



Office of Inspector General

SEMIANNUAL Report to Congress

October 1, 2022, through March 31, 2023



MESSAGE FROM THE INSPECTOR GENERAL

This report is submitted in accordance with Section 5 of the Government Accountability Office (GAO) Act of 2008 and summarizes the activities of the Office of Inspector General (OIG) for the first half of fiscal year 2023.

This is a critical time for us as we seek amendments to our enacting legislation to improve transparency and enhance our independence. Our legislative priorities seek parity with other federal Inspectors General in a number of areas. These include prior Congressional notification upon removal, transfer, or placement of the IG on non-duty status; greater budget independence; codification of the existing practice of having separate OIG counsel; and changes to the calculation of IG pay that enhance our independence and address a statutory limitation on staff pay which affects our office's ability to retain and recruit high-quality staff. The enactment of these legislative priorities will improve our ability to conduct efficient and effective oversight over GAO programs and operations. GAO and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) leadership are familiar with and supportive of our efforts to modify GAO OIG's establishing legislation.

During this reporting period, we initiated work on one performance audit and continued work on three additional performance audits. We closed nine investigations and opened 11 new investigations. We processed 32 substantive hotline complaints, many of which were referred to other OIGs for action because the matters involved were within their jurisdictions. We remained active in the GAO and OIG communities by briefing new GAO employees on our audit and investigative missions, briefing GAO teams on the work of the GAO OIG, and participating in CIGIE committees and working groups, including those related to the Pandemic Response Accountability Committee. Details of these activities and our other accomplishments are provided in this report.

We post our audit, evaluation, and semiannual reports at [Inspector General | U.S. GAO and oversight.gov](#), a publicly-accessible, text-searchable website containing the latest reports from contributing federal inspectors general. In addition, our reports are included in the listing of available updates on GAO's GovDelivery subscription page.

I would like to thank the OIG staff for their continued dedication to our mission and their professionalism. I also thank the Comptroller General, the Executive Committee, and GAO managers and staff for their continued cooperation and attention to the important work of our office.

L. Nancy Birnbaum
GAO Inspector General

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INTRODUCTION

The United States Government Accountability Office

The U.S. Government Accountability Office (GAO) is an independent agency in the legislative branch of the federal government. Since 1921, GAO has supported Congress in meeting its constitutional responsibilities; helped to improve the performance of federal agencies and programs; and ensured the accountability of the federal government for the benefit of the American people.

GAO conducts its oversight mission by (1) auditing agency operations to determine whether federal funds are being spent efficiently and effectively; (2) investigating allegations of illegal and improper activities; (3) reporting on how well government programs and policies are meeting objectives; (4) performing policy analyses and outlining options for congressional consideration; and (5) issuing legal decisions and opinions, such as bid protest rulings and reports on agency rules.

GAO's Office of Inspector General

Established as a statutory office by the Government Accountability Office Act of 2008, GAO's Office of Inspector General (OIG) independently conducts audits, evaluations, and other reviews of GAO programs and operations and investigates allegations regarding violations of statutes, policies, or orders involving GAO employees, contractors, programs, and operations. The OIG also makes recommendations to promote economy, efficiency, and effectiveness at GAO.

GAO OIG independently operates the OIG Hotline to receive complaints and information about fraud, waste, abuse, and mismanagement in GAO programs and operations. Allegations may be made confidentially or anonymously, and complainants are protected from retaliation for having submitted information to the OIG. Employees or contractors may submit complaints or allegations of wrongdoing via the OIG [web-based hotline](#) or by phone to (866) 680-7963.

OIG STRATEGIC PUBLICATIONS

Strategic Plan

The [OIG's Strategic Plan for Fiscal Years 2021-2025](#) identifies the vision, goals, objectives, and strategies for its activities to promote efficiency, effectiveness, and integrity in GAO programs and operations. As discussed in the plan, the OIG supports GAO and Congress by helping to protect GAO programs and operations from fraud, waste, and abuse. Independent and objective audits, evaluations, and investigations are the primary methods for assessing GAO programs and operations and identifying risks to GAO, enhancing its ability to protect and maximize its resources.

Biennial Work Plan

The OIG's biennial work plan provides a brief description of audits and other work planned for a two-year period and an overview of the OIG's investigations program. In addition, the plan sets forth the OIG's formal strategy for identifying priority issues and managing its workload and resources. On March 31, 2023, the OIG transmitted its Biennial Work Plan for Fiscal Years 2023 - 2024 to GAO management.

