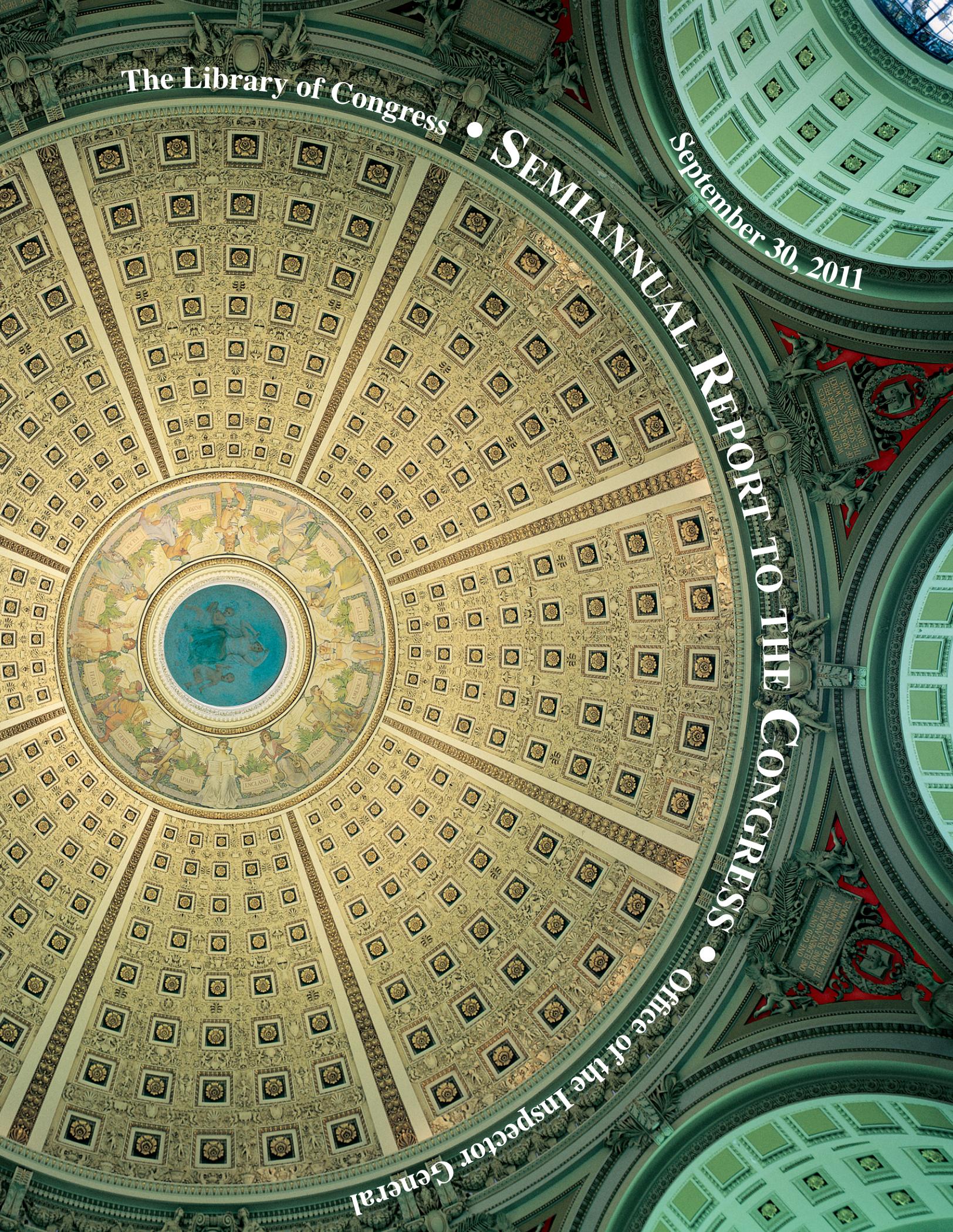


The Library of Congress

SEMIANNUAL REPORT TO THE CONGRESS

September 30, 2011

Office of the Inspector General





This aerial photograph of Capitol Hill shows several prominent structures including the Library of Congress Thomas Jefferson, James Madison, and John Adams buildings (foreground center and left). The image also exhibits the proximity of the Library's three buildings to the U.S. Capitol, the Supreme Court, and the House (left), and Senate (right), office buildings. Between the diagonals of Pennsylvania (right) and Maryland avenues on the north and south, and the National Mall and Reflecting Pool on the east and west, lies the Washington Monument.

This semiannual report features the architecture and art of the Library of Congress that symbolize its mission goals, *“to acquire, preserve, and provide access to a universal collection of knowledge and the record of America’s creativity, and...to advance knowledge and creativity.”*

ABOVE: AERIAL VIEW OF WASHINGTON DC LOOKING WEST.

COVER: INTERIOR DOME OF THE MAIN READING ROOM OF THE THOMAS JEFFERSON BUILDING. THE CENTER PAINTING BY EDWIN BLASHFIELD REPRESENTS HUMAN UNDERSTANDING.

PHOTOGRAPHS BY CAROL HIGHSMITH.



LIBRARY OF CONGRESS

September 30, 2011

A MESSAGE FROM THE INSPECTOR GENERAL

In the last six months we prepared reports on The National Library Service for the Blind and Physically Handicapped's planning and implementation of the conversion to digital talking books; protection of surplus collections materials; assessments of the condition, accountability, and security of the Music Division's collections; the telework program; verification and validation of the Library's fiscal year (FY) 2011-2016 Multi-Year Affirmative Employment Program Plan; improper payments; and the FY 2010 financial statements of the Open World Leadership Center. We also followed up on prior reviews of the "Not-on-shelf" rate and the Office of Opportunity, Inclusiveness, and Compliance. During this period, investigations focused on an alleged theft, an attempted narcotics purchase, and investigative updates on issues from prior semiannual reports.

In the next six months, we will report on in-progress reviews of information technology (IT) risks, Asian Division collections security, the Librarian's document tracking system, operations of the Acquisitions Fiscal Office, criteria for internal control reviews of field offices, a contract review, a survey of the Library's fire suppression systems, apparent contractor overcharges, use of computers in reading rooms, FY 2011 financial statements of the Library and Madison Council, and in-depth follow-ups on IT strategic planning and contracts management.

This period, our reviews identified at least \$17.1 million in funds to be put to better use and more than \$275,000 in questioned costs. We are pleased to report that the Library implemented 21 of our recommendations from prior semiannual periods.

We appreciate the cooperative spirit Library staff have shown during our reviews. Our publically releasable reports are available online at www.loc.gov/about/oig.

A handwritten signature in black ink, appearing to read "Karl Schornagel".

Karl W. Schornagel
Inspector General



CONFLICT
FR
D
& CULTURE

SIGMUND FREUD:
CONFLICT AND CULTURE
EXHIBITION
OCTOBER 15, 1998 TO
JANUARY 16, 1999

CONFLICT
FR
D
& CULTURE

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IN SUMMARY . . .

AUDITS, SURVEYS, AND REVIEWS

In this semiannual period, the Office of the Inspector General (OIG) reviewed the Library's National Library Service for the Blind and Physically Handicapped (NLS) plans for, and implementation of, a digitally-based Talking Book Program. We found that by taking timely action to modernize its talking book technology, NLS seized an excellent opportunity to save costs, improve efficiency, and provide its patrons higher quality service. We made recommendations regarding the number of talking book machines and titles that should result in savings of at least \$17.1 million to the Library.

We addressed concerns raised by recent OIG investigations by conducting a performance audit of the Surplus Books Program (SBP). Our audit found that SBP management operated the program in an effective and efficient manner with well-designed operations and internal control. However, we identified certain processing and internal control issues where management could improve operations.

Also in this period, we evaluated the collections security controls of the Music Division (MD) because collections security is essential to the Library's mission to ensure an accessible collection for current and future generations. We recommended that the MD manage its existing space as effectively as possible to improve security for its collection items. This report was not made available to the public because of the nature of its content. Also in the MD, we conducted a high-level survey of collections items and established a baseline for the condition and accountability of materials known to be held as of the date of our report. We plan to continue testing in the MD periodically to confirm the existence of the baseline items and to assess any changes in their condition.

In our review of the Library's telework program, we assessed the program's controls, IT hardware and security requirements, and integration into the Library's Continuity of Operations Plan. For the most part, the Library effectively implemented telework best practices and guidance. However, we noted that with improvements in some areas a more efficient telework program could be achieved. This report was also not released to the public.

Our second review of the Library's exposure to improper payments illustrated that there are opportunities to strengthen Library controls surrounding this government-wide problem.

The Library developed a Multi-Year Affirmative Employment Program Plan (MYAEPP) for FYs 2011-2016 to affirm its continuing commitment to merit-based hiring and promotion and agency-wide workforce diversity. The Office of Opportunity, Inclusiveness, and Compliance (OIC) requested that we prepare a report regarding the data and conclusions contained within the MYAEPP. Our report concluded that the minor data errors contained in the plan were not material to the plan's conclusions and that the methodology applied by the OIC was consistent with Equal Employment Opportunity Commission guidance. Additionally, we made recommendations regarding the protection of personally identifiable information for performing future MYAEPP-related analyses.

In our follow-up review of the Library's "Not-on-shelf" (NOS) rate, we were pleased to report that the rate improved. We also identified factors that may contribute to a higher than necessary NOS rate and determined that the timeliness and quality of service in the Collections Access, Loan, and Management Division is prompt and thorough.

An additional follow-up review of the Office of Opportunity, Inclusiveness, and Compliance, revealed that it is effectively identifying specific groups of people which are underrepresented in the Library's workforce. However, we noted that OIC needs to become more active in investigating and addressing Library policies, procedures, and practices that may be limiting employment opportunities for these underrepresented groups.

Finally, we contracted with an independent public accounting firm to obtain an audit opinion on the FY 2010 Financial Statements of the Open World Leadership Center.

These are discussed further beginning on page 13.



ABOVE: WEST (MAIN) ENTRANCE DOORS, THOMAS JEFFERSON BUILDING. PHOTOGRAPH BY HELIOTYPE PRINTING COMPANY, 1898. COURTESY OF THE PRINTS AND PHOTOGRAPHS DIVISION.

INVESTIGATIONS

In this period, OIG investigators resolved a case involving theft of reference materials from a reading room. The individual, who is not a Library employee, was charged with theft in the second degree, a misdemeanor, and ordered to make restitution to the Library, perform community service, and is prohibited from visiting the Library for one year.

We also investigated a Library employee who attempted to purchase narcotics using a government franked envelope. Although prosecution was declined, the employee was suspended without pay.

In another case, the OIG initiated an investigation based on a previous audit of improper payments. The audit identified a Library employee who was also an active Library contractor. The investigation determined that the overlap in duties was attributed to inadequate management oversight rather than intentional employee misconduct.

The OIG also performed follow-up reviews on previous investigative cases. In one case involving the identity theft of a Library employee, the suspect was incarcerated and ordered to pay nearly \$30,000 in restitution. In another case, a Library employee charged with marijuana possession while on duty was suspended.

These are discussed further beginning on page 32.

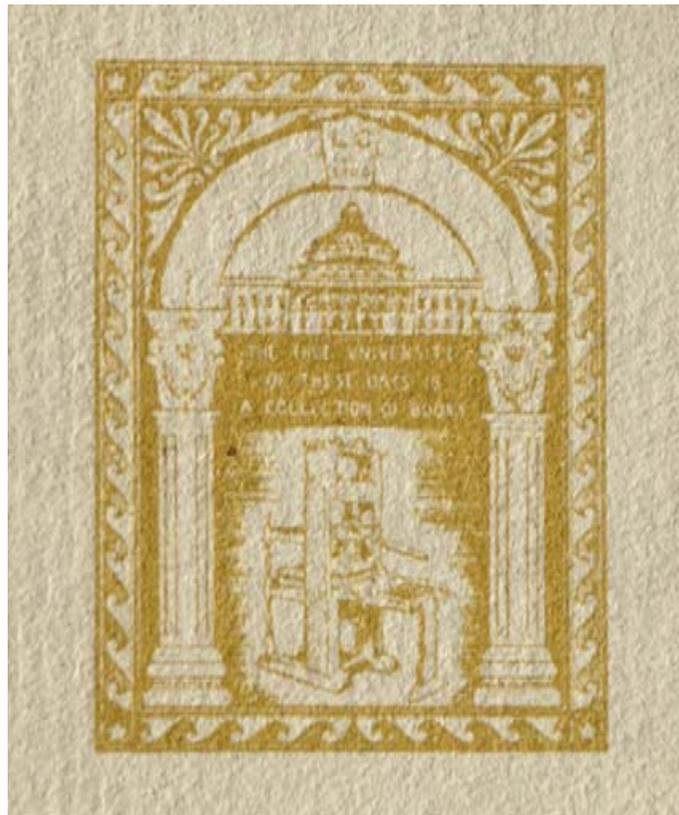
OTHER ACTIVITIES

During this semiannual period, the OIG updated its electronic audit software program. The new software includes enhanced capabilities and improved security features and will improve efficiency by streamlining audit processes and further reducing reliance on paper.

