



SEMIANNUAL REPORT TO THE CONGRESS

The Library of Congress • March 31, 2009
Office of the Inspector General



The Library of Congress was established in 1800 when the American government moved to Washington, DC. The Thomas Jefferson building, the first separate Library building, was completed on time and under budget in 1897, at an approximate cost of \$6.3 million. The new building was an unparalleled national achievement; its 23-carat gold-plated dome capped the “largest, costliest, and safest” library building in the world; more than 40 painters and sculptors produced commissioned works of art. Dubbed the “Temple of the Arts,” the Jefferson immediately met with overwhelming approval from the American public. It was known as the Library of Congress building until 1980, when it acquired its current designation as the Thomas Jefferson building.

Two design competitions resulted in an Italian Renaissance style structure proposed by Washington architects John L. Smithmeyer and Paul J. Pelz. Both architects were dismissed during the building’s construction and eventually replaced by Edward Pearce Casey. Civil engineer Bernard R. Green and Casey’s father, Brigadier Gen. Thomas Lincoln Casey, supervised the construction.

The Jefferson combines sculpture, mosaic, paintings, and architecture on a scale unsurpassed in any American public building. When the building came in under budget, Casey and Green seized the opportunity to turn this already remarkable building into a cultural monument by using the remaining funds to further embellish it with works of art.

Since its original construction, three of the original four interior courtyards have been filled; two became bookstacks, and one now houses the Coolidge auditorium and Whitall Pavilion. In addition, the east side of the building was extended to provide additional space. The Jefferson and John Adams buildings were renovated in the decade from 1986 to 1995 at a cost of about \$81.5 million.

- From the [Encyclopedia of the Library of Congress: For Congress, the Nation & the World](#), John Y. Cole and Jane Aikin, eds., 2005.



LIBRARY OF CONGRESS

April 30, 2009

A MESSAGE FROM THE INSPECTOR GENERAL

I am pleased to present our Semiannual Report to the Congress for the period ended March 31, 2009.

In the last six months we prepared reports on the IT strategic planning process, inventory management at the Landover Warehouse, collections security in the Rare Books and Special Collections division, collections security and preservation controls for the Library's top treasures, and the Library's and Madison Council's fiscal year 2008 financial statements. We conducted investigations on topics such as the misuse of library computers and networks and various alleged violations of ethics rules and Library regulations. In addition, we began posting our past audit and semiannual reports on our Web site (www.loc.gov/about/oig). So far, we have posted most fiscal 2008 and 2009 reports, and are working toward posting reports back to 2001 over the next few months.

We are pleased to report that Library management implemented 25 of our recommendations in this reporting period, demonstrating its continuing commitment to improvement.

In the next six months, we will report on in-progress reviews of the Library's human resources operations, records retention management, efforts to "green" the Library, and other topics.

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

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

Karl W. Schornagel
Inspector General



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We perform many types of services; among them:

Attestations, which involve examining, reviewing, or applying agreed-upon procedures on a subject matter, or an assertion about a subject matter. Attestations can have a broad range of financial or nonfinancial focuses, such as the Library's compliance with specific laws and regulations; assertions or assumptions made in a cost/benefit, breakeven, or requirements analysis; validation of performance against performance measures; or reasonableness of cost.

Financial Audits, which determine whether financial statements present fairly the financial position, results of operations, and cash flows in conformity with generally accepted accounting principles, and whether an entity has adequate internal control systems and complies with applicable laws and regulations.

Investigations, which are conducted based on alleged or suspected wrongdoing by agency employees, contractors, recipients of financial assistance, and others responsible for handling federal resources. Violations of Library regulations or fraud committed against the Library can result in administrative sanctions and/or criminal or civil prosecution.

Nonaudit Services, which are equivalent to consulting services in the private sector and usually involve providing advice or assistance to Library managers without necessarily drawing conclusions, or making recommendations. Auditors are cautious when performing nonaudit services because providing them may jeopardize the independence needed to later audit that subject area.

Performance Audits, which 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.

INTRODUCTION AND DEFINITIONS

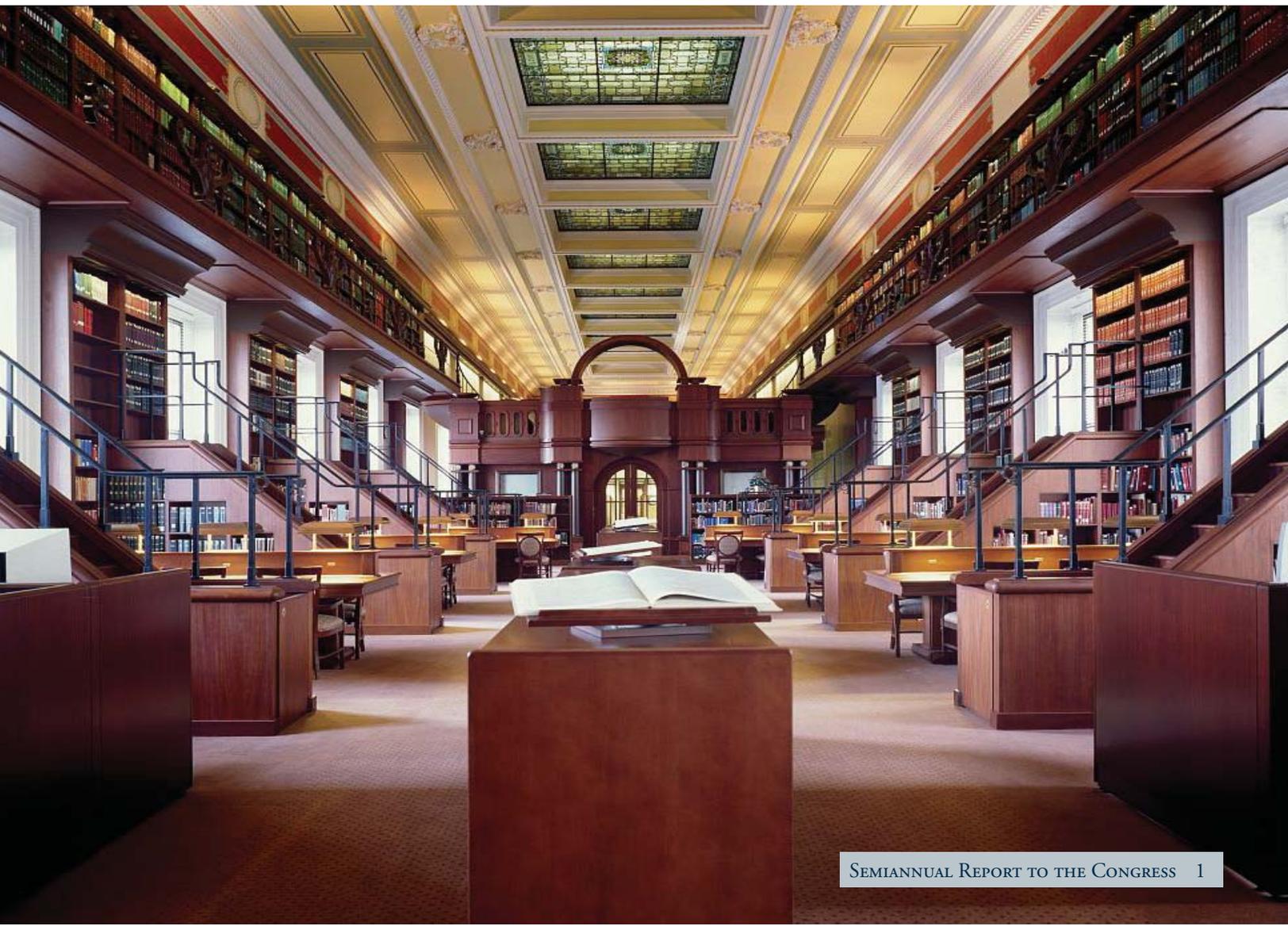
THE MISSION OF THE OFFICE OF THE INSPECTOR GENERAL IS TO PROMOTE ECONOMY, EFFICIENCY, AND EFFECTIVENESS BY DETECTING AND PREVENTING WASTE, FRAUD, AND ABUSE.

