



UNITED STATES CAPITOL POLICE OFFICE OF INSPECTOR GENERAL

Performance Audit Library of Congress Division Special Events Unit Reimbursement Process

Report Number OIG-2013-06

August 2013

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UNITED STATES CAPITOL POLICE
WASHINGTON, DC 20003



OFFICE OF INSPECTOR GENERAL

PREFACE

The Office of Inspector General (OIG) prepared this report pursuant to the Inspector General Act of 1978, as amended. It is one of a series of audits, reviews, and investigative and special reports OIG prepares periodically as part of its oversight responsibility with respect to the United States Capitol Police (USCP) to identify and prevent fraud, waste, abuse, and mismanagement.

This report is the result of an assessment of the strengths and weaknesses of the office or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.



We developed our recommendations on the basis of the best knowledge available to OIG and discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Fay F. Ropella".

Fay F. Ropella
Inspector General

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Abbreviations and Acronyms

Appropriation Authority	AA
Chief Financial Officer	CFO
Collective Bargaining Agreement	CBA
Fiscal Year	FY
General Ledger	GL
Government Accountability Office	GAO
Interagency Agreement	IA
Intra-Governmental Payment and Collection Systems	IPAC
Library of Congress	LOC
Library of Congress Division	LOC Division
Memorandum of Understanding	MOU
Metropolitan Police Department	MPD
National Park Service	NPS
Office of Financial Management	OFM
Office of Human Resources	OHR
Office of Inspector General	OIG
Overtime	OT
Plan of Action	POA
Standard Operating Procedure	SOP
Uniformed Services Bureau	USB
United States Capitol Police	USCP or Department

EXECUTIVE SUMMARY

The authority in section 1905, chapter 29, title 2 of the United States Code, *Deposit and use of reimbursements for law enforcement assistance*, permits the U.S. Capitol Police (USCP or Department) to accept reimbursements for law enforcement assistance from any Federal, State or local government agency and credit those funds to a general expense appropriation. The USCP Library of Congress (LOC) Division provides law enforcement support to non-congressionally sponsored special events held at LOC facilities. LOC reimburses USCP for overtime (OT) costs that officers incur while providing law enforcement support to these non-congressional special events.

At the request of the USCP Chief Financial Officer (CFO), OIG conducted a performance audit of the reimbursement process for the Department's LOC Division, Special Events Unit. The objectives of our audit were to determine if: (1) controls were operating effectively and efficiently with respect to the special events reimbursement process, and (2) the Department complied with applicable laws, regulations, and guidance pertaining to management and operation of LOC Division special events reimbursable activities. Our scope included controls, processes, and operations in place from October 1, 2011, through December 31, 2012.

USCP did not maintain an internal control manual or written internal control procedures related to the LOC Division special events reimbursable process. In addition, the Division did not have Standard Operating Procedures (SOPs) specific to the special events reimbursable process or for collection of accounts receivable. While the Department had some practices that it followed related to the special events reimbursable process, the practices were not clearly documented or readily available for review. The LOC Division did, however, develop a flow chart of the special events process, which included Office of Financial Management (OFM) procedures. OFM provided summaries of existing procedures and the Office of the Chief of Police provided a draft SOP for the reimbursement process dated June 22, 2009. As of July 2013, the Department had not finalized the draft SOP.

Last updated in 2006, USCP and LOC had not renewed the interagency agreement (IA) related to special events reimbursable activities. In addition, as of July 2013, the Department had not updated its 2009 Memorandum of Understanding (MOU) with LOC. The MOU is vague with regard to the LOC Division special events reimbursable activities and does not include elements that were part of a previous agreement dated May 10, 2006, which contained a detailed statement of work for special events.

The Department generally complied with established practices. Testing revealed that of the 36 special events reimbursements sampled, 1 invoice did not reflect the accurate billing amount. Although the Department requires certification that names and hours on the invoice sent to LOC are correct, no requirement exists for certifying the invoice amount.

OFM does not age¹ accounts receivables or use past due notices related to reimbursements. Such actions are; however, considered best practices for accounts receivable and collection. For the scope of the audit, an average of 110 days elapsed between the date a special event occurred and the date that LOC reimbursed USCP for the event. An OFM official stated USCP currently does not have the authority to require reimbursement for law enforcement support provided to special events not held at LOC, and reimbursements are usually from only Federal agencies. Aging accounts receivable should become more important in the future when the Department receives funds from commercial activities.

However, Senate Committee Report 112-197 – Legislative Branch Appropriations, 2013 § 5110 (c) (1) (f) (2) states the Department may collect—

- (A) Fees for the processing of an application to use Union Square, including any administrative and personnel costs incurred by the Capitol Police or the Architect of the Capitol; and
- (B) Fees for the use of Union Square, including all costs incurred by the Capitol Police or the Architect of the Capitol resulting from the use of Union Square, including the costs to monitor the permitted activity....