Additionally, the OIG was selected by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) to participate on the Council's audit committee. The audit committee serves as a resource for the Inspector General audit community and offers insight and leadership on government-wide issues such as improper payment initiatives. The OIG is also an active member of CIGIE's investigations committee.

Lastly, in 2009, the Office of Contracts and Grants Management terminated the Library's contract with Macfadden and Associates, Inc. after receiving a protest to the contract award. Macfadden submitted to the Library a termination settlement proposal in excess of \$315,000. Based on the results of a 2010 OIG review, the contractor reduced its settlement proposal to just under \$38,000. The Library reached a settlement agreement with Macfadden which realized a cost savings of over \$275,000, in large part due to the work of the OIG.

These activities are discussed further beginning on page 35.



TOP MANAGEMENT CHALLENGES

This section provides a collective summary of issues that have been covered over several years of OIG reviews that in our view represent long-term challenges for the Library.

FACILITIES

Collections Storage—The Library currently faces a challenge in its mission to properly store and preserve its collections. The floors in the stacks of the Jefferson and Adams buildings are now being used to store the general collections and the Library is double- and triple-shelving materials. There are upwards of a million overflow volumes. The original construction schedule for Fort Meade collection storage modules would have provided space to house these collections and space for continuing expansion, but the last module intended to store general collections was completed in 2005 and filled in 2011. Modules 3 and 4, completed in 2009, were intended for special format collections, which include items such as maps, globes, manuscripts, prints and photographs, sheet music, and others, and are currently on track to be filled within the next year. No funding has been appropriated for future modules at this time.

Although the Library is seriously addressing the overflow issue by installing shelving for high-density storage at its Landover warehouse, this facility will only be able to house about a million volumes. As the Library adds about 250,000 books and periodicals to the collections each year, the shortage of space will continue to grow. Further exacerbating this issue is the lack of secure storage for some rare and valuable collections. The Law Library, the Music and the Asian divisions, among others, have been forced to store some of their rare materials in less-than-optimal conditions from a security and environmental point of view.

Reading Room Space Allocations—The Internet age has allowed the Library to increase public access to its collections by digitizing and placing them online. The Library, through various cutting-edge programs, including the National Digital Information Infrastructure and Preservation Program is at the forefront of preserving and making accessible digital content. Today, the Library's Web site, www.loc.gov, is among the Internet's most visited sites, with billions of page hits annually and unrivaled depth and richness of content. However, this shift in access modalities has resulted in a significant decrease in the in-person use of Library materials and resources. As a consequence, there is now a significant amount of underutilized reading room space. Despite the downward trend in readership, the Library has delayed making decisions about possibly consolidating reading

rooms. Better utilization of reading room space could result in significant economy and efficiency by increasing needed collections storage space.

Conference and Training Rooms—An OIG audit identified an increasing number of conference and training facilities in the Library’s James Madison Memorial Building. In 2008 there were more than 120 such facilities in the building totaling more than 42,000 square feet, which were, in many cases, underutilized. Consolidating and centrally locating and managing conference and training rooms, as the Copyright Office has done, would make a substantial contribution toward efficiency in the Library’s use of floor space.

INFORMATION TECHNOLOGY INFRASTRUCTURE

In 2009 the OIG issued an audit report that focused broadly on the Library’s plan for managing its IT infrastructure investments. The audit looked at 1) whether the Library’s IT strategic plan aligns with its overall strategic plan, 2) the validity and integrity of the IT plan, 3) the appropriateness and effectiveness of the Library’s IT organizational structure and placement, and 4) the extent to which relevant recommendations made by the National Research Council in a 2000 report were implemented by the Library. We made a series of recommendations about 1) maturing the Library’s IT strategic planning process, 2) making IT investments from a cost/benefit and institution-wide perspective, 3) considering organizational changes, 4) implementing an Enterprise Architecture program for planning future technology, and 5) improving customer service.

OUTER EDGES, THIS PAGE AND FOLLOWING PAGE: NORTH DOORS OF THE MAIN ENTRANCE PORCH OF THE THOMAS JEFFERSON BUILDING DEPICTING MEMORY WITH HER HUSBAND’S HELMET AND SWORD, AND IMAGINATION WITH HER LYRE.

PHOTOGRAPH BY CAROL HIGHSMITH.





In FY 2010, the Library obligated \$107 million for IT related expenditures (37% of its discretionary budget) for services, hardware, software, and maintenance. We believe Library management's continued focus on implementing these recommendations will result in substantial long-term efficiencies.

In 2002, the Library opened a new Alternate Computing Facility (ACF). The purpose of the facility was to provide backup storage for data located on Capitol Hill and a recovery mechanism for important software applications so that the Library could resume business in at least a limited capacity in the absence of its Capitol Hill data center. In 2009, we reported that it was unclear whether or not the ACF could successfully provide service to its customers in the event of a catastrophic failure of the main data center. Although the Library has developed plans for testing, there have been significant delays, and exceedingly restricted resources could result in further delays. As the Library's financial system is now cross-servicing four external clients, delays in failover testing take on additional relevance.

PERFORMANCE-BASED BUDGETING

As a result of an OIG audit, and at the direction of Congress, the Library is adopting a performance-based budgeting system loosely related to the Government Performance and Results Act. Previously, the Library was using a budgeting system that primarily analyzed only incremental additions to the base, or new initiatives. Modern budgeting systems require that programs be evaluated each budget cycle, and funds be allocated based on this analysis. The adoption of performance-based budgeting will allow the Library to better analyze and report

its activities and more successfully compete for diminishing discretionary funding. The Library has revamped its strategic planning model and updated its policy on planning, budgeting, and program performance assessment. Library Services has implemented notable improvements. However, there is still much more work to be done. The Library has not yet developed a mechanism for evaluating programs; for developing consistent, valid, and verifiable metrics; or a methodology that would at least begin to relate resource allocations to program performance.

CONTRACTING

A series of OIG reports dating back to 2002 document weaknesses that have beset the Library's contracting function. Principal areas of concern include questionable understanding of federal contracting by participants in the contracting chain, from the service and support units to the contracting office; inadequate staffing for contracting operations, including a lack of continuity in leadership in the Office of Contracts and Grants Management (OCGM); a technically questionable financial system contracting module; and ineffective contract review procedures. These deficiencies may prevent the Library from obtaining the best value in contracts and have exposed the Library to liability.

Although work we are currently performing on assessing authorized staffing levels in OCGM suggests that they may be adequate, the office has suffered from unprecedented turnover levels in the last several years which have severely impacted service to its customers: in FYs 2009 and 2010, the office experienced staff turnover rates of 36% and 53%, respectively. The OIG is initiating another review of the Library's contracting activities and will report on the results in the next Semiannual Report to the Congress.

PROFILES

LIBRARY OF CONGRESS

The Library of Congress is the research and information arm of the United States's national legislature and the world's largest storehouse of knowledge. The mission of the Library 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. The mission is accomplished through more than 4,000 employees and contractors, and \$800 million in annual appropriated funds and other financing sources.

Founded in 1800, the Library of Congress is also the nation's oldest federal cultural institution, holding more than 147 million items on 838 miles of shelves. These items include books, manuscripts, maps, prints and photographs, printed music, sound recordings, films, and microforms. Half of the Library's collections are from outside the United States, representing 470 languages. 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 and at the National Audio Visual Conservation Center in Culpeper, Virginia. Nearly 24.6 million original source, analog items have been digitized and are accessible at www.loc.gov. The Library also holds an exponentially expanding collection of digital-born content.

The Library's core organizational components are:

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

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 (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 national program for long-term preservation of digital cultural assets, leads a collaborative institution-wide effort to develop consolidated digital future plans, and integrates the delivery of information technology services.

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

Last year, services provided by the Library included:

- Fulfilling 527,466 reference requests,
- Circulating 25 million disc, cassette, and Braille items to more than 800,000 blind and physically handicapped patrons,
- Registering 636,527 copyright claims,
- Receiving 31,000 items daily and adding more than 7,000 items daily to its collections,
- Preparing 1,405 legal research reports for Congress and other agencies, and
- Providing to Congress access to more than 7,800 reports on legislative issues and preparing more than 3,300 tailored analyses.

The Library of Congress also recorded 77 million visits and 581.1 million page-views of its primary source files on its Web site, and received 1.7 million on-site visitors.

ABOVE: DETAIL OF NORTH DOORS OF THE MAIN ENTRANCE
PORCH OF THE THOMAS JEFFERSON BUILDING.
PHOTOGRAPH BY CAROL HIGHSMITH.

OFFICE OF THE INSPECTOR GENERAL

The establishment of statutory federal Inspectors General began in 1978 to empower independent audit and investigative organizations to focus on fraud, waste, and abuse within federal agencies. The Library of Congress 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, with a mandate to:

- Conduct and supervise audits and investigations relating to the Library of Congress,
- 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 of Congress.

The OIG is a member of the Council of the Inspectors General on Integrity and Efficiency, a unified council of all federal statutory Inspectors General, and serves on the council's audit and investigations committees.

This Semiannual Report to the Congress is a part of the OIG's statutory reporting requirement and is organized to address the major functions of the office including:

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

Audits are in-depth reviews that address the efficiency, effectiveness, and economy of the Library's programs, activities, and functions; provide information to responsible parties to improve public accountability; facilitate oversight and decision-making; and initiate corrective action as needed.

RIGHT: NORTH DOOR MAIN ENTRANCE PORCH OF THE THOMAS JEFFERSON BUILDING DEPICTING THE PASSAGE OF ORAL KNOWLEDGE FROM ONE GENERATION TO THE NEXT.

PHOTOGRAPH BY CAROL HIGHSMITH.

Some audits address whether financial statements fairly present financial positions, results of operations, and cash flows. They also assess whether an entity has adequate internal control systems and complies with applicable laws and regulations. The OIG also performs related types of reviews such as inspections and attestations.

Investigations are typically based on 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. Contact information for the OIG Hotline is located on the inside rear cover of this report.

Our staff is educated and certified in various disciplines. We are, collectively, four certified public accountants (CPA), two attorneys, two certified internal auditors (CIA), two certified information systems auditors (CISA), three special agents, an investigator, and other highly qualified staff.

OIG reports are available at www.loc.gov/about/oig.



AUDITS, SURVEYS, AND REVIEWS

LIBRARY SERVICES

NLS EFFECTIVELY PLANNED AND IMPLEMENTED THE DIGITAL CONVERSION, BUT NEEDS TO REDUCE ITS REQUIREMENTS PROJECTIONS

AUDIT REPORT No. 2011-PA-104
OCTOBER 2011

The Library's National Library Service for the Blind and Physically Handicapped (NLS) administers a free program, which provides reading materials to individuals who are blind or physically handicapped. The NLS implements its program through a network of regional and sub-regional libraries that distribute NLS audio books, playback equipment, and Braille publications to eligible borrowers at no cost.

We conducted this performance audit to evaluate NLS's plans for, and implementation of, a digitally-based Talking Book Program, which includes the manufacture and distribution of digital talking book machines (DTBMs), and the duplication of digital talking books on flash cartridges. Summaries of our audit results follow.

NLS's Project Planning and Processes Resulted in an Effective Digital Program—NLS took steps to actively and effectively involve stakeholders in the project, especially before the new digitally-based system was fully deployed. This ensured that NLS could identify the system's problems in a timely manner and take corrective action when necessary. By maintaining active communication with stakeholders and conducting testing on a pilot project basis, NLS demonstrated effective project management.

NLS Should Reduce its Estimate of DTBMs Needed—In December 2010, NLS projected that the program should have about 741,000 DTBMs available for loans. During our fieldwork, NLS made the decision that the 550,000 DTBMs already purchased should generally be adequate for FY 2012 and 2013. Before committing to purchasing more DTBMs, NLS wants to refine its estimates. Further, instead of "pushing" machines out into the network, NLS will now react to demand from the network libraries for additional DTBMs. We agree with NLS' decision to delay purchasing more DTBMs. Our estimates indicate that 550,000 should be sufficient for the short-term; this will result in a savings of about \$14.8 million. We recommended that NLS: 1) reevaluate its projections of DTBM requirements and 2) encourage all network libraries to periodically review their patron records and remove inactive accounts.