To accomplish our mission, we conduct audits and investigations.

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

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

Our goals, objectives, strategies, and performance indicators can be found in our Strategic Plan, available on our Web site at www.loc.gov/about/oig.



AUDITS, SURVEYS, AND REVIEWS

LIBRARY-WIDE

INFORMATION TECHNOLOGY STRATEGIC PLANNING: A WELL-DEVELOPED FRAMEWORK IS ESSENTIAL TO SUPPORT THE LIBRARY'S CURRENT AND FUTURE IT NEEDS

SPECIAL PROJECT NO. 2008-PA-105
MARCH 2009

We engaged a firm specializing in information technology (IT) and strategic plan assessments, A-Tech Systems, Inc. (A-Tech), to evaluate and report on the effectiveness of IT strategic planning at the Library of Congress. The firm focused on:

- how the Strategic Plan of the Library's Office of Strategic Initiatives (OSI) addressed the recommendations to the Library contained in the National Research Council report, LC21: A Digital Strategy for the Library of Congress (the LC21 report);
- whether the OSI Strategic Plan was meeting the Library's current and future needs;
- the validity of the assumptions, data, and conclusions of the OSI Strategic Plan; and
- how the organizational placement and structure of the Library's Information Technology Services (ITS) office compared to IT elements of other government agencies and similarly staffed corporate organizations.

A-Tech's report stated that the Library has made many technology improvements since the LC21 report was published in 2000. Among other accomplishments, the Library has migrated from mainframe systems, standardized network infrastructure, built a secure financial hosting environment, and implemented a system life-cycle development process. However, despite this progress, A-Tech also reported that the Library's IT strategic planning was neither well-integrated with other essential Library planning components nor instituted Library-wide. More specifically, it found that:

- IT strategic planning was not a unifying force at the Library, not directly linked to the Library's Strategic Plan, and did not provide a forward-looking view;

- duplication of IT efforts and acquisitions was taking place due to an overall lack of Library strategy for prioritizing and budgeting for IT investments;

- ITS was a second-level Library organization and did not have the mandate or authority to enforce proper Library-wide IT governance;

- the Library lacked an Enterprise Architecture (EA) program which should be combined with the Library strategy for implementing future technology; and

- ITS had room to improve its customer service.

A-Tech believed its findings were largely attributable to an unclear sense of how IT planning fit into the Library's mission and that a holistic view of it needed to be adopted. The firm's principal recommendations included aligning the IT Strategic Plan directly with the same goals as the Library's Strategic Plan, taking inventory of all existing IT systems to prioritize upgrades and identify new projects, establishing a Chief Information Officer (CIO) who performs only IT-related functions and reports to the Librarian, designating an organization for IT policy responsibilities and corresponding enforcement authority, establishing an EA program to provide a roadmap for implementing future technology, and soliciting input from Library service and support units on ways to improve the efficiency and effectiveness of ITS' customer service.

Management generally agreed with the report's recommendations, although it postponed a decision on the organizational placement of ITS as it develops an appropriate organizational solution.

LIBRARY-WIDE

INTEGRATED SUPPORT SERVICES

INVENTORY MANAGEMENT PROBLEMS CONTINUE, SENIOR MANAGEMENT ATTENTION IS CRUCIAL

AUDIT REPORT NO. 2009-PA-102
MARCH 2009

Over the past five years, the Office of the Inspector General has been evaluating the efficiency of space usage

and the effectiveness of inventory and security controls at the Library's 313,802 square foot leased warehouse in Landover, Maryland. In March 2005 and June 2006, we reported on inventory and warehouse inefficiencies that have caused the Library to lease more warehouse space than it needed. We initiated this audit to update our previous work and identify the progress Integrated Support Services (ISS) and the service units have made in improving the Library's warehousing operations.

The findings below provide details on significant issues we identified through this audit.

Despite ISS' Efforts, Excess Inventory is Still Held—Service units continue to maintain many items in their inventories that were acquired more than five years ago and likely have little current demand. ISS has attempted to make service units manage their warehouse space more efficiently by establishing a fixed amount of storage space for each service unit. However, the Logistics policy has not fully motivated service units to manage their warehouse spaces efficiently. We estimated that improved warehouse efficiency could save the Library as much as \$1 million over five years.

ISS has not Provided the Guidance and Oversight Needed to Ensure Efficient Inventory Management—ISS and the service units have not developed and implemented strong inventory control policies and ISS has not provided service units with useful data on storage costs or inventory turnover. Consequently, service units are not considering storage costs in their purchasing and retention decisions and continue to hold excessive amounts of materials. To ensure that service units retain the appropriate amount and types of items, we recommended the Library develop a regulation that provides retention guidance and allocate the applicable warehouse lease cost to each service unit.

FD&C Has Not Developed a Plan for Using Materials It Holds at Landover—ISS' Facility Design & Construction (FD&C) division occupies 40 percent of the warehouse's space and holds the greatest amount of new materials stored in the warehouse longer than five years. FD&C realizes that some of its inventory is obsolete, but it cannot

determine how much of it should be removed until it completes an inventory of its materials (FD&C plans to have the inventory completed in June 2009). While ISS may not have sufficient authority to require service units to control their inventory levels, it does have this authority over its own divisions.

ISS is Still not Processing Excess Computer Equipment Efficiently—ISS weaknesses in processing excess computers which we identified more than two and a half years ago have still not been satisfactorily addressed. We observed hundreds of computers already prepared for donation to the Computers for Learning Program that had been sitting at the warehouse for up to 21 months. In comparison, other agencies generally process excess computer equipment within four months or less. We recommended that ISS 1) develop performance measures for the processing of excess property and 2) determine the feasibility of using an interagency program to dispose of excess computers.

Publishing Office Asked to Make Retention Decisions for Materials Used by Other Offices—The Library is spending almost \$100,000 per year to store publications, some of which have been held for more than ten years with little or no current demand. This has occurred primarily because disposition decisions on excess copies of publications have been improperly assigned to the Publishing Office. While the Publishing Office produced many of the publications, they were produced for other Library offices and officials from those offices, not the Publishing Office, have the required knowledge about the demand for their publications. We recommended that ISS expand its IntelliTrack inventory system to include the Library divisions that have publications that are held at the warehouse.

ISS management generally concurred with the conditions we reported and our recommendations. However, management did not agree with us on the causes and effects for some of the conditions, and with some of our conclusions.

LIBRARY SERVICES
RARE BOOK AND SPECIAL COLLECTIONS DIVISION

RARE BOOK AND SPECIAL COLLECTIONS'
INTERNAL CONTROL REQUIRES IMPROVEMENTS
TO REDUCE THE RISK OF LOSSES

AUDIT REPORT No. 2008-PA-101
MARCH 2009

Over its life, the Library has accumulated a world-renowned collection of rare books and special collections which contains over 800,000 items that document Western and American traditions of life and learning. In addition to its size, the collection's invaluable and, in some cases, irreplaceable contents present Library management with the challenging task of protecting and preserving it from a variety of threats.

We conducted an audit of the security policies and procedures for protecting collection items managed by the Library's Rare Book and Special Collections Division (RBSC). We found that those policies and procedures were well-designed and effectively protecting the collection against some threats. However, we also identified weaknesses in internal control which exposed the collection to certain other threats. Additionally, we determined that the merger of the Library Police and the U.S. Capitol Police (USCP) presents new challenges to Library management with respect to monitoring and safeguarding against after-hours environmental threats to the collection. This report was marked "not for public release," and as a result, certain verbiage from the audit report has been altered or omitted in order to be published in this semiannual report. Our significant findings and recommendations follow.

