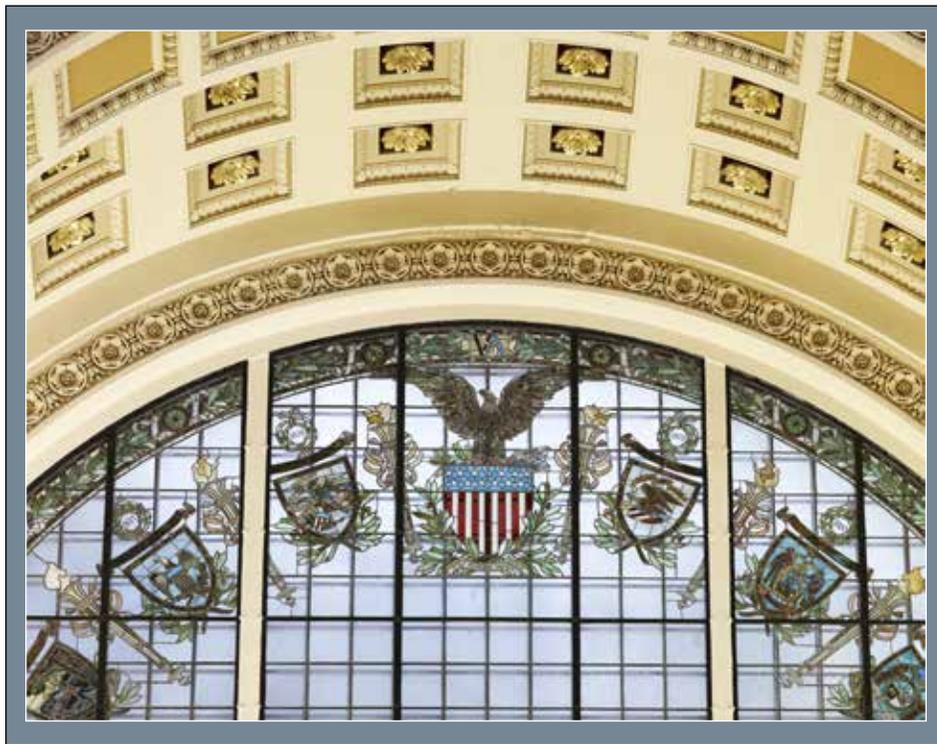
The Audits Division also contracts with an independent accounting firm that addresses whether financial statements fairly present financial positions, results of operations, and budgetary resources. The firm also assesses whether the Library and other entities have adequate financial reporting internal control systems that comply with applicable laws and regulations.

**The Investigations Division** addresses alleged or suspected wrongdoing by agency employees, contractors, or others responsible for handling federal resources. Violations of Library regulations or fraud committed against the Library can result in administrative sanctions and criminal or civil prosecution.

Our staff are educated and certified in various disciplines. We are, collectively, four certified public accountants, one attorney, one certified internal auditor, two certified information systems auditors, one certified computer examiner, one access data certified examiner, one certified forensic accountant, three seized computer evidence recovery specialists, three special agents, and other highly qualified staff.

Contact information for the OIG Hotline is located on the inside back cover of this report.

OIG reports are available at [www.loc.gov/about/oig](http://www.loc.gov/about/oig).



ABOVE: DETAIL OF STAINED GLASS WINDOW IN COFFERED ARCH ALCOVE, MAIN READING ROOM, THOMAS JEFFERSON BUILDING.  
PHOTOGRAPH: CAROL HIGHSMITH  
REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, THE LIBRARY OF CONGRESS.

## TOP MANAGEMENT CHALLENGES

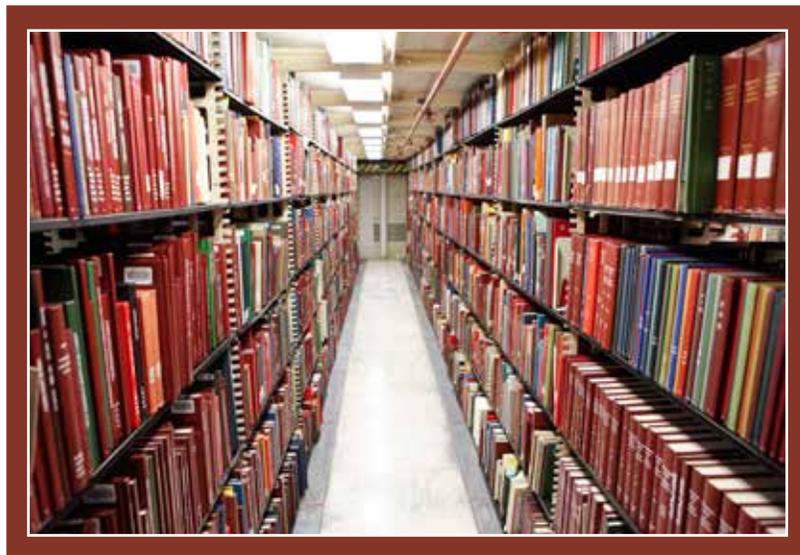
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This section provides a summary of issues covered by OIG that, in our view, represent long-term challenges for the Library.

### COLLECTIONS STORAGE

A major component of the Library's mission is to properly store and preserve its collections. However, the Library faces a current space shortage that impacts the accessibility and condition of its materials. As of September 30, 2013, the most recent available information, 14 percent of the Library's collections were in arrearage and not readily available to researchers.

The Library's three Capitol Hill buildings are collectively at 110 percent of their capacity. As a result, the Library is forced to double- and triple-shelve materials, and close to one million items from the general collections are stored on the floor or on booktrucks in the Jefferson and Adams Buildings. These workarounds make retrieving items more difficult, increase damage to and deterioration of collection materials, and result in unacceptable stress on the building's structure to the point where the Architect of the Capitol's structural engineer has raised significant concern. Even when there is shelf space, there is a lack of secure storage for some high-value collection materials. The Law Library and the Music and Asian Divisions, among others, have been forced to store some of their rare materials in less-than-optimal conditions from a security and preservation point of view.



ABOVE: SOME OF THE STACKS OF BOOKS IN THE THOMAS JEFFERSON BUILDING THAT CAN BE REQUESTED BY CONGRESS AND OTHERS.  
PHOTOGRAPH: SHAWN MILLER

The construction of new collections storage modules has not been enough to address the Library's space shortage. The first module was completed in 2002. Additional modules were completed in 2005 and 2009, but they are now nearly filled to capacity, housing 3.4 million books as well as more than 237,000 trackable containers of special format material. Further, although the fiscal year (FY) 2014 appropriation included funding for construction of a fifth module, the resulting space will not fully accommodate sub-optimally stored items already in the Library's collections, much less expected collections growth. The House included language to provide funding for high-density shelving at the Packard Campus for Audio-Visual Conservation in Culpeper, Virginia, for FY 2015. At the time of this report, the funding has been appropriated and committed. Contracts to acquire and install shelving will be awarded before the close of FY 2015.

