UNITED STATES CAPITOL POLICE

OFFICE OF INSPECTOR GENERAL

SEMIANNUAL REPORT TO THE CONGRESS

April 1, 2011 — September 30, 2011

United States Capitol Police

History

Created by Congress in 1828 following the assault on a son of John Quincy Adams in the Capitol Rotunda, the original duty of the United States Capitol Police (USCP) was to provide security for the United States Capitol Building. Its mission has expanded to provide the Congressional community and its visitors with a variety of police services. These services are provided through the use of a variety of specialty support units, a network of foot and vehicular patrols, fixed posts, a full time Containment and Emergency Response Team, K-9, a Patrol/Mobile Response Division and full time Hazardous Devices and Hazardous Materials Sections. The agency has 2,129 sworn and civilian employees as of September 24, 2011.

Mission

Today's USCP officer has the primary responsibility for protecting life and property; preventing, detecting, and investigating criminal acts; and enforcing traffic regulations throughout a large complex of congressional buildings, parks, and thoroughfares. The USCP has exclusive jurisdiction within the United States Capitol Grounds and has concurrent jurisdiction with other police agencies, including the United States Park Police and the DC Police, in an area of approximately 200 blocks around the complex. Additionally, they are charged with the protection of Members of Congress, Officers of Congress, and their families throughout the entire United States, its territories and possessions, and the District of Columbia.

Office of Inspector General

History

With Public Law 109-55, (August 2, 2005), Congress directed the Capitol Police Board to appoint an Inspector General (IG) for the Department without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.

On July 12, 2006, the Chairman of the Capitol Police Board swore in the first IG for the Department at the Eney, Chestnut, Gibson Memorial Building, United States Capitol Police Headquarters in Washington, D.C.

Mission

The IG is responsible for conducting and supervising audits and investigations relating to the programs and operations of the Department. The Office of Inspector General (OIG) examines, evaluates and, where necessary, critiques these programs and operations, recommending ways to carry out departmental responsibilities in the most effective, efficient, and economical manner possible. OIG also audits, investigates, and oversees matters related to the Department's programs and operations, consistent with applicable laws, regulations, and policies.

MESSAGE FROM THE INSPECTOR GENERAL

Inspector General
Carl W. Hoecker

I am pleased to present the United States Capitol Police (USCP) Office of Inspector General (OIG) semiannual report for the period April 1, 2011 through September 30, 2011.

The audits, investigations, and other activities outlined within this report demonstrate OIG's ongoing commitment to ensure efficiency and integrity within USCP programs and operations.

During this period, Audits issued fiscal years 2010 and 2009 financial statements, *Audit of USCP's FYs 2010 and 2009 Financial Statements,* (Report Number OIG-2011-01). OIG also initiated an audit to assess USCP's Enterprise Architecture and began a review of the Department's time and attendance systems. Additionally, Audits began the audit of the Department's fiscal year 2011 financial statements in August 2011.

Investigations continue to receive and work numerous hotline complaints and conduct outreach with USCP personnel. During this period, OIG received 36 complaints, initiated 4 investigations and closed 3 cases.

I am encouraged with the Department's efforts on resolution of open recommendations during this reporting period. For example, the Department improved its budget formulation processes and controls, which resulted in OIG closing all eight recommendations from the OIG report *Audit of USCP Budget Formulation Process,* (Report Number OIG-2010-03). Additionally, during the FYs 2010/2009 financial statements audit (Report Number OIG-2011-01), the independent auditors closed 31 open recommendations related to internal controls, financial management and reporting, and information technology.

I would like to take this opportunity to thank our committees of jurisdiction, the Capitol Police Board, and the Department for the interest and support they have shown our office. We look forward to working closely with the Chief and his leadership team, the Board, and the Congress to increase efficiency and effectiveness in USCP programs and operations.