Library Management Should Improve RBSC Internal Controls to Reduce Exposure to Certain Losses—We found certain vulnerabilities inherent in the process the Library currently employs in the RBSC. Control deficiencies in some areas make the collection vulnerable; these areas were further discussed in the audit report. There is also inadequate segregation of duties for tracking and handling a new acquisition between the time of its receipt and the time of its arrival in Cataloging. Moreover, the Library lacks an independent system for tracking new acquisitions at that stage. This situation is further exacerbated by certain

circumstances in which markings evidencing Library ownership are absent. The existing system of accounting for collection items on loan outside of the division is also inadequate. A new system should be developed which appropriately segregates responsibilities and provides useful reports and effective management oversight for items on loan for extended periods. Additionally, procedures for preparing outgoing RBSC mail are weak and are jeopardizing the collection. New outgoing mail procedures which segregate mail-preparation responsibilities should be documented.

Specially Trained and Vetted Staff Should Patrol the Collections After Hours—A significant result of the impending merger of the Library Police and the USCP is that Library management no longer controls police protection at the Library. The USCP now manages and determines priorities regarding the Library's police protection. As such, after-hours monitoring for environmental threats to the collections (e.g. roof leaks), which had been afforded reliable attention by the Library Police before the merger, may no longer be given consistent police priority. Staffing limitations or other emergencies could now take precedent. Therefore, Library management should work in consultation with USCP leadership to identify those areas where protection of the collection may require special Library coverage and formulate strategies to ensure the Library's mission to preserve and protect the collections is fulfilled.



ABOVE: A SAMPLING OF THE MORE THAN 800,000 ITEMS IN THE RARE BOOK AND SPECIAL COLLECTIONS DIVISION
PHOTO BY CAROL M. HIGHSMITH

Library management substantially agreed with the majority of our findings and recommendations.

LIBRARY SERVICES

TOP TREASURES: SECURITY AND PRESERVATION CONTROLS ARE ADEQUATE, BUT SOME IMPROVEMENTS SHOULD BE MADE

AUDIT REPORT NO. 2008-PA-103
JANUARY 2009

The Library of Congress holds in trust for the American people documents associated with George Washington,



James Madison, Thomas Jefferson, George Mason, Abraham Lincoln, and Christopher Columbus, among others. A select few of the Library's collection items—which if lost or stolen would cause irreparable harm to the cultural heritage of our nation—have been designated as “Top Treasures.” The Library stores its Top Treasures with higher degrees of security and preservation controls than those provided for less valuable items. In this report, we evaluated the physical security and

preservation controls that the Library uses to protect and preserve its Top Treasures. We also examined controls the Library uses to ensure that these items are authentic. Due to the sensitive nature of our findings, this audit report was marked as “not for public release.” Some of the findings and recommendations discussed in this semiannual report have been modified or omitted.

Overall, we determined that the Library's security and preservation controls for safeguarding its Top Treasures were generally adequate and effective, and exceeded corresponding controls applied at other institutions. We also determined that the Library was taking effective steps before acquiring such items to ensure their authenticity, and in maintaining such items in the collections to prevent their theft. However, we believe the Library needs to strengthen its controls for its Top Treasure items to further (1) decrease the risk of their theft, mutilation, and destruction, (2) increase assurance that preservation efforts are effective, and (3) increase assurance that items are authentic.

Overall Security is Effective, but Internal Controls Should be Strengthened to Reduce the Risk of Theft and Mutilation—Four areas came to our attention through this audit in which procedures to strengthen overall security controls for the Top Treasures should be developed or improved. First, Library Services needs to establish criteria which provide a specific definition for Top Treasure collection items and clearly define a process to nominate/transfer collection items to the Top Treasure category. Second, it needs to prohibit certain types of access to these materials. Third, it needs to reevaluate the security clearance designations of the staff members who have authorized vault access and occupy non-sensitive rather than public trust positions. Furthermore, the Library should consider revising its regulations dealing with position sensitivity designations to address more clearly positions providing access to priceless collection items. Finally, Library Services needs to ensure that it maintains accurate access records.

The Library's Preservation of its Top Treasures is World-Class—We determined that the Preservation Directorate effectively (1) established plans to safeguard the Top Treasures during emergencies, (2) ensures that environmental risks to the treasures are reduced to the extent possible, and (3) assesses the effectiveness of its preservation efforts over time. The Image Permanence Institute (IPI) recognizes the Library's work in preserving its Top Treasures as world-class. Similarly, Smithsonian Institution officials consider the Library the industry leader in that regard. We also found that the Library's emergency planning work for the treasures compared favorably to the agencies we used as benchmarks.

Our testing indicated that the Conservation Division was responsibly limiting the treasures' exposure to light. Likewise, the Conservation Division was in the process (about 90% completed at the time of our audit) of preparing very detailed records for every Top Treasure item. Such detailed records will provide a baseline to the directorate to help it assess its preservation efforts.

The Library Needs Controls to Determine Authenticity—
The Library is taking effective steps to establish the authenticity of valuable and rare items before acquiring them and to prevent its Top Treasures from being stolen. However, it does not have sufficient controls to detect certain threats. We recommended that Library Services conduct periodic examination of the Top Treasures to confirm their authenticity.

Management generally agreed with our findings and recommendations.

**LIBRARY OF CONGRESS
FISCAL YEAR 2008 FINANCIAL STATEMENTS**

AUDIT REPORT NO. 2008-FN-101
MARCH 2009

Under contract with our office, Kearney & Company, an independent public accounting firm, audited the Library's Consolidated Balance Sheets as of September 30, 2008 and 2007; the related Consolidated Statements of Net Costs, and Changes in Net Position; and the Combined Statements of Budgetary Resources for the fiscal years then ended. In the auditors' opinion, the financial statements, including the accompanying notes, presented fairly in all material respects, the financial position of the Library and its net costs, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted in the United States.

The auditors also performed tests of compliance with laws and regulations; considered internal controls over financial reporting and compliance; and in a separate report, examined management's assertion about the effectiveness

of internal controls over safeguarding its collections assets. The auditors' findings are summarized below.

Internal Controls Over Financial Reporting—The auditors considered internal controls in planning and performing the audit and as a result identified a significant deficiency. In their report they noted multiple control issues in the Library's current procedures for property and equipment accountability where adjustments were made to account balances without a qualitative assessment of the adjustments' causes. The Library has since implemented new procedures for handling property and equipment.

Compliance and Other Matters—Library management is responsible for complying with applicable laws and regulations. The auditors are responsible for testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements as well as certain other laws and regulations specified in Office of Management and Budget guidance. The auditors found no instances of noncompliance that are required to be reported under Generally Accepted Government Auditing Standards (GAGAS).

Management's Assertion about the Effectiveness of Internal Controls over Safeguarding Collections Assets—In its financial statements, the Library includes a stewardship report on the collections of heritage assets, and an assertion about the effectiveness of corresponding internal controls. Management reported that it could not provide reasonable assurance that the internal control structure over safeguarding collections' assets against unauthorized acquisition, use, or disposition was completely effective, and could not assert that collections' inventory controls were fully implemented during the in-processing and in-storage life cycles. The auditors' examination determined that management's assertions were fairly stated.

**JAMES MADISON COUNCIL FUND
FISCAL YEAR 2008 FINANCIAL STATEMENTS**

AUDIT REPORT No. 2008-FN-101
MARCH 2009

The James Madison Council is an advisory body of public-spirited individuals who contribute ideas, expertise, and financial support to promote the Library's collections and programs. The James Madison Council Fund (Fund) was established in 1989 to encourage contributions not only for current programs, but permanent endowments that will impact the collections and programs in the future.

