

Semiannual Report to the
CONGRESS

October 1, 2010 - March 31, 2011



OFFICE OF THE INSPECTOR GENERAL
LIBRARY OF CONGRESS



The entrance pavilion of the Library of Congress Thomas Jefferson Building features three massive archways and a portico supported by a row of twin columns. The shaft of each column is made from a single, granite block. Busts of great writers and thinkers are visible in the circular windows in the background.

ABOVE: THE LIBRARY OF CONGRESS, THOMAS JEFFERSON BUILDING. DESCRIPTION FROM *THE LIBRARY OF CONGRESS, AMERICA'S TREASURE HOUSE, A BOOK OF POSTCARDS*. PHOTOGRAPH BY MICHAEL DERSIN.

COVER DESIGN: JENNIFER R. BOSCH, OFFICE OF THE INSPECTOR GENERAL.



LIBRARY OF CONGRESS

March 31, 2011

A MESSAGE FROM THE INSPECTOR GENERAL

In the last six months, we prepared reports on the management of a multi-sector workforce; Library Services' planning, budgeting, and performance assessment methodology; the Law Library's security procedures over rare books; close-outs of three cooperative agreements under the National Digital Information Infrastructure and Preservation Program (NDIIPP); improper payments; and surveys of 'cloud computing' and the Library's policies and procedures for ensuring personnel security. We also reported on the Library and Madison Council's fiscal year (FY) 2010 financial statements. During this period, investigations focused on a distributed denial of service attack on one of the Library's Web servers, problems from a migration to a new email service, pirated DVDs and Talking Books, pornography and other misuse of computers, conflicts of interest, and other matters.

In the next six months, we will report on in-progress reviews of how well the Library finds material requested by researchers, management of the Talking Books and surplus books programs, the Library's telecommuting program, in-depth follow-up reviews of IT Strategic Planning and the Library's Office of Workforce Diversity (now the Office of Opportunity, Inclusiveness and Compliance), a quantitative assessment of the Music Division's collections, the Open World Leadership Center's FY 2010 financial statements, improper payments, an investigation of apparent contractor overcharges; and several other topics.

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

Our publicly released 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



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IN SUMMARY . . .

AUDITS, SURVEYS, AND REVIEWS

In this semiannual period the Office of the Inspector General (OIG) reviewed Library Services' (LS) performance-based budgeting framework. We found LS far ahead of other service units in making the important connections between results-oriented program planning and budgetary resources.

We also addressed concerns over the Law Library's (LL) security controls for rare items and the possible lack of secure storage for some of the rare materials. We noted a lack of vault space, the opportunity for improvement in the accountability of rare items, and reviewed the background investigation techniques for employees who handle these materials.

Additionally, we conducted a high-level survey of 'cloud-computing' and its applicability to the Library's environment. We urged the Library to explore additional venues for increasing the use of cloud-computing and we anticipate future reviews of this topic.

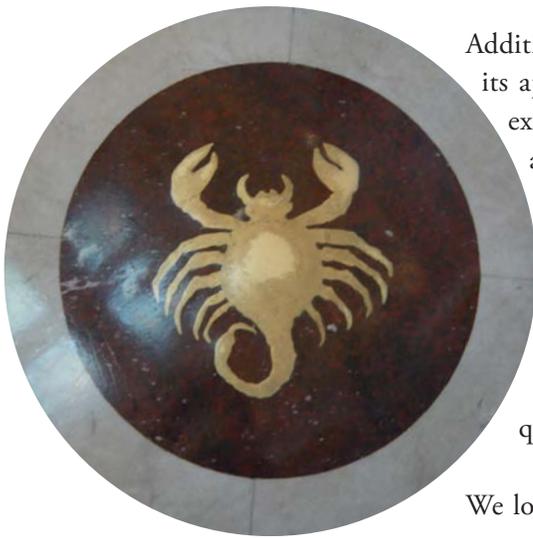
In our review of the Library's mix of workforce, we focused on the processes used to determine whether to hire contract personnel or federal government employees for needed services. We concluded that the Library does not currently utilize a Library-wide set of procedures for this determination and that the Library can improve the quality of data collected on its overall workforce.

We looked at the Library's personnel security and suitability programs to ensure that the Personnel Security Office (PSO) was following procedures for positions that require access to classified or valuable information. We also considered whether a public trust designation was appropriate for these employees. Our review indicated that the PSO was successfully managing background investigations for Library personnel and that the PSO supplied adequate protection for the personal information it collected and maintained.

Also in this period, we evaluated the Library's exposure to improper payments. We concluded that the Library's internal controls designed to prevent and detect improper payments were adequate.

Finally, we contracted with an independent public accounting firm to obtain audit opinions on the FY 2010 Financial Statements of the Library and the James Madison Council, and to audit the cooperative agreements between the Library and the Universities of California, North Carolina State, and Maryland.

These and other audits, surveys, and reviews are discussed further beginning on page 9.



ABOVE: GREAT HALL, DETAIL OF ZODIAC INLAID FLOOR DESIGN, SYMBOL FOR SCORPIO. PHOTOGRAPH BY JENNIFER R. BOSCH, 2011.

RIGHT: GREAT HALL, COMMEMORATIVE ARCH INSCRIBED WITH THE ACTS INCORPORATING THE LIBRARY AND THE NAMES OF KEY INDIVIDUALS INVOLVED IN CONSTRUCTING THE THOMAS JEFFERSON BUILDING. PHOTOGRAPH BY CAROL HIGHSMITH, 2007.

INVESTIGATIONS

OIG investigators worked with the Federal Bureau of Investigation (FBI) and others on two copyright-related cases. One involved a distributed denial of service (DDOS) attack on the server hosting the Copyright Office's Web site that disrupted the processing of electronic copyright applications and other services. The other case involved the illegal sale of pirated DVD movies on Library premises. We also investigated the illegal sale of Talking Books pirated from those produced by the National Library Service for the Blind and Physically Handicapped (NLS).

We investigated two related cases of potential conflict of interest and misuse of Library equipment and time. In the first case, an employee gave preferential treatment to Library vendors in return for discounts relating to the employee's personal affairs. In the other case, a supervisor spent official time conducting a personal business on a government computer.

Investigators found Library reading room computers being used to access pornography; one by a U.S. Capitol Police (USCP) employee, one by a Library contractor's employee, and another by a patron. In another case, that the Library settled without consulting us, we investigated a Library manager who made improper and unprofessional use of a Library computer.

We also investigated allegations of problems with the Library's migration to a new email service and circumstances surrounding the arrest of a Library employee on drug related charges.

These and other cases are discussed further beginning on page 23.



OTHER ACTIVITIES

The OIG responded to a recurring biannual request from Senators Grassley and Coburn for reporting agency interference with OIG activities. Although there were no issues to report in this semiannual reporting period, the OIG responded to a follow-up inquiry from Senator Grassley based on the prior semiannual period.

We wrote two memorandums and held discussions with the Librarian and the U.S. Capitol Police (USCP) about sharing information, collections security, and employee rights. We also reviewed a report from Library Services on digital reference services and offered two suggestions concerning the collection and reporting methodology for digital reference transactions and consideration for consolidating service resources.

The Inspector General served on a panel at the forum *Protecting Our National Treasures: The Impact and Prevention of Archival Theft*, sponsored by the National Archives and Records Administration.

Finally, the OIG conducted a peer review during this semiannual period of the Government Printing Office Inspector General's audit operations.

These activities are discussed further beginning on page 31.





THE HISTORY OF THE WORLD

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.

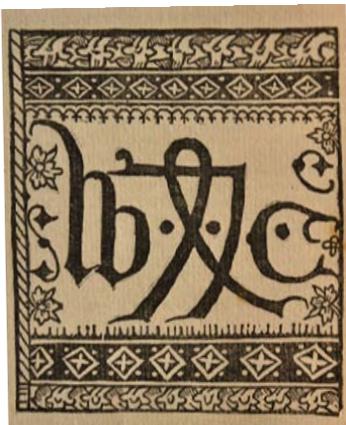
Founded in 1800, the Library of Congress is also the nation's oldest federal cultural institution, holding more than 147 million items on 838 miles of shelves. These items include books, manuscripts, maps, prints and photographs, printed music, sound recordings, films, and microforms. Half of the Library's 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 20 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, and
- The Office of Strategic Initiatives

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.



ABOVE: PRINTER'S MARK OF WILLIAM CAXTON FROM AN 1897 LIBRARY OF CONGRESS GUIDEBOOK.

PHOTOGRAPH BY JENNIFER R. BOSCH, 2011.

RIGHT: GREAT HALL, SECOND FLOOR CORRIDOR, PRINTER'S MARKS OF WILLIAM CAXTON AND RICHARD GRAFTON.

PHOTOGRAPH BY CAROL HIGHSMITH, 2007.

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.