Review of other law enforcement agencies including the District of Columbia Metropolitan Police Department (MPD) and the U.S. Park Police revealed that those organizations require reimbursement for law enforcement support. The authority contained in section 3a, chapter 1, title 16 of United States Code, *Recovery of costs associated with special use permits*, allows the National Park Service (NPS) on and after November 11, 1993, to recover costs of providing necessary services associated with special use permits. The *National Park Service National Capital Region Requirements for Special Events Held on Parkland* (August 6, 2007) states the following:

... that in the event that the NPS determines that it is necessary, a Permittee shall provide funds to cover costs incurred when NPS employees are required to work for event monitoring and that there may be additional charges assessed by the United States Park Police for officers assigned to the event to provide for public safety. The charges are not covered by the NPS cost recovery funds, and are payable directly to the United States Park Police following the Permittees' receipt of a letter from the United States Park Police Special Forces Branch....

To develop a more efficient and effective special events reimbursement process, we recommend that the Department develop and document repeatable business processes that include best practices. Notwithstanding any other provision of law, we also recommend that the Department seek legislation that will allow the Department to collect reimbursements for law enforcement support provided to other non-congressionally sponsored special events held outside the LOC. Appendix A contains a complete list of recommendations.

On July 26, 2013, OIG conducted an exit conference with Department officials and provided a draft report for comment. We incorporated the Department's comments as applicable and attached their response to the report in its entirety in Appendix B.

¹ Categorizing accounts receivable according to the length of time an invoice has been outstanding.

BACKGROUND

The U.S. Capitol Police (USCP or Department) is the law enforcement agency within the legislative branch of the U.S Government tasked with protecting the Capitol Complex and Members of Congress, both domestic and abroad. In October 2009, the Library of Congress (LOC) buildings became part of U.S. Capitol Building and grounds for which USCP provides security services, including LOC special events.

The Special Events Unit of the Uniformed Services Bureau (USB), LOC Division, provides law enforcement support to non-congressionally sponsored special events held at LOC facilities. The authority in section 1905, chapter 29, title 2 of United States Code, *Deposit and use of reimbursements for law enforcement assistance*, permits USCP to accept reimbursements for law enforcement assistance from any Federal, State or local government agency and credit the funds to a general expenses appropriation. LOC reimburses USCP for overtime (OT) costs that the Department incurred for officers providing support to non-congressional special events.

The Office of Financial Management (OFM) invoices LOC for the amount of OT wages and social security taxes officers incur while working an event, and receives a reimbursement from LOC in the form of an Intra-Governmental Payment and Collection Systems (IPAC) transfer. USCP Budget creates the budget authority based on the collected amount of the reimbursement. The funds are available until expended. The Department credits the funds to a general expense account that is separate from the annual General Expense Appropriation for USCP. The funds do not have any effect on the Department's annual appropriations and according to a Department official the Statute keeps these funds from being moved into other appropriations. In accordance with section 1905, chapter 29, title 2 of the United States Code, the funds may be expended for any authorized purpose, including OT pay. In May 2012, the Department used \$800,000 of the funds to help cover costs of convention support.

The LOC Division, OFM, Office of Human Resources (OHR) and the Office of the Chief of Police are responsible for various aspects of the special events reimbursement process. The LOC Division is responsible for meeting with LOC and developing a plan of action (POA) for each event, providing the law enforcement support required at each special event, and verifying the accuracy of officers and hours worked. OFM is responsible for invoicing LOC, accounting for the reimbursements, and crediting collected reimbursements to the proper account. OHR establishes a separate time code for each special event within the USCP timekeeping system. The Office of the Chief of Police is responsible for final approval of the POA for each special event.

From October 1, 2011, through December 31, 2012, LOC reimbursed USCP \$223,922 for law enforcement protection provided for 99 non-congressional special events.

OBJECTIVE, SCOPE, AND METHODOLOGY

At the request of the USCP Chief Financial Officer (CFO), OIG conducted a performance audit of the reimbursable process for the Department's LOC Division, Special Events Unit. The objectives of the audit were to determine if: (1) controls were operating effectively and efficiently with to the respect to the special events reimbursement process, and (2) the Department complied with applicable laws, regulations, and guidance pertaining to management and operation of LOC Division special events reimbursable activities. Our scope included controls, processes, and operations in place from October 1, 2011, through December 31, 2012.

To accomplish our objectives, we interviewed appropriate LOC Division, OFM, OHR, and Office of the General Counsel officials to gain an understanding of the following areas:

- Policies and procedures for the LOC Division Special events reimbursement process.
- The organizational and functional structure of the LOC Division Special events.
- Laws applying to the deposit and use of reimbursements received for law enforcement assistance.

We also reviewed documentation related to special event planning, special event timekeeping, invoice preparation, payment collection, and budget authority maintained by OFM, LOC Division, and the Office of the Chief of Police. Furthermore, we reviewed the Interagency Agreement (IA) and Memorandum of Understanding (MOU) between USCP and LOC relevant to Department policies, financial statement audit documentation, and pertinent laws defining the deposit and use of reimbursements for law enforcement assistance. In addition, we reviewed section 1905, chapter 29, title 2 of the United States Code.