Under contract with our office, Kearney & Company audited the Fund's FY 2008 financial statements and issued its Independent Auditor's Report. The audit included the Fund's statement of financial position as of September 30, 2008, and the related statements of activities and cash flows. The auditors concluded that the financial statements were presented fairly in all material respects, and in conformity with generally accepted accounting principles. The auditors found no material weaknesses in internal controls over financial reporting, nor any instances of noncompliance with laws and regulations that are required to be reported under GAGAS.

For both the Library of Congress and Fund financial statement audits, we performed the following steps to ensure the quality of Kearney & Company's work:

- reviewed the auditor's approach and planning of the audits,
- reviewed significant workpapers,
- evaluated the qualifications and independence of the auditors,
- monitored the progress of the audits at key points,
- coordinated meetings with Library management to discuss progress, findings, and recommendations,
- performed other procedures we deemed necessary, and
- reviewed and accepted Kearney and Company's report.



INVESTIGATIONS

During the reporting period we opened 40 investigations and closed 65. We referred two cases to the U.S. Attorney's Office; one was accepted, and one declined. We forwarded seven cases to Library management for administrative action. Case and Hotline activity are detailed below:

TABLE 1: INVESTIGATION CASE ACTIVITY

	CRIMINAL/CIVIL	ADMINISTRATIVE	TOTAL
From Prior Reporting Period	14	38	52
Opened	23	17	40
Closed	21	44	65
.....			
End of Period	16	11	27

TABLE 2: HOTLINE ACTIVITY

	COUNT
Allegations received	1
Referred to management for action	-
Opened as investigations	1
Closed with no action	-

SIGNIFICANT CRIMINAL AND ADMINISTRATIVE INVESTIGATIONS

UNAUTHORIZED REMOVAL OF BOOKS

Library staff reported that an individual had taken two 1920s reference books from a Library reading room without authorization and had signed a call slip identifying himself only as “staff.” We determined from the reading room video that the individual had displayed the books to staff as he left but they were distracted and failed to notice him. The video from the building exit inspection point showed the individual offering the books for inspection to a USCP officer who appeared to be texting as he waived the individual on. We identified the individual removing the items as a new congressional employee who stated that he did not know that reference books were not to be removed.

We provided video of the officer to his supervisor for appropriate action. We also provided video of the reading room staff to management to improve staff awareness and conducted recurrent collection security training jointly with the Office of Security and Emergency Preparedness for all staff in the division where the reading room is located.

EMBEZZLEMENT

We received an allegation that a cashier in the Library’s Retail Marketing Office Store was stealing cash. Our investigation confirmed that the employee was stealing cash from the register by creating fraudulent refund transactions and taking the proceeds. The employee confessed to investigators when presented with video evidence of the crime.

During this reporting period, the subject of the investigation pled guilty and was sentenced to 12 months of probation, ordered to pay a \$1,000 fine, and ordered to make \$2,184 of restitution to the Library of Congress. This Library currently has a pending adverse action for removal of this employee.

EMBEZZLEMENT

During the investigation of embezzlement from the Library’s Retail Marketing Office Store discussed in the previous paragraph, a second subject was identified. Our investigation revealed that this employee was stealing cash from the register by not ringing up some of the sales in the register and taking the proceeds for personal use.

During this reporting period, this subject pled guilty and was sentenced to 30 months of probation, ordered to pay a \$1,000 fine, and ordered to make \$2,000 of restitution to the Library of Congress. The employee voluntarily retired prior to an adverse action.

IDENTITY THEFT

We received an allegation from a Library of Congress employee who was the victim of identity theft. Our investigation revealed that the employee’s personal identifying information was used multiple times for fraudulent credit applications from a computer at a residence in Maryland.

We obtained and served a search warrant on the residence where the fraudulent credit applications were originating and seized a significant amount of evidence. A criminal records check indicated that the subject of the investigation had previously been charged with identity theft.

We submitted an affidavit for an arrest warrant but subsequently withdrew it after our agents lost their ability to carry firearms. We have since been coordinating the case with the Assistant U.S. Attorney’s Office and have been working towards having the U.S. Postal Inspection Service and U.S. Secret Service continue the investigation.

COMPUTER SECURITY INCIDENT

The Library's Integrated Technology Services Security Operations Center reported that an organization had placed the entire inventory of Congressional Research Service (CRS) reports for Congress online at a public Web site, thereby providing direct public access to more than 6,700 CRS products that were not intended for public release. We conducted preliminary interviews and determined that the security breach might have been attributable to a hacker or to a Library or Congressional employee who exceeded their authority to release the reports. We referred this case to the FBI in March 2009 after our special agents lost their authority to carry firearms. The FBI has not yet advised us if they will pursue this investigation.

INADEQUATE CASH HANDLING PROCEDURES

While investigating a suspected employee theft allegation, we found inadequate cash handling practices that we addressed to senior management via a Management Impact Alert. The most serious finding was management's failure to comply with the requirements of the U.S. Treasury Financial Manual regarding cash management and timeliness of deposits when they allowed \$47,000 in cash receipts from Library photocopy machines to remain in a safe for several months. Many employees had access to the safe without adequate oversight. The theft allegation remains unresolved because the division has no practical method of determining how much cash employees have collected from photocopy machines.

FOLLOW-UP ON INVESTIGATIVE ISSUES FROM PRIOR SEMIANNUAL REPORTS

IDENTITY THEFT

As we previously reported, an investigation into the theft of 10 employees' identities revealed that a Library employee was selling personally identifiable information to an individual outside the Library for use in criminal activities. This activity resulted in a cost of about \$83,000 to the Library for credit monitoring services and approximately \$120,000 in fraud-related losses to local businesses.

During this reporting period, we arrested the non-Library subject of investigation on a four-count federal indictment for conspiracy, wire fraud, aggravated identity theft, and first degree fraud. The subject pled guilty and is awaiting sentencing.

The Library employee, who had resigned immediately after we executed a search warrant on his residence, was charged in a one-count Information filing for his role in the identity theft scheme and has subsequently pled guilty to conspiracy to commit wire fraud. As part of the plea agreement, the subject faces a possible penalty of 15 to 33 months of incarceration as well as any fines decided by the court.

CHILD PORNOGRAPHY

The subject of a prior investigation, a Library employee who plead guilty to possession of more than 300 computer files containing child pornography, was sentenced on April 21, 2009 to one year and one day in prison and 96 months of supervised probation.