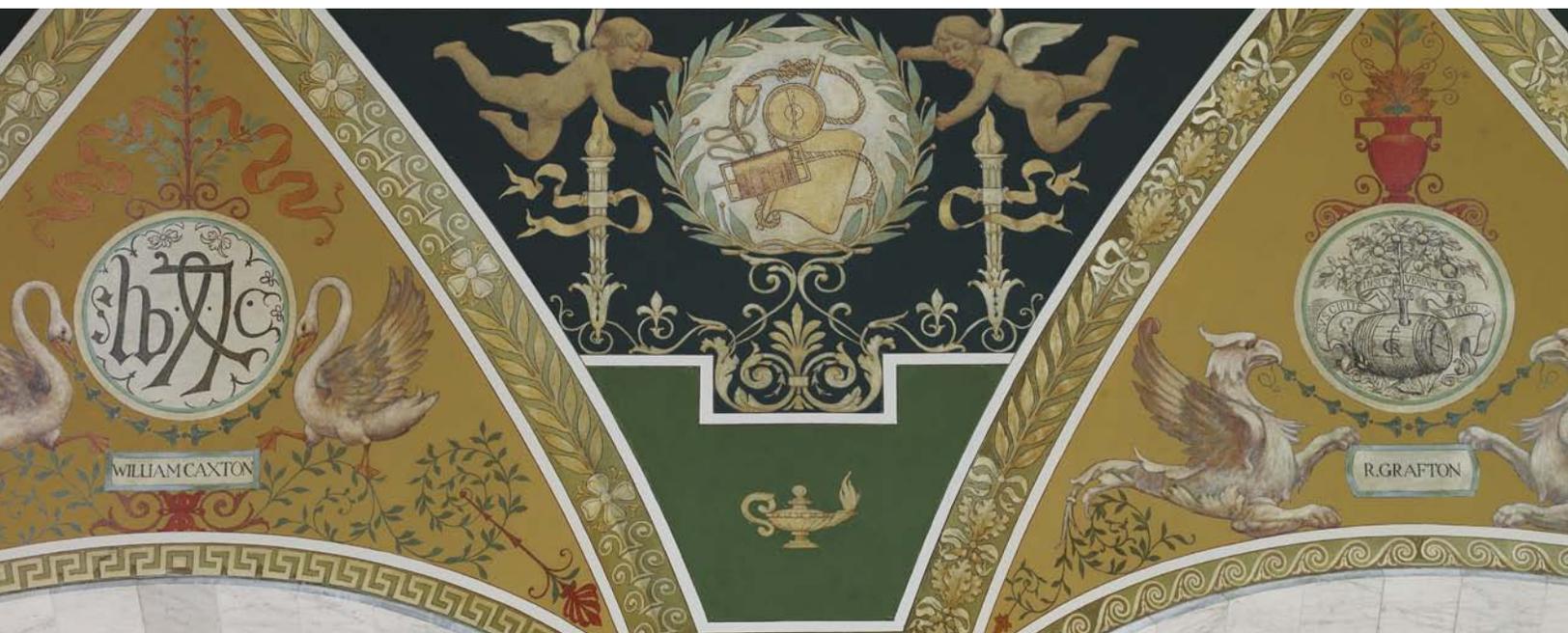
The Law Library assists Congress and the legislative process by supporting comprehensive research on foreign, comparative, international, and U.S. law and other legal reference services.

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.

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 22,000 items daily and adding more than 10,000 items daily to its collections,
- Preparing 1,405 legal research reports for Congress and other agencies, and
- Providing to Congress access to over 6,600 reports on legislative issues and preparing over 3,600 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.



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 (CIGIE), a unified council of all federal statutory Inspectors General, and serves on the council's investigations committee.

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.

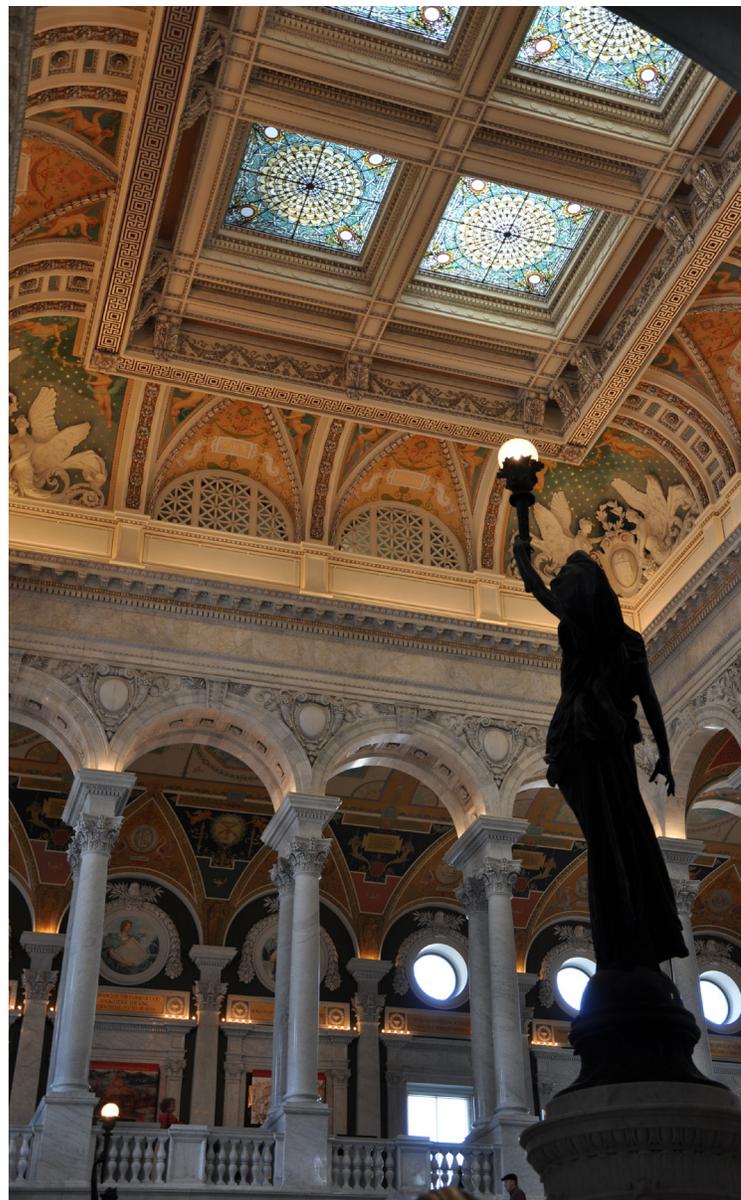
Audits are in-depth reviews that address the efficiency, effectiveness, and economy of the Library’s programs, activities, and functions; provide information to responsible parties to improve public accountability; facilitate oversight and decision-making; and initiate corrective action as needed.

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, a Master of Library Science, and other highly qualified staff.

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



ABOVE: GREAT HALL, FEMALE BRONZE STATUE HOLDING TORCH ON NEWEL POST IN FOREGROUND. PHOTOGRAPH BY JENNIFER R. BOSCH, 2011.

AUDITS, SURVEYS, AND REVIEWS

LIBRARY SERVICES

[WORKING TOWARD THE SPIRIT OF GPRA-LIBRARY SERVICES: COMMENDABLE PROGRESS WITH ROOM FOR IMPROVEMENT](#)

AUDIT REPORT No. 2010-PA-107
JANUARY 2011

Congress enacted the Government Performance and Results Act (GPRA) in 1993 to improve the management of the federal government. The basic premise of GPRA was to tie funding to program performance. Initially, the act only applied to executive branch agencies, but Congress subsequently directed legislative branch agencies to comply with the spirit of the act and embrace its performance management principles.

Our office previously released two reports on the Library's development of its performance management methodology. They were the first in a series and focused on the development of Library-wide policies and procedures. This report addressed the Library's largest service unit, Library Services (LS) compliance with those Library-wide performance management policies and procedures.

We found that LS has made good progress in complying with the Library's performance management framework. It also has gone further by linking its strategic plan to its annual performance goals, budgetary resources, and staffing and presented it in a document titled *FY 2009 Performance Budget*. We found this document far ahead of what we encountered in other service and support units in linking results oriented program planning and budgetary resources.

Even though we found a sound performance management framework, LS management needs to improve the validity of its performance data to ensure it is reliable for decision-making purposes. The following comments address those concerns:

LS Should Use Consistent Terminology—The terminology in various documents differ. For example, key terms used in the *FY 2009 Performance Budget* differ from those used in eLCplans, the Library's electronic performance management package. As a result, users may find it difficult to obtain a complete understanding of LS' performance activities. We believe that presenting performance information with consistent terminology across platforms will enhance the value of LS' performance management activities. To





assure consistency and prevent confusion, we recommended that LS management prepare documents succeeding the *FY 2009 Performance Budget* in a format and with terminology consistent with eLCplans.

LS Management Should Improve the Quality of

Performance Target Data—Office of the Chief Financial Officer (OCFO) Directive 08-09, *Strategic and Annual Program Performance Planning* and Library of Congress Regulation 1511, *Planning, Budgeting, and Program Performance Assessment*, place responsibility on service and support units to ensure that valid and verifiable data is used in performance assessments. LS' performance data showed a high ratio of output-related performance strategies and targets, indicating their program was not fully aligned with GPRA's outcome-oriented focus on results.

Additionally, there was an absence of data to support color ratings and invalid data was used to support green ratings (i.e., “fully achieved”) for performance targets. LS should create outcome-oriented performance targets to align its program with GPRA and implement an internal control system that ensures valid and verifiable program performance data. These findings parallel Library-wide audit findings from our previous performance-based budgeting audit reports.

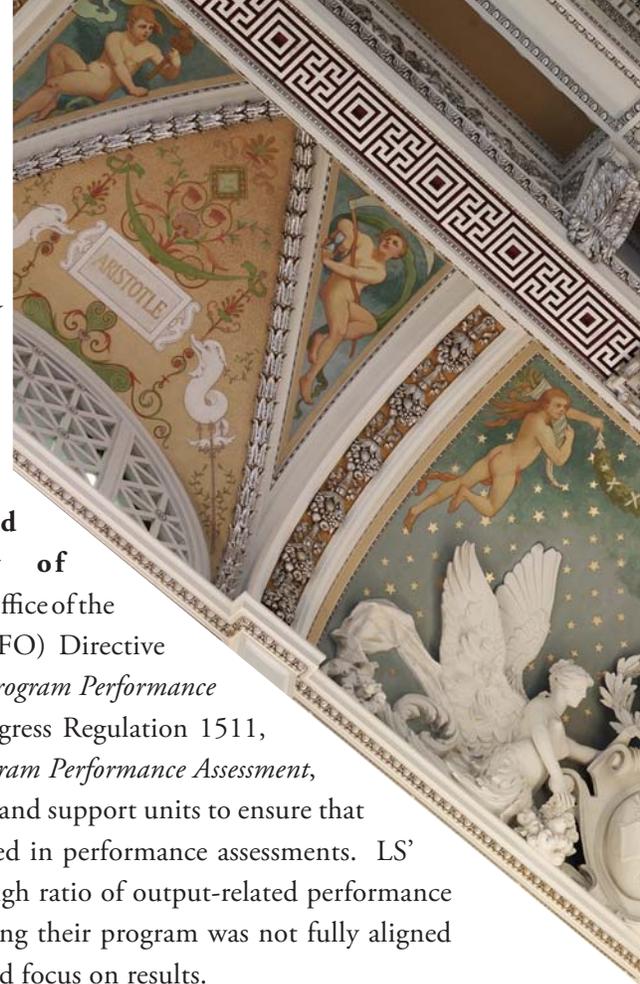
Management concurred with our recommendations.