Carl W Hoecker

Carl W. Hoecker
Inspector General

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EXECUTIVE SUMMARY

*T*his Semiannual Report is issued pursuant to the provisions of Section 5 of the Inspector General Act of 1978, as amended, and summarizes the activities of the United States Capitol Police's (USCP or Department) Office of Inspector General (OIG) for the period April 1, 2011 through September 30, 2011. During this reporting period, OIG continued to direct its available resources toward those areas of greatest risk with the Department. We completed work to promote the economy, efficiency, effectiveness, and integrity of the Department's programs and operations. The work of each of the OIG components is summarized below.

OIG Audits issued fiscal years 2010 and 2009 financial statements *Audit of USCP's FYs 2010 and 2009 Financial Statements,* (Report Number OIG-2011-01). Audits also initiated an audit to assess USCP's Enterprise Architecture and began a review of the Department's time and attendance systems.

Furthermore, Audits began the audit of the Department's fiscal year 2011 financial statements in August 2011. The primary objective of the audit is to express an opinion on whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. In addition, the contractor will express an opinion on the effectiveness of internal control over financial reporting. OIG's independent contractor will also test and report on compliance with laws and regulations related to the financial statements. OIG plans to issue this report on or before December 15, 2011.

OIG Investigations received and evaluated 36 complaints during this reporting period, of which 33 were hotline complaints and three were from other sources. In addition, OIG initiated four investigations and closed three cases.

During this reporting period, OIG continued work with our stakeholders to maintain and foster an open and effective relationship. For example, OIG continued its active engagement with the Chief, Board, and Congress through meetings, briefings, and dialogue with members and staff of the Department's authorizing and appropriation committees and subcommittees on a range of issues relating to the work of the OIG and USCP. Additionally, OIG remains a contributing participant in the activities of the Council of Inspectors General on Integrity and Efficiency (CIGIE), which was statutorily established to enhance governmentwide efforts to promote integrity and efficiency and to detect and prevent fraud, waste, and abuse in Federal programs. The USCP IG continues to serve as the chairman of CIGIE's Investigations Committee.

LEGISLATION MONITORED

Legislation Monitored

OIG continues to review and monitor legislation as follows:

H.R. 209 – *The Reducing Information Controls Designation Act*

H.R. 5815 – *The Inspector General Authority Improvement Act*

S. 241 – *The Non-Federal Employee Whistleblower Protection Act of 2011*

S. 1490 – *The Personal Privacy and Security Act of 2009*

S. 942 – *The Government Charge Card Abuse Prevention Act of 2009*

S. 1246 – *A bill to reduce the number of non-essential new vehicles purchased and leased by the Federal Government*

S. 1212 – *The Geolocational Privacy and Surveillance Act*

S. 801 – *The Information Technology Investment Management Act of 2011*

AGENT OF POSITIVE CHANGE

Resolution of Open Recommendations

During this reporting period, the OIG and the Department focused on resolution of open recommendations. For example, the Department improved its budget formulation processes and controls, which resulted in OIG closing all eight recommendations from the report *Audit of USCP Budget Formulation Process,* (Report Number OIG-2010-03).

Additionally, during the FYs 2010/2009 financial statements audit (Report Number OIG-2011-01), the independent auditors closed 31 open recommendations related to internal controls, financial management and reporting, and information technology.

Legislative Branch Financial System Cross-Servicing Agreement Common Auditor

USCP OIG continues to work with the Inspectors General of the Legislative Branch participating in a financial system cross-servicing agreement with the Library of Congress. The goal was to select a common auditor to conduct the financial statement audit for each agency. A charter and combined Statement of Work were developed and the contract was awarded in July 2011. The common auditor began work at the Library and USCP in August 2011. Based on the participating agencies' estimated costs for the annual financial statements, the agencies are projecting an overall five year cost savings of about $2 million.

PROACTIVE EFFORTS

Major Management Challenges

For FY 2012, OIG has identified protection/security, information security, financial management, human capital, and resolution of audit recommendations as major management challenges for the Department. OIG continues to meet with senior Department officials in an effort to jointly focus on improving processes and internal controls using the management challenges as a roadmap.