FACING PAGE: CLOSEUP OF A MOSAIC OF MINERVA, GODDESS OF WISDOM AND MYTHOLOGICAL PROTECTOR OF THE ARTS AND SCIENCES, BY ELIHU VEDDER. STAIRCASE LEADING TO THE VISITORS' GALLERY OVERLOOKING THE MAIN READING ROOM, THOMAS JEFFERSON BUILDING



UNIMPLEMENTED RECOMMENDATIONS

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

SUBJECT	REPORT NO. AND ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATIONS
Office of the Chief Financial Officer (OCFO)				
Performance-Based Budgeting	2004-FN-501 September 2006	Strategic Planning Office/ Budget Office	IV	Coordinate more closely the Workforce Transformation and Workforce Performance efforts—The Library continues to move forward on implementing performance management goals in its service/support units. Some areas are now applying annual performance goals down to the employee level. Human Resources Services (HRS) will pilot the ePerformance module of the EmpowHR system to automate the performance management process this year.
Disbursing Office Controls	2007-PA-103 September 2008	Disbursing Office	II.a	Revise Financial Services Directive 05-02—A new directive has been drafted defining deposit requirements including time frames for movement of receipts from originating departments. The draft directive is under review and targeted for implementation before FY 2009.
Disbursing Office Controls	2007-PA-103 September 2008	Disbursing Office	II.d	Pursue development of an automated interface for transmitting electronic payments—The Chief Financial Officer (CFO) is still researching with the Momentum (the Library's financial system) vendor options for developing an automated interface.
Disbursing Office Controls	2007-PA-103 September 2008	Disbursing Office	IV-1	Seek the funding necessary to ensure backup power is available at the alternate facility—The Library determined that a backup power source would be cost-prohibitive, and is instead planning to relocate the site to a facility which already has backup power.
Office of Security and Emergency Preparedness (OSEP)				
Emergency Preparedness Program	2005-PA-104 March 2006	OSEP	III	Develop or obtain a threat/risk assessment—OSEP is determining the Library's vulnerabilities in coordination with all Library units and will coordinate the risk assessment with the U.S. Capitol Police.
Copyright Office (COP)				
Conditions in the Processing of Copyright Claims	September 2008	COP	3	Determine the specialist staffing level needed over the next few years to process incoming, and eliminate the backlog of unprocessed, claims—When the mix of weekly receipts stabilizes Copyright will determine the optimal staffing level in the Registration and Recordation Program and begin moving staff from the front-end operation to the back-end operation.

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

SUBJECT	REPORT NO. AND ISSUE DATE	OFFICE	REC. No.	SUMMARY AND STATUS OF RECOMMENDATIONS
Human Resources Services (HRS)				
The Library's Human Resources Policies	2005-AT-902 March 2007	Human Resources Services	II.c	Establish a supervisor's manual—HRS completed the draft Supervisor's Manual and is circulating it to the Operations Committee for comments. Target date for completion and Library-wide distribution is April 2009.
Library Services (LS)				
Utilization of Reading Rooms	2003-PA-104 March 2004	Library Services	II.1	Develop a decision model for determining reading room space requirements—Library Services is collecting data through the end of the fiscal year. OIG Note: This recommendation has been open since 2004, and we urge the Library to promptly take action.
Utilization of Reading Rooms	2003-PA-104 March 2004	Library Services	II.2	Use the decision model to make decisions about reading room, office space, and storage requirements—Library Services states that it is still not clear whether more reading rooms in the Jefferson Building may be repurposed. Further, it states that it needs more information about possible space reprogramming to implement an effective decision model. OIG Note: As with the previous recommendation, this one has been open for more than four years. We urge the Library to promptly take action.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	III.1	Develop and communicate to recommending officers criteria for recommending activities—Library Services will determine in FY 2009 how to implement consistent standards, taking into account the recommendations of the strategic working group.
Office of Strategic Initiatives (OSI)				
Long-Distance Telephone Service	2007-CA-101 March 2008	Information Technology Services	I	Compare the cost of alternative service providers to find the best value to the Library—OCGM negotiated improved long-distance pricing for FY 2009. Additional price reviews will be done to include alternative providers for the FY 2010 service contract.
Long-Distance Telephone Service	2007-CA-101 March 2008	Information Technology Services	II	ITS should: 1) develop and implement written procedures to guide and control the long-distance bill review and 2) explore acquiring a new automated system to provide more effective accounting for the Library's telephone calls—ITS is in the process of developing standard written procedures to guide and control the long-distance review and payment approval process; in lieu of acquiring a new automated call accounting system, ITS upgraded its existing system.

UNIMPLEMENTED RECOMMENDATIONS

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

SUBJECT	REPORT NO. AND ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATIONS
Integrated Support Services (ISS)				
Facilities Design & Construction	2006-PA-107 September 2007	Integrated Support Services	II.1	Place a priority on completing the Project Delivery Manual—Completion of a draft is scheduled for April 2009.
Facilities Design & Construction	2006-PA-107 September 2007	Integrated Support Services	II.5	Implement post occupancy evaluations to assess the outcome of its design efforts—ISS completed the post occupancy evaluation survey project and plans to begin issuing it during the second half of FY 2009.
Facilities Design & Construction	2006-PA-107 September 2007	Integrated Support Services	V. 1	Establish goals for the completion of the FAST service requests, by type of request—ISS is developing a work order subsystem for its FAST system to implement goals for service requests by type. The new subsystem is scheduled for completion in the 3rd quarter of FY 2009.
Facilities Design & Construction	2006-PA-107 September 2007	Integrated Support Services	V. 2	Create a “triage” system to reorder and allocate resources based on its current workload and resource balance—ISS is purchasing a pilot subscription to “Tririga Project,” a Web-based project management tool to enable FD&C to identify project resource allocations and reorder as necessary. FD&C expects to test the system during the 4th quarter of FY 2009.
Facilities Design & Construction	2006-PA-107 September 2007	Integrated Support Services	V. 3	Establish timeframes for the completion of various project types—FD&C will establish timeframes of various projects after it finalizes its Project Delivery Manual.
Requirements Analysis for the Proposed Fort Meade Logistics Center	2006-SP-802 March 2008	Integrated Support Services	I	Critically analyze its strategy for providing storage space for materials in order to determine the best storage strategy for various types of materials—Beginning in May 2009, Logistics Services plans to visit each service/support unit that is storing material in the warehouse to determine candidates for disposal and to strategize on how to reduce inefficient storage of material.
Requirements Analysis for the Proposed Fort Meade Logistics Center	2006-SP-802 March 2008	Integrated Support Services	III	Reevaluate three questionable surge allowances—In May 2009, ISS will meet with each service/support unit that is storing material in the warehouse to discuss materials held at Landover. Based on the results of these meetings, ISS will revise the surge requirements by August 30, 2009.
Requirements Analysis for the Proposed Fort Meade Logistics Center	2006-SP-802 March 2008	Integrated Support Services	IV	Recalculate the growth factor starting from a “clean” baseline and consider leasing storage space on an as-needed basis to accommodate potential growth in storage requirements—Logistics Services will evaluate the growth factors after it completes its meetings with the service/support units in May 2009. ISS/Facility Services is working with the Architect of the Capitol to evaluate various occupancy scenarios, including commercial lease alternatives.

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

SUBJECT	REPORT NO. AND ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATIONS
Mail Handling and Its Effects On Collections and Security	2007-PA-104 September 2008	Integrated Support Services	I.b	Work with other Library managers to improve instructions for mailing documents to the Library and determine if alternate packaging might reduce damage to mailed items—ISS is piloting a Web site revision that will include shipping and packaging recommendations for reducing damage from the mail screening process.
Federal Employees' Compensation Act Program	2008-PA-102 September 2008	Health Services Office	II	Consider implementing an automated system that includes components for tracking Federal Employees' Compensation Act claims and alerting ISS of upcoming reporting deadlines—Due to budget constraints in FY 2009, ISS has deferred this purchase to later in the fiscal year, depending on the availability of funds.
Federal Employees' Compensation Act Program	2008-PA-102 September 2008	Health Services Office	IV	Revise Library of Congress Regulation (LCR) 2018-5 as a priority—A draft LCR is ready for review.