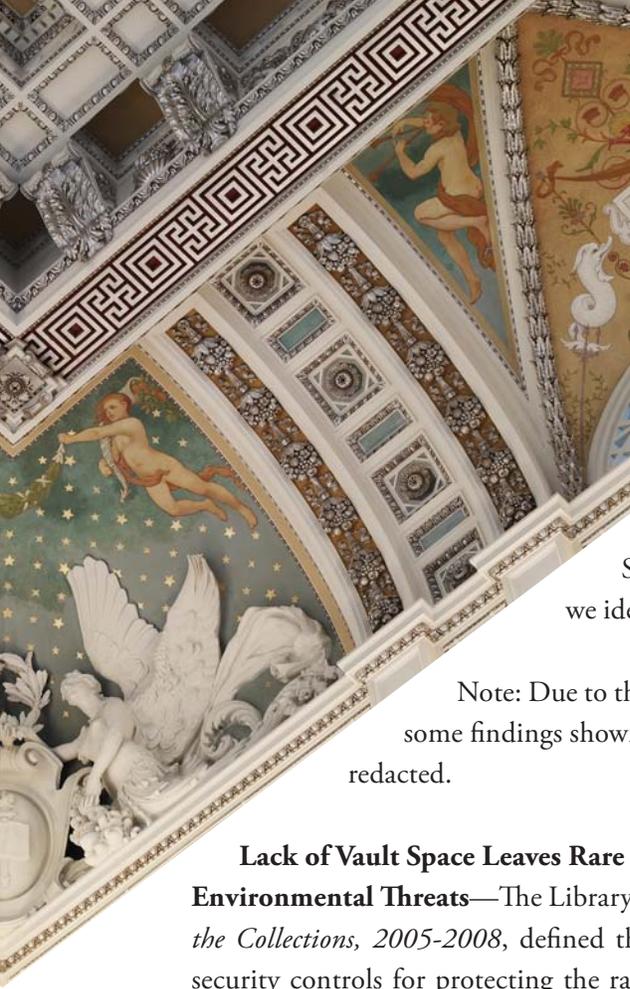
LAW LIBRARY

IMPROVEMENTS NEEDED TO SECURE AND PRESERVE RARE LIBRARY COLLECTION MATERIALS

ATTESTATION REPORT No. 2010-AT-102
JANUARY 2011

The Library of Congress Law Library (LL) provides legal research material to the Congress and is the de facto national law library with a collection of almost 3 million items, including 60,000 rare items. We conducted the audit due to concerns over security controls for those rare items, as well as concerns over the possible lack of secure storage for some of the rare items. Although the LL maintains a vault,





there is some overflow of rare material housed elsewhere. The Architect of the Capitol (AOC) requested funding for construction of a second vault along with other secure facilities in FY 2008, 2009 and 2010. To date, Congress has not approved the requests. Summaries of significant issues we identified during our audit follow.

Note: Due to the sensitive nature of our report, some findings shown here may have been altered or redacted.

Lack of Vault Space Leaves Rare Items Vulnerable to Theft and Environmental Threats—The Library’s *Strategic Plan for Safeguarding the Collections, 2005-2008*, defined the Library’s minimum physical security controls for protecting the rare and valuable materials in its custody. We found that the LL was storing approximately 37,000 rare items in stacks with non-rare items because space was not available in the vault. Doing so left those rare items vulnerable to theft and environmental damage because they were not afforded the required level of security and environmental control. In the absence of funding for a second vault, we recommended that the LL attempt to ensure all rare materials are isolated from the non-rare materials, and are provided the maximum practical physical security and environmental controls that are specified in the *Strategic Plan for Safeguarding the Collections, 2005-2008*.

The Library Needs to Improve Accountability for Rare Materials—While it is important for the Library to create and maintain complete records of rare collection items to account for them when they temporarily leave the organization’s custody, it is equally important to be able to prove the Library’s ownership of the rare collection items. At the time of our audit, there was no assurance that the Library would be able to prove ownership of all rare materials because it does not mark all rare items to evidence ownership. We recommended that the Library consult with the Preservation Directorate about the use of high-resolution photography or other means to prove Library ownership of its rare materials.

Employees with Rare Vault Access Need Additional Background Investigations—Conducting background checks on employees who are required to handle sensitive data or valuable assets is a basic element of personnel security. Requiring LL staff with vault access to obtain a public trust security designation can further improve controls. At the time of our fieldwork, this was not a Library requirement. However, the Library is currently revising its regulations to define public trust positions as those with “...regular access to or responsibility for safeguarding or controlling collections material of significant historical, cultural, or monetary value...” We recommended that LL management take the necessary action, in coordination with the Library’s Personnel Security Office (PSO), to have the positions of the employees who have access to rare LL materials designated as public trust positions.

Management concurred with our recommendations.

LIBRARY-WIDE

CLOUD COMPUTING SURVEY OCTOBER 2010

We conducted a high-level survey of ‘cloud computing,’ a technology that uses remote computers to provide various services to local users through the Internet. We reviewed its applicability to the Library environment, and the current state of the Library’s information technology infrastructure with respect to cloud computing. The potential benefits of cloud computing include significant cost and energy savings by reducing the need to make expensive investments in technology while increasing the efficiency of computing resources at the Library.

Under the National Digital Information Infrastructure and Preservation Program, the Library entered a one-year pilot program with a nonprofit organization to test cloud technologies to enable perpetual access to digital content. We urged the Library to further investigate other avenues through which it can take advantage of cloud



CENTER: GREAT HALL, DETAIL OF PAIRED SCULPTURES OF MINERVA OF PEACE AND MINERVA OF WAR. PHOTOGRAPH BY CAROL HIGSMITH, 2007.

computing to gain increased efficiencies. After further federal guidance on implementing cloud computing is created, we will conduct a review of the Library's consideration and application of cloud computing.

LIBRARY-WIDE

[THE LIBRARY NEEDS BETTER DATA AND GUIDANCE TO MORE EFFECTIVELY SELECT ITS MIX OF WORKFORCE](#)

AUDIT REPORT No. 2010-PA-105
MARCH 2011

Like other federal agencies, the Library of Congress relies on a workforce that includes federal employees and private sector contractors to carry out its mission. Its objectives in doing so are to maintain cost-effective operations, state-of-the-art operational practices, institutional knowledge, and organizational control.

Our report provided the results of an audit we performed on the process the Library uses to determine whether contractor personnel or federal government employees should perform needed services. Our objectives were to 1) identify and evaluate the specific procedures that the Library uses in making its personnel determination decisions, 2)

evaluate the quality of data that the Library collects and maintains to analyze its total workforce needs, and 3) assess the impact of information regarding Library personnel who may be incorrectly classified as contractors.

We determined that:

- The Library does not have an agency-wide procedure for determining whether to perform a function with federal employees or contractors,
- The quality of contractor data that the Library collects and maintains needs to be improved and should be part of its total workforce data used for human capital planning, and
- The Library may have unpaid federal withholding tax liabilities related to work performed by misclassified contractors.

Further details on our audit results follow.



The Library Needs a Structured Procedure for Determining Whether to Perform Functions with Federal Employees or Contractors

—The Library does not have a structured assessment procedure to help its service units determine whether contractor personnel or federal employees are best suited to perform various services. Executive branch agencies follow a structured process to make these determinations, but as a legislative branch agency, the Library is not required to follow this guidance. Two cost comparisons we performed revealed that in two instances, the Library spent less on contractors than federal employees. Absent a structured process, however, there is no assurance that the Library will choose the best value in future cases, based on cost and other relevant factors. We recommended that the Library establish a procedure that provides an organized method for implementing elements of best practice guidance in personnel-determination decision-making.

The Library Needs to Consider Contractors in its Human Capital Planning

—The Library does not maintain collective data representing the total composition of its workforce, including contractors. As a result, a complete and accurate picture of the Library’s human capital status is unavailable. Without such information, it may not be possible for the Library to perform effective analyses regarding existing workforce challenges or to develop meaningful strategies to address its future personnel needs. We recommended that the Library collect and maintain data on the skills and labor categories of the Library’s contractor workforce.

The Library Needs to Determine if its Independent Contractors are Correctly Classified

—The Library may have unpaid federal withholding tax liabilities if any of its nonpersonal services contractors are performing work that qualifies them as an employee from an Internal Revenue Service (IRS) perspective. This possibility likely would not have arisen if the Library had a structured framework that incorporated IRS guidelines on factors for determining a worker’s employment classification. We recommended that the Office of Contracts and Grants Management promptly identify nonpersonal services contracts in which employer-employee relationships may have been established between the Library and the contractor personnel and, for such cases, determine 1) in consultation with the Office of the General Counsel (OGC) whether the contracts should be terminated, and 2) in consultation with the OGC whether the Library has any unpaid withholding tax liabilities related to contractor



ABOVE: DETAIL OF SCULPTED WREATH SURROUNDING THE LAMP OF LEARNING, SECOND FLOOR CORRIDOR, THOMAS JEFFERSON BUILDING. PHOTOGRAPH BY CAROL HIGHSMITH, 2007.

personnel determined to be “employees.” Subsequent to our audit, the OGC informed us that a review of contractors found none that were misclassified.

Management concurred with our recommendations.

OFFICE OF SECURITY AND EMERGENCY PREPAREDNESS

[SURVEY OF THE PERSONNEL SECURITY OFFICE’S POLICIES AND PROCEDURES](#)

AUDIT SURVEY REPORT NO. 2011-PA-102
MARCH 2011

The Library of Congress Personnel Security Office (PSO) is responsible for managing the Library’s personnel security and suitability programs, including the initiation of required background investigations of staff, contractors, and volunteers. We conducted a survey to evaluate various aspects of these programs. Specifically, we sought to determine whether 1) the PSO properly followed Library procedures in identifying positions that require access to classified information, 2) Library positions, with access to valuable Library collections, are assigned, at minimum, the public trust designation, 3) the PSO was satisfactorily managing investigative case files for Library personnel, and 4) the PSO provides appropriate protection for the personal information it collects and maintains.