The Library has addressed the overflow through a number of interim measures. To reduce the need for space while maintaining collection breadth, the Library implemented a revised collections policy in 2014, whereby the Library retains only one copy of most new U.S. monographs received for the general collections and existing additional copies already in the general collections are considered for withdrawal. New duplicate volumes and withdrawn books are made available to nonprofit book distribution organizations through the Duplicate Materials Exchange Program and the Surplus Books Program. Since the inception of the program, more than 80,000 items have been withdrawn from the collection.

To make maximum use of storage space on Capitol Hill, the Library has also implemented a program to shelve selected categories of books by fixed location order rather than by subject classification.<sup>1</sup> To date, the Library has shelved more than 572,000 items using this arrangement, which increases available shelf space and speeds shelving in three ways: 1) Shelves can be filled to 100 percent capacity rather than 85 percent, which is considered a functionally full shelfload in a classified collection; 2) Items are shelved by size, thus providing additional shelf space; and 3) Newly acquired items are less likely to need to be shelved in the classified collection.

In areas that are structurally suitable, the Library has begun to replace fixed shelving with movable shelving, which increases the amount of space available for shelves. At the Packard Campus, approximately 13,900 linear feet of movable shelving will be added to the Special Format Vaults. This

<sup>1</sup> In a classified collection area, empty spaces are left throughout the shelves to allow for newly published books to be inserted. A fixed location area is the opposite in that each book is added 'at the end.' As a result, there are no empty spaces and shelves can reach maximum capacity.

project is anticipated to start in September 2015 and be completed in FY 2016 at an estimated cost to the Library of \$919,300. In the Adams Building, newly installed movable shelving is now housing about 400,000 fixed location items. There are also three other projects in the Madison Building, which involve installing over 83,000 linear feet of movable shelving at a cost of over \$2.5 million to add capacity and improve operability.

However, even with these initiatives, the collections storage space issue remains severe. To address this problem on an interim basis, the Library has worked with the Architect of the Capitol to procure leased storage space to serve as a bridge pending permanent additional storage at Ft. Meade. Module 5 is not scheduled for occupancy until the fall of 2017, and will only partially address significant overcrowding. The Library is seeking a five-year lease with option years for a rental space in proximity to Landover or Ft. Meade that will house three million items. The Library has put forward a FY 2016 funding proposal for this leased storage and with the Architect of the Capitol has reviewed several sites with an eye to securing space in late FY 2015 or early FY 2016.

## **INFORMATION TECHNOLOGY INFRASTRUCTURE**

A series of audits conducted by OIG since FY 2009 and congressionally directed audits performed recently by the Government Accountability Office (GAO) have brought to light significant strategic and operational issues in the Library's information technology (IT) infrastructure and management. The audits identified IT planning, budgeting, governance, and organizational weaknesses that need corrective actions by the Library's senior leadership.

In FY 2009, we emphasized that the Library needed to remove the Information Technology Services Directorate from the program unit where it resided, appoint a Chief Information Officer (CIO) with Library-wide authority reporting to the Deputy Librarian, implement improved IT budgeting and accounting to establish accountability, and overhaul and align the IT strategic plan with the Library's plan. Our recent audit work has identified similar issues.

The Library's newly appointed senior leadership team has initiated activities to remedy the Library's IT deficiencies. It appointed a highly capable interim CIO, who has the license to evaluate all aspects of the Library's IT operations, organization, budgetary resources, human capital, and enterprise architecture. In addition, the interim CIO is finalizing the Library's IT

strategic plan. The Library has also initiated a nationwide search for a highly qualified and motivated executive to take over as Library CIO. The new CIO will establish and implement the strategic approach for remedying the Library's IT deficiencies and improve program and infrastructure support, as well as address emerging technology needs in the digital area, among other activities.

For our part, OIG will continue to conduct audits targeted at assisting the Library's new senior leadership team by monitoring its IT improvement efforts. In support of OIG's efforts, the Library's new senior leadership team provided OIG with significant additional base funding to support contracting for a wide variety of IT-related audit efforts. This additional funding enables OIG to enhance its IT auditing capabilities and increase its oversight of this critical area. Additionally, the interim CIO has requested that OIG initiate several reviews of its infrastructure and operations.

## **BUILDING DIGITAL COLLECTIONS**

Many stakeholders and constituencies look to the Library—the crown jewel of the world's libraries and the nation's oldest federal cultural institution—for leadership, such as in the digital arena. The Library has taken steps in this area and has seen tremendous growth in demand for access to its digital collections. The Library's primary online source files now exceed 52 million and its website, [www.loc.gov](http://www.loc.gov), is frequently visited. During the most recently completed fiscal year, the Library's websites had 78.1 million visits and 489.3 million page views.

To demonstrate leadership in this arena going forward, the Library needs to determine how to strategically digitize current and future analog collections in an effective and timely manner; be strategic, effective, and timely in collecting born-digital material (digital material that is available online only); and make its digital collections as accessible as possible to Congress and the American people. OIG recognizes that the constant evolution of the information age and the digital arena makes addressing such issues extraordinarily difficult.

As a start, OIG has identified in its recent audit work that the Library needs to develop a comprehensive, institution-wide plan to accomplish its digital goals. As part of this plan, the Library's digital activities need to be integrated into an overall planning and performance management process that aligns with its governance function to ensure effective planning, implementation, tracking, and reporting of progress made in pursuit of the Library's digital goals.



ABOVE: LARGE SCANNER (APPROXIMATELY EIGHT FEET BY EIGHT FEET) IN THE PRINTS AND PHOTOGRAPHS DIVISION USED FOR DIGITIZING ANALOG MATERIALS.  
PHOTOGRAPH: AMANDA REYNOLDS

The Library must also use enterprise architecture to develop an efficient digital environment that positions the Library to accomplish its goals. Taking this approach can help the Library provide customers with the full breadth of its digital collections.

Additionally, the Library needs to adopt other practices to ensure the success of its digital collection efforts. Effective program and project management practices would help the Library monitor progress and ensure accountability. The Library's senior management team must also execute its fiduciary responsibility by implementing improved financial controls over its digital investments and work collaboratively to address the unique requirements and business needs of the Copyright Office in developing and executing an institution-wide plan.