Office of the Librarian

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—The Acting Director of the Office of Opportunity, Inclusiveness, and Compliance (OIC) has implemented this recommendation but it has not yet been formally documented in an LCR.
Equal Employment Opportunity Complaints Office	2001-PA-104 February 2003	Office of Opportunity, Inclusiveness, and Compliance	I	Evaluate and revise LCR 2010-3.1—As soon as the reorganized OIC is staffed, the LCR will be rewritten to include this change.
Office of Contracts—Service Remains Less Than Satisfactory	2007-PA-102 September 2007	Office of Contracts	IV	Continue coordinating with the CFO to identify opportunities for modifying/improving Momentum—Office of Contracts and Grants Management (OCGM) has engaged the assistance of the CFO, ITS, the Momentum contractor, and an ITS contractor to improve contract functionality and workflow.
Office of Contracts—Service Remains Less Than Satisfactory	2007-PA-102 September 2007	Office of Contracts	V	Establish and issue policy that officially implements details of the Office of Management and Budget's acquisition training policy—OCGM conducted a training needs assessment for its staff in March 2009. It is analyzing the data and developing a plan of action.
Lack of Compliance with Library Contracting Policy is Widespread	2008-SP-101 March 2008	Office of Contracts	Non Compliance Reason 4	The Library's general lack of compliance with certain Federal Acquisition Regulation (FAR) requirements may be due in part to uncertainty regarding whether it is Library policy to implement those requirements—OCGM is working with the Office of General Counsel and the CFO to review and eliminate uncertainties between the Library's contracting policies and the FAR.

UNIMPLEMENTED RECOMMENDATIONS

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

SUBJECT	REPORT NO. AND ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATIONS
Raiser's Edge Software Program	2006-IT-302 December 2007	Development Office	I	For the Raiser's Edge System, the Development Office should: 1) document its access control policy, and 2) revise password access to comply with Information Technology Security Directive 02 requirements—These required a software upgrade, which is now being tested.
Raiser's Edge Software Program	2006-IT-302 December 2007	Development Office	II	The Director of The Development Office should ensure that the Raiser's Edge system undergoes Certification and Accreditation (C&A)—The process has started; ITS is currently conducting the security review.
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—These required a software upgrade, which is now being tested.
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	II.1	The Library should assess its diversity program annually using the EEOC's MD-715 criteria and develop a plan to achieve essential elements in the model—This recommendation will be implemented in the long term as the Library acquires enough data to perform annual assessments.
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	II.2	The Library should give a copy of the current EEO policy statement to HRS to be included in all new employee orientation packets—The Acting Director is in the process of rewriting the EEO policy regulation.
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	II.3	The Library should develop a tracking system that will notify the OIC when an employee is promoted to a supervisor and then disseminate the EEO policy statement to the newly appointed supervisors on an ongoing basis—The Acting Director has developed the requirements document for a tracking system and plans to submit a request for proposal (RFP) in May, 2009 to purchase an off-the-shelf tracking system.
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—The Acting Director has developed the requirements document for a tracking system, and plans to submit a RFP in May 2009 to purchase an off-the-shelf tracking system.

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

SUBJECT	REPORT NO. AND ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATIONS
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	II.6	Develop means to conduct an in-depth analysis of the separations to identify trends that will assist management in determining reasons behind separation rates of minorities and females—The Acting Director has taken steps to acquire a tracking system which will provide the raw data needed for this analysis, and in addition, has proposed an analyst position in OIC to conduct the analyses. As with many other recommendations for this office, it will be implemented in the long term, as sufficient data is collected.
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 Acting Director believes that data acquired through a tracking system will enable OIC to identify barriers and allow the office to better improve access.
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	II.8	Convene a Hispanic Employment Work Group to develop sound strategies to improve Hispanic representation—The Acting Director is working on implementing the recommendation.
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	II.9	Conduct exit interviews to determine why staff leave and identify employee perceptions about organizational commitment to diversity—HRS has developed a survey instrument that seeks to identify the reasons why staff leave and plans to implement it by July 2009.
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	III	Identify the critical senior level and management positions and focus training, career development, and mentoring programs—The Library is currently developing a program, to be announced during FY 2010.
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 Acting Director is working on implementing the recommendation.

IMPLEMENTED RECOMMENDATIONS

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

SUBJECT	REPORT NO. AND ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATIONS AND ACTIONS
Integrated Support Services (ISS)				
Federal Employees' Compensation Act Program	2008-PA-102 September 2008	Health Services Office	I.1	Refer to the General Counsel supervisors who compromise the program by not signing claim forms or interfere with employees submitting claims—Written procedures now document the process for referring violators and imposing fines and penalties for delaying the process.
Federal Employees' Compensation Act Program	2008-PA-102 September 2008	Health Services Office	1.2	Offer supervisory training so that supervisors gain an understanding of their role in the process—Supervisory training is available.
Federal Employees' Compensation Act Program	2008-PA-102 September 2008	Health Services Office	1.3	Fully explain the workers' compensation program and its process to employees—Enhanced communication and notification procedures have been implemented to apprise employees of their rights and to request assistance in identifying delays.
Federal Employees' Compensation Act Program	2008-PA-102 September 2008	Health Services Office	III	Discuss with HRS the data needed on separated employees—The Chief Medical Officer is working with ITS to retrieve and download data into its system for employees who have separated, retired, or transferred from the Library. Also, the ISS Automation Office has been entering this data from paper records.
Facilities Design & Construction	2006-PA-107 September 2007	Integrated Support Services	I.1	Collect the information needed to effectively forecast the staffing resources required by FD&C—The forecasting information was collected and staffing forecasts completed.
Mail Handling and Its Effects on Collections and Security	2007-PA-104 September 2008	Integrated Support Services	I.a	Assess the long-term effects of irradiation on collection items—The Preservation Directorate Research and Testing division tests all materials that are procured for preservation use to make sure they meet rigorous Library standards for performance and durability.
Mail Handling and Its Effects on Collections and Security	2007-PA-104 September 2008	Integrated Support Services	I.c	Consider pursuing an exemption from the irradiation process for Copyright's incoming mail or design procedures for incoming items to take advantage of existing irradiation process exceptions—The Library has been advised by Congress that an exemption for Copyright will not be allowed, therefore, we are closing this recommendation.
Mail Handling and Its Effects on Collections and Security	2007-PA-104 September 2008	Integrated Support Services	II	Review current mail handling procedures and revise them as necessary to close existing security gaps—ISS research indicated all mail processed by the Postal Service addressed to all Library of Congress locations is subjected to bio-detection screening.

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

SUBJECT	REPORT NO. AND ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATIONS AND ACTIONS
Mail Handling and Its Effects on Collections and Security	2007-PA-104 September 2008	Integrated Support Services	III	Enforce the mail service contract requirement for statistical data on mail service performance and collect, analyze, and centralize data that tracks mail service performance—ISS monitors all mail and distribution statistics that are required to be provided to the Library and is in contact with the House of Representatives for the off-site mail processing center to receive any statistics affecting the Library.
Library Services (LS)				
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	II.3	Review the collections policy statements at least once every five years—Updated versions of approximately 75 collections policy statements have been placed on-line for general staff review.
Collections Acquisitions Strategy	2006-PA-104 December 2006	Library Services	IV.2	Consider creating a full-time Digital Subscription Manager—Library Services has assigned this duty to a position which already handles electronic resources acquisitions and processing matters.
Office of Strategic Initiatives (OSI)				
Financial Management Policies of the NDIIPP ¹	2006-PA-105 March 2007	NDIIPP	I	More effective procedures to monitor costs are needed—OSI hired personnel to monitor and conduct oversight of cooperative grant agreements and revised financial monitoring procedures for those agreements.
Financial Management Policies of the NDIIPP	2006-PA-105 March 2007	NDIIPP	II	Improve oversight of NDIIPP partners' matching requirements—OSI hired personnel to monitor and conduct oversight of cooperative grant agreements and revised financial monitoring procedures for those agreements.
Financial Management Policies of the NDIIPP	2006-PA-105 March 2007	NDIIPP	III	Formalize and fully implement NDIIPP draft procedures—OSI hired personnel to monitor and conduct oversight of cooperative grant agreements and revised financial monitoring procedures for those agreements.
Copyright Office (COP)				
Conditions in the Processing of Copyright Claims	September 2008	COP		Enhance incentives offered to the public to reduce the volume of paper claims that are submitted for processing and to stop the growth of the backlog of claims—Copyright submitted to Congress a new fee schedule that provides enhancements for electronic filing and requirements for deposit account holders to file electronically.
Conditions in the Processing of Copyright Claims	September 2008	COP		Promptly fill the office's 10 vacant Specialist positions to process copyright claims—The positions have been filled.