NLS Needs to Reflect BARD Use in Its Budget Request to Produce New Titles on Flash Cartridges—NLS’ Braille and Audio Reading Download (BARD) service results in more efficient service to the patron and savings to NLS by not having to duplicate as many copies of a title on a flash drive cartridge. However, NLS has not factored the program efficiency benefit that the service yields into its budget requests for talking book production. An estimated 13.8 percent of NLS’s patrons have registered to use BARD and registration is on the upswing. We recommended that NLS amend its FY 2012 and 2013 budget requests by reducing the requested funding for duplicating new titles by at least 15 percent each year. This would reduce the program’s funding by about \$2.3 million per year.

NLS Needs to Determine the Full Costs of Its Products and Services to Better Inform the Congress and States—NLS reported to the network regional libraries that the FY 2010 federal investment for a DTBM was \$156.38 and \$12.80 for a digital book in English. However, these costs are not NLS’s full costs because they do not include dollar allocations for approximately \$14 million in compensation (i.e., salaries and benefits) for NLS’s staff, nor the cost for NLS’ rental space. We recommended that NLS apply *Managerial Cost Accounting Concepts and Standards for the Federal Government* to internal and external reports it develops regarding the Talking Book Program’s costs.

NLS Inventory Control is Adequate, But Issues Stemming From Present Non-Integrated Systems Must Be Resolved—We confirmed that NLS is effectively tracking and accounting for the DTBMs it distributed to the network regional libraries. However, the systems that the 56 network libraries presently use to track the whereabouts of DTBMs assigned to patrons are not integrated and the data is not reliable. NLS is exploring options for implementing a new integrated system to help address shortcomings. We also found that 31 of the 56 network libraries reported that they had not performed statistical testing of their DTBM inventories as recommended by NLS. We recommended that NLS explore the cost benefits of testing DTBM inventories as part of its periodic site visits to the network libraries to ensure appropriate accounting for the DTBMs provided by NLS.

Management concurred with our recommendations.



ABOVE: DETAIL OF MAIN ENTRANCE DOORS OF THE THOMAS JEFFERSON BUILDING, DEPICTING MEMORY.
PHOTOGRAPH BY CAROL HIGHSMITH.

LIBRARY SERVICES

LOW COST ENHANCEMENTS WILL PROTECT SURPLUS COLLECTION MATERIALS' MOVEMENT TO AMERICA'S LIBRARIES

AUDIT REPORT NO. 2010-PA-106
SEPTEMBER 2011

The Surplus Books Program (SBP) operates as an ambassador of goodwill for the Library of Congress. The Library makes available its surplus books to educational institutions, public bodies, and non-profit tax-exempt organizations in the United States. The SBP functions as a model program by transforming excess collection materials into fresh resources for America's financially strapped municipal libraries and non-profit organizations. With a limited budget, the program leverages the Library's collection acquisition activities to benefit Library stakeholders.

Recent OIG investigations of prohibited sales of SBP materials by program participants partly led to this performance audit. Our audit found that SBP management operated the program in an effective and efficient manner with well-designed operations and internal control. However, we identified certain processing and internal control issues where management could improve SBP operations. The following is a summary of our findings and recommendations.

SBP Management Should Improve Elements of the Program's Internal Control—We identified four opportunities to improve SBP's existing system of internal control with minimal costs. First, we found instances where unqualified entities were participating in the program, including some "for profit" organizations. Our analysis found that the process used to obtain and review participant eligibility created conditions where unqualified participants could be admitted into the program. We recommended revising this process to better screen potential participants.

Second, we observed blank Congressional franking labels – essentially, postage – in an unsecured card catalog cabinet, and SBP management was unable to account for all franking labels in its custody. We recommended improvements in the way franking labels are stored and accounted for.

Third, we concluded that the General Property Pass (GPP) used for hand-carrying SBP materials out of the premises was generic in appearance, easy to reproduce, and not serialized, thereby inhibiting accountability for all passes. We also determined that there was no official responsible for overseeing the issuance, use, or functionality of the GPP. We recommended improvements in controls over GPPs.



Finally, despite multiple requests from SBP management, the Architect of the Capitol has not repaired the inoperable door lock and alarm to the main entrance of the SBP. We recommended corrective action.

LS Management Should Pursue SBP Processing Efficiencies—We observed some opportunities to improve efficiency without investing significant additional resources: First, many of the SBP processes are manual. Manual analytical and reporting processes are both labor intensive and vulnerable to processing errors. We believe that the introduction of a computer spreadsheet application for compiling participant information and processing data will improve SBP management’s data collection and analysis capabilities and efficiency.



Second, SBP management has not documented operating procedures; we recommended that management document all operating procedures. And finally, the Library’s longstanding policy is to encourage other federal agencies to transfer their surplus library materials to the SBP. We observed that most of the surplus materials received are pulped and discarded. We recommended that management conduct an evaluation as to whether the Library obtains a net benefit from the material handling efforts required to process the transfers.

Management agreed with our recommendations.

ABOVE: THE GREAT HALL, DEPICTING A MOSAIC OF MINERVA, GODDESS OF WISDOM AND PROTECTOR OF THE ARTS AND SCIENCES, SECOND FLOOR, THOMAS JEFFERSON BUILDING.

PHOTOGRAPH BY MICHAEL DERSIN.

LIBRARY SERVICES

MUSIC DIVISION CAN IMPROVE THE SECURITY OF ITS COLLECTIONS BY IMPLEMENTING STRONGER CONTROLS

AUDIT REPORT No. 2011-PA-101
SEPTEMBER 2011

The Library of Congress' Music Division (MD) is the custodian of approximately 21 million items spanning more than one thousand years of Western music history and practice. The MD secures 68,839 of its most rare and valuable holdings in a vault. Examples of the MD's most valuable items include instruments by Antonio Stradivari, original manuscripts by composers such as Haydn, Mozart, Beethoven, Brahms, and George & Ira Gershwin, among other notables. During FY 2010, the MD provided service to 3,679 researchers.

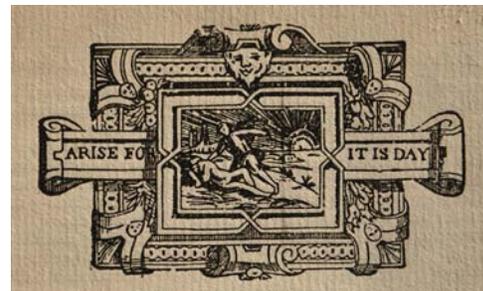
Collections security is essential to ensuring an accessible collection for current and future generations. Accordingly, we performed this audit to evaluate the collections security controls the MD implemented to protect its collections. Summaries of significant issues we identified during our audit follow. Some findings and recommendations not intended for public release have been redacted or removed from this summary.

The MD Needs to Provide Enhanced Security—Library of Congress Regulation 610-2, *Security of the Collections: Use, Section 4, Responsibilities for Security of the Collections*, requires that each division chief "...[e]nsures that the conditions and housing of all material are adequate to minimize risk..." Our recommendation, based on our observations, was to enhance security for some of the MD's items.



The MD Should Strengthen Reading Room Policies and Procedures to Better Safeguard Manuscripts—

Manuscripts comprise 75 percent of the MD's collections, and, compared to books and other research items, their use by researchers is more difficult to monitor. MD management has implemented measures to control researchers' entries into and exits from its Performing Arts Reading Room, to monitor researchers' activities in the reading room, and to account for manuscripts that researchers request for review. We recommended that the MD implement additional controls aimed at protecting manuscripts.



Management concurred with our recommendations.

LIBRARY-WIDE

[TELEWORK PROGRAM REQUIRES STRONGER GUIDANCE AND OVERSIGHT](#)

AUDIT REPORT No. 2010-PA-102
JUNE 2011

Telework is a work arrangement in which an employee regularly performs officially assigned duties at home or another worksite convenient to the employee's residence. Approximately 12 percent of the Library's permanent staff teleworked in June 2010 and the percentage is increasing. We performed this audit of the Library's Telework Program to assess the program's controls, IT hardware and security requirements, and integration into the Library's Continuity of Operations Plan. For the most part, the Library effectively implemented telework best practices and guidance. However, a more efficient telework program could be achieved through a Library-wide management approach that includes 1) ensuring telework fits relatively seamlessly into the Library's job streams and is cost effective and 2) more effectively managing program performance. Summaries of significant issues we identified during our audit follow. Some findings and recommendations not intended for public release have been redacted or removed from this summary.

Library Following Best Telework Practices—The Library has generally implemented 17 of the 25 Government Accountability Office's key practices for a successful telework program. To enhance control further, we recommended that the Library, among other things, 1) determine if a

LEFT AND ABOVE: PRINTER'S MARK OF JOHN DAY IN THE NORTH CORRIDOR SECOND FLOOR OF THE THOMAS JEFFERSON BUILDING AND IN AN 1897 LIBRARY OF CONGRESS GUIDE BOOK.

PHOTOGRAPH AT LEFT BY CAROL HIGHSMITH.

Telework Coordinator would add value to the program, 2) 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, 3) develop a telework health and safety checklist, 4) develop a mandatory interactive telework training program, and 5) address the issue of allowing certain sensitive data to be taken offsite by teleworkers.

Telework is a Benefit, not an Entitlement—The Library should not produce a certain number of teleworkers simply to satisfy the concept of telework or to reward staff. Supervisors are not fully ensuring that the selected work is appropriate, measureable, does not disrupt work processes, and does not entail undue expenses for equipment, setup, or support. We observed that teleworking by Library Services catalogers imposed additional work on other units. We recommended that the Library 1) review positions to determine if they are prone to telework without creating an undue additional burden on other areas, 2) ensure that only positions prone to teleworking are offered this benefit, and 3) institute policies requiring the availability of teleworkers by email, telephone, and in person if required.

The Library Needs to More Effectively Incorporate Telework into its Continuity of Operations Plan (COOP)—The Library has not periodically conducted exercises or tests to evaluate the telework abilities of staff during a COOP event. Further, many supervisors expected to work during a COOP event are not regularly teleworking and do not have a telework agreement as recommended by the Office of Personnel Management. We recommended that senior Library management incorporate telework scenarios in COOP exercises, require employees expected to telework during a COOP event to have in place a telework agreement, and practice for such an event.

Management concurred or partially concurred with 10 of our 11 recommendations. However, management noted that implementing most of our recommendations would have to be negotiated with the Library's labor organizations.

BELOW: NICHE SHOWING CARVED FIGURE HEAD, NEAR PRINTER'S MARKS, SECOND FLOOR CORRIDOR, THOMAS JEFFERSON BUILDING.

PHOTOGRAPH BY CAROL HIGHSMITH.



LIBRARY SERVICES

STATISTICAL MEASURE OF THE CONDITION AND ACCOUNTABILITY OF THE MUSIC DIVISION'S HOLDINGS

ATTESTATION REPORT No. 2010-AT-104
AUGUST 2011

The Music Division (MD) has custodial responsibility for approximately 21 million items, including thousands of scores, music histories, bibliographies, theory books, music journals, microforms, manuscripts (both music and literary), as well as more ephemeral materials such as scrapbooks, programs, and photographs. Many of these items are priceless one-of-a-kind, irreplaceable treasures.

To measure the Library's progress in maintaining and improving its collection controls in the MD and all of the Library's other special collections, we contracted in 1998 with KPMG, a consulting firm, to develop a methodology for statistically measuring changes in both the condition and accountability (i.e., ability to locate items) of a collection over time.

This was the first assessment we performed in the MD. Accordingly, this review established the baseline for materials known to be held as of the date of our report. We plan to continue testing in the MD periodically to confirm the existence of the baseline items and to assess any changes in their condition. While evaluating their condition, we also expanded our testing protocol by noting whether the test items had identification markings and attempted to locate a random sample of additional items we chose from the MD's inventory records.

Based on our testing, we determined the existence of the 150 items in our baseline sample and we projected that nearly 96 percent of the MD's collection is in "good" or better condition. In addition, we confirmed that the MD is complying with the Library's policy for marking materials. Markings are important because it may be difficult to prove ownership in their absence.

Finally, we were able to physically locate 99.8 percent of the additional items we randomly chose from the MD main entry card catalog and the Library's online catalog.

Management concurred and made some minor recommendations for changes not affecting the substance of this report.

LIBRARY-WIDE

IMPROPER PAYMENTS REVIEW II

AUDIT REPORT NO. 2011-SP-101
MAY 2011

In FY 2010, improper payments made by the federal government totaled \$125 billion. Improper payments by any federal agency can create public distrust and inefficiencies. In the federal arena, the Office of Management and Budget (OMB) has taken the lead by tasking executive agencies with measuring and reporting improper payments and implementing corrective actions. Although OMB has no jurisdiction over the Library of Congress, Library management has been vigilant in joining all federal entities in their efforts to control and eliminate improper payments.