Based on our survey, we concluded that the PSO was satisfactorily managing the Library’s personnel security and suitability program and that further review was unnecessary. Summaries of the survey work that we performed are provided in the following paragraphs.

The PSO Determines Security Clearance Eligibility According to Federal Requirements—The PSO follows federal requirements when determining an employee’s security clearance eligibility. As part of our survey, we reviewed the investigative files of 15 Library employees who held a security clearance to determine whether they satisfied the eligibility requirements for such a designation. Our review concluded that all 15 satisfied the eligibility requirements for a security clearance.

The PSO is Revising Library Regulations to Address Designations of Staff Positions Providing Access to Valuable Collection Items—Our testing confirmed a condition we identified through prior audit work. Specifically, some positions in the Library which have access to valuable collections are designated the lowest, nonsensitive level.

These nonsensitive level positions require less stringent background investigations than those designated as public trust, sensitive, or national security. Our prior reports recommended that individuals with access to valuable collection items be subject to more stringent background investigations to reduce the risk to the collections.

We found that the PSO is making satisfactory progress in addressing this risk. The PSO is currently 1) drafting a policy revision to clarify the Library's definition of public trust positions, 2) planning necessary changes to ensure Library positions which have access to valuable collection items are assigned, at minimum, a public trust designation, and 3) planning to request the Office of Personnel Management (OPM) to reinvestigate the backgrounds of those employees which the PSO re-designates to ensure they are suitable for their positions.

The PSO Complies with OPM Minimum Investigation Requirements—Library regulations require the PSO to conduct no less than the minimum investigation requirements prescribed by OPM. We tested the PSO's compliance with those requirements and concluded that the PSO was satisfactorily complying with the minimum investigation requirements as prescribed.

The PSO has Adequate Controls to Safeguard Personal Information—The PSO relies heavily on personal information provided by individuals to assess their suitability for Library employment. We reviewed key controls the PSO had in place to properly protect the personal information it collects and maintains. Based on our review of key physical safeguards and personnel procedures that the PSO has in place, we concluded that the office provides adequate protection for the personal information it collects and maintains.

LIBRARY-WIDE

[IMPROPER PAYMENTS REVIEW](#)

REVIEW REPORT NO. 2010-AT-103

MARCH 2011

For years, news reports have cultivated public scorn with stories of excessive improper payments by federal agencies for everything from \$500 hammers to space ship lavatory facilities. Today, attention to federal agency control over improper payments has increased due to the country's dire fiscal conditions and the need to rein in all unnecessary federal spending.

In an effort to evaluate the Library's exposure to improper payments and to assist Library management in detecting and preventing them, the OIG implemented a program of ongoing limited reviews to detect improper payments at the Library. This was the first in a planned series of those reviews.

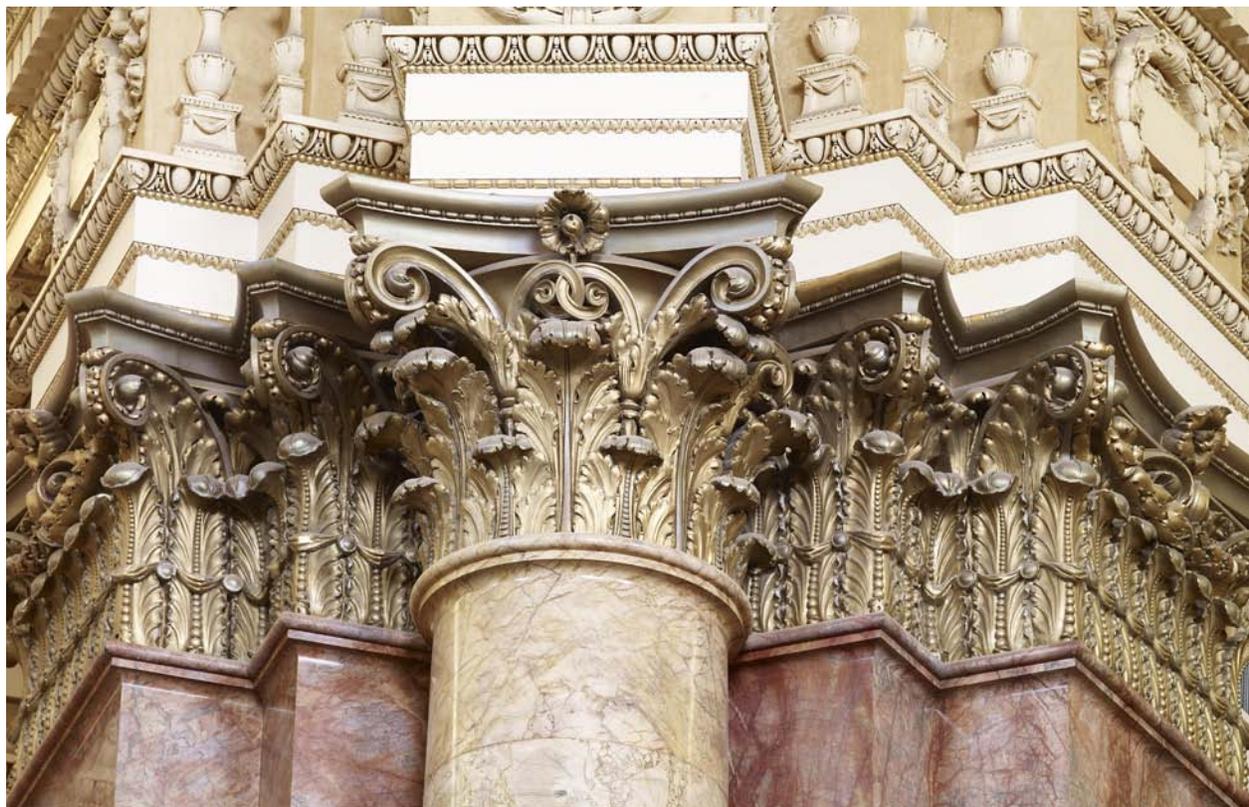
Improper payments are generally defined as payments that should not have been made or were made in incorrect amounts. Any payment an agency makes to an ineligible recipient or for an ineligible service, duplicate payment, payment for services not received, and payment in an incorrect amount meets the 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.

Our analysis focused on FY 2010 disbursements to ascertain whether the Library made any duplicate payments. Two duplicate payments were found in the amount of \$1,628 and \$1,030. At the time we identified these payments, we determined that program officials had already detected the improper payments and were in the process of pursuing the erroneous transactions. We concluded that the Library's internal controls for preventing and detecting duplicate payments were operating effectively.

Despite these results, the Library cannot rely on prior internal control compliance to assure that future disbursement activity does not result in improper payments. Given the importance of improper payment control in today's fiscal environment, our office plans to conduct

ongoing limited reviews of improper payments and intends to expand the scope of the transactions examined.

BELOW: MAIN READING ROOM, DETAIL OF CAPITALS OF ENGAGED COLUMNS. PHOTOGRAPH BY CAROL HIGHSMITH, 2007.





BENEATH
THE RULE OF
MEN ENTIRELY
GREAT THE PEN
IS MIGHTIER
THAN THE
SWORD

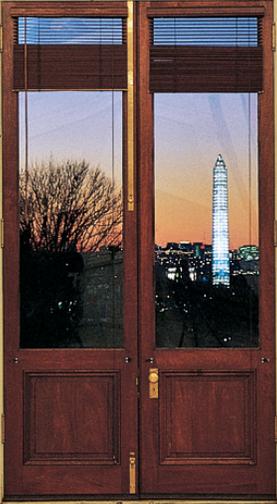
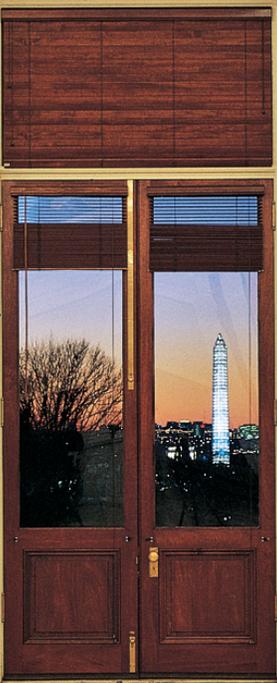
MAN
RAISES BY
TIME WEIGHS

THE
NOBLEST MOTIVE
IS THE PUBLIC GOOD

PRUDENCE

ONLY THE ACTIONS OF THE JUST
SMELL SWEET AND BLOSSOM IN THE DUST

TEMPERANCE



NATIONAL DIGITAL INFORMATION INFRASTRUCTURE AND PRESERVATION PROGRAM

COOPERATIVE AGREEMENT WITH NORTH CAROLINA STATE UNIVERSITY, UNIVERSITY OF CALIFORNIA - SANTA BARBARA, AND UNIVERSITY OF MARYLAND

AUDIT REPORT No. 2010-FN-101
DECEMBER 2010

The Library's National Digital Information Infrastructure and Preservation Program (NDIIPP) was created by special legislation in December 2000 in recognition of the importance of preserving digital content for future generations. Since then, the Library has recruited more than 185 digital preservation partners in more than 44 states and 25 nations.

Our office contracted with the independent public accounting firm Kearney & Company (Kearney) to perform audits of the NDIIPP cooperative agreements with North Carolina State University (NCSU), University of California - Santa Barbara (UCSB), and University of Maryland (UMD) to determine compliance with relevant federal and university guidance and the terms of the agreements. Specifically, Kearney evaluated the design and operating effectiveness of internal controls, assessed expenditures for grant compliance, and assessed the accuracy and validity of reporting to the Library. These three cooperative agreements which were entered into in September 2004 have since been completed and are now closed.

The scope of the audits included obtaining an understanding of the policies, requirements, and processes of selected risk areas to identify key internal controls. During the audits, Kearney applied internal control compliance and substantive testing procedures to the selected risk areas for expenses reported to the Library through December 31, 2009 for NCSU and UCSB, and March 31, 2010 for UMD.