Outreach Activities

The AIGI conducts outreach with recruit officers

As part of our continuing efforts to promote accountability through better awareness of OIG's role, mission, and services, OIG continues to make presentations to Department managers and employees, Legislative branch officials, and committee staffers.

AUDITS

Audit of USCP's FYs 2010 and 2009 Financial Statements (OIG-2011-01)

OIG contracted with Cotton and Company LLP (Cotton), an independent certified public accounting firm, to audit the Department's financial statements for the years ended September 30, 2010 and September 30, 2009. Audit work commenced with the entrance conference on July 9, 2009. However, work ceased upon receipt of a Stop Work Order effective October 27, 2009, while we awaited a legal opinion from the Government Accountability Office (GAO) concerning the continued use of Budget Fiscal Year 2003 funds that were cancelled by operation of law on September 30, 2008. The Stop Work Order was rescinded on June 10, 2010 after issuance of GAO's legal opinion. Work began anew with an entrance conference on September 9, 2010 for both the FY 2010 and FY 2009 audits.

In the *Independent Auditors' Report,* Cotton rendered a qualified opinion because of scope limitations related to construction-in-progress and advances to others on the Department's financial statements.

In the *Independent Auditors' Report on Internal Control*, Cotton rendered an adverse opinion on the effectiveness of internal control. Cotton reported two material weaknesses concerning payroll processing and financial management and a significant deficiency regarding information systems.

In the *Report on Compliance with Laws and Regulations*, Cotton identified two instances of noncompliance with the *Fair Labor Standards Act* regarding compensatory time balances in excess of 480 hours and waivers not obtained for compensatory time earned in lieu of overtime which was accrued in excess of 240 hours during Calendar Years 2010 and 2009.

As a result of Cotton's audit procedures, they identified five material misstatements in the financial statements that they brought to the attention of management. Management adjusted the financial statements for the misstatements and agreed to take action to implement all recommendations.

ON-GOING AUDITS

Audit of USCP's Enterprise Architecture

OIG began a performance audit to assess USCP's Enterprise Architecture to achieve the organization's mission through the alignment of the entity and information technology (IT) strategic plans, as well as integration of the (IT) strategy and risks into the budgeting and procurement processes. Our objectives are to assess the

- Integration of the IT strategy with the overall organization strategy and mission.
- Alignment of IT resources and systems to support the organization's mission.
- Communication and coordination among the business, mission critical, and IT organizations within USCP.
- Alignment of IT investments in the budgeting and procurement processes.

OIG expects to issue a report on or before November 30, 2011.

Audit of USCP's FY 2011 Financial Statements

In accordance with our fiscal year 2011 *Annual Plan*, OIG began the Department's 2011 principal financial statements in August 2011. The primary objective of the audit is to express an opinion on whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. In addition, express an opinion on the effectiveness of the USCP's internal control over financial reporting based on the *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States and will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and *Government Auditing Standards,* issued by the Comptroller General of the United States. Further, OIG will evaluate and report on compliance with laws and regulations related to the financial statements.

OIG expects to issue a report on or before December 15, 2011.

ON-GOING AUDITS

Agreed-Upon Procedures of USCP's Time and Attendance Systems

At the request of the Chief of Police and the Chief Administrative Officer, OIG began Agreed-Upon Procedures of the Department's time and attendance systems. The procedures will be performed in three phases, the first consisting of obtaining an understanding of current policies and procedures and the environment. OIG will then document this understanding in process flowcharts. The second phase will include procedures to assist in evaluating whether controls are operating effectively and efficiently. The final phase will consist of gathering information to assist the Department in evaluating best practices utilized by other similar law enforcement organizations, to the extent possible, and cost/benefit analyses, as well any additional procedures that are determined based upon results of earlier procedures. OIG expects to issue a report on or before May 31, 2012.