Top Management Challenges Facing GAO

Each year, the OIG is asked to comment on management's assessment and reporting of GAO's challenges for its annual [Performance and Accountability Report](#). OIG work has improved the reporting and transparency of GAO's management challenges and led to ongoing efforts to mitigate the risk these challenges pose to GAO's efficiency and effectiveness in carrying out its mission. Progress in addressing these challenges is monitored through the agency's annual performance and accountability process and OIG audits and evaluations. For fiscal year 2022, GAO identified management challenges in:

- continuing to thrive in the pandemic;
- envisioning the future of work;
- establishing information technology (IT) systems for the future of work; and
- improving the efficiency of engagements.

The OIG identified infrastructure management as an additional challenge area, highlighting the impact that future of work opportunities may have on the agency's existing headquarters and field leasing arrangements, and accompanying changes to GAO's workspace. The OIG will continue to monitor these challenges particularly as the agency navigates its operating posture going forward.

Semiannual Reports to Congress

GAO OIG's [Semiannual Reports to Congress](#) describe the OIG's work on identifying problems, remedies, and investigative outcomes relating to the administration of GAO programs and operations that were disclosed during the reporting period. This semiannual report presents the results of the OIG's work for the period October 1, 2022, through March 31, 2023, including product and performance statistics for audits and investigations. It also provides an overview of each audit report and report of investigation issued, investigation closed, and, as appropriate, actions GAO took or initiated in response to those reports, as of the end of the reporting period.

OIG INDEPENDENCE

GAO and OIG management work cooperatively in fulfilling the role of the OIG. There were no attempts by GAO to resist, object to, or interfere with OIG independence or delay OIG access to information during the reporting period.



AUDITS

All OIG audit and evaluation reports are fully disclosed to the public, with the exception of some reports on GAO's implementation of the Federal Information Security Modernization Act of 2014 (FISMA). When necessary due to the sensitive nature of issues identified, the OIG makes summary pages of certain FISMA reports publicly available.

Audit Reports Issued

The OIG did not issue any audit or evaluation reports during the first 6 months of fiscal year 2023. In March, the OIG initiated an audit that will examine GAO's efforts to address data egress fees in procuring and managing cloud services, which some providers may charge when a customer moves data from the cloud where it is stored. The OIG also continued work on three audits assessing the (1) adequacy of internal control for flexibly-priced contracts, (2) extent to which GAO has maintained effective internal control over certain personal property during the pandemic, and (3) the accuracy and completeness of GAO's cloud systems inventory and the security of its cloud migration strategy. Issued OIG audit reports are available at [GAO OIG's website](#) and [oversight.gov](#). As of March 31, 2023, there is one report issued in fiscal year 2022 with one recommendation unimplemented.

OIG Audit Recommendation Status

At the end of the prior reporting period (September 30, 2022), there were five open recommendations from two OIG audit reports. Table 1 summarizes the status of the actions planned or taken in response to the open recommendations.

Table 1: Status of Agency Actions on Prior Period Open Recommendations as of March 31, 2023

OIG Report	Recommendation	Status of GAO actions planned or taken in response to the recommendation
<p><i>Employee Debt: Opportunities Exist to Improve Timely Collection, OIG-22-1 (March 1, 2022)</i></p>	<p>Update the Human Capital Office’s (HCO) debt collection standard operating procedure to specify when and how to use internal offset to collect debts owed to the agency more timely from separating employees.</p>	<p>Closed</p> <p>HCO updated its debt procedures to specify when and how to use internal offsets to collect amounts owed by separating employees in a more timely manner.</p>
	<p>Establish a process and document procedures to carry out GAO’s debt collection policy with respect to voluntary repayment agreements, to include requests for and documentation to verify the employee’s ability to pay.</p>	<p>Open</p> <p>HCO has begun but not finalized a process with respect to voluntary repayment agreements, including requests for information and documentation to verify the employee’s ability to pay.</p>
	<p>Establish written procedures to ensure delinquent debts are promptly referred to Treasury for collection proceedings.</p>	<p>Closed</p> <p>HCO updated its debt collection procedures, adding steps to ensure that delinquent debts are promptly referred to the Department of Treasury for collection proceedings.</p>
<p><i>Information Security: Privacy Program Improvements Could Enhance GAO Efforts to Protect Data and Systems, OIG-22-2 (March 31, 2022)</i></p>	<p>Define and implement policies and procedures for incident response that align with NIST guidance for assessing privacy incident impacts.</p>	<p>Closed</p> <p>GAO updated its Privacy Incident Response Standard Operating Procedures, to include a NIST-based methodology for assessing privacy impacts and a Privacy Advisory Group to ensure adherence to privacy policies and procedures and provide consultation.</p>
	<p>Define and implement policies and procedures for role-based privacy training which (a) identify who must regularly take the training, and (b) ensure annual compliance with such training.</p>	<p>Closed</p> <p>GAO’s Records and Privacy Office developed and implemented Standard Operating Procedures to identify who must take the appropriate training and ensure annual completion of such training.</p>

Source: OIG assessment as of March 31, 2023.