Kearney found that internal controls were designed effectively, grant expenditures were in compliance with grant terms and conditions, and quarterly and annual reporting was accurate, valid, and in accordance with the Cooperative Agreements, except for certain administrative items which did not affect the audit opinions as a whole.



ABOVE: POMPEIAN PANEL DEPICTING TEMPERANCE.
PHOTOGRAPH BY SARAH E. SULLIVAN, 2011.

RIGHT: BUST OF DANTE, EXTERIOR OF THE THOMAS JEFFERSON BUILDING.
PHOTOGRAPH BY JENNIFER R. BOSCH, 2011.

In connection with the audits, we reviewed Kearney's reports and related documentation and inquired of its representatives. Our review disclosed that in all material respects, the audits complied with generally accepted government auditing standards.

LIBRARY OF CONGRESS **FISCAL YEAR 2010 FINANCIAL STATEMENTS**

AUDIT REPORT NO. 2010-FN-101
MARCH 2011

Under contract with our office, Kearney audited the Library's Consolidated Balance Sheets as of September 30, 2010 and 2009; 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 auditor's opinion, the financial statements, including the accompanying notes, presented fairly, in all material respects, the financial position of the Library and its net costs, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In planning and performing the audit, the auditors considered and tested for compliance of internal controls over financial reporting and compliance with laws and regulations where noncompliance would have a direct and material effect on the financial statements. The auditors noted no matters involving internal control and its operations that they considered material weaknesses or significant deficiencies. They also found no instances of noncompliance with laws and regulations or other matters requiring reporting under generally accepted government auditing standards.

JAMES MADISON COUNCIL FUND **FISCAL YEAR 2010 FINANCIAL STATEMENTS**

AUDIT REPORT NO. 2010-FN-101
MARCH 2011

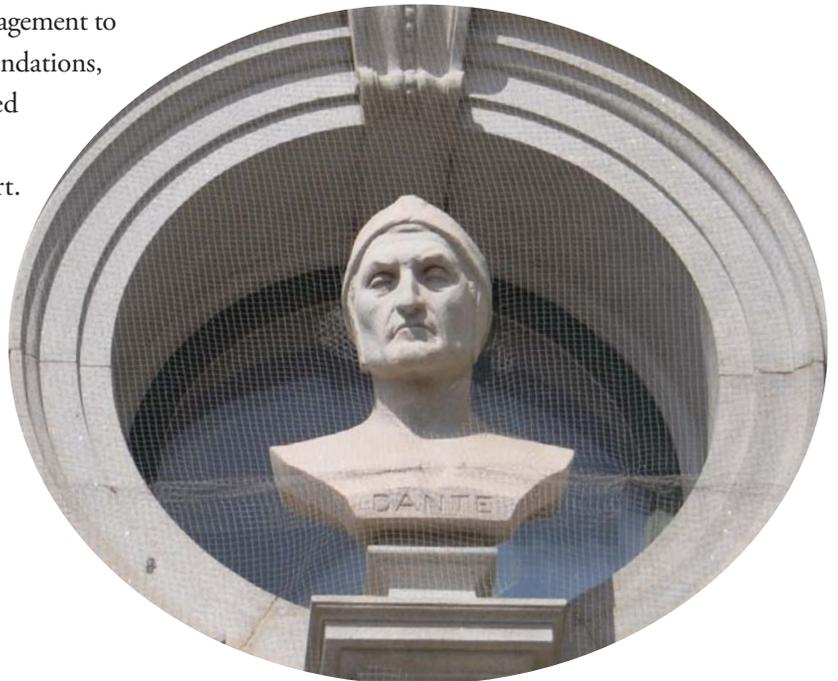
The James Madison Council is an advisory body of public-spirited individuals who contribute ideas, expertise, and financial support to promote the Library's collections and programs. The James

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 audited the Fund's FY 2009 financial statements and issued its Independent Auditor's Report. The audit included the Fund's statement of financial position as of September 30, 2010, 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 or significant deficiencies in internal control over financial reporting, nor any instances of noncompliance with laws and regulations that are required to be reported under generally accepted government auditing standards.

For both the Library of Congress and Fund financial statements audits, we performed the following steps to ensure the quality of Kearney'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's report.



INVESTIGATIONS

During the reporting period, we opened 43 investigations and closed 25. We forwarded four investigation cases to Library management for administrative action. One case was forwarded to the Department of Justice for criminal prosecution and two are pending. Investigation case and Hotline activities are detailed below.

TABLE 1: INVESTIGATION CASE ACTIVITY

	CRIMINAL/CIVIL	ADMINISTRATIVE	TOTAL
From Prior Reporting Period	29	17	46
Opened	18	25	43
Closed	10	15	25
End of Period	37	27	64

TABLE 2: HOTLINE ACTIVITY

	COUNT
Allegations received	33
Referred to management for action	4
Opened as investigations	14
Opened as audit	0
Closed with no action	15



Stephen Daye
1633-1682
Wm Noyes
1633-1682
Wm Bradford
1633-1682



SIGNIFICANT CRIMINAL AND ADMINISTRATIVE INVESTIGATIONS

DDOS ATTACK ON THE COPYRIGHT OFFICE

OIG investigators worked with the FBI on a distributed denial of service (DDOS) attack investigation. The two-day attack began on November 3, 2010 and affected the server hosting the Copyright Office's Web site. It significantly slowed down the Web site and affected the processing of numerous electronic copyright applications. We provided the alleged attackers' internet protocol (IP) addresses, which are being used to prosecute at least two individuals. We determined that the individuals had no previous relationship with the Library.

PORNOGRAPHY ACCESS IN READING ROOMS

Our review of Internet logs showed that a computer in a Library reading room was used to access pornography when the Library was closed. Reading room video and other information identified the individual at the computer as a U.S. Capitol Police (USCP) civilian employee. We referred the case to the USCP.

In a second case, we challenged a patron who was viewing pornography in a Library reading room. In a third case, Internet logs and security video showed that a reading room computer was used by an employee of a Library contractor to search for terms possibly associated with child pornography. The employee was removed from the Library contract. We will be issuing a separate report on the apparent abuse of reading room computers with Internet access.

MISUSE OF LIBRARY COMPUTERS

An OIG investigation determined that an employee, with discretion and managerial responsibility within the Library, made improper personal use of a Library computer, contrary to Library policy and common standards of professionalism. The Library, without consulting the OIG as to the terms or conditions, entered into a settlement agreement with the employee that limits the Library's right to disclose the underlying facts of the investigation and the terms of the agreement. Based on the constraints of the agreement as well as the risk of litigation and money damages against the Library, the OIG will forgo further comment on this matter.



ABOVE: EARLY BOOK PLATE FOR THE LIBRARY OF CONGRESS.

MISUSE OF LIBRARY EQUIPMENT AND TIME

During our investigation of two employees in the same office (one reported during the prior semiannual period) for alleged ethics violations, we determined that the employees' supervisor had not provided adequate ethics guidance. Our investigation revealed that the supervisor did not closely monitor significant programmatic activities or provide the appropriate ethics guidance about personal conflicts of interest to employees under their supervision. We also discovered that the supervisor was conducting a personal business during official work hours using a Library computer. We recommended that the Library's Office of General Counsel (OGC) provide periodic ethics training to the office and other senior Library managers. The supervisor received a written reprimand for conduct unbecoming a senior level manager.

CONFLICT OF INTEREST

We received information that an employee gave preferential treatment to certain Library vendors in return for discounts relating to the employee's personal affairs. Our investigation disclosed a pattern of apparent preferential treatment by the employee to Library vendors that corresponded with the timeframe when the vendors provided personal discounts to the employee.

The Department of Justice declined to prosecute, in part, due to the lack of ethics training and guidance the employee had received on potential conflicts of interest. The employee received a five-day suspension.

SALE OF PIRATED DVDs

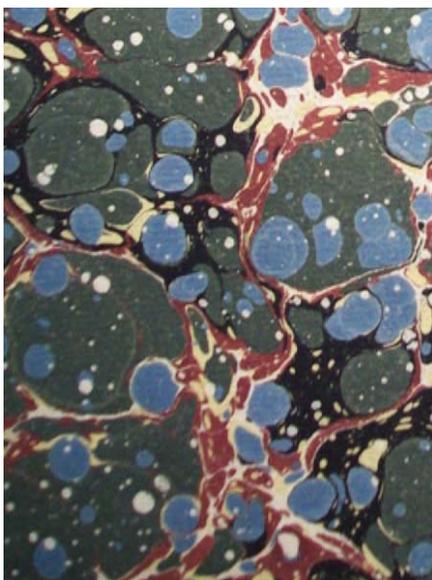
We received an anonymous allegation that an Architect of the Capitol (AOC) employee was selling illegally made DVDs of unreleased motion pictures to a USCP officer on Library property. We conducted a joint investigation with the AOC and USCP OIGs, the FBI, and investigators from the Motion Picture Association of America and found that the unreleased DVDs were not produced from the specific DVDs submitted to the Library for copyright protection.

The Department of Justice declined prosecution. The AOC OIG reported that the employee was terminated. We were unable to obtain information on the disposition of the USCP officer who had purchased the pirated DVDs.

PIRATED NLS TALKING BOOKS

We investigated the Internet sales of several Talking Books which we believed were pirated copies of books produced by the Library's National Library Service for the Blind and Physically Handicapped (NLS). Our investigation identified a foreign national suspect and linked his access to the books to a local library in his country.

We found that there are no contractual agreements between the NLS and foreign libraries receiving NLS Talking Books, and no apparent authority to distribute the books to parties other than U.S. citizens living abroad. In November 2010, we reported our findings to the OGC and suggested suspension of the activity if no statutory basis exists for distribution to foreign nationals. We have not been advised of the legal status of the program and the NLS continues to lend Talking Books to foreign libraries and pirated NLS products continue to be offered for sale on the Internet. We estimated that the cost of producing and distributing the books to foreign citizens was about \$700,000 over the past five years. Officials at the foreign library receiving NLS Talking Books declined to cooperate with our investigation.