INVESTIGATIONS

Improper Association, Conduct Unbecoming, and Untruthfulness (2007-I-0018)

At the request of the Chief of Police, OIG conducted an investigation to determine whether actions of USCP employees were administrative and/or criminal violations. This investigation was predicated upon notification from the Chief of Police that the Washington Field Office of the Federal Bureau of Investigation and the Washington, D.C., U.S. Attorney's Office had concluded an investigation of USCP employees. The Assistant U.S. Attorney declined criminal prosecution.

OIG completed its investigation during a previous reporting period. Based upon OIG's investigation, however, two department employees were terminated during this reporting period.

Harassment and Untruthfulness by Office of Professional Responsibility (2011-I-006)

OIG conducted an investigation into several allegations raised by a sworn member of the USCP. According to the employee, members of the Office of Professional Responsibility (OPR) harassed and provided false statements to the employee.

Our investigation did not yield any evidence or information substantiating that OPR harassed or provided false statements in the performance of their official duties.

Bias Based Profiling (2011-I-0008)

In a joint investigation with the OPR, OIG received a formal complaint from the [redacted] that several of its members were victims of racial profiling during the [redacted] visit to the U.S. Capitol in April 2011. [redacted] alleged that members of the USCP stopped and detained several of its members based solely on their appearance and racial makeup.

Our investigation determined that members of the USCP did not engage in racial profiling and that the [redacted] members were detained based on a complaint of suspicious activity (unattended bags). In coordination with OIG, OPR issued this report.

APPENDIX 1 – REPORTS ISSUED

OIG-2011-01	**Audit of USCP's FYs 2010 and 2009 Financial Statements**
2011-I-0006	**Harassment and Untruthfulness by Office of Professional Responsibility**

APPENDIX 2 – RESOLUTION OF REPORT RECOMMENDATIONS

Timely resolution of outstanding recommendations continues to be a priority of both OIG and the Department. As of September 30, 2011, OIG has made 182 recommendations to the Department. The Department has closed 120 recommendations and 62 recommendations remain open, which require additional corrective action(s) for completion. Listed below are recommendations over six months old.

Appendix 2 – Resolution of Report Recommendations			
Report Number	**Report Title**	**Recommendation Number**	**Recommendation**
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 1.2 1	**Payroll Processing** - We recommend that USCP consistently implement time-and-attendance certification policies and procedures and that timekeepers review all certification reports to ensure that employees and supervisors sign and date reports.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 1.3 2	**Payroll Processing** - We recommend the Office of Human Resources (OHR) Time and Attendance Division communicate to Bureau Commanders their responsibility to submit required certification email reports at the close of each pay period to [redacted] support. We also recommend that the OHR Time and Attendance Division notify the Chief Administrative Officer (CAO) and Chief of Police when timekeepers have not complied with the time- and-attendance standard operating procedure to submit bi-weekly certification e-mail reports to OHR.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 1.4 3	**Payroll Processing** -We recommend that USCP consistently implement time-and-attendance certification policies and procedures.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 1.6 4	**Payroll Processing -** We recommend that OHR perform periodic reconciliations between [redacted] and the National Finance Center to ensure that information such as annual leave balance is correctly reported in both systems.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 1.8 5	**Payroll Processing** - We recommend that OHR modify its administrative policy for separating employees from USCP to include a timeframe for processing and filing all pertinent documents, such as the [redacted] and [redacted]
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 1.9 6	**Payroll Processing** - We recommend USCP ensure that its employees comply with USCP Special Directive No [redacted] addressing responsibility to record daily worked hours using the Department's [redacted] time clocks. We recommend supervisors continuously monitor employees who show a pattern of not clocking in or out and verify if hours entered into [redacted] are actual hours worked by the employee.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.1E 5	**Financial Management -** We recommend that the CAO amend cash-collection procedures to ensure that the Budget Office is immediately notified of spending authority from offsetting collections, with follow-up to ensure the budgetary entries are made in [redacted].