During the audit period, LOC reimbursed \$223,922 to USCP for law enforcement protection provided for 99 special events. Using CaseWare IDEA data analysis software, we conducted statistical attribute sampling using a 90-percent confidence level, 0 percent expected error rate, and a tolerable error rate of 5 percent and determined a sample size of 36 LOC reimbursements randomly selected. To determine compliance with existing Department reimbursement processes for special events, we conducted attribute testing² of the selected sample of 36 events totaling \$87,366.

As a legislative branch agency, many laws and regulations that apply to executive branch agencies do not apply to USCP. We believe, however, that those laws and regulations represent appropriate guidance and industry best practices. We reviewed guidance from the Government Accountability Office (GAO); U.S. Department of Justice; U.S. Department of Homeland Security; State of Washington, Office of Financial Management; State of Vermont Department of Finance and Management; Washington, D.C., Mayor's Special Events Task Group; National Park Service (NPS); City of Pittsburgh, Pennsylvania, Bureau of Police; and the City of

² Attribute testing of compliance with existing controls and processes.

Richmond, Virginia, Police Department³ to determine industry practices as well as economy and efficiencies for maximizing mission capability.

We conducted this performance audit in Washington, D.C., from April through July 2013, in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, 2011 revision, referred to as generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management officials July 26, 2013, and included their comments where appropriate.

RESULTS

Overall, although it generally complied with its internal controls and processes, USCP did not adequately document its internal controls and processes in a way that would ensure integrity of the special events reimbursable activities. In addition, OFM did not always apply best practices such as aging and collection of accounts receivable. Once USCP begins receiving fees from commercial activities for the use of Union Square and pursues authorization and opportunities to collect for other non-congressional special events, applying the cited best practices will become more important.

Lack of Documented Internal Controls Procedures

GAO, *Standards for Internal Control in the Federal Government; Appropriate Documentation of Transactions and Internal Control* (AIMD-00-21.3.1, November 1, 1999), states:

...that internal control and all transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination. The documentation should appear in management directives, administrative policies, or operating manuals and may be in paper or electronic form. All documentation and records should be properly managed and maintained.

USCP did not maintain an internal control manual or written internal control procedures for the LOC Division special events reimbursable process. According to OFM officials, no written procedures existed specific to the LOC Division special events reimbursable activities or for collection of accounts receivable. According to one LOC Division official, no written instructions exist specific to timekeeping for the special events other than the general OHR time and attendance guidance.

LOC Division officials provided flow charts detailing the LOC Division special events reimbursement process (Appendix C), and OFM provided Microsoft Word documents summarizing the procedures for LOC Division special events reimbursable activities. While the Department had internal control practices for the LOC Division special events reimbursable

³ We reviewed the best practices of organizations that we were able to find through internet research.

activities, the practices were not clearly documented or readily available for review. Appendix D outlines our understanding of the existing process and internal control practices the Department used for the LOC Division special events reimbursable process and is documented in the process narratives.

During the audit, a Department official provided draft SOP, [REDACTED] dated June 22, 2009. See [REDACTED]. An inspector, who has since retired, prepared the draft. It was unknown as to why the Department never finalized the SOP. The draft SOP includes a POA template as an attachment similar but not identical to the POA used in the special event reimbursement process. The procedures documented in the draft SOP are similar to the procedures LOC uses. The SOP would be an excellent starting point for the Department in finalizing its process of reimbursement of OT for LOC special events.

The IA and MOU for USCP and LOC were out of date and vague regarding special events. The purpose of such an agreement is to provide a mechanism for LOC to reimburse USCP for OT of its officers assigned to the LOC Police for special events that Congress does not sponsor. On May 10, 2006, USCP signed its most recent IA with LOC for the special events reimbursements, which actually states an effective date of April 1, 2005, until USCP “detail is terminated.”

On September 29, 2009, USCP and LOC signed an MOU. The MOU states that it supersedes the MOU between LOC and USCP that was entered into on December 12, 2004. Because the Department provided only the 2009 MOU, we could not review the MOU from 2004. The purpose and scope of the 2009 MOU was in accordance with the mandate and intent of the *U.S. Capitol Police and Library of Congress Police Merger Act of 2007* and defines the rights, duties, responsibilities and authorities of USCP and LOC following the effective date of the merger. The MOU includes a section on special events. It states the following:

...that the Librarian has the right to suspend statutory prohibitions as may be necessary for the use of LOC buildings and grounds for the purpose of filming, special events, etc.; the LOC will identify an events liaison to coordinate LOC events with the USCP Special Events Unit, forward all demonstration requests to the USCP Special Events Unit for processing in conformance with applicable statutory and regulatory restrictions, and schedule filming and other special events in coordination with the USCP Special Events Unit to ensure advance notice to the USCP regarding enforcement implications and event support, observe USCP restrictions on dangerous items and transfer funding to USCP to support staffing for events that LOC determines are not within the LOC core mission....

The MOU does not include elements that were part of the 2006 IA, such as a detailed statement of work related to non-congressional special events reimbursement.