ABOVE: BOOK END PAPER SHOWING AN ANTIQUE SPOTS PATTERN FROM THE RARE BOOK COLLECTION.

MICROSOFT OUTLOOK MIGRATION

We received a Hotline allegation that the Library's migration to Microsoft Outlook email service was mismanaged. Specifically, the caller stated that 1) the conversion from GroupWise email to Outlook had been mishandled, 2) the project manager in charge of the migration was given special treatment and protected from his mistakes, and 3) allocated funding for the project was used for other unrelated purchases.

We found some validity to the first two allegations. There are problems in the email archiving portion of the project because of Information Technology Services' (ITS) failure to take into account (and notify vendors of) its practice of recycling email addresses, which complicates transferring existing archives. Also, the hiring of the ITS employee in charge of the migration project by the Congressional Research Service (CRS) may have the appearance of a conflict of interest due to the relationship between the CRS selecting official and the former ITS project manager. We recommended appropriate ethics guidance to the individuals involved in the selection process.

MARIJUANA POSSESSION

The USCP notified the OIG of its arrest of a Library employee off Library grounds for marijuana possession with the intent to distribute. The USCP asserted that the employee attempted to discard the marijuana while being apprehended by police. A criminal case against the employee was dismissed by the District of Columbia Superior Court because the evidence was suppressed. During our administrative inquiry into the matter, the employee admitted to OIG investigators to possessing marijuana outside the Library while on a break from duty. We determined that the employee also attempted to falsify his time sheet for the time spent incarcerated. The employee served a 30-day suspension but is appealing the adverse action through an administrative hearing.

EMPLOYEE MISCONDUCT

We initiated a preliminary inquiry regarding allegations of harassment and sexual misconduct on Library premises, but could not substantiate nor repudiate most of the allegations because both parties lacked credibility. The case was referred to Library management for administrative action. One employee served a 20-day suspension for insubordination and other misconduct, five of which are being held in abeyance for a year absent further misconduct.

ATTEMPTED MISUSE OF A GOVERNMENT VEHICLE

We received a Hotline allegation that a Library employee attempted to use an official government vehicle to attend a funeral by fabricating the purpose of the vehicle's use after being told that a government vehicle could not be used for the intended purpose. We confirmed the allegation and referred the matter to Library management. The employee is appealing a proposed adverse action.

FOLLOW-UP ON INVESTIGATIVE ISSUES FROM PRIOR SEMIANNUAL REPORTS

IDENTITY THEFT

As previously reported, we initiated an investigation into the theft of a Library employee's identity. While executing a search warrant at a suspect's residence, OIG special agents obtained evidence which showed that the Library employee's personal identifying information, and that of six victims outside the Library, were used by the suspect multiple times for fraudulent credit applications and purchases.

During this reporting period, a grand jury indicted the suspect on two-counts of aggravated identity theft and use of an unauthorized access device. The suspect, incarcerated for an unrelated matter, has agreed to a plea agreement and is facing a maximum of 30 months incarceration along with any restitution and/or fines imposed by the court.

PORNOGRAPHY

We previously reported the case of an employee who used Library reading room computers after hours to view pornography. The employee had been previously disciplined for using his Library computer in a similar manner and retired after being notified that his employment was being terminated.

Also reported in a previous semiannual report, an employee received a 25-day suspension for viewing pornography and other misconduct. After an appeal and grievance were denied, the employee requested arbitration at an administrative hearing where a confidential settlement was reached.

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COMMENTARY
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GALATIANS.

CHRYSOSTOM,
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COLLOSSIANS,
AND
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CHRYSOSTOM,
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OTHER ACTIVITIES (INCLUDING PEER REVIEWS)

OIG RESPONDS TO SENATE REQUEST

The OIG responded to an April 2010 request from Senators Charles E. Grassley and Tom Coburn about agency interference with OIG activities. Specifically, the Senators requested biannual reporting by all statutory federal inspectors general concerning 1) objection to oversight and problems accessing information, 2) disclosure of the results of our work on a public Web site, and 3) threats or impediments in communicating with the Congress.

We reported no agency interference during this semiannual period. In addition, we responded to a request from Senator Grassley's office for additional information pertaining to our reply for the semiannual period ending September 30, 2010.

CAPITOL POLICE OPERATIONS AT THE LIBRARY

The Library's police operations merged with the USCP at the beginning of FY 2010. Although there was a memorandum of understanding between the Library and the USCP prior to the merger, there were facets of the day to day operational interaction between the two agencies not covered by the agreement that we believed needed further discussion. Accordingly, we wrote two memorandums and held discussions with the Librarian and the USCP about sharing information, collections security, and employee rights.

DIGITAL REFERENCE SERVICES

We reviewed a November 29, 2010 report from Library Services on digital reference services. Although we found the report well researched and written, we offered some comments to the Associate Librarian for Library Services concerning 1) the consistency in the collection and reporting methodology for digital reference transactions and 2) carefully reviewing the declining number of digital reference transactions with consideration for consolidating service resources.

INSPECTOR GENERAL PANELIST IN COLLECTIONS SECURITY FORUM

Along with the Inspectors General of the Smithsonian Institution and the National Archives and Records Administration (NARA) and others, the Inspector General served as a panelist at the forum, *Protecting Our National Treasures: The Impact and Prevention of Archival Theft*, held March 3, 2011 at NARA. Participants discussed the various ways that their agencies and OIGs approach securing the collections and OIG collections security oversight at three of the nation's prominent federal cultural institutions.

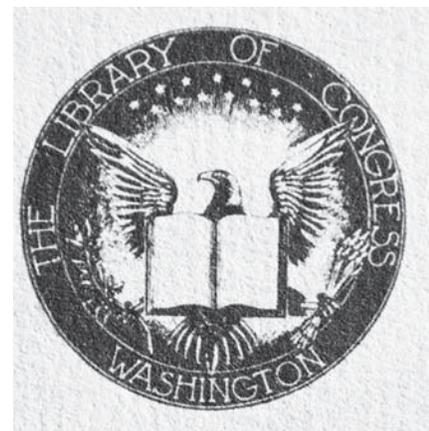
PEER REVIEW OF THE U.S. GOVERNMENT PRINTING OFFICE
FOR THE TWO YEAR PERIOD ENDING SEPTEMBER 30, 2010

High quality auditing is essential for government accountability to the public and assures transparency in government operations. The concept of accountability for the use of public resources and government authority is essential to the democratic process. Our federal government relies on its Inspectors General to operate the auditing machinery that examines government accountability and to provide a clear and consistent lens through which the public can view its government at work.

To ensure consistent, high quality auditing by Inspectors General, federal auditors are required to conduct their operations in compliance with the United States Government Accountability Office's Government Auditing Standards. These standards provide a framework for conducting high quality government audits and attestation engagements with professional competence, integrity, objectivity, and independence. The Inspectors General must design their auditing policies and procedures to provide reasonable assurance of complying with professional standards and applicable legal and regulatory requirements.

To assure auditors operate transparently and with accountability, the standards require audit organizations to have an appropriate system of quality control and to undergo external peer reviews at least once every three years. The peer review process is overseen by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) which schedules and assigns Inspectors General to conduct the peer reviews. During the most recent semiannual period, CIGIE assigned our office to conduct a peer review of the audit organization of the U.S. Government Printing Office (GPO) OIG.

We conducted the peer review for the two-year period ending September 30, 2010 in accordance with generally accepted government auditing standards and guidelines established by the CIGIE. In our opinion, the GPO OIG audit organization's system of quality control was suitably designed and complied with to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Therefore, we issued a peer review report, with a rating of "pass." As is customary, we also issued a letter of findings that we did not consider to be of sufficient significance to affect the opinion we expressed in our report.



ABOVE: EARLY BOOK PLATE FOR
THE LIBRARY OF CONGRESS.

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 1615-1 Inventory Control	We continued working with this LCR, commenting that the regulation should rephrase certain areas we believed were unclear. We also commented that the LCR should add a paragraph describing the responsibilities of service unit liaisons when disposing of fully depreciated assets.
LCR 1617 Inspection of Government Property	We offered no comment regarding this LCR.
LCR 1621 Staff Use of Electronic Communications Systems	We offered no comment regarding this LCR.
LCR 1740 Non-Library Funds Official Travel	We suggested that this LCR add a section requiring the Office of the Chief Financial Officer (OCFO) to report suspected abuse to the OIG. We also commented that this LCR add a section on the consideration of conflicts of interest and other Library of Congress Standards of Conduct issues.
LCR 1815-1 Reporting of Missing or Stolen Library Property	We commented that this LCR should address the merger of Library police and the U.S. Capitol Police (USCP). We also commented that some of the titles used in the LCR were not currently in use and should be updated.
LCR 1514-8 Federal Tort Claims Act	We commented that this LCR add specific language to further define its “Recordkeeping for Audit Purposes” section.
LCR 2025-8 Americans with Disabilities Act	We commented that proposed funding requirements in this LCR change and the Library consider a centralized funding source so that service and support units do not have to make an employment decision for persons with disabilities based on budgetary concerns.
LCR 2010-7 Employment of Non-U.S. Citizens	We offered no comment regarding this LCR.
LCR 1514-9 Personal Property Loss or Damage	We suggested that this LCR state that the Office of General Counsel (OGC) may request the assistance of the OIG in reviewing and investigating the validity of claims. We also suggested the LCR require that any violation is promptly reported to the OIG.
LCR 2020-5 Leave Policy	We recommended that this LCR require Human Resources Services (HRS) to immediately notify OIG on any decision to place an employee in indefinite suspension.
LCR 2010-12 Probationary Period for Supervisory or Management Staff	We commented that this LCR add additional language to further clarify the responsible official determinations of “exceptional circumstances.” We also commented that no procedures were included for a supervisor’s failure to provide timely evaluations; commenting that it might be helpful to issue a directive requiring HRS to notify supervisors of affected employees in due time to help ensure timely evaluations. We also commented that the LCR should clarify if an employee has an entitlement from previous positions along with additional clarifications.