Appendix 2 – Resolution of Report Recommendations			
Report Number	**Report Title**	**Recommendation Number**	**Recommendation**
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.1G 7	**Financial Management** - We recommend that the CAO develop procedures to accurately track the receipt of invoices, to ensure that vendors are paid promptly. OFM needs to determine the actual dates of when services or goods are delivered and develop a policy of holding FLOs accountable when vendors cannot be paid timely and transactions are inaccurately entered into [redacted]
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.1H 8	**Financial Management** - We recommend that OFM revise USCP Directive No. [redacted], to include updated procedures and controls. We also recommend that OFM maintain invoices on its spreadsheet for 15 months after a payment has been approved and processed.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.1I 9	**Financial Management** - We recommend that the CAO modify Directive [redacted] to include a timeline for the semi-annual review of vendor additions and modifications. We also recommend that CAO strengthen the approval process for the vendor request/modification form.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.1M 13	**Financial Management** - We recommend that the CAO implement stronger controls and ensure that training is provided as appropriate.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.2B 16	**Financial Management** - We recommend that the CAO develop a more rigorous quality assurance process.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.2C 17	**Financial Management** - We recommend that OFM resolve issues identified in the Quarterly FACTS II before yearend.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.2F 20	**Financial Management** - We recommend that OFM develop and implement a sufficient and effective quality review of financial statements and notes that includes an analytical procedure for reviewing financial statements and notes.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.2H 22	**Financial Management** - We recommend that OFM strengthen quality control assurance over financial reporting to ensure that errors and omissions are detected in a timely manner.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.3 24	**Financial Management** - We recommend that the CAO develop and implement policies and procedures to facilitate the flow of information from the General Counsel to OFM.
2009-01 2011-01	*FY 2008 FS* *FYs 2010/2009 FS*	Repeat Finding 2.7 26	**Financial Management** - We recommend that the CAO ensure that OFM and the Property and Asset Management Division need to continue to work vigorously together to insure that their past efforts are not wasted.
2008-06	*Review of Specialty Assignment and Proficiency Pay Programs*	1	**Specialty Pay** - We recommend that the USCP develop and implement a sound, effective method of accounting for each specialty assignment and proficiency pay program in the National Finance Center and the [redacted] accounting systems. During the interim, the Office of Human Resources should establish written procedures for processing and reconciling its cuff records with actual disbursements.
2008-06	*Review of Specialty Assignment and Proficiency Pay Programs*	2	**Specialty Pay** - We recommend that the USCP take action(s) to collect questioned costs totaling $196,420 and provide supporting documentation for $30,600.
2008-06	*Review of Specialty Assignment and Proficiency Pay Programs*	3	**Specialty Pay** - We recommend that the USCP consider whether all the specialty assignment and proficiency pay programs are needed and, if so, determine the most efficient and effective method of implementation and allocate the necessary resources to effectively administrate the program(s).