Conclusions

Although it had some guidelines, USCP did not maintain an internal control manual or written internal control procedures and had not finalized its proposed draft SOP [REDACTED]. In addition, USCP has not updated its IA with the LOC since 2006 and its most recent MOU [2009] does not have detailed information specific to special events reimbursement. Well-written and up-to-date policies,

procedures, and agreements help guide organizations, managers and supervisors in making decisions, training, and handling issues that relate to operations, safety, and health. Thus, OIG makes the following recommendations.

Recommendation 1: We recommend the United States Capitol Police develop and document repeatable business processes that include best practices and written internal control policies and procedures addressing the Library of Congress Division special events reimbursement process as well as accounts receivable and collections, and clearly document and communicate those controls to all personnel.

Recommendation 2: We recommend the United States Capitol Police update its Interagency Agreement and Memorandum of Understanding with the Library of Congress to reflect the existing law enforcement assistance arrangement and reimbursement process that exists between the Department and the Library of Congress.

Compliance with Internal Controls Processes

USCP basically complied with established practices related to the LOC Division special events reimbursements. For example, a LOC Division official verifies that the names and hours on invoices are correct before an invoice is sent to LOC. However, testing revealed that none of the offices involved—OFM, OHR, or LOC Division—certified the rate of pay or billing amount on the invoice was correct.

During the audit period, the Department provided security for 99 special events totaling \$223,922 in OT. Using CaseWare IDEA data analysis software, we conducted statistical attribute sampling and determined a sample size of 36 randomly selected reimbursements. To determine compliance with the existing Department reimbursement process for LOC Division special events, we conducted attribute testing⁴ of the selected sample of 36 events totaling \$87,366. We tested each document for the following control attributes:

- Was a POA completed that the Division Commander, Bureau Commander, Office of the Chief of Police, and a LOC representative approved?
- Was an event estimate completed and signed by a supervisor and LOC representative?
- Was a special event OT timesheet completed?
- Was there [REDACTED] detail related to the event?

⁴ Testing of compliance with existing controls and processes.

⁵ [REDACTED] is the USCP timekeeping system.

⁶ [REDACTED] is business intelligence software used to pull a payroll report for each special event from [REDACTED]

- Did the event name in the [REDACTED] detail match the event name on the POA?
- Was there evidence of reconciliation between the special event OT timesheet and the [REDACTED] detail?
- Did the [REDACTED] detail match the special event OT timesheet?
- Did the [REDACTED] detail support the invoice provided to LOC?
- Was the invoice sent to the LOC Division for verification?
- Was the reimbursement included on a memo to the Budget Office?

We reviewed supporting documentation for our sample of 36 special events totaling \$87,366 for which LOC reimbursed USCP during the October 1, 2011, through December 31, 2012. Of 36 reimbursements sampled, only 1 did not have the same billing amount on the invoice as the related [REDACTED] detail report. For the special event, “Symetra Dinner,” held April 30, 2012, the total on the invoice provided to LOC was \$2,877. However, the [REDACTED] detail from the timekeeping system for the invoice showed \$2,834, resulting in an overcharge of \$43.

According to OFM and LOC Division officials, a “cube,⁷” or data request, was re-run for the pay period prior to the payroll detail being sent from the LOC Division to OFM. According to OFM, the cube was possibly re-run for a change made to another event that occurred during the same pay period. At that time, it was not noted that a change had occurred to this event. The official noted that OFM prepared the invoice on June 18, 2012, but the supporting [REDACTED] report was not run until July 13, 2012. As a result, OFM prepared this invoice using payroll detail from a report prepared prior to the report, which included supporting documentation for the invoice.

A Program Specialist from the LOC Division verifies the hours on the invoice before sending it to LOC. Certification is included on the invoice. According to an OFM official, the billing amount is reviewed and approved by the individual within OFM approving the journal entry recording the invoice. However, no certification exists on the invoice that the billed amount is correct. As a result, the Department could be overpaid and/or underpaid as demonstrated by the one exception noted.

As of July 2013, USCP does not have the authority to collect fees for non-congressional events. However, the Senate Committee Report 112-197 – Legislative Branch Appropriations, 2013 § 5110 (c) (1) (f) (2) states the Department may collect—

- (A) Fees for the processing of an application to use Union Square, including any administrative and personnel costs incurred by the Capitol Police or the Architect of the Capitol; and

⁷ Within [REDACTED] a cube is a set of data organized by dimensions and measures.

(B) Fees for the use of Union Square, including all costs incurred by the Capitol Police or the Architect of the Capitol resulting from the use of Union Square, including the costs to monitor the permitted activity....

When the time comes that the Department is authorized to collect fees for the use of Union Square, the number of accounts receivable will likely increase and USCP must develop effective policies and procedures for certifying that invoice amounts are correct.