INVESTIGATIONS

The OIG contractor-run hotline is one of the primary sources of complaints or information for identifying suspected fraud and other problems, abuses, and deficiencies relating to the administration of GAO's programs and operations. As shown in Table 2, during this 6-month reporting period, the OIG processed 32 substantive hotline complaints and 75 complaints that lacked sufficient information or appropriate basis for opening an investigation.

Table 2: Summary of OIG Hotline Complaint Activity, October 1, 2022, through March 31, 2023

Hotline complaints OPEN at the start of the reporting period	3
NEW hotline complaints received this reporting period	106
TOTAL Hotline complaints	109
Complaints CLOSED due to insufficient information or no basis for opening an investigation ¹	75
Complaints CLOSED (referred to other GAO offices)	6
Complaints CLOSED (referred to FraudNet ²)	0
Complaints CLOSED (referred to Office of Audit within GAO OIG)	1
Complaints CLOSED (no jurisdiction and referred by the GAO OIG to appropriate agency OIG or other law enforcement offices ³)	14
Complaints CONVERTED to Investigations	11
TOTAL hotline complaints open at the end of the reporting period	2

Source: OIG complaint statistics as of March 31, 2023.

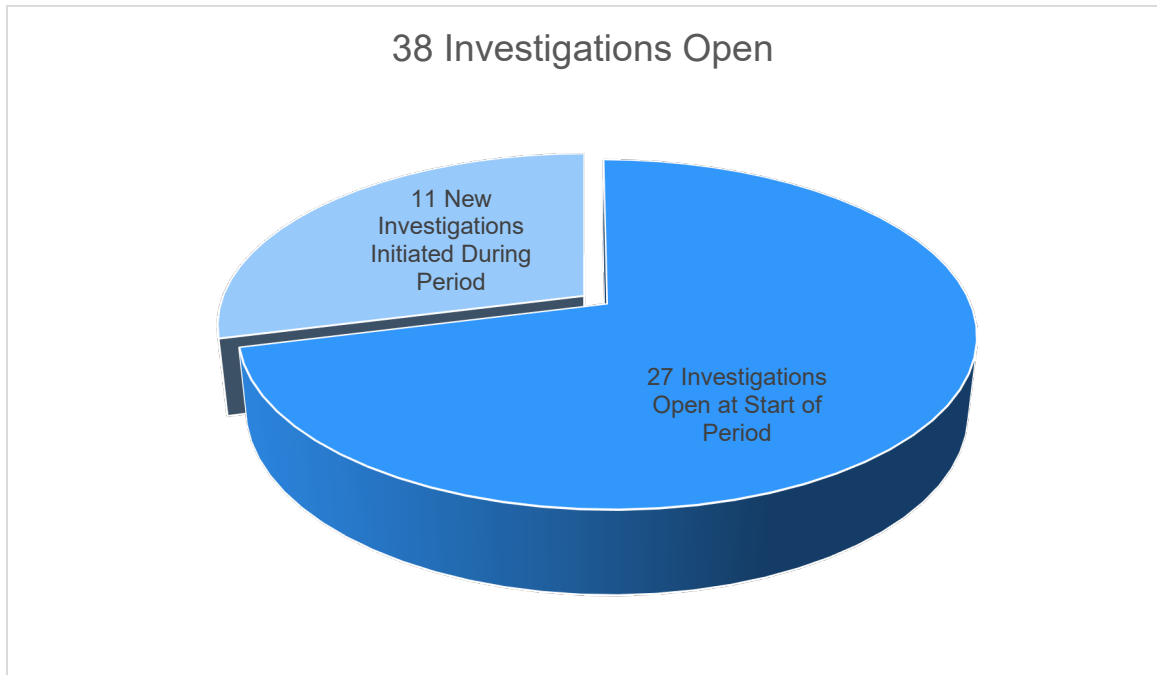
¹ These complaints generally did not involve GAO programs and operations, and lacked either (1) sufficient merit to warrant direct OIG referral to another federal or state organization, or (2) actionable information.