Appendix 2 – Resolution of Report Recommendations			
Report Number	**Report Title**	**Recommendation Number**	**Recommendation**
2008-06	*Review of Specialty Assignment and Proficiency Pay Programs*	4	**Specialty Pay** - We recommend that the USCP, in the interim, clarify [redacted] Directives regarding a. Exclusion(s) or payment(s) from multiple programs when using the same defining criteria such physical fitness, firearms proficiency, risk to self, and maintenance of certification or proficiencies, thereby avoiding costs of $279,219 and putting funds to better use. b. the aggregate of 50 percent of the previous six-month period for pay purposes for hazardous duty and plainclothes. c. the 45-calendar day requirement for specialty assignment pay.
2008-06	*Review of Specialty Assignment and Proficiency Pay Programs*	5	**Specialty Pay** – We recommend that the USCP finalize its draft firearms and field officer training directives and enforce the consistent use of a standard [redacted] Form.
2008-06	*Review of Specialty Assignment and Proficiency Pay Programs*	6	**Specialty Pay** - We recommend that the USCP strengthen tracking and reconciliation procedures to ensure employees do not improperly receive payments within the same fiscal year or when ineligible for such pay.
2008-06	*Review of Specialty Assignment and Proficiency Pay Programs*	8	**Specialty Pay** - We recommend that the USCP take action(s) to clarify its Maximum Annual Payable Rate in light of Public Law 108-7. In addition, we recommend that the Chief of Police request the Office of the General Counsel provide a legal opinion regarding: (1) USCP authority to defer payments to the next calendar year when an employee may exceed the annual salary limitation; and, (2) appropriate options for collecting amounts from employees who received amounts in excess of the annual salary limitation.
2008-06	*Review of Specialty Assignment and Proficiency Pay Programs*	9	**Specialty Pay** - We recommend that the USCP consider whether these specialty assignment and proficiency pay programs are needed to compete with other police forces and, if so, then the Department should link its goals and measures of these programs with retention and recruitment of Department personnel.
2008-08	*Review of Compliance with USCP Hiring Standards and with Directive* [redacted]	1	**Triple III** - We recommend that the USCP, in coordination with the Capitol Police Board, update its hiring standards and establish a comprehensive hiring directive outlining the Department's vision and goals to create a talented and committed workforce, to support an effective organizational culture, and enhance the overall performance of the Department.
2009-02	*Controls Over Travel Vouchers*	2	**Travel Vouchers** - We recommend that the USCP provide travel cardholders training or, at a minimum, require all cardholders to take the U.S. General Services Administration on-line training course for cardholders and document such training. Additionally, the Office of Financial Management should review the questionable vouchers and determine if questioned costs should be collected from cardholders.
2009-02	*Controls Over Travel Vouchers*	3	**Travel Vouchers** - We recommend that the USCP strengthen its controls surrounding voucher payment process. Specifically, require cardholders to mark duplicate travel vouchers clearly as "COPY" when resubmitting to the OFM. Additionally, the Office of Financial Management should develop and implement a mandatory specialized training course for the approving, authorizing, and certifying officials reiterating their roles and responsibilities. Refresher courses should be provided on a periodic basis. Until a training course is developed and implemented, require applicable officials to review the FTR and Department policies and procedures related to reviewing travel vouchers and approving travel expenditures.
2009-05	*Audit of USCP Purchase Card Program*	1	**Purchase Card** - We recommend that the USCP and communicate policies and procedures to address the identified internal control deficiencies noted for the Purchase Card Program culminating in a comprehensive purchase card management plan.

Appendix 2 – Resolution of Report Recommendations			
Report Number	**Report Title**	**Recommendation Number**	**Recommendation**
2009-05	*Audit of USCP Purchase Card Program*	2	**Purchase Card -** We recommend that the USCP update the Purchase Card guidance.
2009-05	*Audit of USCP Purchase Card Program*	3	**Purchase Card -** We recommend that the USCP require the Purchase Card Program Coordinator to conduct monthly monitoring of purchase cardholder statements and purchase log reconciliations to measure compliance.
2009-05	*Audit of USCP Purchase Card Program*	4	**Purchase Card -** We recommend that the USCP review reported questionable transactions and make a determination as to their appropriateness and valid Government need.
2009-06	*Audit of USCP Off-site Deployments*	1	**Off-site Deployments -** We recommend that the USCP in coordination with the Capitol Police Board and Committees of jurisdiction, establish a policy clearly defining terms such as deployment, "direct nexus" to the mission, and the three exceptions under 2 U.S.C. § 1978 and establish a complete listing of off campus activities that do not require formal notification.
2009-06	*Audit of USCP Off-site Deployments*	2	**Off-site Deployments -** We recommend that the USCP immediately document its decision-making process as it relates to off campus activities.
2009-06	*Audit of USCP Off-site Deployments*	3	**Off-site Deployments -** We recommend that the USCP implement procedures to capture and document estimated and actual costs in all off campus activities.
2009-06	*Audit of USCP Off-site Deployments*	4	**Off-site Deployments -** We recommend that the USCP develop written measures and standards for off campus activities.
2010-02	*Review of Hazardous Materials Response Team Procurement Process*	3	**Procurement -** We recommend the USCP safeguard government contract records by establishing physical control over vulnerable assets. Access to records should be limited to authorized individuals, and accountability for their custody and use should be assigned and maintained.