¹ National Digital Information Infrastructure & Preservation Program

IMPLEMENTED RECOMMENDATIONS

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

SUBJECT	REPORT NO. AND ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATIONS AND ACTIONS
Office of the Librarian				
Succession Planning	2004-PA-105 March 2005	Office of the Librarian	I.1	Mandate a Library-wide succession planning program that endows HRS with a strong leadership role—The final version of the succession plan was posted on the Library's intranet in April 2009.
Office of Contracts	2007-PA-102 September 2007	Office of the Librarian	III	Establish and issue the procurement policy and procedures manual referred to in LCR 2110—OCGM implemented its "Contracts Operating Manual" as of December 31, 2008.
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness, and Compliance	II.4	The Library should develop a detailed program for managers and supervisors based on the MD-715—The OIC will provide under-representation data and information to managers and supervisors as a means to share relevant MD-715 data.
Office of the Chief Financial Officer (OCFO)				
Disbursing Office Controls	2007-PA-103 September 2008	Disbursing Office	I	Redesign the Momentum workflow process for Copyright deposit account activity to designate a Copyright official to approve its deposit transactions—The workflow process has been redesigned and Copyright now reviews and approves its deposits.
Disbursing Office Controls	2007-PA-103 September 2008	Disbursing Office	II.b	Improve internal controls over data entry to the Momentum vendor master file (VMF)—Internal controls have been revised to assure adequate segregation of duties for entry of VMF data.
Disbursing Office Controls	2007-PA-103 September 2008	Disbursing Office	II.c	Track usage of the check signing machine and revise procedures for receiving check stock—The Disbursing Office is now tracking, recording, and reconciling check writing machine usage. OCFO revised procedures for receiving and controlling the new check stock to prevent unauthorized access.
Disbursing Office Controls	2007-PA-103 September 2008	Disbursing Office	II.e	Determine whether background investigations were conducted for the Disbursing Officer and staff member—Background investigations were completed and placed in employees' personnel files.
Disbursing Office Controls	2007-PA-103 September 2008	Disbursing Office	III-1	Determine whether a method for automatically voiding a payment cancellation can be incorporated into Momentum—An automated method could not be devised to void cancelled payments; however, OCFO has implemented enhanced procedures for reviewing these transactions.
Disbursing Office Controls	2007-PA-103 September 2008	Disbursing Office	III-2	Review and revise procedures for tracking, correcting, and writing off rejected vendor payments to expedite their resolution—Procedures have been revised for tracking, correcting, and writing off rejected vendor payments.
Disbursing Office Controls	2007-PA-103 September 2008	Disbursing Office	IV-2	Designate backup staff and enhance supplies for the Continuity of Operations Program site—Staff has been assigned the recommended backup duties and supplies have been enhanced as recommended.

FACING PAGE: MOSAIC OF THE GODDESS MINERVA, STAIRCASE LEADING TO THE VISITORS' GALLERY OVERLOOKING THE MAIN READING ROOM, THOMAS JEFFERSON BUILDING
PHOTO BY MICHAEL DERSIN



FUNDS QUESTIONED OR PUT TO BETTER USE

TABLE 4: AUDITS WITH RECOMMENDATIONS FOR BETTER USE OF FUNDS

REPORTS...	NUMBER	VALUE
...for which no management decision was made by the start of the period:	-	-
...issued during the period:	-	-
Subtotal	-	-
...for which a management decision was made during the reporting period:		
value of recommendations agreed to by management	5	\$1M*
value of recommendations not agreed to by management	-	-
...for which no management decision was made by the end of the reporting period:	-	-
...for which no management decision was made within six months of issuance:	-	-

TABLE 5: AUDITS WITH QUESTIONED COSTS

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

*Estimated funds to be put to better use resulting from storing less inventory at the Landover warehouse over a five-year period. Because the Library is short on storage space, it is likely that the space vacated by unnecessary inventory would be used by other items. Therefore, this amount represents the opportunity cost of improperly used storage space, as opposed to actual savings.

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.

FOLLOW-UP ON PRIOR PERIOD RECOMMENDATIONS

In this semiannual period, we asked management to provide us with actions taken on all open recommendations. Comments on the status of open recommendations appear in table 3A, and recommendations implemented during the period appear in table 3B. Unless otherwise noted, comments in tables 3A and 3B represent management's statements as to actions taken; however, we regularly conduct in-depth follow-ups and verify the implementation of certain critical recommendations.

SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREES

MISUSE OF TIME AND COMPUTER

We determined that a GS-15 Congressional Research Service (CRS) employee was spending a significant portion of the work day accessing internet Web sites not related to work. The employee spent a substantial amount of time accessing personal email and instant messaging applications, as well as sites devoted to gaming, real estate, shopping, entertainment, and tabloid news.

CRS management responded to our investigative report by discounting the calculations of time the employee spent on the internet, stating that a significant portion of the employee's internet time could be construed as work-related, although we could discern no business reason to visit many of the Web sites noted in the logs. CRS management did, however, state that the employee was counseled regarding his behavior.

The OIG disagrees with CRS management concerning their interpretation of the employee's internet usage. We believe disciplinary action was warranted in this case.

OTHER ACTIVITIES

INSPECTOR GENERAL REFORM ACT OF 2008

The Inspector General Reform Act of 2008 (Public Law 110-409) (Act) was enacted into law on October 14, 2008. It amends the Inspector General Act of 1978 and enhances the independence of Inspectors General (IG) in a number of ways. However, most of the provisions do not apply to the legislative branch.

Section 4 of the Act establishes the pay of Presidentially appointed, Senate confirmed (PASC), IGs at Executive Schedule III plus three percent, and that of Designated Federal Entity (DFE) IGs (which include the smaller executive branch agency IGs) at no less than the average pay (including bonuses) of that entity's senior level executives. With respect to legislative branch IGs, the Act states only that, "Nothing in this section shall have the effect of reducing the rate of pay" of these IGs. On the other hand, the prohibition on cash awards or bonuses in Section 5 of the Act does not apply to legislative branch IGs.

Section 7 of the Act establishes the Council of the Inspectors General on Integrity and Efficiency (CIGIE) to coordinate the plans and activities of the various OIGs, develop training policies, maintain a Web site, and make reports to Congress. The section provides that the Library of Congress OIG is a member of this Council. However, as with the case of other legislative branch OIGs, the Library OIG participates in the plans, programs, and projects of the Council "only to the extent requested by the member and approved by the Executive chairperson and chairperson" of the CIGIE. Such participation may include participation in training programs as well as use of the Integrity Committee, which will review and investigate meritorious allegations against Inspectors General or other senior OIG staff members designated by the IG.

Section 9, which applies to our office, expands the list of information that may be obtained by subpoena to specifically include electronic data and "any tangible thing."

Section 12, which also applies to our office, amends Section 5 of the IG Act of 1978 relating to IG semiannual reporting,

in various places, by inserting "inspection reports, and evaluation reports" in addition to the previous language which referred only to audit and investigation reports.