From OIG's perspective, of all the top management challenges facing the Library, shortfalls in this area pose the greatest risk to the Library's brand and standing as an internationally renowned institution and, consequently, OIG will continue to review the Library's digital efforts. Because of the pace of digital innovation, the Library's new senior leadership team must act on many fronts in order to execute a timely digital transformation that will enable the Library to play a leadership role in this area.

## PERFORMANCE MANAGEMENT

Congress enacted the Government Performance and Results Act of 1993 (GPRA) to establish a framework and methodology in which agency leadership could uniformly plan for achieving program objectives and provide information about program results and service quality. GPRA's objectives were to improve the internal management of federal agencies and to demonstrate that government can operate in an effective and efficient manner.

Congress directed the Library as a congressional agency to comply with the spirit of GPRA, but gave the Library the flexibility to customize its approach free of GPRA's technical requirements. During fiscal years 2007-2012, the Library implemented policies and procedures related to planning, budgeting, and program performance assessment, along with an apparatus for tracking and reporting on program performance results. The Library also made strides incorporating performance management into its annual employee planning and performance assessment process. However, the Library incurred a long delay in performing the required three-year cyclical review, update, and re-issuance of its five-year strategic plan; the Library's new senior leadership team is currently working to complete this process. Additionally, the Library's performance management efforts have been limited by not completing strategic plans for critical cross-cutting infrastructure support activities. There have also been lingering computer software problems, an issue currently being addressed by the Library's interim CIO.

We commend the Library's new senior leadership team for actions already taken to address significant weaknesses identified by GAO and OIG in recent audits. However, performance management remains a top management challenge given the amount of work yet to be done. The Library continues to need better budget, financial, and performance reporting for material IT investments; greater involvement by the Library's Strategic Planning Office in governance activities; and closer alignment of the Library's planning, budgeting, and governance functions throughout the planning, budgeting, and assessment life cycle. Additionally, the Library's new senior leadership team must initiate greater transparency about its performance to assure stakeholders that the Library is operating in an effective and efficient manner.

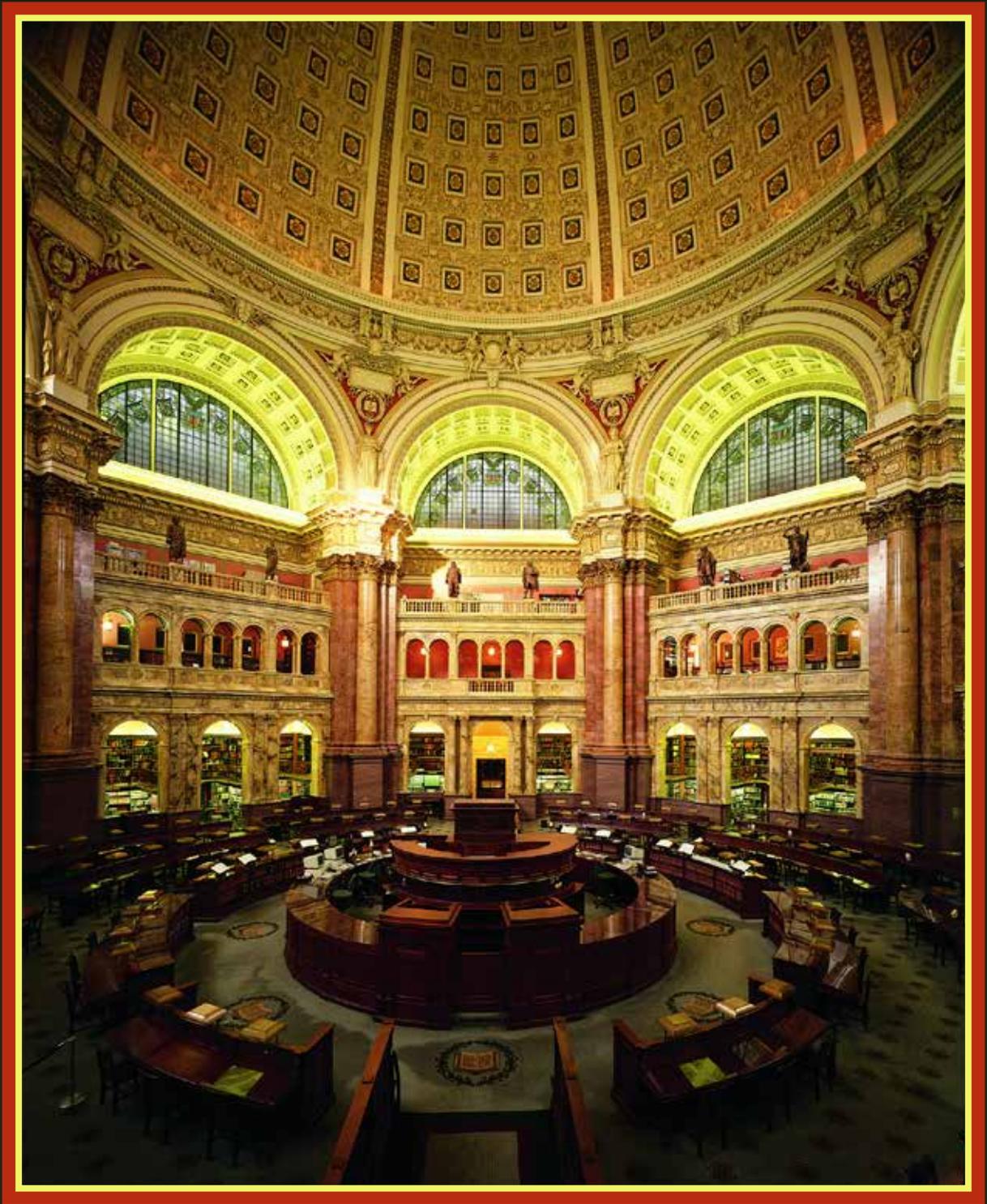
## CONTRACTING

The OIG's identification of systemic and structural weaknesses in the Library's contracting function over a ten-year period culminated in July 2012 with the then-Inspector General testifying before the Committee on House Administration's Subcommittee on Oversight (Subcommittee). The then-Inspector General advised the Subcommittee of the continuing deterioration of internal controls, quality assurance, and statutory compliance in the Library's contracting function.

The Subcommittee's concern was triggered by OIG's March 2012 report entitled *Ongoing Weaknesses in the Acquisition Function Require a Senior Management Solution* (2011-SP-106). The report identified 10 root causes for ongoing deficiencies and noted the lack of continuity in the contracting function's senior executive position. The position had been vacant for seven of the preceding nine years.

In 2013, the Library appointed a director for the contracting function who has extensive federal contracting and legal experience. After a deliberate period of analysis and review, the director developed a course of action to address the root causes of dysfunction. As part of his activities, the new director has emphasized identifying and prohibiting the use of high-risk contracting vehicles. He has also improved practices related to attracting highly qualified contracting officers to work at the Library, training the Library's contracting officers, and retaining highly qualified contracting officers. Continued progress will require careful strategic planning, effective implementation of corrective actions, and sustained management attention.