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 (DO) should ensure that the Raiser's Edge system undergoes certification and accreditation (C&A)—The C&A is in progress but completion delayed until June 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 pursuing the vendor for costing to determine if it is cost beneficial to implement.
Office of the Chief of Support Operations				
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 Director of the Office of Opportunity, Inclusiveness and Compliance (OIC) completed the final LCR draft as recommended. The draft LCR is under OGC review without an assigned target date for completion.
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—This recommendation remains unimplemented. OIG strongly recommends that the Director of OIC submit final draft recommendations for the LCR to OGC this semiannual period.
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—OIC has conducted a comprehensive assessment of diversity trends in the Library's workforce between 1994 and 2009 including an analysis of promotions and performance evaluations. OIC will initiate the FY 2010 Workforce Analysis Report in the fourth quarter of FY 2011.
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 OIC expects to post the first NO FEAR report by the third quarter of FY 2011.
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 collaborating with the Library's Human Capital Management Flexibilities Working Group and service unit managers to devise an action plan to identify and remove potential barriers to equal employment opportunities. OIC expects to have the action plan completed by the end of FY 2011.
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—Currently the Acting Chief of Contracts is serving in the role of Competition Advocate pending the arrival of a GS-13 Procurement Analyst.

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 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 will develop written procedures by June 2011. Testing of the system and staff training is targeted for completion June 2011.
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—LS has drafted an LCR that establishes criteria to define Top Treasure items and developed a form to nominate them for this designation. Target date for issuance is the end of FY 2011.
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—A draft LCR establishing public trust designations for staff with access to the Top Treasures is in process. No target date is established.
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 developing a solution to this recommendation. No target date is established.
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—Rare Book and Special Collections Division (RB-SCD) is developing a new system to track loans. Target date for system implementation is not established.
Rare Book and Special Collections Security	2008-PA-101 March 2009	Library Services	I.f	Reevaluate background investigation procedures for RBSCD's management and periodically update background investigations—Changes to the applicable LCR have been drafted and the OGC has circulated them to Library management for comment. No target date for completion has been established.
Rare Book and Special Collections Security	2010-AT-101 August 2010	Library Service	II	Explore the costs and benefits of using high-resolution photography to assist in proving ownership of the Library's rare materials—RBSCD officials explored the availability of a high-resolution camera with Preservation. Development of specifications for this process is the next step.
Integrated Support Services (ISS)				
Federal Employees' Compensation Act Program	2008-PA-102 September 2008	Health Services Office	IV	Revise LCR 2018-5—Union delays in reviewing the draft LCR occurred. Labor Relations anticipated a meeting between Library management and the union to discuss revisions in April 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—ISS/Records Management Section (RMS) drafted revisions to LCR 1920, Directives on records management and on litigation holds, internal standard operating procedures (SOPs), and Freedom of Information Act SOPs. These drafts are now under OGC review with completion targeted for third quarter FY 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—ISS/RMS completed a training presentation and training materials for records coordinators, liaisons, and record keepers, and submitted it to the OGC for feedback, review, and approval. No target date is established for implementation.
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—ISS/RMS completed a training presentation and training materials for records coordinators, liaisons, and record keepers and submitted this to the OGC for review and approval. No target date is established for implementation.
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 will initiate a cost/benefit analysis in FY 2012 after new procedures are implemented.
Office of Strategic Initiatives (OSI)				
Information Technology Strategic Planning	2008-PA-105 March 2009	Information Technology Services	1.D	Produce a plan of execution guide to ensure that the Library moves forward as a total institution with one voice—This will be accomplished through the Enterprise Architecture (EA) effort, currently in progress. When a baseline is identified, a target date will be proposed and approved by the Information Technology Steering Committee (ITSC) and Executive Committee (EC). When established, a transition plan will be finalized and approved.
Information Technology Strategic Planning	2008-PA-105 March 2009	Information Technology Services	3.A	Separate the IT function from OSI and have the Chief Information Officer report directly to the Librarian or Chief Operating Officer—Library management will evaluate the newly established IT governance processes once they have been operational for a sufficient amount of time. When this evaluation is complete they will reconsider the IT organization.
Information Technology Strategic Planning	2008-PA-105 March 2009	Information Technology Services	5.D	Implement a commercial “off-the-shelf” enterprise help desk system that includes metrics—Due to resource constraints the Library has not implemented an enterprise help desk system with metrics.
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 possibility of duplicative services is currently being reviewed through the Chief Financial Officer's study on IT-related procurements. The need for a new help desk contract will be considered once the study is completed.
Information Technology Strategic Planning	2008-PA-105 March 2009	Information Technology Services	5.F	Develop dynamic, evolving metrics to measure performance—ITS now has a project charter and a full time equivalent employee working on this recommendation. A prototype metrics program is complete and is undergoing testing.

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 Strategic Initiatives (OSI) Continued				
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—Although ITS has developed a process for performing a needs assessment, one has not occurred.
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 Alternate Computing Facility (ACF)—The final phase of corrective action on this recommendation is to install the recently procured hardware and software necessary to support the 4,000 remote users accessing the ACF. Installation will be completed by July 2011.
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 ACF from remote locations—Although ITS has integrated a requirement that users access the ACF from multiple locations as part of each individual IT system fail-over exercise, further tests will need to be developed and conducted once ITS has installed the increased remote access capability 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 provided guidance and is working with the ITSC on a review of the tier list.
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 continues to actively work with the ITSC on this issue.
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—ITS has invested significant time and resources into improving the readiness of the ACF; however, remaining unimplemented recommendations have to be completed.
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—ITS will formally ask the Office of Security and Emergency Preparedness (OSEP) (who owns the Library's emergency response plan) to find out whether wireless cell service is included in the LC emergency response plan.
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—By May 2011, several technologies will detect unauthorized devices on the network.

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)				
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—With the implementation of Monster, HRS is maintaining satisfactory levels of service. Collection of hiring plan data will resume in the third quarter of FY 2011. Adjustments to workload assignments are ongoing.
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—HRS was delayed in meeting its implementation target of October 2010. Implementation is currently underway.
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 were not updated as planned. HRS will fully redesign performance plans for the 2012 performance year.
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—HRS indicates implementation of this recommendation is dependent on several actions now underway. Redesign of the Web page is in process. HRS will set a completion target when it assesses project progress.
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 conducting cost research as well as reviewing other training alternatives. Results are expected for review in the third quarter of FY 2011.
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 devising new mandatory supervisory training and has taken this recommendation under advisement. Final training content is targeted for the fourth quarter of FY 2011.
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 is developing strategies and formats for the FWG to convey information to field management and will incorporate this in the Human Capital Management Plan when approved.
Employment Incentives and Flexibilities	2010-PA-103 July 2010	Human Resources Services	III.1	Provide service and support units with sample justifications and checklists to ensure that all legal and regulatory requirements are met in the administration of recruitment incentives—Sample justifications and checklists exist for appointments made at Above The Minimum Rate of Pay. HRS will develop similar materials for use of recruitment and relocation incentives by June 2011.

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				
Raiser's Edge Software Program	2006-IT-302 December 2007	Development Office	I	The DO should document its access control policy and revise password access to comply with IT Security Directive 02—The latest version of Raiser's Edge was installed by ITS in December 2010 and requires a more complex password access of at least 8 characters.
Office of the Chief of Support Operations				
Sole Source Contract Award—Power Tech	2010-CA-102 September 2010	Office of Contracts and Grants Management	c.1.a	Develop a quality assurance process that ensures that all solicitations are accurate and complete—All solicitations over \$100K are peer reviewed for accuracy and completeness by members of the staff including team leaders and the Head of Contract Operations.
Sole Source Contract Award—Power Tech	2010-CA-102 September 2010	Office of Contracts and Grants Management	c.1.b	Establish a quality assurance process that ensures offered prices are evaluated for reasonableness—The Contract Review Board is responsible for conducting reviews of the contracting officer's methodology of price fairness and reasonableness.
Office of Contracts	2007-PA-102 September 2007	Office of Contracts and Grants Management	IV	Coordinate with OCFO to identify opportunities for modifying/improving Momentum—In response to this recommendation OCFO has acquired the Clarity Planning System and implemented the Momentum Open Requisition Report to track requirements for assignments to contract award.
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 Equal Employment Opportunity Commission's (EEOC) MD-715 criteria and develop a plan to achieve elements in the model—OIC completed a comprehensive assessment documenting diversity trends between 1994 and 2009 using MD-715 criteria. The EC approved OIC's 2011-2016 Multi-Year Affirmative Employment Program Plan (MYAAPP) that includes elements of the MD-715 self-assessment.
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness and Compliance	II.6	Develop a means to conduct an in-depth analysis of separations to identify trends that will assist management in determining reasons behind the separation rates of minorities and females—OIC's comprehensive assessment of diversity trends in the Library's workforce between 1994 and 2009 was reviewed and approved by the EC in October 2010. An exit questionnaire is now in use.
Diversity Management Program	2008-SP-104 July 2008	Office of Opportunity, Inclusiveness and Compliance	II.8	Convene a Hispanic Employment Work Group to develop strategies to improve Hispanic representation—The MYAAPP approved in October 2010 by the EC recommended actions the Library should take to improve the representation of Hispanics in its workforce. OIC is working collaboratively with the Library's Human Capital Management FWG to develop implementation strategies for these actions.
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 successfully implemented an exit interview process.