² FraudNet is a government-wide hotline operated by GAO staff on its Forensic Audits and Investigative Service team that receives complaints of fraud, waste, abuse, and mismanagement of federal funds.

³ The OIG provided FraudNet with a copy of each referral made to federal entities outside of GAO.

As shown in Figure 1, the OIG had a total of 38 investigations open during the period. Twenty-seven investigations were open at the beginning of the period, and 11 investigations were initiated during the reporting period.

Figure 1: Summary of OIG Open Investigations, October 1, 2022, through March 31, 2023⁴



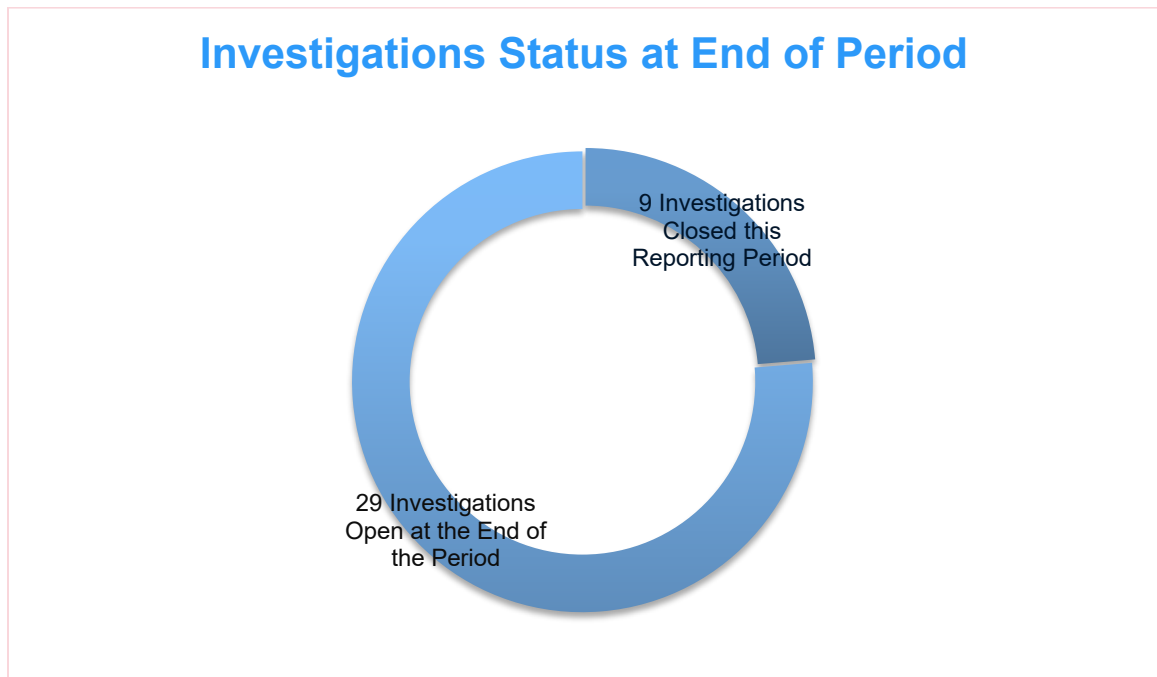
Source: OIG investigation statistics as of March 31, 2023.

⁴ With regard to the investigations open at the beginning of the reporting period, three of these investigations were self-initiated or proactive inquiries that focus on potential areas of vulnerability. The investigations unit uses data analysis to look for outliers or areas of concern that require targeted investigative methods, such as interviewing subjects and witnesses.

With regard to the 11 investigations initiated during the period, four of these cases resulted from other OIG investigations.

As shown in Figure 2, the OIG closed nine investigations during the reporting period and had 29 investigations that remained open at the end of the period.⁵ In addition, Table 3 below shows that the OIG issued two Reports of Investigation during the period.

Figure 2: Status of Investigations as of March 31, 2023



Source: OIG investigation statistics as of March 31, 2023.

Table 3: Summary of Reports of Investigation and Prosecution Activity, October 1, 2022, through March 31, 2023

Total investigative REPORTS issued during the reporting period	2
Referred to and accepted for prosecution by the DEPARTMENT OF JUSTICE	0
Referred to and accepted for prosecution by STATE/LOCAL PROSECUTOR	0
Total referrals accepted for CRIMINAL PROSECUTION	0
Total INDICTMENTS/INFORMATION OBTAINED during reporting period	0

Source: OIG investigation statistics as of March 31, 2023.