We will initiate a follow-up audit during the next semiannual period to report on the Library's progress, as directed by the Subcommittee and as part of OIG's long-term commitment to monitor and report on this top management challenge.



ABOVE: THE MAIN READING ROOM OF THE THOMAS JEFFERSON BUILDING.  
PHOTOGRAPH: MICHAEL DERSIN

# AUDITS, SURVEYS, AND REVIEWS

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## INFORMATION TECHNOLOGY SERVICES

### MATURITY OF THE LIBRARY'S SYSTEM DEVELOPMENT LIFE CYCLE PROCESSES AND PROCEDURES

AUDIT REPORT No. 2013-IT-105  
FEBRUARY 2015

We engaged the firm CliftonLarsonAllen LLP (CliftonLarson) to perform a review of the Library's system development life cycle (SDLC) to assess the maturity of the Library's current policies and practices and to evaluate the efficiency of the Information Technology Services Directorate's process for structuring, planning, and controlling the development of the Library's vital IT systems. This involved assessing compliance with the Library's SDLC policy and the application of generally accepted IT best practices. Systems developed according to IT best practices are more likely to provide secure and reliable long-term performance.

CliftonLarson identified several weaknesses in the Library's SDLC process. These place the Library at risk of developing IT systems that are inadequately documented. They also put the Library at risk of lacking the cost and performance data needed to properly monitor IT systems and make prudent IT investment decisions. By optimizing its current SDLC process, the Library could mitigate these risks and improve the efficiency and governance of its IT system development.

In response to CliftonLarson's audit findings, Library senior leadership agreed with all recommendations but one: the establishment of a centralized Library-wide project management office. Although management agreed that central oversight of IT projects is valuable, it did not agree that establishing a separate project management office was the most efficient approach. Library senior management stated that it would assess whether to assign this function to the Information Technology Steering Committee (or another existing body) or establish a new office.

### DESIGN OF LIBRARY-WIDE INTERNAL CONTROLS FOR TRACKING INFORMATION TECHNOLOGY INVESTMENTS

AUDIT REPORT No. 2014-IT-101  
MARCH 2015

We engaged the consulting arm of the Hewlett Packard Company (HP) to perform a review of the Library's internal controls for tracking IT invest-

ments. HP concluded that the Library did not have a centralized fiscal framework for managing investments that consists of a coordinated process linking agency strategic needs and IT requirements. A fiscal framework would normally define internal controls and the linkages between stakeholders, strategic plans, and the budgeting of capital investments. Another missing element was a process to identify the complete costs of IT projects and to ensure that the Library adequately plans, selects, manages, and evaluates IT investments to maximize its return on investment and minimize risk. Library senior management must make developing a sufficient fiscal framework a priority.

Many of the report's findings and recommendations have been made to Library senior management previously in audit and consulting reports. Without comprehensive action the Library will lose ground in its control and oversight of IT investments.

Library senior leadership overwhelmingly agreed with HP's findings and recommendations, stating that it would take the recommended actions to improve IT governance and accountability while developing a fiscal framework to support those mechanisms. Library senior management also committed to establishing an IT culture guided by and committed to industry best practices.

## **LIBRARY OF CONGRESS**

### **FISCAL YEAR 2014 FINANCIAL STATEMENTS**

**AUDIT REPORT NO. 2014-FN-101  
MARCH 2015**

We are pleased to report that for the nineteenth consecutive year, the Library has received an unmodified opinion (formerly called an unqualified or clean opinion) on its consolidated financial statements. Under contract with our office, CliftonLarson audited the Library's FY 2014 consolidated financial statements. In the auditor's opinion, the financial statements, including the accompanying notes, presented fairly, in all material respects, the financial position of the Library and its net costs, changes in net position, and budgetary resources for the year then ended, in conformity with accounting principles generally accepted in the United States.

The auditor's consideration of internal controls over financial reporting resulted in no material weaknesses or significant deficiencies. The auditors found no instances of noncompliance with laws and regulations or other

matters requiring reporting under generally accepted government auditing standards.



*ABOVE:* CLOSEUP OF A MOSAIC OF MINERVA, GODDESS OF WISDOM AND MYTHOLOGICAL PROTECTOR OF THE ARTS AND SCIENCES, BY ELIHU VEDDER. STAIRCASE LEADING TO THE VISITORS' GALLERY OVERLOOKING THE MAIN READING ROOM, THOMAS JEFFERSON BUILDING.  
*PHOTOGRAPH:* CAROL HIGHSMITH  
*REPOSITORY:* PRINTS AND PHOTOGRAPHS DIVISION, THE LIBRARY OF CONGRESS.

## OTHER OIG AUDIT ACTIVITIES

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### MEMORANDUM TO THE LIBRARY OF CONGRESS ON OIG'S eDEPOSIT AUDIT

In December 2014, OIG provided the Library with our preliminary recommendations based on work conducted as part of OIG's audit of the eDeposit Program (2014-PA-101). OIG provided the information in response to a request by the then-Deputy Librarian. The eDeposit Program was created to increase the Library's acquisition, through registration and mandatory deposit, of works created and disseminated digitally or online only (born-digital works).

Through our preliminary audit work, OIG found that the Library's service units had taken some initial steps toward collecting born-digital works, but we identified that many additional improvements are needed to minimize the delay in the Library's acquisition of these works.

### MEMORANDUM TO THE LIBRARY OF CONGRESS REGARDING SAFETY CONCERNS AT THE LIBRARY'S LANDOVER CENTER ANNEX

In March 2015, OIG notified the Library of several safety concerns associated with some of the cold storage vaults at the Library's Landover Center Annex. The concerns were identified during the course of an audit.

### AUDIT PEER REVIEW ACTIVITIES

Government Auditing Standards require that each organization performing audits in accordance with these standards have an external peer review. The objectives of a peer review are to determine whether an effective quality control system has been established in the office and if policies, procedures, and applicable government auditing standards are followed. Peer reviews must be performed at least once every three years by reviewers independent of the audit organization being reviewed. The U.S. Securities and Exchange Commission Inspector General conducted the last peer review of the Library of Congress OIG in September 2013. The next peer review is scheduled to be conducted in fiscal year 2016.

## INVESTIGATIONS

As part of our investigation case activity, we opened 16 investigations and closed 39. We also forwarded five investigations to Library management for administrative action. No investigations were forwarded to the Department of Justice for criminal prosecution. Table 1 below provides an overview of our investigation case activity. Table 2 provides an overview of our hotline activity, which was separate from our investigation case activity.