To evaluate the Library's exposure to improper payments, the OIG implemented a series of reviews to assess the effectiveness of the Library's controls for reducing improper payments. This was the second report in this series.

Improper payments are generally defined as payments that should not have been made or were made in an incorrect amount. Any payment an agency makes to an ineligible recipient or for an ineligible service, duplicate payment, payment for services not received, or payment in an incorrect amount meets the definition of an improper payment. In addition, when an agency cannot discern the propriety of a payment due to insufficient documentation, the payment also qualifies as improper.

We reviewed Library disbursements for the period October 1 to November 30, 2010. This review included an expanded scope from our initial review. In addition to a review for duplicate payments, we also:

- analyzed purchase card (p-card) transactions for compliance with the Library's policy, and
- searched Library disbursements for indications of conflicts of interest involving Library employees and vendors.

We found the following issues:

Improper P-Card Usage of the Gift Shop Requires Alternate Solution—

The Finance and Accounting section in the Office of Business Enterprises (OBE) oversees gift shop operations. In conducting gift shop business OBE purchases retail inventory using a Library-issued p-card. During the review

period, we found that OBE violated p-card regulations on 18 occasions by splitting p-card orders to circumvent the established single purchase limit of \$3,000. OBE violations totaled \$13,230 in purchases over the spending limit.

Recognizing that OBE must have efficient means to order and re-order retail stock, we recommended that Library management develop alternative procedures to assist OBE in ordering retail inventory or revise the existing p-card regulations to prevent future violations.

Controls Needed to Prevent Conflicts of Interest of Employees and Contractors—

Library policy prohibits awarding contracts to active federal employees. Our review determined that Library controls were ineffective in



preventing and detecting such conflicts of interest. We found a case where an employee concurrently received compensation as a contractor. Over a seven-month period, the employee received \$19,000 for working in Library Services' Hispanic Division while invoicing the Library \$9,145 as a contractor for the World Digital Library. The contracting services included Web site design, cataloging of metadata, and translational services.

We recommended that Human Resources Services (HRS) and the Office of Contracts and Grants Management develop a process for comparing employee and contractor data to identify and prevent such conflicts of interest.

Management concurred with our findings and recommendations.

ABOVE: INTERIOR DETAIL OF MARBLE COLUMNS ON THE SECOND FLOOR OF THE THOMAS JEFFERSON BUILDING WITH BACKGROUND VIEW OVERLOOKING THE MAIN READING ROOM (DETAIL OF STATUARY ON PAGE 31).

PHOTOGRAPH BY CAROL HIGHSMITH.

**OFFICE OF OPPORTUNITY,
INCLUSIVENESS, AND COMPLIANCE**

VERIFICATION AND VALIDATION OF FY 2011-2016
MULTI-YEAR AFFIRMATIVE EMPLOYMENT PROGRAM PLAN

SPECIAL REPORT NO. 2011-PA-106
AUGUST 2011

The Library's history of formalizing its affirmative action plan dates back to the 1970s. In response to evolving needs, the Library developed a Multi-Year Affirmative Employment Program Plan (MYAEPP) for FYs 2011-2016 to affirm its continuing commitment to merit-based hiring and promotion and agency-wide workforce diversity. The MYAEPP establishes outcomes, strategies, and performance measures to assist Library managers in acquiring and retaining a diverse workforce. It also provides the means to help managers monitor workforce statistics and objectively evaluate how well they are implementing the plan.

This report, prepared in response to a request by the Office of Opportunity, Inclusiveness, and Compliance (OIC), provided the results of our review of the data and conclusions contained within the FY 2011-2016 MYAEPP. The objectives of our review were to 1) confirm the accuracy, completeness, and reliability of data included in the current plan and 2) determine whether the conclusions in the current plan were supported by an appropriate methodology. Summaries of significant issues we identified during our review follow.

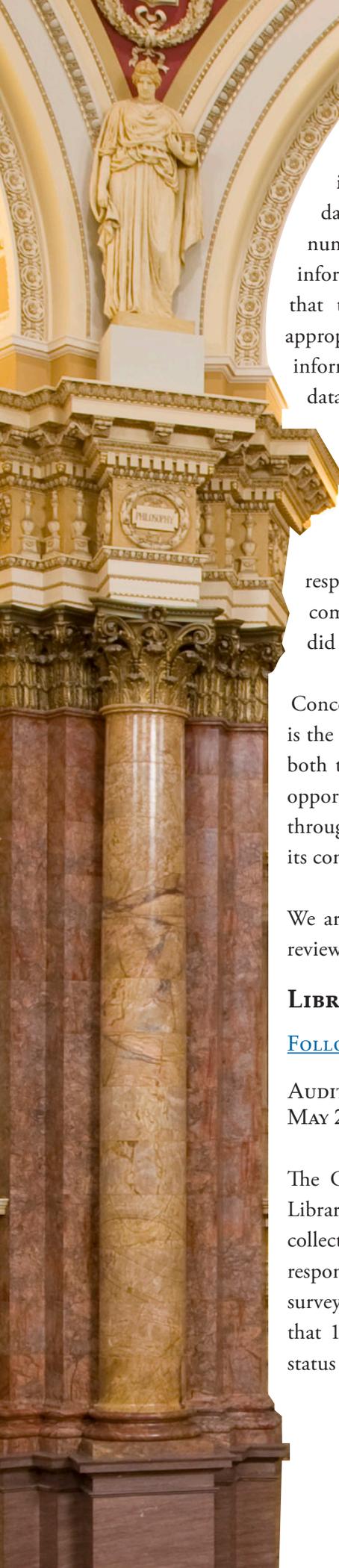
The MYAEPP Contains Minor Errors—The data in the Workforce Analysis section of the current MYAEPP contains some minor inaccuracies. However, we concluded that the inaccuracies were not material and did not affect the conclusions and recommendations in the plan. We recommended that the OIC strengthen its quality controls for assembling MYAEPP data as necessary and ensure that those controls are effectively applied when updating data and analyses for future plans.

The OIC's Methodology is Consistent with EEOC Guidance—The methodology the OIC applied in preparing the MYAEPP is consistent with that used by executive branch agencies to meet reporting requirements related to the Equal Employment Opportunity Commission's Management Directive 715 (this directive describes federal agency standards for developing model EEO programs). Therefore, we believe that the methodology OIC used in developing the MYAEPP is an appropriate way to document the Library's EEO status.

RIGHT: MAIN READING ROOM OF THE THOMAS JEFFERSON BUILDING.

PHOTOGRAPH BY MICHAEL DERSIN.





HRS Needs to Ensure Personally Identifiable Information is Protected—Data retrieved from the National Finance Center database that was developed for the MYAEPP included social security numbers for some members of the Library’s workforce even though such information is not required for or included in the plan. We recommended that the Director of Human Resources Services (HRS) ensure that appropriate controls are in place to adequately protect personally identifiable information, and ensure that social security numbers are excluded from data provided to service/support units outside of HRS, such as OIC, for performing MYAEPP-related analyses.

Management’s Response and Comments from the Office of the General Counsel—Management concurred with our recommendations. The Office of the General Counsel (OGC) responded that the methodology used in the MYAEPP did not strictly comply with MD-715 because it excluded data for white males and it did not necessarily use the relevant Civilian Labor Force statistics.

Concerning OGC’s commentary, we wish to make clear that the MYAEPP is the product and representation of Library management, which includes both the OIC and OGC. We assumed that the OGC was provided an opportunity to review and comment on the October 2010 draft MYAEPP through the Library’s regular review process. We urged the OGC to address its comments directly to the OIC.

We are pleased to have been provided an opportunity to independently review and validate the data contained within the MYAEPP.

LIBRARY SERVICES

[FOLLOW-UP REVIEW OF THE NOT-ON-SHELF RATE](#)

AUDIT REPORT NO. 2011-PA-107
MAY 2011

The Collections Access, Loan, and Management Division (CALM) of Library Services provides the Library’s primary retrieval service for general collections, comprising approximately 14 million non-rare items. CALM responds to approximately 1,500 retrieval requests each workday. We surveyed the division’s material retrieval service in early 2007 and found that 12.7 percent of requested materials were in “Not-on-shelf” (NOS) status according to data provided by CALM.

In view of the significance of the NOS rate, we performed a follow-up review on our 2007 survey. We determined the current NOS rate based on our own statistically representative sample of 203 general collection items; identified significant factors which are, or could be, yielding a higher-than-necessary NOS rate; and evaluated the timeliness and quality of CALM's material retrieval service. The following sections provide a summary of our follow-up review.

The NOS Rate has Improved—The NOS rate for our 203-item sample was 7.9 percent compared to the 12.7 percent rate we reported in 2007. At a status conference, we provided Library Services with a list of the 16 items not located after CALM's normal search procedures entailing three separate searches. CALM officials subsequently located 11 of the 16. Recognizing the issues brought to light by this review, CALM is attempting to accomplish improved service through training and quality control reviews. This includes performing quality control checks on 100 percent of the NOS reports. Previously, this quality assurance activity was not performed on all NOS reports. We recommended that CALM track the NOS rate by deck attendant and utilize this information in managing staff performance.

Significant Factors Which Are/Could Be Yielding a Higher-than-Necessary NOS Rate—While performing our statistical sample testing, we observed several issues that are or could make the NOS rate artificially high. These issues include:

1. The Integrated Library System permits patrons to request "In-Process" items that likely are not on the shelf;
2. Foreign language materials may be more difficult to locate because for much of the collection acquired prior to calendar year 2000 which is in the custody of the Area Studies divisions, the Online Public Access Catalog record incorrectly shows the item should be requested through the general reading room;
3. Decks in the Jefferson and Adams Buildings are cluttered with books on the floor and books double- and triple-shelved;
4. Errors on the call number label or catalog record may affect locating the item; and
5. The Integrated Library System (ILS) is not set up to automatically route the offsite copy if the local copy is NOS. Instead of automatically routing the offsite copy, readers are alerted by the ILS that an offsite copy will be delivered the following day only if requested.

LEFT: DETAIL OF MARBLE COLUMN IN THE MAIN READING ROOM, THOMAS JEFFERSON BUILDING.

PHOTOGRAPH BY CAROL HIGSMITH.

We recommended that CALM: 1) ensure that items shown with incorrect locations (such as foreign materials) be corrected and 2) track whether there is a correlation between NOS items and “cluttered” deck shelving.

Timeliness and Quality of CALM’s Retrieval Service—CALM personnel generally retrieve requested items promptly and, when necessary, perform additional searches to locate elusive items within reasonable lengths of time. If CALM personnel determine that an item is in NOS status through a first search attempt, the CALM Quality Assurance Team conducts a second search on the day following the initial search.

Management concurred with our findings and recommendations.

OFFICE OF SUPPORT OPERATIONS

FOLLOW-UP REVIEW OF THE OFFICE OF OPPORTUNITY, INCLUSIVENESS, AND COMPLIANCE

AUDIT REPORT No. 2011-PA-106
JUNE 2011

In 2007 and 2008, the OIG prepared reports on the Library’s diversity program—then the Office of Workforce Diversity (OWD)—which identified numerous organizational and functional problems within the program. Subsequent to these reports, the OW D was renamed the Office of Opportunity, Inclusiveness, and Compliance (OIC) and the Library’s Executive Committee approved the Library’s FY 2011-2016 Multi-Year Affirmative Employment Program Plan (MYAEPP). The MYAEPP provides a strategic methodology to assess the Library’s achievement of diversity in its workforce.

This report provided the results of a follow-up review we performed to assess the Library’s progress in addressing issues we identified in our previous reports. Given the OIC work that lies ahead, we will continue to track the office’s progress in implementing the MYAEPP and in eradicating barriers to equal employment opportunities in the Library.

Improved Staffing and Focus on Analysis and Oversight—The OIC has reduced staffing to almost half of the level that OW D had in 2007, focused more effort on analysis and oversight, and published the Library’s FY 2011-2016 MYAEPP. However, its efforts to conduct barrier analyses have been hampered by high staff turnover.

More Accountability Needed—Implementing the MYAEPP will require a collaborative effort with the OIC working with the selection officials, service unit officials, and HRS. We recommended that OIC, in collaboration with the Library’s Human Capital Management Flexibilities Working Group, complete the barrier identification and elimination process initiated with the MYAEPP.