⁵ The 29 investigations that remained open at the end of the period include three proactive inquiries.

Significant Investigative Efforts

Mishandling of GAO Sensitive Information

On May 13, 2022, the OIG received a referral from GAO involving a Senior Government Employee (SGE) who failed to safeguard sensitive GAO documents and information. During the course of the investigation, the OIG identified two additional employees, including another SGE, who failed to safeguard GAO sensitive information. On September 30, 2022, the OIG issued Reports of Investigation (ROIs) for each case, finding that the three individuals sent numerous sensitive documents to and from their personal email accounts without password protection. One of the SGE subjects resigned from GAO before GAO was able to take action. The other two employees received Letters of Counseling. The OIG closed the cases on December 22, 2022, and December 23, 2022. (G-22-0318-O, G-22-0349-O, and G-22-0352-O)

On June 15, 2022, the OIG received a referral from GAO involving an employee who failed to safeguard sensitive administrative GAO information. On February 17, 2023, the OIG issued an ROI which included evidence that that the individual sent numerous documents containing sensitive information to and from their personal email account without password protection. GAO decided that disciplinary action was unwarranted but sent a reminder to the employee's team regarding safeguarding sensitive material. The OIG closed the case on March 23, 2023. (G-22-0358-O)

On June 16, 2022, the OIG received a referral from GAO involving an employee who failed to safeguard sensitive information. On March 30, 2023, the OIG issued an ROI which included evidence that the individual sent numerous documents containing sensitive information, including personally identifiable information for over 1,000 individuals, to and from the employee's personal email accounts without password protection. The case remains open pending a response from GAO. (G-22-0356-O)

Inappropriate Use of Administrative Leave

On October 21, 2021, the OIG initiated a proactive inquiry to determine if GAO employees are using administrative leave in the same pay period as they claim that they earned overtime, compensatory time, or credit hours. While there is a requirement to reduce COVID-19 administrative leave by extra hours worked, there does not seem to be a similar requirement to offset administrative leave taken for other purposes, such as blood donation. The OIG found that over 200 employees claimed extra hours while also using administrative leave – in some cases on the same day. Because of the widespread nature of the issue, on March 3, 2023, the OIG issued a memorandum to management highlighting this matter so the agency could assess these employees' time charges and make corrections if necessary. The case remains open pending a response from GAO (G-22-0024-S). The proactive inquiry resulted in a related investigation regarding one individual; however, the management memo included the subject of the related investigation, so the OIG closed the related case on March 24, 2023. (G-22-0107-P)

Bid Protest Management

On December 21, 2022, the OIG received a referral from GAO regarding an allegation concerning the agency's handling of a bid protest. The OIG considered the issue and uncovered no evidence that the agency's handling of the bid protest was improper. However, in the course of the review, the OIG identified outdated or duplicative information and invalid links on GAO's bid protest website. On February 13, 2023, the OIG issued a memorandum to management outlining the issues. In its March 29,

2023, response, GAO advised the OIG of planned updates to the bid protest pages on GAO's website, including reference materials, guidance, and related links. The case remains open pending OIG's final review and case closing activity. (G-23-0081-HL-P)

Alleged Nepotism

On August 23, 2022, the OIG received an anonymous complaint alleging nepotism in the hiring of a relative of a current GAO SGE. The OIG found no evidence that the new employee, the SGE, or GAO management violated GAO policy regarding the employment of relatives. However, the OIG noted that additional issues could arise in the future. As a result, on March 23, 2023, the OIG issued a memorandum to GAO management to highlight potential concerns and facilitate continued compliance with GAO orders. The case remains open pending a response from GAO. (G-22-0420-HL-P)

Employee Payroll Phishing Attempt

During the period, the OIG concluded its work on a task force involving a phishing attempt to divert the paychecks of several senior GAO, executive branch, and state agency officials to fraudulent bank accounts. The task force included other OIGs, the Secret Service, the Federal Bureau of Investigation, and Maryland State Police. During the period, the District of Columbia U.S. Attorney's Office declined the case for prosecution based on the lack of viable investigative leads or active schemes, no fraud loss to GAO, the staleness of investigative information, and limited investigative resources. The OIG closed this case on March 28, 2023. (G-19-0077-O)

Teleworking from Outside the United States

The OIG previously identified a GAO employee teleworking from outside the United States in violation of GAO policy but with their supervisor's verbal approval. On September 22, 2021, the OIG issued a Report of Investigation regarding the employee and their supervisor, a Senior Government Employee (SGE). Management had previously counseled the SGE; however, the employee was unavailable for an extended period, so GAO had not taken further administrative action. Following the employee's return to work, GAO management verbally counseled the employee. The OIG closed the case on February 10, 2023. (G-21-0403-O)

Other Investigations

In addition to the seven investigations identified as closed above, the OIG closed two investigations during the period that were not previously disclosed publicly. A summary of those investigations is provided in Table 4.