**TABLE 1: INVESTIGATION CASE ACTIVITY**

	CRIMINAL/CIVIL	ADMINISTRATIVE	TOTAL
From Prior Reporting Period	24	11	35
Opened	9	7	16
Closed	28	11	39
End of Period	5	7	12

**TABLE 2: HOTLINE ACTIVITY**

	COUNT
Allegations Received	22
Referred to Management	7
Opened as Investigations	3
Opened as Audit	0
Referred by Audit Division	0
Closed with No Action	12

### SIGNIFICANT CRIMINAL, CIVIL, AND ADMINISTRATIVE INVESTIGATIONS

#### ARREST OF ARCHITECT OF THE CAPITOL ELECTRICIAN

The OIG worked jointly with the United States Capitol Police Criminal Investigations Unit to investigate a serial pattern of petty thefts of cash from various employees' desks in the James Madison Building. After being arrested by the United States Capitol Police, the Architect of the Capitol (AOC) electrician was charged with and pled guilty to misdemeanor theft in the Superior Court in the District of Columbia. He was sentenced to 15 days of confinement followed by six months of supervised release. Upon the completion of his sentence, he resigned from the AOC. There have been no reported petty cash thefts in the Madison Building since the arrest.

## PROCUREMENT INTEGRITY ACT

The OIG prevented the Library from purchasing “grey market” IT equipment (that is, equipment not authorized by the manufacturer). An IT vendor contacted OIG to allege that the firm had been told by another IT vendor to withdraw a bid. As part of its investigation, OIG determined that the complainant was preparing to provide “grey market” IT equipment to the Library. The OIG notified the Office of Contracts and Grants Management and the Office of the General Counsel of its findings and, consequently, the Office of Contracts and Grants Management canceled the contract for the unauthorized equipment.

## MISUSE OF A LIBRARY OF CONGRESS COMPUTER FINANCIAL MANAGEMENT SYSTEM

The OIG determined that at least three individuals in the Office of Support Operations (OSO) violated Library regulations by using a senior OSO manager’s login name and password to access a Library computer financial management system to process financial transactions. The results of the investigation were forwarded to Library management for possible action. In a related recent investigation, OIG also found that OSO employees had knowingly made split purchases to avoid procurement limits and some of these split purchases were later approved using the senior manager’s login and password.

## TWO SEPARATE CASES OF COMPUTER MISUSE

The OIG determined that two employees had routinely accessed inappropriate material via the Internet from their Library computers during work hours. One employee retired before any administrative action was taken. For the other employee, OIG brought the case to the District of Columbia United States Attorney’s Office for prosecutorial consideration. Management action is pending.

## DISTRIBUTED DENIAL OF SERVICE SENTENCING

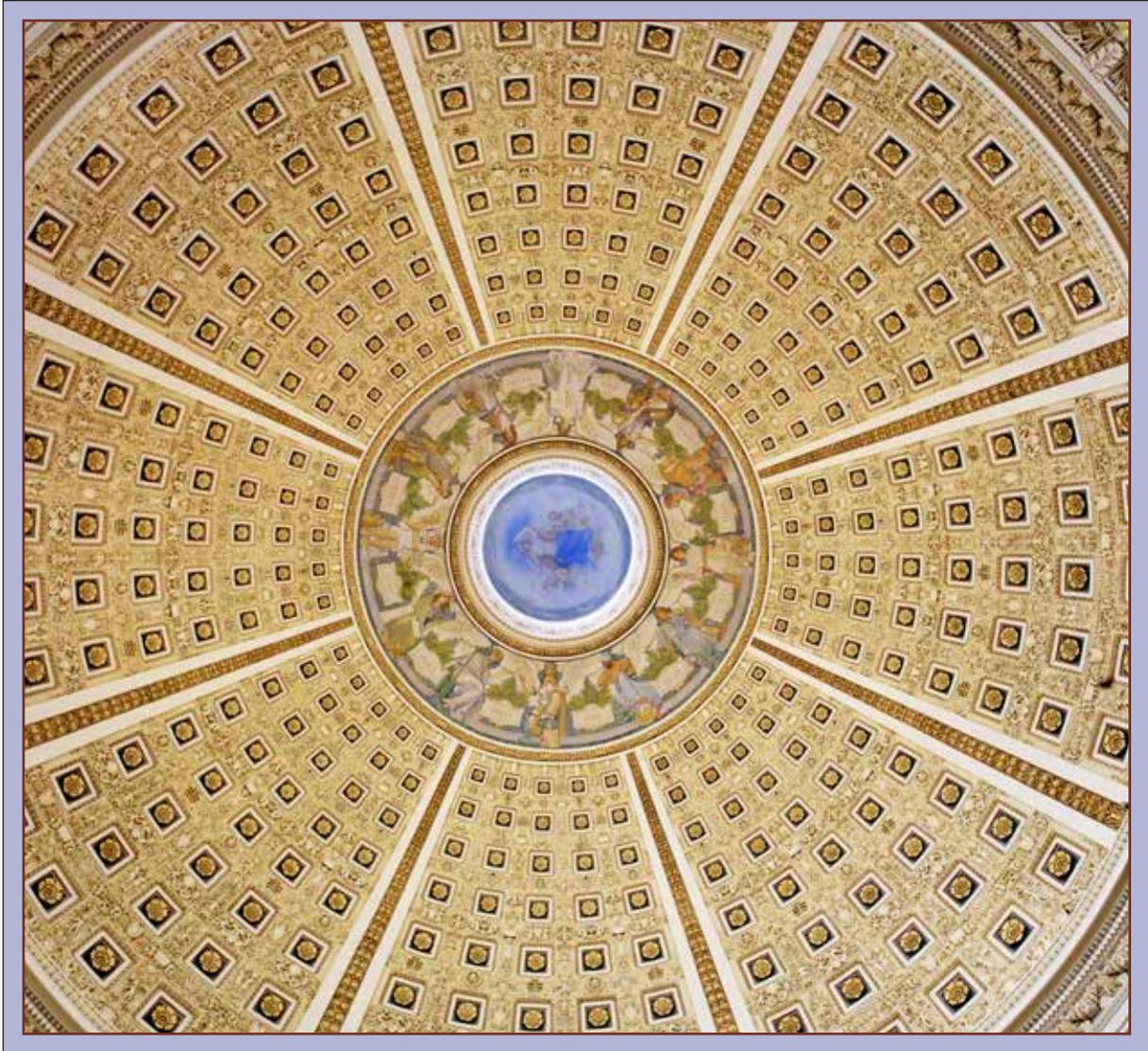
In November 2010, the Copyright Office’s servers were hit with a Distributed Denial of Service attack instigated by the Internet hacktivist group “Anonymous.” During the investigation of the attack, OIG acted as the law enforcement liaison between the Library of Congress and the Federal Bureau of Investigation. OIG delivered evidence and helped prepare the Library’s witnesses for trial. A non-trial disposition was reached for the two

defendants (not Library employees) who were prosecuted for their participation in the attack. Further, the United States Attorney's Office requested that OIG help obtain a victim impact statement from the Library and provide the Library with restitution information.