APPENDIX 3 – Peer Review Reporting

Implementing Section 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act Inspector General Peer Review Activity April 1, 2011 -- September 30, 2011

Last Peer Review Conducted of USCP OIG Audit Organization

As part of the three year cycle of independent peer reviews, the last peer review report[1] covering USCP OIG Audit Organization was issued January 27, 2011, by the Office of Inspector General, National Endowment for the Humanities (NEH). USCP OIG received a peer review rating of pass for the year ended September 30, 2010. Furthermore, the NEH OIG had no comments or recommendations in its System Review Report of USCP OIG.

USCP OIG's next peer review of its Audit organization is scheduled for September 2013.

Last Peer Review Conducted by USCP OIG Audit Organization

USCP OIG was not involved in any peer review work during this reporting period. USCP OIG issued its last Reviewing Inspector General Report on March 12, 2010, to the Federal Maritime Commission Office of Inspector General.

USCP OIG is scheduled to conduct the peer review of Appalachian Regional Commission for the period ended March 2013.

[1] The Council of Inspectors General on Integrity and Efficiency (CIGIE) Audit Committee administers the external peer review program under generally accepted government auditing standards (GAGAS) for Federal Offices of Inspector General. GAGAS requires audit organizations that perform audits or attestation engagements in accordance with GAGAS to have an appropriate system of quality control and to undergo external peer reviews at least once every three years. GAGAS prescribes: (1) the elements of scope of the peer review, including performing a risk assessment to help determine the number and types of engagements to select; (2) the requirements for reporting on the results of the peer review; (3) the qualifications of review staff; and (4) the distribution of peer review reports. GAGAS also prescribes requirements for granting extensions of deadlines for submitting peer review reports.

Table 1

Reports Issued with Questioned Costs[2]
April 1, 2011 through September 30, 2011

Category	(Dollars in Thousands)		
	No. of Reports	Questioned Costs	Unsupported Costs
For which no management decision has been made by the commencement of the reporting period	4	$2,701	$1,341
Which were issued during the reporting period	0	$0	$0
Subtotals	4	$2,701	$1,341
For which a management decision was made during the reporting period			
• dollar value of disallowed costs	0	$0	$0
• dollar value of cost not disallowed	0	$0	$0
For which no management decision has been made by the end of the reporting period	4	$2,701	$1,341
Reports for which no management decision was made within 6 months of issuance	4	$2,701	$1,341

[2] A "questioned cost" denotes that one or more of the following three situations exist: (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, other agreement, or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (3) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Table 2

Reports Issued with Recommendations that Funds Be Put to Better Use[3] April 1, 2011 through September 30, 2011

Category	Number of Reports	Dollar Value (in thousands)
For which no management decision has been made by the commencement of the reporting period	1	$282
Which were issued during the reporting period	0	$0
Subtotals	1	$282
For which management decision was made during the reporting period	0	0
• dollar value of recommendations that were agreed to by management o based on proposed management action o based on proposed legislative action	0	0
• dollar value of recommendations that were not agreed to by management	0	0
For which no management decision has been made by the end of the reporting period	1	$282
Reports for which no management decision was made with 6 months of issuance	1	$282

[3] A recommendation that funds be put to better use is a recommendation by the OIG that funds could be used more efficiently if Department management took actions to implement and complete the recommendations, including: reductions in outlays, deobligation of funds from programs or operations; withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; costs not incurred by implementing recommended improvements related to the operations of the Department, a contractor, or a grantee, avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or any other savings which are specifically identified.