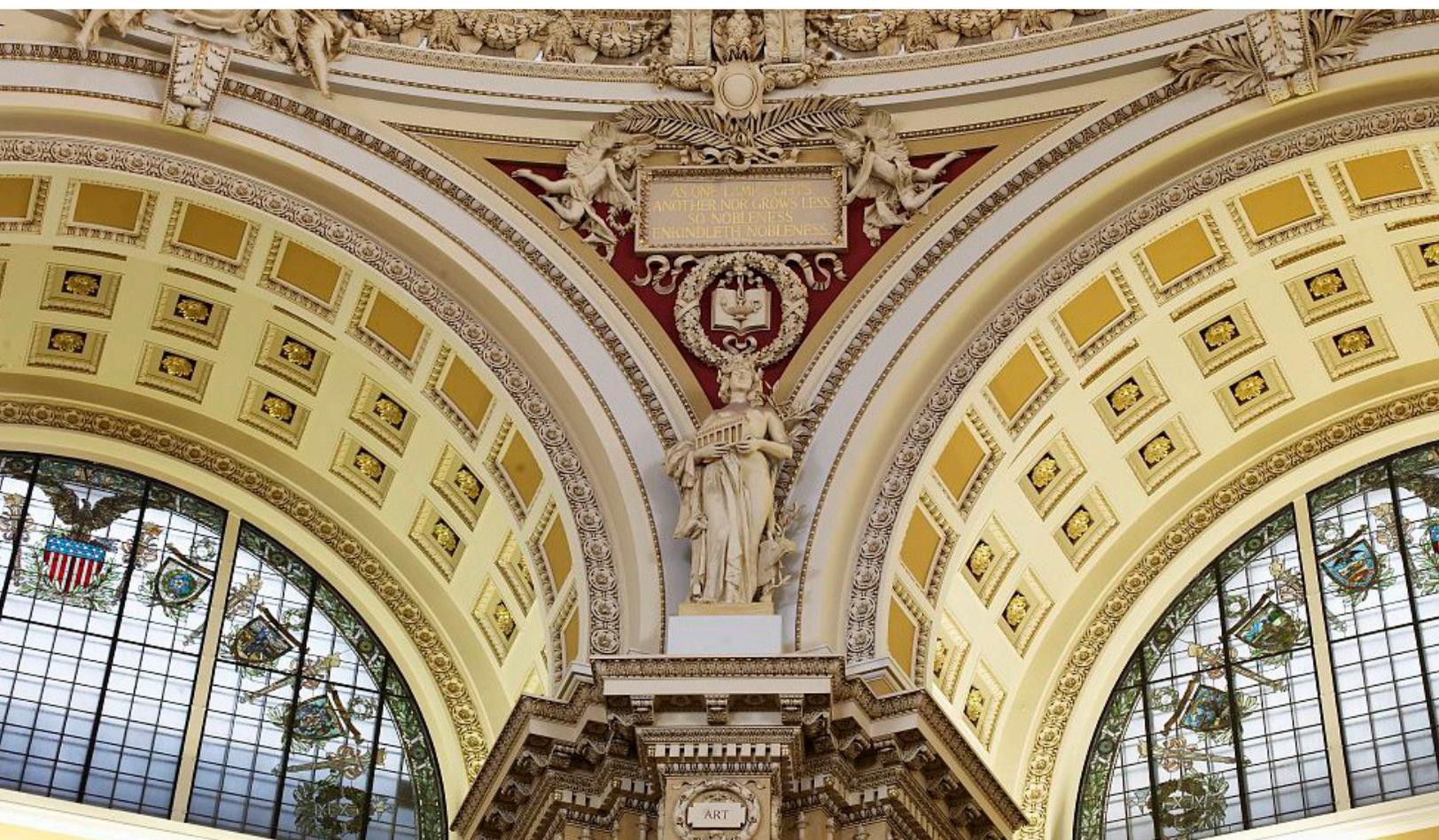
RIGHT: MAIN READING ROOM, VIEW OF STATUE OF ART ON THE COLUMN ENTABLATURE BETWEEN TWO ALCOVES. THOMAS JEFFERSON BUILDING.

PHOTOGRAPH BY CAROL HIGHSMITH.

Improved Representation—The MYAEPF recommends some actions that the Library should take to improve the representation of Hispanics and persons with disabilities within the Library’s workforce. Implementing the suggested recruitment strategies is dependent upon Library managers ensuring that selection officials are held accountable. In a future review, we will seek to determine whether the OIC and Library management have taken appropriate actions to develop and implement recruitment strategies for improving Hispanic representation in the Library’s workforce.

Inclusion of the OIC Director in Major Decisions Affecting Diversity—The Librarian and senior Library officials have not included the OIC in major decisions involving workforce diversity since the organizational changes were made. We recommended that the Chief for Support Operations seek commitment from the Librarian and other senior officials to include the OIC Director in senior-level discussions and decisions which involve workforce diversification issues pertaining to the Library.

Failure to Post Voluntarily “No FEAR” Data—In our 2008 report, we recommended that the Library voluntarily make its “No FEAR” (Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002) data available to staff via the Library’s staff intranet Web site. Implementing this recommendation dictates a change in policy requiring Executive Committee (EC) approval. The EC has not made a final decision regarding this recommendation.



Exit Interviews Providing Limited Information—The Library’s HRS automated exit interview questionnaire solicits voluntarily the staff member’s perspective on issues involving workplace culture and values, and may provide useful information for the OIC. However, the questionnaire does not ask the departing staff member to identify his or her race. We recommended that HRS revise the questionnaire to include a question asking the former employee to identify voluntarily his or her racial identity.

Management generally concurred with our recommendations, but disagreed with our finding that the OIC has not been included in major decisions involving workforce diversity.

OPEN WORLD LEADERSHIP CENTER **FISCAL YEAR 2010 FINANCIAL STATEMENTS**

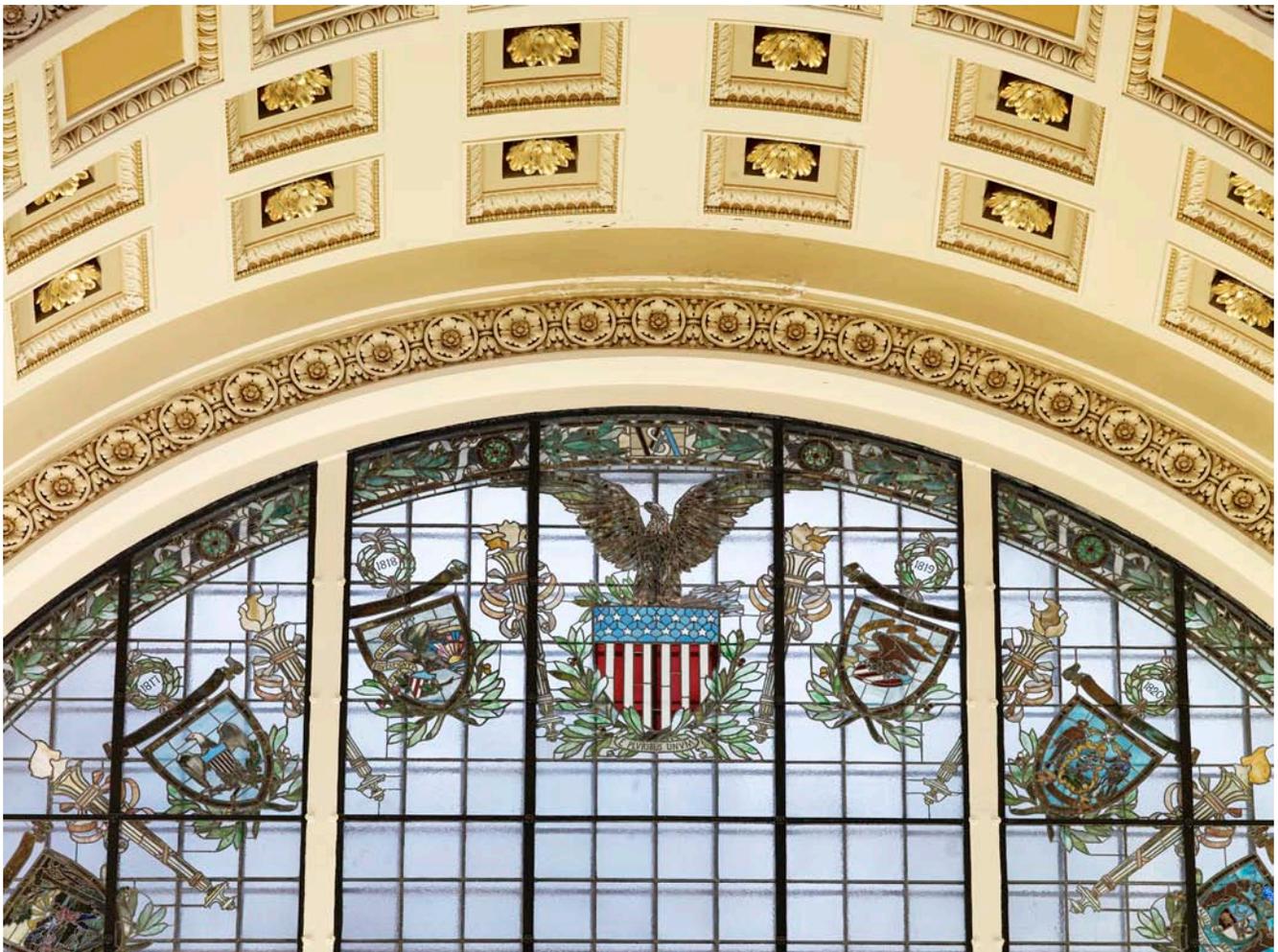
AUDIT REPORT NO. 2011-FN-103
MAY 2011

The mission of the Open World Leadership Center (Open World) is to enhance understanding and capabilities for cooperation between the United States and the countries of Eurasia and the Baltic States. In pursuing its mission, Open World has developed a network of leaders in those regions who have gained significant, firsthand exposure to America’s democratic, accountable government and free-market system.

Since Open World’s founding by the Congress in 1999, it has emerged as a unique resource for members of Congress and their staff by assisting Congress in its foreign policy oversight responsibilities. In this capacity, Open World conducts one of the largest U.S. exchange programs for Eurasia, through which some 6,100 volunteer American families in all 50 states have hosted thousands of emerging leaders from former Soviet countries. As a result of these exchanges, hundreds of projects and partnerships beneficial to all have been initiated and enhanced.

Open World 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. Serving the board of trustees is an audit committee comprised of three members with extensive experience in Congress, federal agency operations, finance, and accounting. The audit committee provides oversight by assuring Open World management appropriately carries out its responsibilities for internal control, financial reporting, compliance with laws and regulations, ethics, and economies and efficiencies.

Under contract with the OIG, the accounting firm of Kearney & Company audited Open World's FY 2010 financial statements and issued its Independent Auditor's Report. The audit included the Center's consolidated balance sheets and the related consolidated statements of net costs, changes in net position, and combined statement of budgetary resources for FY 2010 and 2009. The auditors concluded that the financial statements were presented fairly in all material respects, and in conformity with U.S. 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 Open World, Kearney & Company found no material weaknesses in internal control and no reportable noncompliance with the laws and regulations it tested.



ABOVE: DETAIL OF STAINED GLASS WINDOW IN COFFERED ARCH
ALCOVE, MAIN READING ROOM, THOMAS JEFFERSON BUILDING.

PHOTOGRAPH BY CAROL HIGHSMITH.



INVESTIGATIONS

During the reporting period, we opened 38 investigations and closed 56. We forwarded two investigation cases to Library management for adverse administrative action. Two cases were forwarded to the Department of Justice for prosecution: one criminal, and one civil. Both were accepted. Investigation case and Hotline activities are detailed below.

TABLE 1: INVESTIGATION CASE ACTIVITY

	CRIMINAL/CIVIL	ADMINISTRATIVE	TOTAL
From Prior Reporting Period	37	27	64
Opened	7	31	38
Closed	17	39	56
End of Period	27	19	46

TABLE 2: HOTLINE ACTIVITY

	COUNT
Allegations received	19
Referred to management	4
Opened as investigations	6
Opened as audit	1
Closed with no action	8

LEFT: A PORTRAIT STATUE OF JOSEPH HENRY REPRESENTING SCIENCE. HENRY SERVED AS THE FIRST SECRETARY OF THE SMITHSONIAN INSTITUTION. THE MAIN READING ROOM, THOMAS JEFFERSON BUILDING.

PHOTOGRAPH BY CAROL HIGHSMITH.

SIGNIFICANT CRIMINAL AND ADMINISTRATIVE INVESTIGATIONS

READING ROOM THEFT

An individual allegedly removed a reference book from a reading room after Library staff explained that the book could not be checked out of the Library. The individual, on probation at the time for destruction of private property in an unrelated incident, was charged with theft in the second degree, a misdemeanor. Prior to a scheduled trial, the individual accepted a “diversion” agreement which requires the defendant to complete 32 hours of community service, make restitution to the Library for the loss, and not visit the Library for a year.