Conclusions

Generally, the Department complied with its practices for special events reimbursements. We noted one exception, however, during compliance testing, which resulted in invoicing the incorrect amount. Based on best practices, certifying the correct amount on an invoice would reduce the likelihood of errors and provide added payroll detail. Additionally, USCP should develop and follow steps that ensure billing amounts are correct because the Department will begin in the future to collect fees for the commercial use of Union Square and the practice will likely increase the volume of invoices the Department prepares. As a result, OIG makes the following recommendation.

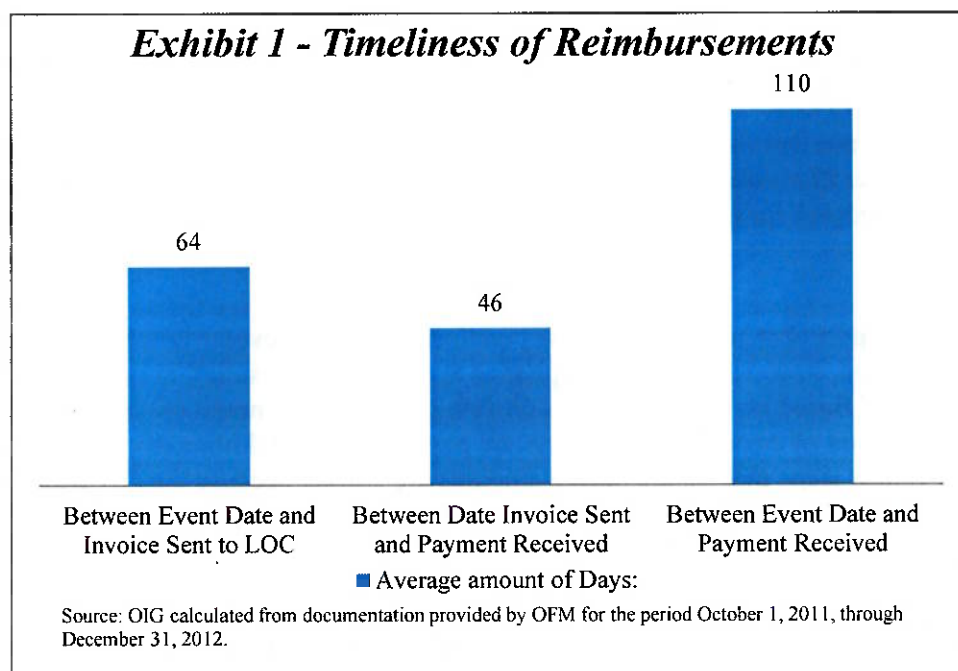
Recommendation 3: We recommend the United States Capitol Police certify invoice amounts and that the certification is made by an individual responsible for reviewing but not preparing the invoice.

Opportunities to Collect Reimbursements in a More Efficient and Effective Manner

The GAO *Standards for Internal Control in the Federal Government*⁸ requires that agencies monitor controls on a continual basis during the course of normal operations to help evaluate program effectiveness. The Department has an opportunity to make this program more efficient and effective.

We conducted testing to determine the time elapsed between an event date, the date invoiced, and the date reimbursed. From October 1, 2011, to December 31, 2012, the average time between a special event and an invoice being sent to LOC was 64 days, and the average amount of time receiving payment from LOC was 46 days, resulting in an average of 110 days between a special event occurring and USCP receiving the reimbursement for the event. See Exhibit 1 for the results of timeliness. According to one OFM official, the average length of time between an event and a reimbursement was as a result of numerous players involved. OFM must wait for the LOC Division to verify whether invoices are correct, and the Division may have other priorities. Also if any timesheet changes occur, OHR gets involved and OFM must wait on OHR to make the changes. Sometimes OFM has to wait on LOC to send the reimbursement. The OFM official stated that “turnaround time has improved and things go a lot more smoothly now.”

⁸ GAO/AIMD-00-21.3.1, dated November 1999.



We reviewed accounts receivable and collection best practices. We also reviewed the best practices for the Washington State Office of Financial Management, Receivable Collection and the Vermont, State Department of Finance and Management, Accounts Receivable. Those best practices include the following:

- Prepare and use monthly accounts receivable aging reports. Document that management has reviewed the report.
- Establish and monitor accounts receivable performance goals.
- Prepare and send timely billing statements. Contact the debtor within 30 days of the due date.
- Prepare and send past due collection letters and statements. Active efforts must be made to collect on accounts that are past due; document actions taken to collect on delinquent accounts.

An OFM official stated that USCP does not age accounts receivables, particularly this type of receivables, because there is one debtor [LOC] and that debtor is another Federal agency with which it deals regularly. The official also stated that past due notices have never been sent to LOC because typically USCP is not using the funds in the year it collects them. Of greater concern for USCP is getting the billing correct rather than timeliness (that is, within 30 days). Because LOC is a Federal entity, it could, if needed, establish budget authority based on having a Federal receivable.

We believe that OFM should consider implementing the cited best practices because in the future USCP will begin collecting fees for the commercial use of Union Square and also as USCP

explores collecting fees for law enforcement support provided to other non-congressionally sponsored special events. Thus, OIG makes the following recommendation.