Table 3

INVESTIGATIONS STATISTICS
April 1, 2011 through September 30, 2011

Recoveries	$0
Fines and Restitutions	$0
Investigative Cases Opened	4
Investigative Cases Closed	3
Internal Control Reviews Initiated	0
Arrests	0
Indictments	0
Convictions	0
Personnel Actions	2
Total Complaints Received	36
Hotline Complaints Received	33
Complaints from Other Sources	3
Complaints Referred (to Department or other agencies)	17
Inspector General Subpoenas	0

IG Act	REPORTING REQUIREMENTS	PAGE

Working Relationship Principles for Agencies and Offices of Inspector General

The *Inspector General Act* establishes for most agencies an OIG and sets out its mission, responsibilities, and authority. The unique nature of the Inspector General function can present a number of challenges for establishing and maintaining effective working relationships. To work most effectively together, the agency and its OIG need to clearly define what the two consider to be a productive relationship and then consciously manage toward that goal in an atmosphere of mutual respect.

By providing objective information to promote government management, decision making, and accountability, the OIG contributes to the agency's success. The OIG is an agent of positive change, focusing on eliminating waste, fraud, and abuse, and on identifying problems and recommendations for corrective actions by agency leadership. The OIG provides the agency, Board, and Congress with objective assessments of opportunities to be more successful. The OIG, although not under the direct supervision of the Chief, must keep the Board and the Congress fully and currently informed of significant OIG activities. Given the complexity of management and policy issues, the OIG and the agency may sometimes disagree on the extent of a problem and the need for and scope of corrective action. However, such disagreements should not cause the relationship between the OIG and the agency to become unproductive. The following working relationship principles provide some guidance for agencies and OIGs. **To work together most effectively, the OIG and the agency should strive to:**

Foster open communications at all levels.
The agency will promptly respond to the OIG requests for information to facilitate OIG activities and acknowledge challenges that the OIG can help address. Surprises are to be avoided. With very limited exceptions, primarily related to investigations, the OIG should keep the agency advised of its work and its findings on a timely basis, and strive to provide information helpful to the agency at the earliest possible stage.

Interact with professionalism and mutual respect.
Each party should always act in good faith and presume the same from the other. Both parties share, as a common goal, the successful accomplishment of the agency's mission.

Recognize and respect the mission and priorities of the agency and the OIG. The agency should recognize the OIG's independent role in carrying out its mission within the agency, while recognizing the responsibility of the OIG to report both to Congress and to the agency head. The OIG should work to carry out its functions with a minimum of disruption to the primary work of the agency. The agency should allow the OIG timely access to agency records and other materials.

Be thorough, objective, and fair. The OIG must perform its work thoroughly, objectively, and with consideration to the agency's point of view. When responding, the agency will objectively consider differing opinions and means of improving operations. Both sides will recognize successes in addressing management challenges.

Be engaged. The OIG and agency management will work cooperatively in identifying the most important areas for OIG work, as well as the best means of addressing the results of that work, while maintaining the OIG's statutory independence of operation. In addition, agencies need to recognize that the OIG also will need to carry out work that is congressionally requested, mandated by law, or self-initiated.

Be knowledgeable. The OIG will continually strive to keep abreast of agency programs and operations, and agency management will be kept informed of OIG activities and concerns being raised in the course of OIG work. Agencies will help ensure that the OIG is kept up to date on current matters and events.

Provide feedback. The agency and the OIG should implement mechanisms, both formal and informal, to ensure prompt and regular feedback.

CONTACTING THE OFFICE OF INSPECTOR GENERAL

The success of OIG's mission to prevent fraud, waste, abuse or mismanagement depends on the cooperation of employees and the public. There are several ways to report questionable activity.

Call us at 202-593-4201 or toll-free at 1-866-906-2446. A confidential or anonymous message can be left 24 hours a day/7days a week.

Toll-Free
1-866-906-2446

Write or visit us – we are located at:

United States Capitol Police
Attn: Office of Inspector General, Investigations
119 D Street NE
Washington, D.C. 20510

OIG staff members open mail addressed to the above address.

You can also contact us by email at: OIG@USCP.GOV

When making a report, convey as much information as possible such as: Who? What? Where? When? Why? Complaints may be made anonymously or you may request confidentiality.

Additional Information and Copies:

To obtain additional copies of this report, call the OIG at (202) 593-4201.

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