Multiple defendants were sentenced. In November 2014, one defendant was sentenced to time served and one year of supervised release with special conditions: 30 days of intermittent confinement, five months of home detention with electronic monitoring, and 50 hours of community service. On February 20, 2015, the other defendant was sentenced to six months of home confinement. Additionally, between December 2014 and January 2015, 11 other defendants were sentenced as part of this case to time served plus one year of supervised release with special conditions: 30 days intermittent confinement, five months home detention with electronic monitoring, and 50 hours community service. Restitution to the Library for all sentenced defendants in the case is still pending.

#### **REFERRALS AND ASSISTANCE TO OTHER LAW ENFORCEMENT AGENCIES**

During the reporting period, OIG assisted a number of other federal law enforcement entities. These activities involved surveillance, reviewing security camera footage, and coordinating reviews of Library records. Of note, we assisted the Federal Protective Service in two criminal investigations regarding vandalism and theft of gas from vehicles at the Landover warehouse facility.



ABOVE: INTERIOR OF THE MAIN READING ROOM, THOMAS JEFFERSON BUILDING.  
PHOTOGRAPH: SHAWN MILLER

## UNIMPLEMENTED RECOMMENDATIONS<sup>2</sup>

**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Office of the Librarian				
Raiser's Edge Software Program	2006-IT-302 December 2007	Development Office	III	System managers for Raiser's Edge should regularly review the system's transaction logs for suspect data events—The Information Technology Services (ITS) Directorate is in the process of purchasing the software to allow for automated log review and expects to have the software implemented in the fourth quarter of FY 2015.
Office of Contracts and Grants Management				
Improper Payments II	2011-SP-101 May 2011	Office of Contracts and Grants Management	I.2	The Office of Contracts and Grants Management (OCGM) and the Office of the Chief Financial Officer should update directives to officially reflect the current spending limit for micro purchases of \$3,000—The Library will make this technical adjustment to the purchase card directive by the end of June 2015.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts and Grants Management	I.A.2	Rewrite the Contracts Operating Instructions (COI) manual deleting those policies that merely restate the Federal Acquisition Regulations (FAR) and draft specific guidance geared toward the Library's acquisition activities. Organize the COI so that it is easily accessible—The OCGM Director has drafted technical guidance specific to Library contracting functions. The guidance will be issued as Library-wide directives for the contracting workforce on a rolling basis as sections are reviewed and approved.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts and Grants Management	I.F.2	Rewrite COI 1003 to be a more comprehensive oversight policy and contract review process—The contract review process is covered in draft technical guidance, which, after review and approval, will be issued as a Library-wide directive. Within the Contracts Office, staff have been trained on and are already following the new procedures.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of Contracts and Grants Management	II.G.1	Develop directives that clearly set forth the policy and constraints for using Library of Congress Regulation (LCR) 2111—Parameters for contracting with individuals are covered in draft technical guidance, which, after review and approval, will be issued as a Library-wide directive.

<sup>2</sup> These status updates are management assertions and have not been audited.

**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
<b>Office of Opportunity, Inclusiveness, and Compliance</b>				
Equal Employment Opportunity Complaints Office	2001-PA-104 February 2003	Office of Opportunity, Inclusiveness, and Compliance	I	Evaluate and revise LCR 2010-3.1—Bargaining on the LCR is complete. The revised LCR is expected to be issued by mid-June 2015.
Follow-Up Review of the Office of Opportunity, Inclusiveness, and Compliance	2011-PA-106 June 2011	Office of Opportunity, Inclusiveness, and Compliance	II.2.b	OIC, in collaboration with the Library’s Human Capital Management Flexibilities Working Group, should complete the barrier identification and elimination process initiated with the Multi-Year Affirmative Employment Program Plan by assessing the success of the plan—The HCPB initiated development of a comprehensive Strategic Diversity Plan that will be issued to coincide with the Library’s new Strategic Plan for fiscal years 2016-2020. The target completion date is the fourth quarter of FY 2015.
<b>Office of Support Operations</b>				
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.3	Collect data on and evaluate the costs and benefits of teleworking to determine whether it provides a cost-effective means to perform specific work requirements—The Telework Steering Committee (TSC) was established and began work on March 3, 2015. The committee will develop data-collection standards to help service units evaluate the costs and benefits of teleworking. The target completion date is the third quarter of FY 2015.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.4	Develop a telework health and safety checklist and incorporate it into telework agreement forms—The TSC developed the checklist and has presented it to the Library’s unions for discussion. A target completion date will be set pending the results of the discussions.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.5	Develop an interactive telework training program and require teleworkers and their managers to successfully complete it before beginning telework—LCR 2014-8 was revised and issued on February 9, 2015. An interactive telework training program has been developed and will be implemented in the third quarter of FY 2015.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	IV.2	Incorporate teleworking scenarios in continuity of operations exercises—ITS successfully performed a pilot. ITS and the Office of Support Operations are now working to complete activities that will address the recommendation by the fourth quarter of FY 2015.