Recommendation 4: We recommend the United States Capitol Police consider implementing the following accounts receivable and collection best practices as part of its reimbursement process:

- **Prepare and use monthly accounts receivable aging reports. Document that management has reviewed the report.**
- **Establish and monitor accounts receivable performance goals.**
- **Prepare and send timely billing statements. Contact the debtor within 30 days of the due date.**
- **Prepare and send past due collection letters and statements.**

Opportunities to Collect Reimbursements for Other Non-Congressionally Sponsored Special Events

USCP does not require reimbursement for law enforcement support provided for special events at locations other than LOC. We reviewed whether other law enforcement agencies receive reimbursement for law enforcement support provided to special events.

The District of Columbia's Metropolitan Police Department (MPD) charges a special events user fee to cover the cost of police services for special events at the rate of \$60.58 per hour for each officer. In addition, MPD requires a 4-hour minimum. The Mayor's Special Events Task Group, "*Your Guide to Planning a Special Event in Washington, D.C.*," (2012 2nd Edition) states the following about a special event:

... is considered to be, although not limited to, a parade, walk, run, bike ride, procession (excluding First Amendment and funeral processions), or festival requiring interagency coordination for the temporary use of public roadways under the ownership or control of the District of Columbia that requires changing, restricting, or adapting the normal and usual regulations or controls of such space held open for use by the general public, but not including sidewalks and parks, for activities of a recreational, entertainment, amusement, educational, or civic nature not conducted for vending, marketing or commercial purposes, and subject to the special event user fees for permits and licenses to cover the costs to the District for providing police, fire, and other public services that are necessary to protect public health and safety....

The U.S. Park Police may also charge a special event fee for events held on NPS land. The authority contained in section 3a, chapter 1, title 16 of the United States Code, *Recovery of costs associated with special use permits*, allows the NPS to recover the cost of providing necessary services associated with special use permits on and after November 11, 1993. The *National Park Service National Capital Region Requirements for Special events Held on Parkland* (August 6, 2007) notes the following about recovery of costs:

... that in the event that the NPS determines that it is necessary, a Permittee shall provide funds to cover costs incurred when NPS employees are required to work for event monitoring and that there may be additional charges assessed by the United States Park Police for officers assigned to the event to provide for public safety. The charges are not covered by the NPS cost recovery funds, and

are payable directly to the United States Park Police following the Permittees' receipt of a letter from the United States Park Police Special Forces Branch....

The City of Pittsburgh Bureau of Police and the City of Richmond Police Department also charge fees for law enforcement support provided for special events. The *City of Pittsburgh Special Event Permit Regulations* states the following about recovery of fees for special events.

...cost recovery fees for Police are as follows, \$37.60 per hour is billed for all Police Officers, \$42.87 per hour is billed for Sergeants, and \$48.87 per hour is billed for all Lieutenants. There is a four-hour minimum requirement for all officers per the union's collective bargaining agreement. \$25.00 per hour is charged for each police vehicle required. For parades, marches, or other Special events requiring a rolling closure [police officer(s) at the front and back of parades or marches], the following applies: Less than 100 participants: two police officers (one at front and one at back of marchers) will be required plus a police car for each officer. Four hour minimum per officer applies. Greater than 100 participants: for each additional 200 participants, an addition officer and police car will be required. Four hour minimum per officer applies. If all twenty (20) parade marshals required by the Regulations are not provided, the City shall provide police officers at a rate of \$150.40 per officer per four hours for each missing marshal and the four hour minimum per officer applies....

In its *City of Richmond Special Event Fees* the city charges a fee of \$35.00 for off-duty Police Officers to cover special events with a minimum of 4 hours and two-staff member minimum required, with additional staffing as necessary and determined by police.

During fiscal years (FYs) 2010 through 2012, USCP incurred more than \$2.5 million in labor costs for non-congressional events that were not reimbursed, while other police departments were allowed to collect a fee for such services. Based on information OFM provided, USCP incurred \$872,891 in labor costs for law enforcement support provided to concerts and rehearsals in FY 2010. In FY 2011, USCP incurred \$908,562 in labor costs for law enforcement support provided to concerts and rehearsals and \$20,927 in labor costs for law enforcement support provided to other special events that were not congressionally sponsored. In FY 2012, USCP incurred \$777,689 in labor costs for law enforcement support provided to concerts and rehearsals and \$7,026 of labor costs for law enforcement support provided to other special events that were not congressionally sponsored as shown in the table below.

Cost to USCP for Law Enforcement Support Provided for Non-Congressional Activities			
Fiscal Year	Labor Costs Concerts/Rehearsals	Labor Costs Other Special Events	Total
2012	\$777,689	\$7,026	\$784,715
2011	\$908,562	\$20,927	\$929,489
2010	\$872,891	\$0	\$872,891
Total	\$2,559,142	\$27,953	\$2,587,095

Source: OIG developed from costs provided by OFM for non-congressional events for fiscal years 2010-2012.

Conclusions

To assist USCP maximize its mission capability and use its scarce resources in the most efficient and effective manner during this time of fiscal constraint, the Department should seek a legislative remedy, which would allow USCP to be reimbursed for law enforcement support provided for non-congressional events. Thus, OIG makes the following recommendation.