EMPLOYEE ATTEMPTS TO PURCHASE ILLEGAL NARCOTICS

A Library Services employee admitted to using a government franked envelope in an attempt to purchase illegal narcotics. The employee used the envelope to mail a letter and cash, which was returned to the Library by the U.S. Postal Service due to an incorrect mailing address. The U.S. Attorney declined to prosecute the case and the employee was given a 30-day suspension without pay.

LIBRARY EMPLOYEE WORKING AS A LIBRARY CONTRACTOR

The OIG initiated an investigation after an OIG audit identified a Library employee who also earned \$9,145 while employed as a Library contractor. Library management decided that the overlapping contract and employment resulted from inadequate management controls rather than intentional misconduct.

RIGHT: DETAIL OF FRIEZE IN THE MAIN READING ROOM DEPICTING WINGED HALF FIGURES WITH THE TORCH OF LEARNING, THOMAS JEFFERSON BUILDING.

PHOTOGRAPH BY CAROL HIGSMITH.

FOLLOW-UP ON INVESTIGATIVE ISSUES FROM PRIOR SEMIANNUAL REPORTS

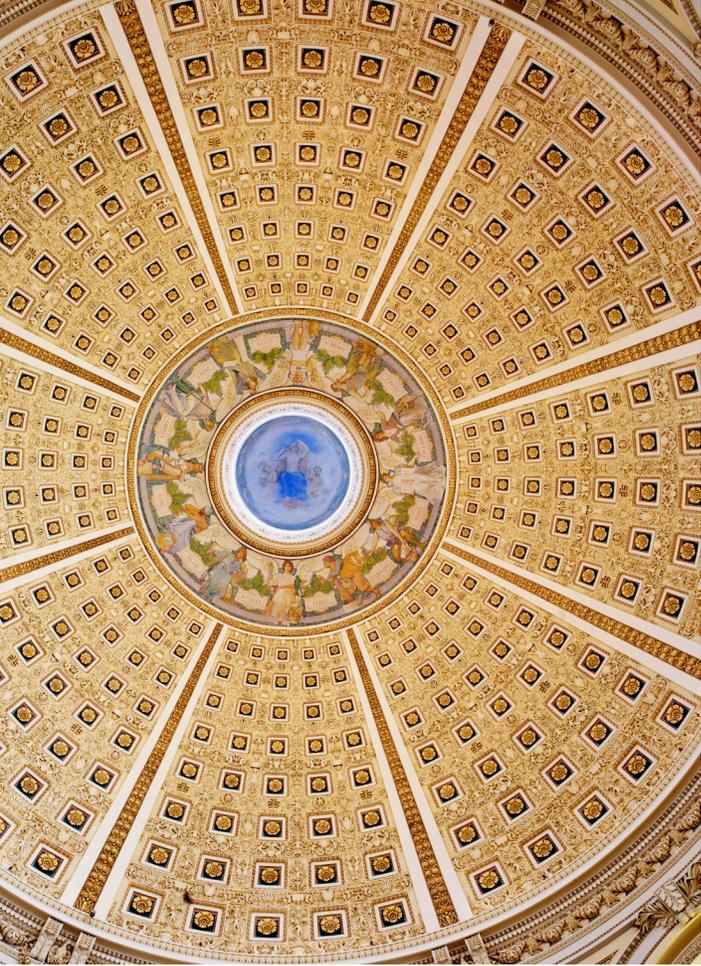
IDENTITY THEFT

As previously reported, the OIG conducted an investigation into the theft of a Library employee's identity. While executing a search warrant at the suspect's residence, OIG special agents obtained evidence showing that the Library employee's personal identifying information, and that of six victims not affiliated with the Library, were used by the suspect multiple times for fraudulent credit applications and purchases. During this reporting period, the suspect was sentenced to 36 months of incarceration and made \$28,847 in restitution.

MARIJUANA POSSESSION

We previously reported the case of an employee who was arrested by the U.S. Capitol Police for possession of marijuana on government time but off Library property. Although the charge for possession was dismissed during an evidence suppression hearing, OIG special agents interviewed the employee, who admitted to possession of a half pound of marijuana while on government time. During the reporting period, the employee appealed a proposed 30-day suspension. The appeal was denied.





OTHER ACTIVITIES

IG PARTICIPATES IN CIGIE AUDIT AND INVESTIGATIONS COMMITTEES

The Inspector General (IG) was selected to participate in the audit committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The CIGIE audit committee provides leadership for the federal audit community, sponsors and coordinates multi-agency and government-wide audits, develops and maintains professional standards for OIG audit activities, and provides oversight for auditor training.

The CIGIE audit committee represents the OIG community's interest on government-wide issues such as improper payment initiatives, the IG's role in federal information security, accounting and auditing policy, and the Comptroller General's revision of Government Auditing Standards.

The OIG is also continuing active membership in CIGIE's investigations committee.

OIG REVIEW REALIZES SIGNIFICANT SAVINGS FOR THE LIBRARY IN CONTRACT DISPUTE

June 2011

In March 2009, the Library awarded a contract to Macfadden and Associates, Inc. (Macfadden). The purpose of the contract was to digitally scan card catalog files of the Library's Collections and Services Directorate and transfer the scanned images to the Library's server. Upon award, Macfadden incurred certain expenses in contemplation of the contract and began some preliminary work.

In August 2009, the Office of Contracts and Grants Management (OCGM) was compelled to unilaterally terminate the contract after receiving a protest to the contract award from a competing bidder. The following month, as a result of this termination, Macfadden submitted to OCGM a contract termination settlement proposal for \$315,404. Under the Federal Acquisition Regulation (FAR), Macfadden may have been entitled to certain damages resulting from the termination.

ABOVE: COFFERED DOME ABOVE THE MAIN READING ROOM, THOMAS JEFFERSON BUILDING.

PHOTOGRAPH BY CAROL HIGHSMITH.

At the request of OCGM, the OIG conducted a review of Macfadden's settlement proposal to determine the validity of the claim. Based on applicable FAR criteria, we determined that \$304,706 of the contractor's total proposed settlement cost should be disallowed. In response to the OIG report, the contractor submitted to the Library a significantly reduced settlement proposal.

In mid-2011, the Library reported to the OIG that it had reached a settlement with Macfadden in the amount of \$37,742. As a result of the OIG review, the Library saved \$277,662.

ELECTRONIC AUDIT PROGRAM UPDATE

June 2011

During this semiannual period, we installed a new version of our computerized audit software program. The program creates a detailed electronic record of each audit and is also utilized by outside auditors for peer reviews of OIG activities.

The new program's enhanced features include dashboard views for quick reference of complete and outstanding audit requests and an automated electronic collaboration capability for auditors and auditees. The audit program promotes efficiency by streamlining audit processes and improves security functions through embedded document options and reduced reliance on paper-based records. In addition to increased efficiency, the update also brings the OIG into compliance with the Library's complex password requirements.

MULTI-AGENCY FINANCIAL AUDIT CONTRACT

July 2011

In 2009, Congress directed the Library's IG to chair a committee of the agencies participating in the Library's financial system cross-servicing agreement to select a common financial statements auditor. Beginning in August 2010, we convened the committee with representatives from the Library of Congress, U.S. Capitol Police, Congressional Budget Office, Open World Leadership Center, and James Madison Council. The committee successfully developed a combined solicitation, and in July 2011, awarded the contract for FY 2011 with four succeeding option years.

In awarding the contract, the committee accomplished Congress' intent by obtaining a projected cost savings of more than \$1.6 million over the five-year life of the contract. Additionally, each agency's financial and information technology functions will obtain efficiencies in time and auditor interaction because of the combined audit approach. The independent public accounting firm began work on the FY 2011 agency financial statements audits in August 2011.

REVIEW OF LEGISLATION AND REGULATIONS

TABLE 3: REVIEW OF LIBRARY OF CONGRESS REGULATIONS (LCRs)

LCR REVIEWED	COMMENTS BY THE OFFICE OF THE INSPECTOR GENERAL (OIG)
LCR 1514-9 Claims for Private Personal Property Losses Incident to Service	We suggested that this LCR add verbiage that the Office of General Counsel may request the assistance of the OIG in reviewing and investigating the validity of claims and that any suspected misuse of this program should be reported to the OIG.
LCR 1920 Records Management	We suggested that this LCR should be expanded to include greater detail regarding official government electronic records. We also commented that this LCR should include guidance regarding the protection of personally identifiable information contained in official government records.
LCR 2010-12 Probationary Period for New Supervisors and Managers	We suggested that this LCR clarify whether the decision to extend the probationary period for reasons other than absence rests with the employee's supervisor, the chief, or outside the unit in question. We also commented that this LCR should address remedial procedures that can be followed in the event that an evaluation is not delivered to the employee in a timely manner. Further, we commented that the LCR should clarify if the employee has an entitlement to his/her previous position or if the change of position is discretionary based on the Library's business needs.
LCR 2010-3.1 Resolution of Problems, Complaints, and Charges of Discrimination in Library Employment and Staff Relations Under the Equal Employment Opportunity Program	We suggested that this LCR clarify the maximum number of days for filing a complaint after the date of the alleged incident and the days for response by an OIG counselor. We also suggested that the LCR be brought in line with the Federal EEO Complaint Processing Procedures and to mirror established timeliness. Further, we suggested the addition of the complainant's right to appeal to EEOC or to file a civil action. We also suggested the LCR insert a time frame for issuance of a final order by the Librarian.
LCR 2010-7 Employment of Non-U.S. Citizens Using Appropriated and Non-Appropriated Funds	We offered no comment regarding this LCR.
LCR 2017-2.1 Senior Level Executive System	We offered no comment regarding this LCR.
LCR 2025-5 Enforced Leave and Suspension	We offered no comment regarding this LCR.
LCR 2103 Contract Disputes	We offered no comment regarding this LCR.

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
Office of the Librarian				
Raiser's Edge Software Program	2006-IT-302 December 2007	Development Office	II	The Development Office should ensure that the Raiser's Edge system undergoes certification and accreditation (C&A)—C&A completion targeted for October 2011.
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—Information Technology Services (ITS) does not have a system capable of reviewing the system logs and is obtaining cost estimates for such a system. Vendor meetings targeted for completion by January 2012.
Information Technology (IT) Strategic Planning	2008-PA-105 March 2009	Office of the Librarian	3.A	Separate the IT function from OSI and have the Chief Information Officer report directly to the Librarian or Chief Operating Officer—There has been no resolution on this recommendation.
Multi-Sector Workforce	2010-PA-105 March 2011	Office of the General Counsel	III.1	Create a policy using the applicable IRS Common Law Rules test to properly classify workers as independent contractors or employees and require service/support units to submit documentation on the test to the Office of Contracts and Grants Management (OCGM) for nonpersonal contract services—The Office of the General Counsel (OGC) has incorporated factors from the IRS test and the associated requisition form into proposed revisions to Library of Congress Regulation (LCR) 2111. Revised LCR targeted for implementation during FY 2012.
Multi-Sector Workforce	2010-PA-105 March 2011	Office of the General Counsel	III.2	Promptly identify nonpersonal services contracts where employer/employee relationships have been established between the Library and contractors and consult with OGC about terminating those contracts—All service units reevaluated their nonpersonal service contracts and terminated contracts not reflecting an independent relationship with the Library. The OGC will confirm the results of the analysis performed by service units by November 2011.
Office of Support Operations				
Human Resources Services (HRS)				
Human Resources Services	2009-PA-101 November 2009	Workforce Acquisitions	I.c.2	Develop a survey modeled after the Office of Personnel Management's Management Satisfaction Survey to determine managers' satisfaction with the hiring process and identify strategies for making process improvements—A survey has been developed with plans to implement in FY 2012.
Human Resources Services	2009-PA-101 November 2009	Workforce Acquisitions	II.1	Prepare performance appraisals which compare employees' actual accomplishments with corresponding performance requirements—Performance plans for Workforce Acquisitions staff were modified for the performance year beginning September 1, 2011. New plans will be in place during the first quarter of FY 2012.