# UNIMPLEMENTED RECOMMENDATIONS

**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. No.	SUMMARY AND STATUS OF RECOMMENDATION
<b>Library Services</b>				
Surplus Books Program	2010-PA-106 September 2011	Library Services	I.c.1	Update LCR 1816. Revisions should include designing a serialized General Property Pass document that is counterfeit resistant; reassigning the responsible office to ensure oversight; documenting accountability; and implementing procedures to more appropriately account for and retire used Passes. The revised LCR should also implement a Pass designed for specific Surplus Books Program (SBP) use—The Acquisitions & Bibliographic Access Directorate expects to complete the update in the third quarter of FY 2015.
Surplus Books Program	2010-PA-106 September 2011	Library Services	II.a.1	SBP management should implement the use of a software application to collect and analyze program operating data—No activity occurred since the last semiannual, but the Library estimates that it will address this recommendation by the fourth quarter of FY 2015.
<b>Office of Strategic Initiatives</b>				
Information Technology Strategic Planning Follow-Up	2011-IT-103 December 2011	Information Technology Services	I.2.C	Account for all IT costs, including computer security, as part of the IT budgetary process—At the Library’s request, the OIG is assessing ITS baseline operating costs and expects to complete the assessment in the fourth quarter of FY 2015. The Library will analyze the information and use it to help categorize IT expenditures and to develop processes and guidance for capturing and reporting IT costs. This effort will be a joint activity among the Office of the Chief Financial Officer, the Office of the CIO, and OCGM.
Information Technology Strategic Planning Follow-Up	2011-IT-103 December 2011	Information Technology Services	I.3.A	Separate IT support functions from the Office of Strategic Initiatives (OSI) and establish the Office of the CIO separate from ITS and the other IT support functions of OSI. The CIO will report directly to the Librarian or Deputy Librarian with duties, responsibilities, and authority consistent with best practices—The Library has begun a national search to hire a permanent CIO by September 2015; the target completion date is the fourth quarter of FY 2015.
Information Technology Strategic Planning Follow-Up	2011-IT-103 December 2011	Information Technology Services	I.5.A	Implement service level agreements to manage customer expectations—Service level agreements are under development and expected to be completed by the fourth quarter of FY 2015.
Library-Wide Computing Efficiencies	2013-IT-101 March 2013	Information Technology Services	II.2	Instruct ITS to initiate evaluations of viable cloud computing solutions for the Library—OSI has submitted a purchase requisition to OCGM to complete a cloud readiness assessment for all systems hosted at the Madison Data Center in conjunction with other work. The target completion date is the second quarter of FY 2016.



*ABOVE: MAIN READING ROOM, VIEW OF STATUE OF ART ON COLUMN ENTABLATURE BETWEEN TWO ALCOVES, THOMAS JEFFERSON BUILDING.*

*PHOTOGRAPH: CAROL HIGHSMITH*

*REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, THE LIBRARY OF CONGRESS.*

## IMPLEMENTED AND CLOSED RECOMMENDATIONS<sup>3</sup>

**TABLE 4B:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
<b>Office of the Librarian</b>				
Performance-Based Budgeting III	2013-PA-101 March 2013	Library-wide	II.2	Add to the management discussion and analysis disclosures an explanation of how management ensures the accuracy and reliability of the data used to measure progress towards each of its performance goals, including an identification of the means used to verify and validate measured values, the data sources, the required level of data accuracy, data limitations, and compensating measures for any limitations to reaching the required level of accuracy—Service units are now providing data to verify and validate information accordingly.
Performance-Based Budgeting III	2013-PA-101 March 2013	Library-wide	II.3	Develop a separate performance accountability report to fit the Library's compliance with the spirit of the Government Performance and Results Act and the Modernization Act and fully disclose to stakeholders and the public the annual results of its performance management efforts. The Library should place this report on its public website—The Library's financial statements disclose the status of every annual performance goal and are available via the Library's website.
Multi-Sector Workforce	2010-PA-105 March 2011	Office of the General Counsel	III.1	Create a policy using Internal Revenue Service (IRS) rules to properly classify workers as independent contractors or employees and require service units to submit documentation to the Office of Contracts and Grants Management (OCGM) for non-personal contract services—In 2013 and 2014, the Office of the General Counsel (OGC) conducted training for contracting officers and specialists, supervisors, and program officials on contracts with individuals. The training covered the IRS control factors and the existing Library policy (per LCR 2111) that contracts with individuals be properly classified as independent. To be sure contracts with individuals are consistent with IRS requirements, OGC reviews contracts over \$25,000 and the Contracts Office reviews contracts below that threshold.
<b>Office of Support Operations</b>				
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.1	Determine whether centralizing telework policy authority in a Telework Coordinator would add value to the program—The Telework Steering Committee was established as a telework policy authority and began working on March 3, 2015.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	I.6	Revise LCR 2014-8 to address the permissibility of accessing sensitive, unclassified, and "For Official Use Only" data at offsite locations—LCR 2014-8 was revised accordingly and issued on February 9, 2015.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	II.1	Review positions to determine whether they are prone to telework and do not create an additional burden on other areas—LCR 2014-8 requires that the nature of the telework be required of the position and not adversely affect the workload or effectiveness of the teleworker, the supervisor, or other employees.

<sup>3</sup> These status updates are management assertions and have not been audited.

**TABLE 4B:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Telework Program	2010-PA-102 June 2011	Office of Support Operations	II.2	Institute policies requiring the availability of teleworkers by e-mail, telephone, and in person when needed, including the use of remote call coverage for positions involving frequent telephone use—LCR 2014-8 requires teleworkers to be available for timely contact by telephone and e-mail during duty hours while on telework.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	IV.1.a	Require employees who are expected to telework during a continuity of operations (COOP) event to have adequate training, infrastructure support, and practice—These items were addressed as part of a COOP exercise in November 2014.
Telework Program	2010-PA-102 June 2011	Office of Support Operations	IV.1.b	Implement a telework agreement that provides for a COOP event—LCR 2014-8 allows for short-term telework agreements relevant to a COOP event.
Library Services				
Top Treasures Security and Preservation Controls	2008-PA-103 January 2009	Library Services	I.a	Establish criteria for specifically defining top treasure collection items and a clear process to nominate or transfer collection items to the category—LCR 620, which was implemented on October 23, 2014, addressed the recommendation by defining policies for selection, handling and care, viewing, and emergencies pertaining to national treasures.
Enterprise-Wide Web Search Strat- egy	2013-IT-102 September 2013	Library Services	II	Library Services should collaborate with the Web Governance Board and ITS to evaluate whether there is usable data in the XML database and, if so, develop a plan to migrate the data stored to the new web search platform—No data remains that needs to be migrated.
Office of Strategic Initiatives				
Information Technology Strategic Planning Follow-Up	2011-IT-103 December 2011	Information Technology Services	I.5.F	Develop a set of metrics for ongoing use to measure performance. These metrics should change and evolve over time. As one area shows improvement new metrics should be developed for other areas—Metrics have been implemented accordingly.
Library-Wide Computing Ef- ficiencies	2013-IT-101 March 2013	Information Technology Services	I.1	Collect data on efficiency levels of servers, maintain comprehensive server inventory data in a central repository, and continuously track data on the power used by the data center—All work has been completed to address this recommendation.
Library-Wide Computing Ef- ficiencies	2013-IT-101 March 2013	Information Technology Services	I.2	Report to the Deputy Librarian the progress made in adopting the specific recommendations of the outside consultant's report on server virtualization, and the steps and time frames it will take to implement such recommendations and the Library's return on investment/cost savings to be achieved—All work has been completed to address this recommendation.
Library-Wide Computing Ef- ficiencies	2013-IT-101 March 2013	Information Technology Services	II.1	Develop an enterprise-wide plan to guide management decision-making on possible cloud solutions—ITS has developed documents that are now being used to guide hosting decisions made by IT project managers and contractors.