TABLE 4B: SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMI-ANNUAL 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	III	Identify critical senior level and management positions and focus training, career development, and mentoring programs—OIC developed and implemented a mandatory “A Respectful Workplace” course to support managers in providing an inclusive, respectful, and productive work environment in December 2010.
Library Services (LS)				
Book Conveyor	2010-PA-101 August 2010	Library Services	I	Halt improvement plans and reassess the need for the book conveyor system—The Library completed its reassessment of the book conveyor and advised the Architect of the Capitol (AOC) that the renovation was no longer warranted.
Book Conveyor	2010-PA-101 August 2010	Library Services	II	Work with the AOC to determine the most economical way to decommission the system while properly abating safety issues—The AOC has decided to remove the conveyor with the exception of the Jefferson Building charging station servicing the main reading room.
Utilization of Reading Rooms	2003-PA-104 March 2004	Library Services	II.2	Use the decision model to make decisions about reading room space, office space, and storage—LS implemented an electronic decision model to help determine research center requirements for current and future needs on October 2010.
Integrated Support Services (ISS)				
Multi-Function Devices	2010-SP-101 April 2010	Integrated Support Services	II	Ensure that the cost structure for the next multi-function device (MFD) contract is more transparent in how much the Library pays for equipment, services, and supplies, and is based on actual use rather than pre-determined estimates—ISS incorporated language into the Request For Proposal (RFP) for the Library’s copier re-competition requiring a cost per copy proposal as well as a blended model.
Multi-Function Devices	2010-SP-101 April 2010	Integrated Support Services	III.1	Ensure that security requirements for the new multi-function device contract are clearly documented and communicated to the vendor before executing future contracts—The Library clearly stated in the RFP the specific security requirements for all equipment proposed by any organization bidding on the contract including applicable security requirements.
Multi-Function Devices	2010-SP-101 April 2010	Integrated Support Services	III.2	Comply with Library policies and procedures and federal best practices for systems security C&A for the new contract—Prior to connecting any vendor equipment to the Library’s network, ISS created and submitted a complete C&A package to the ITS security team. The C&A was approved followed by full implementation of the Networked Copier Project in January 2011.
Requirements Analysis for the Proposed Fort Meade Logistics Center	2006-SP-802 March 2008	Integrated Support Services	III	Reevaluate three questionable surge allowances—ISS, in consultation with the service units, eliminated many of the individual surge allowances. Those that remain are considered a requirement and were combined into the general storage requirement.
Requirements Analysis for the Proposed Fort Meade Logistics Center	2006-SP-802 March 2008	Integrated Support Services	IV	Re-calculate the growth factor and consider leasing storage space on an as needed basis to accommodate potential growth in storage requirements—ISS re-evaluated the growth factor concept and decided it is no longer a requirement. If additional storage space is required, ISS agreed to consider leasing storage space on an as needed basis.

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 Strategic Initiatives (OSI)				
Alternate Computing Facility	2009-IT-101 September 2009	Information Technology Services	I.b.1	Ensure that the availability and functionality of the Library's critical systems at the ACF are periodically tested, documented, and reviewed—ITS has developed a process and schedule to periodically test critical systems as part of the IT Continuity of Operations plan.
Human Resources Services (HRS)				
Human Resources Services	2009-PA-101 November 2009	Workforce Acquisitions	I.a.1	Require the staffing specialists and assistants to consistently enter complete hiring data into EmpowHR—HRS completed training on Monster's reporting tools and is evaluating whether it can replace EmpowHR for this process. Data is now entered in a timely manner.
Human Resources Services	2009-PA-101 November 2009	Workforce Acquisitions	II.2	Develop reports which identify the workloads and results of HRS staffing personnel—HRS completed training on Monster's reporting tools and identified several standard reports that will provide this information. Ad hoc reporting tools will supplement the standard reports.
Human Resources Services	2009-PA-101 November 2009	Workforce Acquisitions	III.a	Develop a methodology to track and analyze data regarding the Library's recruiting and hiring activities—OIC attended training on Monster's reporting tools and identified several standard reports for recruiting and hiring analysis.
Employment Incentives and Flexibilities	2010-PA-103 July 2010	Human Resources Services	III.2	Confirm that evidence of outside employment offers are obtained, or appropriate justification is documented, before a retention incentive is offered to an employee—HRS ensures that it has appropriate documentation (either evidence of outside employment offers or other appropriate justification) before effecting retention allowances. It has developed a plan to recertify all incentives on an annual basis.
Employment Incentives and Flexibilities	2010-PA-103 July 2010	Human Resources Services	III.3	Identify hard-to-fill positions and focus incentive offers on those positions—Use of incentives is at the service unit head's discretion and is driven by current skill need and availability of funds. HRS serves in a regulatory and documentary role.
Employment Incentives and Flexibilities	2010-PA-103 July 2010	Human Resources Services	III.4	Develop a measure for the cost of staff turnover to assist managers during their cost/benefit analysis for retention incentives—HRS has estimated the costs associated with recruitment and attrition as recommended.



ABOVE: NORTHWEST PAVILION, VIEW OF FRIEZE SHOWING
CARVED LION'S HEAD AND PLASTER CAPITALS.
PHOTOGRAPH BY CAROL HIGHSMITH, 2007.

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	-	-
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	-	-
value of recommendations not agreed to by management	-	-
...for which no management decision was made by the end of the reporting period:	-	-
...for which no management decision was made within six months of issuance:	-	-

INSTANCES WHERE INFORMATION OR ASSISTANCE REQUESTS WERE REFUSED

No information or assistance requests were refused during this period.

STATUS OF RECOMMENDATIONS WITHOUT MANAGEMENT DECISIONS

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

SIGNIFICANT REVISED MANAGEMENT DECISIONS

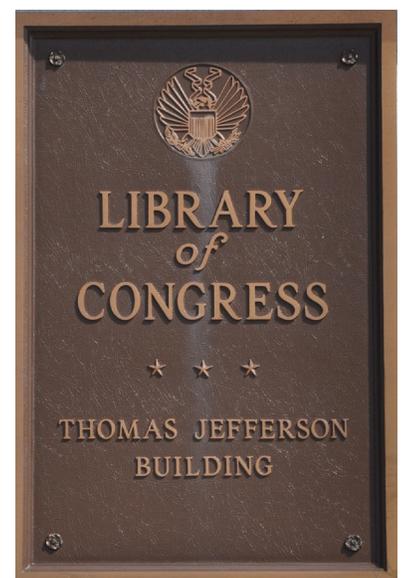
During the reporting period there were no significant revised management decisions.

SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREES

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

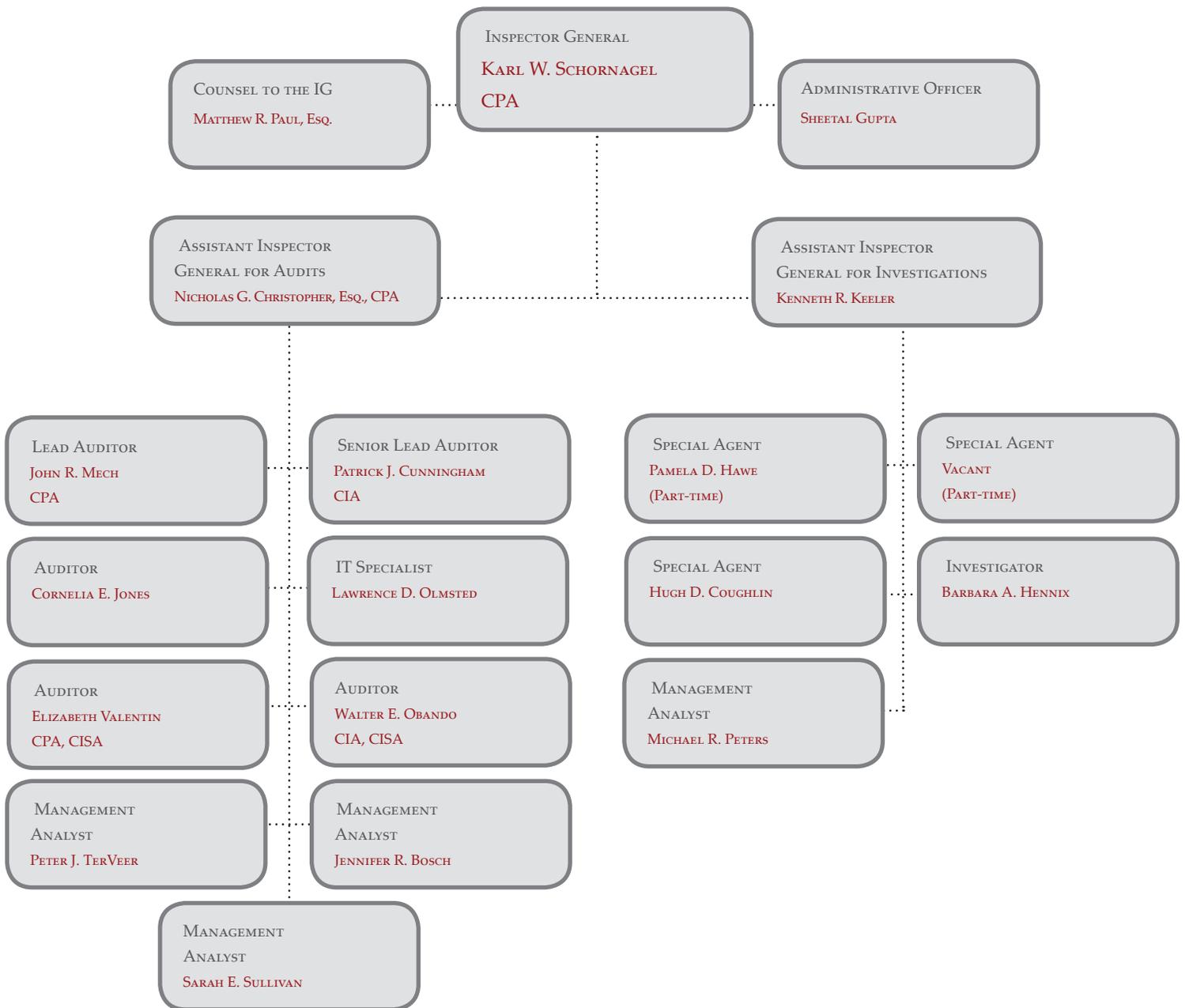
FOLLOW-UP ON PRIOR PERIOD RECOMMENDATIONS

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: PLAQUE ON FIRST STREET, EXTERIOR OF THE THOMAS JEFFERSON BUILDING, SHOWING THE LIBRARY OF CONGRESS SEAL. THE THOMAS JEFFERSON BUILDING ACQUIRED ITS NAME IN 1980. PHOTOGRAPH BY JENNIFER R. BOSCH, 2011.

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HOWEVER, PROVIDING YOUR NAME AND A MEANS OF COMMUNICATING
WITH YOU MAY ENHANCE OUR ABILITY TO INVESTIGATE.