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
Human Resources Services (HRS) Continued				
Employment Incentives and Flexibilities	2010-PA-103 July 2010	Human Resources Services	I.1.a	Require managers to attend quarterly HRS forums and supervisors to attend at least once per year—HRS is awaiting Operations Committee approval to implement this recommendation. Target completion in FY 2012.
Employment Incentives and Flexibilities	2010-PA-103 July 2010	Human Resources Services	I.1.b	Require managers to complete on-line refresher training annually on material in the Supervisors Handbook, similar to the annual training required of all Library employees on information technology security awareness—The Human Capital Flexibilities Working Group (FWG) is completing a series of recommendations including this for review and approval by the Library's Operations Committee. A decision is expected in FY 2012.
Employment Incentives and Flexibilities	2010-PA-103 July 2010	Human Resources Services	I.2	Assign a point-person responsible for ensuring that members of the FWG pass the group's information on to their respective managers—HRS will address this as part of the FY 2012 implementation of the Human Capital Management Plan.
Multi-Sector Workforce	2010-PA-105 March 2011	Human Resources Services	I	Develop and implement a structured procedure that provides a uniform method for making personnel determinations. This procedure should provide the means to identify which activities are inherently governmental and which service provider represents the best value to the Library—The Office of Support Operations is developing the recommended procedure and expects to forward it to the Executive Committee for approval by March 2012.
Multi-Sector Workforce	2010-PA-105 March 2011	Human Resources Services	II	Establish a system to collect and maintain data representing the total composition of the Library's direct hire and contractor workforce. Ensure that the data maintained in the system is current, complete, and accurate at all times—The National Finance Center developed an integrated "Person Model" within EmpowHR to track employee and non-employee information over the course of a person's association with the Library (e.g., employee, contractor, fellow, volunteer, etc). The Model is being tested. Until implemented, HRS and OCGM have interim procedures to prevent dual relationships within the Library.
Integrated Support Services (ISS)				
Federal Employees' Compensation Act Program	2008-PA-102 September 2008	Health Services Office	IV	Revise LCR 2018-5—Workforce Management will meet with unions and discuss the Library's counter-proposal to the Unions' proposed edits to LCR draft. Target completion is November 2011.
Retention of Federal Records	2009-PA-104 March 2010	Office Systems Services	I.a	Develop and implement policies and procedures that provide an organized means for Library organizations and employees to conform to federal records management requirements—LCR 1920 and related directives address this recommendation and are in final review with a target implementation of December 2011.

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
Retention of Federal Records	2009-PA-104 March 2010	Office Systems Services	I.b	Initiate a program to provide active oversight of service units' record keeping practices. Ensure that the oversight program's design provides adequate assurance that service units' practices comply with the Federal Records Act and National Archives and Records Administration regulations—Program was designed and is under OGC review with training scheduled for completion June 2012.
Retention of Federal Records	2009-PA-104 March 2010	Office Systems Services	I.c	Develop and implement a training program on federal records management for Library staff—Training program is under development and scheduled for implementation in November 2011.
Retention of Federal Records	2009-PA-104 March 2010	Office Systems Services	II	Perform a cost/benefit analysis to determine whether the Library should implement an electronic record-keeping system—The Library is reviewing options and will conduct a cost/benefit analysis by September 2012.
Office of Opportunity, Inclusiveness, and Compliance (OIC)				
Equal Employment Opportunity Complaints Office	2001-PA-104 February 2003	Office of Opportunity, Inclusiveness, and Compliance	I	Evaluate and revise LCR 2010-3.1—The LCR Working Group is reviewing the draft LCR and target implementation is FY 2012.
Dispute Resolution Center	2002-PA-104 September 2003	Office of Opportunity, Inclusiveness, and Compliance	III	Revise LCR 2020-7 to allow complainants to use dispute resolution during the formal complaint process—OGC is reviewing the draft LCR before circulation to the LCR Working Group for review and comment. Target date for implementation is FY 2012.
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	IV	The Library should make its "No FEAR" data available to staff via the Library's Staff Intranet Web site and benchmark this data against other federal agencies of similar size—The Executive Committee is considering this recommendation but has not made a final decision.
Library Services (LS)				
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—The Conservation Division is reviewing the revised draft LCR prior to circulation to the LCR Working Group for review and comment. Target date for implementation is FY 2012.
Rare Book and Special Collections Security	2008-PA-101 March 2009	Library Services	I.a	Develop and implement an automated system to track and account for new acquisitions and establish adequate segregation of duties—LS is reviewing programming and workflow revisions to Voyager to accomplish this recommendation. Target implementation during FY 2012.
Rare Book and Special Collections Security	2008-PA-101 March 2009	Library Services	I.f	Reevaluate background investigation procedures for Rare Book and Special Collections Division's management and periodically update background investigations—Revised personnel security regulations were issued July 2011 in LCR 2024-2 §3.B and 5. Currently awaiting the Office of Personnel Management's implementation of periodic reinvestigation of public trust positions.

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
Library Services (LS) Continued				
Performance-Based Budgeting	2010-PA-107 January 2011	Library Services	I	Prepare future Annual Performance Budgets with format/terminology consistent with eLCplans—LS will incorporate all recommendations. Target date for the next draft performance budget is October 2011.
Performance-Based Budgeting	2010-PA-107 January 2011	Library Services	II.1	Develop more outcome-related performance strategies and targets—LS will incorporate all audit recommendations. Target date for the next draft performance budget is October 2011.
Performance-Based Budgeting	2010-PA-107 January 2011	Library Services	II.2	Design and implement an internal control system that will ensure that valid and verifiable data will be collected and used to measure program performance—LS will implement during FY 2012.
Office of Strategic Initiatives (OSI)				
Information Technology Strategic Planning	2008-PA-105 March 2009	Office of Strategic Initiatives	1.D	Produce a plan of execution guide to ensure that the Library moves forward as a total institution with one voice—The Library appointed an enterprise architect and is developing a transformation guide through the Enterprise Architecture process. Development will continue through FY 2012.
Information Technology Strategic Planning	2008-PA-105 March 2009	Information Technology Services	5.D	Implement a commercial “off-the-shelf” (COTS) enterprise help desk system that includes metrics—The Library plans to implement a COTS help desk system with enhanced metrics but the system will be optional for service/support units. The service/support units’ systems require an interface with the new system and will not obtain recommended efficiencies.
Information Technology Strategic Planning	2008-PA-105 March 2009	Information Technology Services	5.E	Negotiate a new help desk contract to meet the different service level requirements of all service and support units to eliminate duplicative services—The Library is in its second option year of the existing help desk contract that expires in 2014 and has not addressed the duplicative services issue. The recommendation has not been resolved.
Information Technology Strategic Planning	2008-PA-105 March 2009	Information Technology Services	5.F	Develop dynamic, evolving metrics to measure performance—This recommendation has not been resolved.
Alternate Computing Facility	2009-IT-101 September 2009	Information Technology Services	I.a.1	Conduct a comprehensive needs assessment of hardware, software, and IT equipment and ensure an adequate infrastructure is in place to mirror and recover the Library’s critical systems—Needs assessment targeted for completion January 2012 with IT Steering Committee recommendations to follow.
Alternate Computing Facility	2009-IT-101 September 2009	Information Technology Services	I.c.2	Coordinate with the Library’s service units and divisions to develop and conduct tests to verify that users can directly access and use the systems and data at the Alternate Computing Facility (ACF) from remote locations—IT plans testing in October 2011.
Data Center Power Outage Incident	2009-SP-102 December 2009	Information Technology Services	III.3	Continue to implement the OIG’s recommendations to improve the readiness and functionality of the ACF data center discussed in the September 2009 OIG report—All recommendations scheduled for completion by January 2012.

RIGHT: BOOKS FROM THOMAS JEFFERSON’S ORIGINAL LIBRARY, ACQUIRED BY THE LIBRARY OF CONGRESS IN 1815.

PHOTOGRAPH BY LIBRARY OF CONGRESS, INTERPRETIVE PROGRAMS OFFICE.



178 LETTRES DE CICERON
 cum Antoniis et reliquis latronibus
 jungeret. Cujus rei tanto in timore fu-
 omnibus rebus relictis, cum paucioribus
 et minoribus navibus ad illas ire con-
 sim. Quæ res, si a Rhodiis non essent
 terpellatus, fortasse tota sublata esset.
 men magna ex parte profligata esset.
 quidem classis dissipata est, adventus ne-
 timore milites ducesque effugerunt;
 rariæ omnes ad unam a nobis sunt exco-
 Certe (quod maxime timui) videor
 consecutus, ut non possit Dolabella in
 liam pervenire, nec sociis suis firmatis
 rius vobis efficere negotium.

Rhodii nos et Rempublicam quam
 desperaverint, ex Literis quas publice
 cognosces. Et quidem multo parcius
 Mirari noli. Mira est eorum amentia; nec
 meæ ullæ privatim injuriæ unquam. Me
 animus eorum in nostram salutem, et
 ditas partium aliarum, perseverantia
 contemtionem optimi cujusque, ferenda
 non fuit. Nec tamen omnes perditos
 puto. Sed iidem illi, qui tum fugientes
 patrem meum, qui L. Lentulum, qui

148 C. CORNELII TACITI
 beis exultationibus verterentur. Quibus
 quos agebat. Antiquæque municipiorum
 translationes, quantum Florentinæ de
 aliis locis in unum translatæ sunt, et
 mensa adferret. Conventusque
 Non solum in istis sed et in aliis
 Nec Reatinis palatium, in quo
 cūmulator, cūmulator, cūmulator
 primum, optime rebus mortalium
 justis a fructibus, justis a fructibus

Book I. of TA
 The Spaniards were
 permitted to build a tem
 the colony of Terragon; i
 provinces to follow. In a
 who prayed to be relieved
 a tax of one in the hundre
 end of the civil wars, upon
 modities: TIBERIUS by
 "that upon this tax depen
 "maintaining the army: N
 "the Commonwealth equal
 "if the Veterans were diffin
 "twentieth year." So that
 made them during the late fediti
 them finally at the end of sixty
 were made through necessity,
 future abolished.

It was next proposed to the S
 RUSTIUS and ATEIUS, whether
 restrain the overflowing of the
 channels of the several rivers and la
 it was swelled, must not be divid
 this question the deputies of sever
 colonies were heard. The Florentin
 "that the bed of the Clapis mig
 "turned into their river Arnus; fo
 "same wood."

LIVRE XII.
 dans la Syrie, et se joindre avec les Antioines
 (45) et les autres brigands. Ce projet m'a
 si vivement alarmé, que, perdant de vue tout le
 reste, je n'ai pensé qu'à m'avancer vers lui avec
 mes vaisseaux, quoique fort inférieurs aux siens
 pour la grandeur et pour le nombre. Peut-être
 l'aurois-je détruit sans ressource, si les Rhodiens
 ne m'avoient interrompu: mais je l'ai du moins
 beaucoup affoibli; car sa flotte est dissipée. Chefs
 et soldats, tous ont pris la fuite à mon approche;
 et les vaisseaux de transport sont tombés entre
 mes mains, sans en excepter un. Je crois avoir
 gagné, par cette expédition, de mettre Dolabella
 dans l'impossibilité de passer en Italie, ce qui
 faisoit ma principale crainte, et d'aller redoubler
 vos embarras, en rendant la confiance à ses
 Alliés.

Vous apprendrez, par ma lettre publique, à
 quel danger les Rhodiens ont exposé la Répu-
 blique et moi. J'en parle avec beaucoup de rete-
 nue: mais vous n'en devez pas être surpris. Leur
 folie ne se conçoit pas. Le ressentiment de mes
 propres injures ne m'a jamais beaucoup tou-
 ché: cependant, le fonds de malignité que ces
 gens-là conservent contre moi, le penchant qu'ils
 ont pour le parti opposé, leur mépris obstiné
 pour tous les honnêtes gens, méritoient une cer-
 taine rigueur. Ce n'est pas que je les croie tous
 également coupables; mais il se trouve, par une
 sorte de fatalité, que ceux qui ont refusé de

movant

IMPLEMENTED RECOMMENDATIONS

TABLE 4B: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION WAS COMPLETED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Office of the Librarian				
Multi-Sector Workforce	2010-PA-105 March 2011	Office of the General Counsel	III.3	File a Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding form with IRS to officially determine workers' status when needed—OGC has incorporated factors from the IRS test into proposed revisions to LCR 2111.
Office of the Chief Financial Officer (OCFO)				
Travel Card Program	2009-PA-106 January 2010	Travel Office	I.a	Include more specific details in internal OCFO written procedures for performing travel card transaction reviews and delinquency report reviews—OCFO acquired and installed software to evaluate travel card transactions and developed written procedures. Target date for completion is October 2011.
Office of Support Operations				
Human Resources Services (HRS)				
Human Resources Services	2009-PA-101 November 2009	Workforce Acquisitions	I.a.2	Compare actual hiring data with planned results and periodically assess and adjust the time goals for each hiring step—Previously HRS requested hiring plans for the new FY by August 31 to assess anticipated hiring needs and make appropriate adjustments to workload assignments. For FY 2012, the deadline will be December 31, 2011, to allow for the completion of the Library's ongoing Voluntary Separation Incentive Payment program.
Human Resources Services	2009-PA-101 November 2009	Workforce Acquisitions	III.b	Make the contents of the Library's "Jobs/Fellowships" Web page more inviting and informative to job seekers exploring Library career opportunities and ensure terms used are clearly explained—The redesigned site is now available at: http://www.loc.gov/hr/employment/index.php .
Employment Incentives and Flexibilities	2010-PA-103 July 2010	Human Resources Services	III.1	Provide service/support units with sample justifications and checklists to ensure that all legal and regulatory requirements are met in the administration of recruitment incentives—Recommendation implemented, sample justifications and checklists provided to service/support units.
Office of Contracts and Grants Management (OCGM)				
Sole Source Contract Award—Power Tech	2010-CA-102 September 2010	Office of Contracts and Grants Management	c.2	Replace the competition advocate with a qualified person that has extensive experience in federal procurement law—The Contract Division Chief is currently the competition advocate. When OCGM fills the GS-14 Procurement Analyst position, the Chief will transfer his role as the competition advocate to that position.
Office of Opportunity, Inclusiveness, and Compliance (OIC)				
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	II.5	Track promotions and performance evaluations to determine whether there is consistency among groups—Management has installed controls to hold managers and supervisors accountable for fair and regular feedback on performance.