## FUNDS QUESTIONED OR PUT TO BETTER USE

**TABLE 5: FY 2002-PRESENT FUNDS QUESTIONED OR PUT TO BETTER USE**

FUNDS QUESTIONED AND PUT TO BETTER USE	RATIO: FUNDS QUESTIONED AND PUT TO BETTER USE TO OIG DISCRETIONARY BUDGET <sup>4</sup>
\$62,550,770	2.42:1

**TABLE 6: FY 2014 AUDITS WITH RECOMMENDATIONS FOR BETTER USE OF FUNDS**

	NUMBER OF AUDIT REPORTS	TOTAL FUNDS PUT TO BETTER USE
No management decision was made by the start of the period:	-	-
Issued during the period:	-	-
In need of management decision during the period:	-	-
Management decision made during the reporting period:		
Value of recommendations agreed to by management:	-	-
Value of recommendations not agreed to by management:	-	-
No management decision made by the end of the reporting period:		
Less than six months old:	-	-
More than six months old:	-	-

**TABLE 7: FY 2014 AUDITS WITH QUESTIONED COSTS**

	NUMBER OF AUDIT REPORTS	TOTAL QUES- TIONED COSTS
No management decision made by the start of the period:	-	-
Issued during the period:	-	-
In need of management decision during the period:	-	-
Management decision made during the reporting period:		
Value of recommendations agreed to by management:	-	-
Value of recommendations not agreed to by management:	-	-
No management decision made by the end of the reporting period:		
Less than six months old:	-	-
More than six months old:	-	-

<sup>4</sup> Total Budget Minus (1) Unreimbursed Cost of Mandatory Financial Statement Audits, Including the Cost of OIG Staff to Oversee Financial Statement Activity, and (2) Any Unobligated Funds Returned to the Library for Resource Reallocation.

## **INSTANCES WHERE INFORMATION OR ASSISTANCE REQUESTS WERE REFUSED**

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No information or assistance requests were refused during this period.

## **STATUS OF RECOMMENDATIONS WITHOUT MANAGEMENT DECISIONS**

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

## **SIGNIFICANT REVISED MANAGEMENT DECISIONS**

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

## **SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREES**

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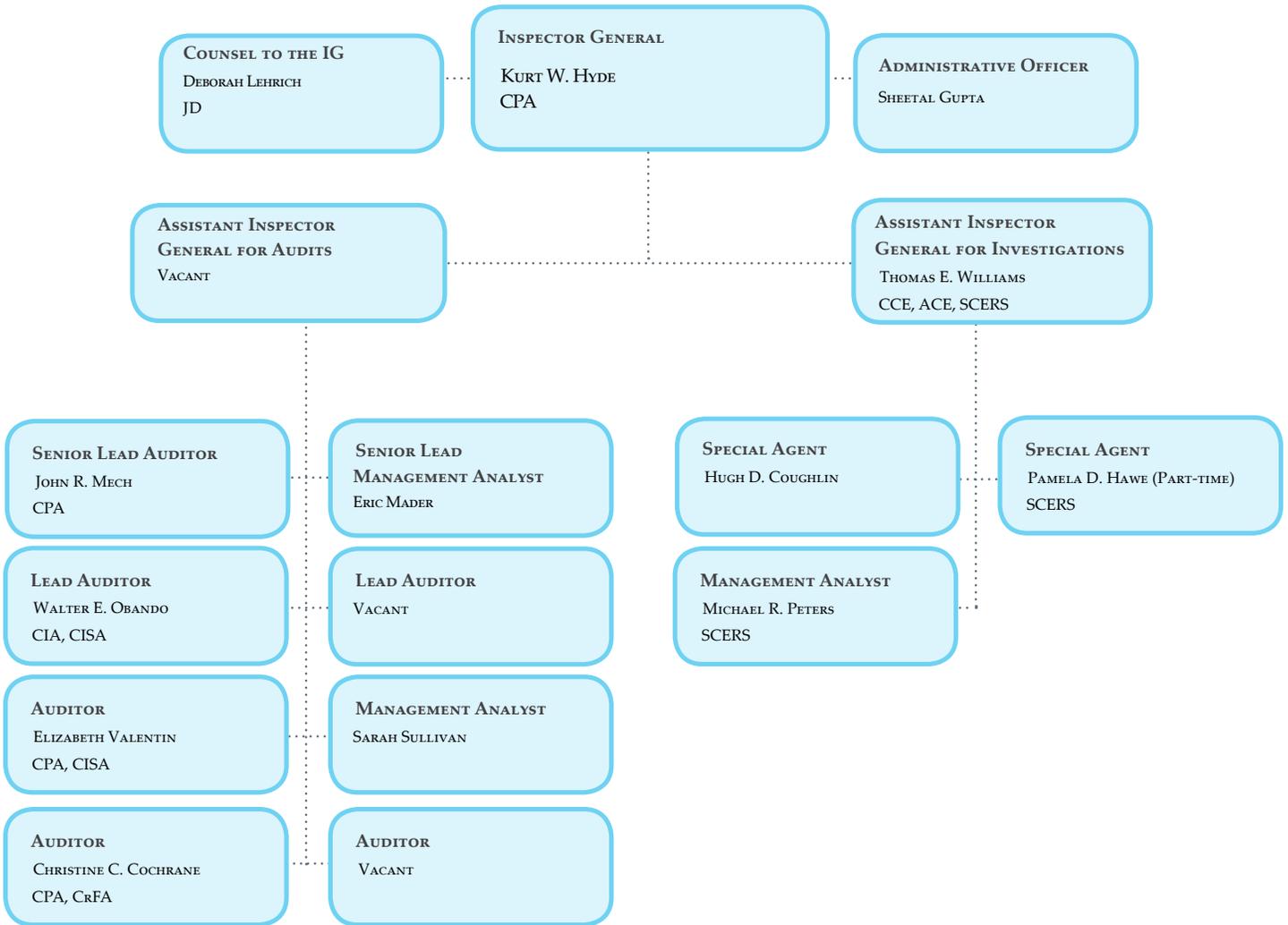
During the reporting period, there were no significant management decisions with which we disagreed.

## **FOLLOW-UP ON PRIOR PERIOD RECOMMENDATIONS**

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For this semiannual report, we followed-up with Library management on all open recommendations and received comments on the status of all of them. OIG summarized the comments and placed them in tables 4A and 4B. The assertions made in tables 4A and 4B are the representations of Library management and not of the OIG. OIG periodically performs follow-up audits to verify implementation.

# OIG ORGANIZATIONAL CHART



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HOWEVER, PROVIDING YOUR NAME AND A MEANS OF COMMUNICATING  
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