Other highlights of the Act, which apply to executive branch agencies, are the following:

Section 2, which provides that PASC IGs and DFE IGs shall be appointed without regard to political affiliation and solely on the basis of merit;

Section 3, which requires that notice of the transfer or removal of an IG must be provided to both houses of Congress no less than 30 days before the action;

Section 6, which provides that each PASC IG will obtain legal advice from a counsel reporting directly to the IG or to another IG;

Section 7, which requires executive branch members to provide funding for CIGIE operations;

Section 8, which requires the Office of Management and Budget to include in the President's budget submission the amount requested by the President for each IG, for training, for support of the CIGIE, and, if an IG determines that the budget submitted by the President would substantially inhibit his or her mission performance, any comments by the affected IG;

Sections 10, which allows DFE IGs to apply for statutory law enforcement authority;

Section 11, which allows DFE IGs to participate in the Program Fraud Civil Remedies Act;

Section 13, which requires agencies to have a direct link to IG Web sites on their home pages and requires IGs to post reports and audits on their Web sites within 3 days of the date they become publicly available; and

Section 14, which defines IGs as separate agencies with functions, powers, and duties of the agency head for certain personnel authorities.

FACING PAGE: THE CEILING DISC IN THE NORTHWEST PAVILION OF THE THOMAS JEFFERSON BUILDING IS TITLED "AMBITION" AND DEPICTS THE RIDER OF A WINGED HORSE GRASPING THE PALM OF ACHIEVEMENT WHILE COMPETITORS REACH OUT EMPTY-HANDED
PHOTO BY CAROL M. HIGHSMITH

OIG LOSES AUTHORITY TO CARRY FIREARMS

The FY 2009 Omnibus Legislative Branch Appropriations Act prohibits the Library's OIG from using 2009 funds "to purchase, maintain, or carry any firearm."

The impact of this restriction is to impede the ability of our special agents to fully investigate certain types of crimes and causes us to have to curtail some ongoing investigations. Because of this restriction, our investigators have lost the ability to maintain a firearms certification. As a result, they will not be able to renew their special deputation from the U.S. Marshals Service. Lacking deputation, they will be unable to obtain or execute search and arrest warrants which are necessary to fully develop many types of criminal cases. For example, we are now unable to properly investigate identity theft cases like our 2008 case that claimed 10 Library employee victims; this case required that search and arrest warrants be obtained and executed on multiple suspects. Weapons are needed for agents' personal safety, as they cannot go into a dangerous environment for interviews, surveillance, or to serve warrants unarmed.



REVIEW OF LEGISLATION AND REGULATIONS

TABLE 6: REVIEW OF LIBRARY OF CONGRESS REGULATIONS

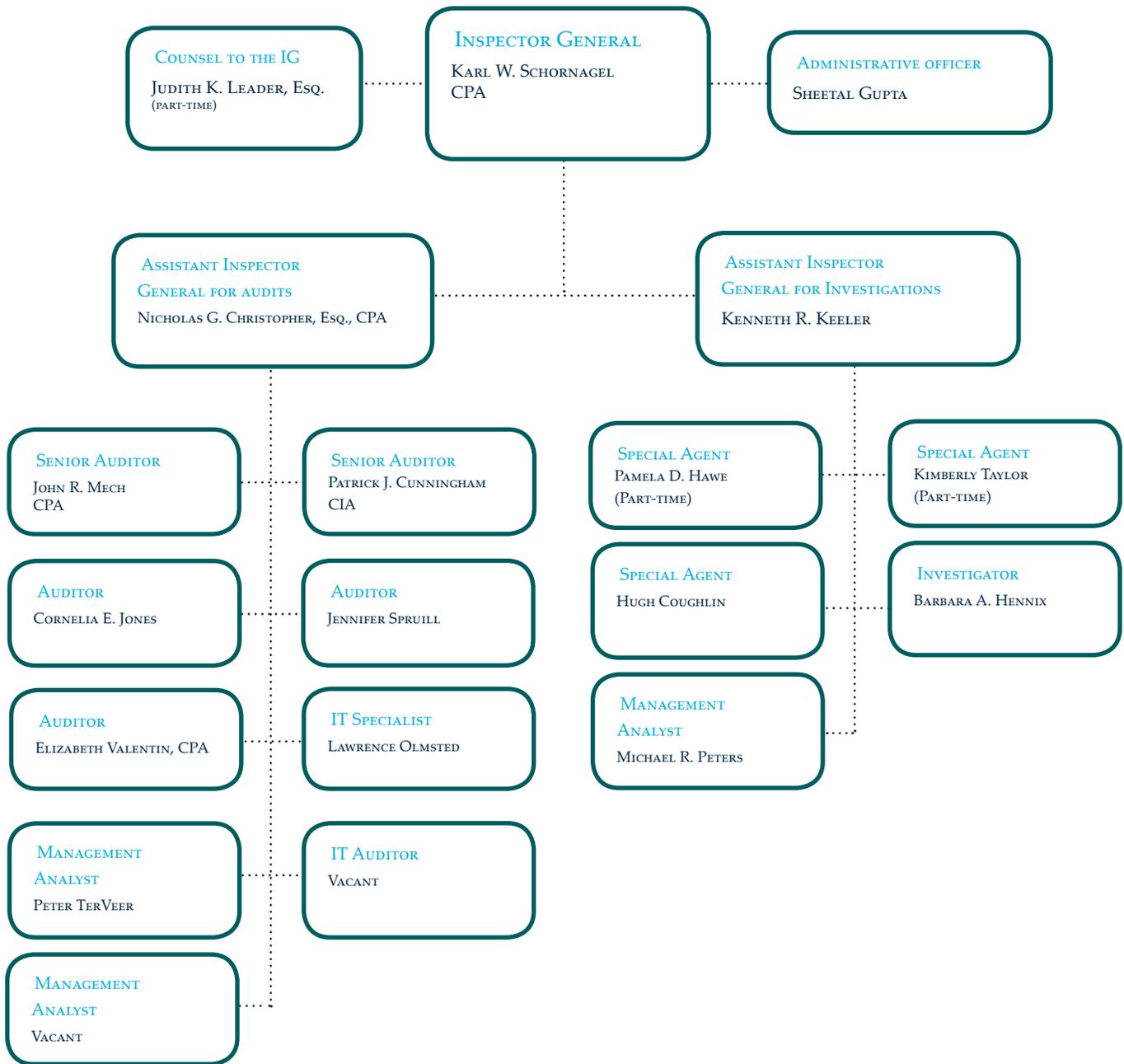
LCR REVIEWED	COMMENTS BY THE OFFICE OF THE INSPECTOR GENERAL
LCR 211-5 Functions and Organization of the Office of the Chief Financial Officer	We made some comments to help clarify the intent of this proposed LCR.
LCR 1911 Safeguarding of Classified Information	We made some comments to help clarify the intent of this proposed LCR.
LCR 1921 Protection and Disclosure of Personally Identifiable Information	We made several recommendations that brought more specificity to the proposed LCR.
LCR 2025-8 Policies, Procedures, and Remedies to Implement the Americans with Disabilities Act	We made some comments to help clarify the intent of this proposed LCR and also the role of the OIG with respect to access to information.

FACING PAGE: THE PAVILION OF ARTS AND SCIENCES IS LOCATED IN THE NORTHEAST CORNER OF THE THOMAS JEFFERSON BUILDING. THIS PHOTO SHOWS TWO OF THE FOUR LUNETTES BY WILLIAM DE LEFTWICH DODGE, SEPARATED BY A BAS-RELIEF, AND GOLD LEAF CEILING DISCS PHOTO BY MICHAEL DERSIN





ORGANIZATIONAL CHART



FACING PAGE: STUCCO DESIGN ON THE BARREL-VAULTED CEILING OF THE NORTHWEST GALLERY REPRESENTING THE CONGRESSIONAL LIBRARY WITH THE INITIALS "C.L." THOMAS JEFFERSON BUILDING PHOTO BY CAROL M. HIGHSMITH

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**Any information you provide will be held in confidence.
However, providing your name and a means of communicating
with you may enhance our ability to investigate.**



LIBRARY OF
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