Table 4: Closed Investigations Not Previously Disclosed Publicly, October 1, 2022, to March 31, 2023

Subject	Results	Completed
<p>Failure to Refund Contract or Bid Protest Filing Fees</p> <p>The complainant alleged that GAO’s processes for canceling contracts and the rescission of bid protests does not allow for the recoupment of the related filing or legal fees. (G-23-0021-HL)</p>	<p>The OIG conducted a limited review assessing GAO’s compliance with statutory and regulatory guidelines in its processing of the referenced bid protest. The OIG found no basis on which to question GAO’s processing decisions.</p>	<p>January 19, 2023</p>
<p>Misuse of Official Position and GAO Logo on Social Media</p> <p>The complainant alleged that a neighbor misrepresented themselves as a GAO employee and misused their position to gain access to personal data. (G-22-0309-O)</p>	<p>The GAO OIG found that the subject, a non-GAO employee, misused the GAO logo on a personal social media page and referenced having access to their neighbors’ personal information as a law enforcement agency employee. The GAO OIG referred the case to the OIG for the subject’s federal agency. The GAO OIG also worked with the social media provider to have the inaccurate information removed.</p>	<p>March 29, 2023</p>

Source: OIG investigative activity statistics as of March 31, 2023.

OTHER ACTIVITIES

Activities within GAO

OIG leadership continued its discussion of the duties, responsibilities, and authorities of the OIG with participants in GAO's new employee orientation program. In addition, OIG leadership met with senior staff, conducted briefings for OIG teams, attended weekly senior staff meetings, and met periodically with the Audit Advisory Committee and staff of the independent public accounting firm conducting GAO's annual financial statement audit.

Activities within the Inspector General Community

The OIG participated with and responded to requests for information from the Pandemic Response Accountability Committee (PRAC), established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act.⁶

The OIG continued to participate in the Council of Inspectors General on Integrity and Efficiency (CIGIE), a council of federal inspectors general that promotes collaboration on issues of economy, efficiency, and effectiveness that transcend individual agencies. As part of its statutory responsibilities, the OIG reviewed and provided comments through CIGIE pertaining to

legislative proposals regarding the Inspector General community, including priorities of interest to Legislative Branch Inspectors General. OIG leadership regularly participated in monthly CIGIE meetings and periodic meetings with other OIGs designed to address issues common to smaller OIGs. OIG leadership also participated in periodic CIGIE Audit and Investigations Committee meetings, meetings of Assistant Inspectors General for Investigations, various CIGIE investigative working groups, CIGIE Legislation Committee meetings, and Council of Counsels to Inspectors General meetings.

Freedom of Information

During the current reporting period, the OIG processed one request for information under GAO's access regulation, 4 C.F.R. Part 81.

Whistleblower Retaliation

The GAO OIG has no statutory authority to investigate allegations of whistleblower retaliation. Although GAO is not subject to the Whistleblower Protection Act or the Whistleblower Protection Enhancement Act, GAO personnel management system controls are intended to protect GAO employees from prohibited personnel practices.

⁶ Public Law 116-136.

OIG Mission

Our mission is to protect GAO's integrity through audits, investigations, and other work focused on promoting economy, efficiency, and effectiveness in GAO programs and operations, and to keep the Comptroller General and Congress informed of fraud and other serious problems relating to the administration of GAO programs and operations.

Reporting Fraud, Waste, and Abuse in GAO's Programs and Operations

To report fraud and other serious problems, abuses, and deficiencies relating to GAO programs and operations, you can do one of the following (anonymously, if you choose):

- Call toll-free (866) 680-7963 to speak with a hotline specialist, available 24 hours a day, 7 days a week.
- Visit [GAO OIG Listening Line](#)

Obtaining Copies of OIG Reports and Testimonies

To obtain copies of OIG reports and testimonies, go to GAO's website: [Inspector General | U.S. GAO](#) or [Oversight.gov | All Federal Inspector General Reports In One Place](#).