Recommendation 5: We recommend the United States Capitol Police, notwithstanding any other provision of law, seek legislation that would allow the Department to collect reimbursements for law enforcement support provided to non-congressionally sponsored special events held at locations other than the Library of Congress.

APPENDICES

Listing of Recommendations

Recommendation 1: We recommend the United States Capitol Police develop and document repeatable business processes that include best practices and written internal control policies and procedures addressing the Library of Congress Division special events reimbursement process as well as accounts receivable and collections, and clearly document and communicate those controls to all personnel.

Recommendation 2: We recommend the United States Capitol Police update its Interagency Agreement and Memorandum of Understanding with the Library of Congress to reflect the existing law enforcement assistance arrangement and reimbursement process that exists between the Department and the Library of Congress.

Recommendation 3: We recommend the United States Capitol Police certify invoice amounts and that the certification is made by an individual responsible for reviewing but not preparing the invoice.


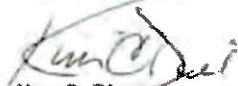

Recommendation 4:

We recommend the United States Capitol Police consider implementing the following accounts receivable and collection best practices as part of its reimbursement process:

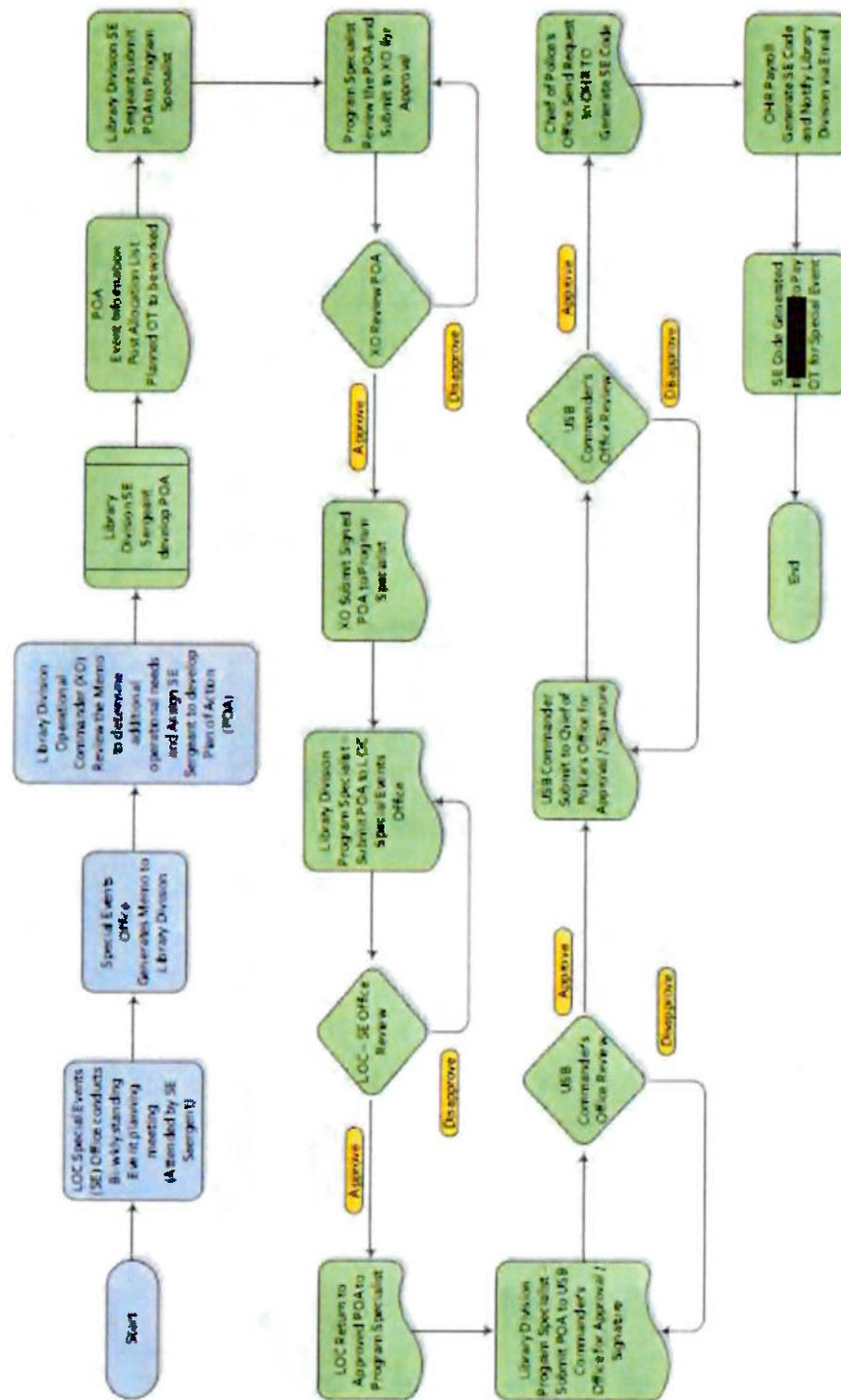
- Prepare and use monthly accounts receivable aging reports. Document that management has reviewed the report.
- Establish and monitor accounts receivable performance goals.
- Prepare and send timely billing statements. Contact the debtor within 30 days of the due date.
- Prepare and send past due collection letters and statements.