TABLE 4B: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION WAS COMPLETED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	II.7	Organize a facilitative workshop with program supervisors, HRS, and OIC staff to discuss identified barriers—The OIC is conducting workshops with program supervisors.
Library Services (LS)				
Top Treasures Security and Preservation Controls	2008-PA-103 January 2009	Library Services	I.c	Reevaluate the position designations of staff members with authorized vault access who occupy non-sensitive positions and revise LCRs dealing with sensitivity designations for positions with access to priceless collection items—Revised personnel security regulations were issued July 2011.
Rare Book and Special Collections Security	2008-PA-101 March 2009	Library Services	I.c	Develop and document new policies and procedures for authorizing, tracking, and reviewing collection material on loan—A stand-alone system and related policies have been implemented for authorizing, tracking, and reviewing collection material on loan.
Rare Book and Special Collections Security	2008-PA-101 March 2009	Library Services	II	Explore the costs and benefits of using high-resolution photography to assist in proving ownership of the Library's rare materials—LS' investigation of this technology concluded the process is too costly or invasive. LS will revisit this proposal as part of its reconfiguration of the online catalog record using less costly solutions.
Law Library (LL)				
Law Library Security	2010-AT-102 January 2011	Law Library	II.1	Implement a tracking mechanism for rare material transferred from the LL to other Library organizations—Tracking mechanism has been implemented using an existing field in the Library's software program.
Law Library Security	2010-AT-102 January 2011	Law Library	II.2	Consult with the Preservation Directorate to develop and implement procedures creating a positive means of establishing Library ownership of rare materials—LL has implemented procedures to establish proof of ownership of rare materials.
Law Library Security	2010-AT-102 January 2011	Law Library	III	Incorporate the segregation of duties principle in the organization's procedures for preparing packages to be mailed—The LL is following Library procedures for inspection of outgoing mail items and maintaining the appropriate required forms.
Law Library Security	2010-AT-102 January 2011	Law Library	IV	Coordinate with the Personnel Security Office to designate the positions of employees who have access to rare LL materials as public trust—Revised personnel security regulations were issued July 2011.
Law Library Security	2010-AT-102 January 2011	Law Library	I	Work with the Office of Security and Emergency Preparedness (OSEP) and the Architect of the Capitol to ensure all rare materials are segregated from non-rare materials. Within budget, provide enhanced physical security and environmental controls called for in the Strategic Plan for Safeguarding the Collections, 2005-2008—The LL has segregated rare materials as recommended. Congress has not approved funding for enhanced security and environmental controls.

TABLE 4B: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION WAS COMPLETED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Office of Strategic Initiatives (OSI)				
Alternate Computing Facility	2009-IT-101 September 2009	Information Technology Services	I.c.1	Conduct a comprehensive evaluation of remote access and connectivity to the ACF—The additional remote access infrastructure has been successfully implemented and tested at the ACF.
Alternate Computing Facility	2009-IT-101 September 2009	Information Technology Services	II.1	Identify and classify the Library’s mission essential functions and critical systems—ITS has completed its initial identification and classification of critical Library IT systems.
Alternate Computing Facility	2009-IT-101 September 2009	Information Technology Services	II.2	Establish procedures to ensure that the list of systems, classified by tier level, is complete and kept up-to-date—ITS has established procedures to ensure that the list of IT systems, classified by tier level, is kept complete and current.
Data Center Power Outage Incident	2009-SP-102 December 2009	Information Technology Services	IV.1	ITS should address the single point of failure for wireless cellular phone service equipment in the main data center—After consulting with OSEP, ITS determined there is no requirement to provide all Library staff with wireless cellular phone capability during a service disruption/emergency situation. Appropriate communications strategies are in place to support critical personnel during such situations.
Multi-Function Devices	2010-SP-101 April 2010	Information Technology Services	IV	Strengthen network security controls for detecting unauthorized devices on the Library’s network and follow established guidelines and best practices for configuring and securing Multi-Function Devices—ITS has fully implemented tools to detect unauthorized devices on the Library network.

RIGHT: MOSAIC IN DOMED LOBBY WITH QUOTATION “KNOWLEDGE IS POWER.” EAST CORRIDOR, FIRST FLOOR, THOMAS JEFFERSON BUILDING.

PHOTOGRAPH BY CAROL HIGHSMITH.



KNOWLEDGE
IS POWER

FUNDS QUESTIONED OR PUT TO BETTER USE

TABLE 5: 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	1	\$17.1m ¹
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 6: 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	1	\$277,662 ²
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:	-	-

¹NLS Effectively Planned and Implemented the Digital Conversion, But Needs to Reduce Its Requirements Projections, Audit Report No. 2011-PA-104, October 2011 (see page 13).

²Review of the Termination Settlement Proposal of Macfadden and Associates, Inc., Report No. 2010-CA-101 June 2010 (see page 35).

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

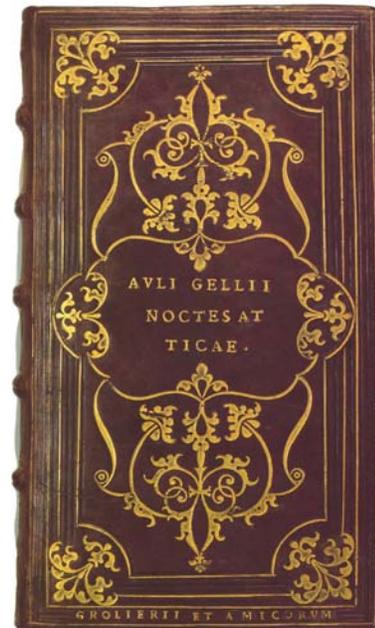
During the reporting period there were no significant revised management decisions.

SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREES

During this reporting period there were no significant management decisions with which OIG disagreed.

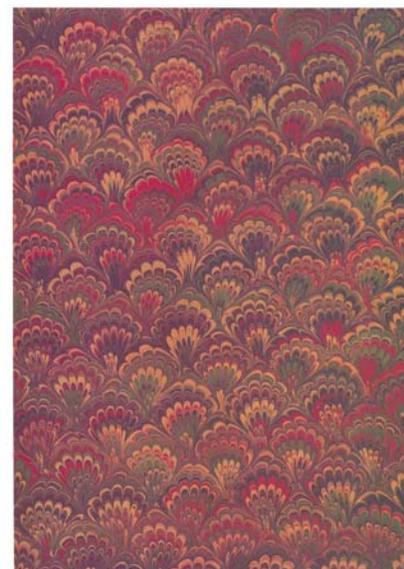
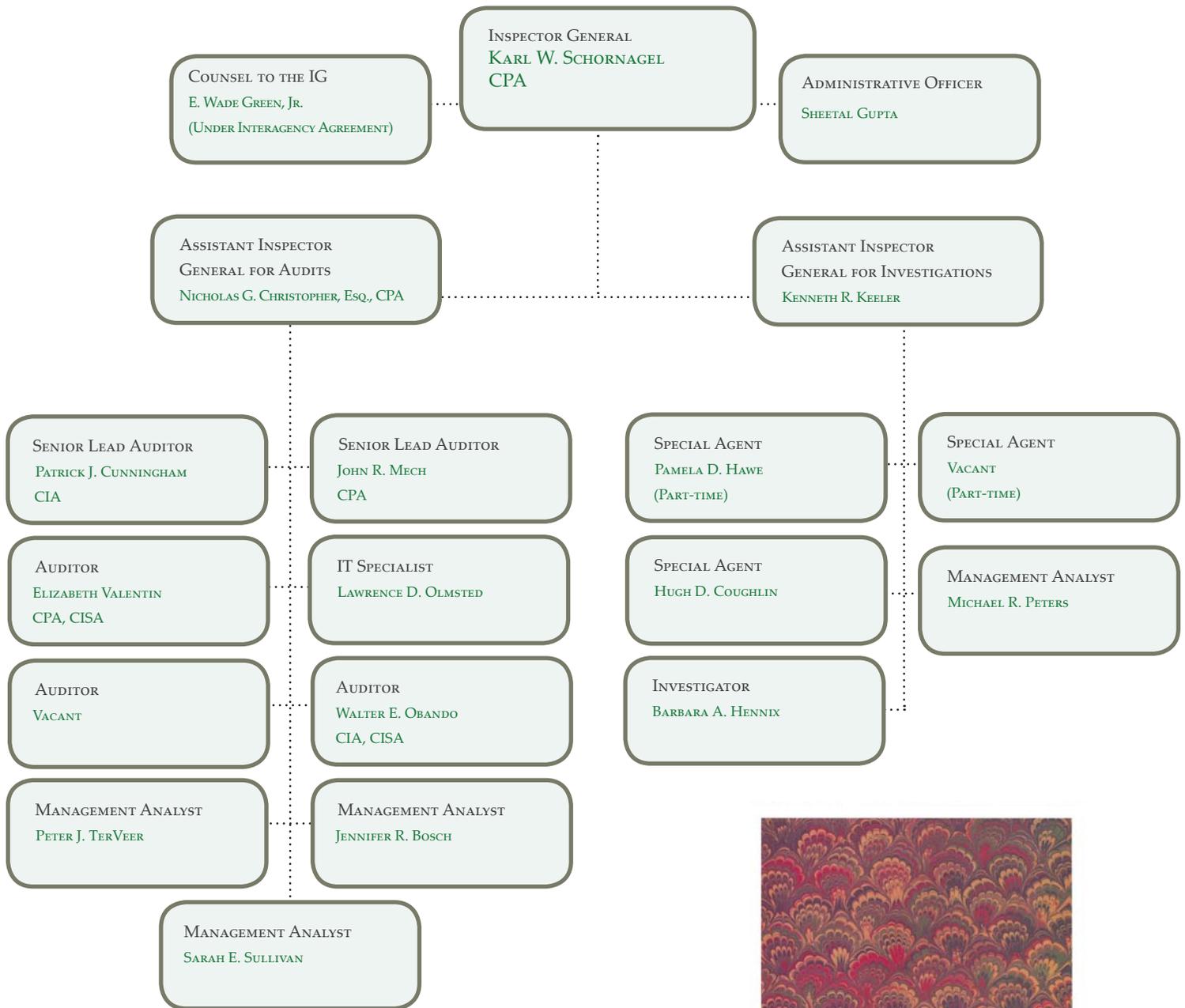
FOLLOW-UP ON PRIOR PERIOD RECOMMENDATIONS

In this semiannual period, we followed up on all open recommendations from our prior semiannual period. Management's comments on the status of individual recommendations appear in table 4A. Recommendations management asserts it has implemented during the period appear in table 4B. In order to confirm that recommendations have been implemented as reported, we perform periodic follow-ups of selected projects to verify implementation, however, all assertions contained in table 4B are the representations of management.



ABOVE: ALDINE EDITION OF AULUS GELLIUS'S *NOCTES ATTICAE*. VENICE, 1515. RARE BOOKS AND SPECIAL COLLECTIONS DIVISION, LIBRARY OF CONGRESS.

ORGANIZATIONAL CHART



RIGHT: RARE BOOK END PAPER IN THE BOUQUET PATTERN, RARE BOOKS AND SPECIAL COLLECTIONS DIVISION, LIBRARY OF CONGRESS.

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FAX NUMBER: (202) 707-6032

HOTLINE TELEPHONE NUMBER: (202) 707-6306

HOTLINE EMAIL: oighotline@loc.gov

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