Recommendation 5: We recommend the United States Capitol Police, notwithstanding any other provision of law, seek legislation that would allow the Department to collect reimbursements for law enforcement support provided to non-congressionally sponsored special events held at locations other than the Library of Congress.

DEPARTMENT COMMENTS

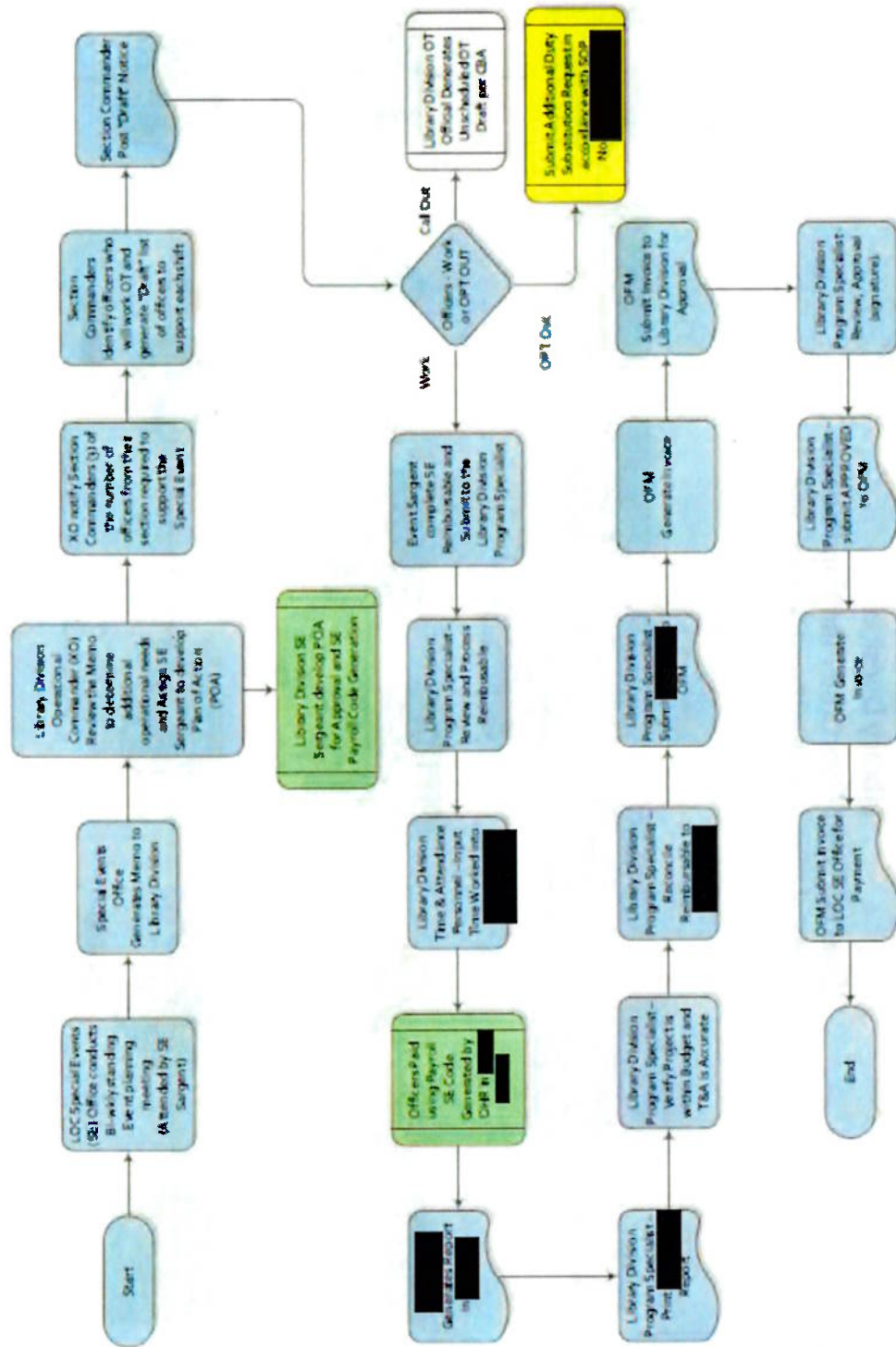
	UNITED STATES CAPITOL POLICE OFFICE OF THE CHIEF UNITED STATES WASHINGTON, DC 20540-5700	USCP-06
August 1, 2013		
MEMORANDUM		
TO:	Ms. Fay Ropella Acting Inspector General	
FROM:	Kim C. Dine Chief of Police	
SUBJECT:	Response to Office of Inspector General (OIG) draft report on its <i>USCP Library Congress Division Special Events Reimbursement Process</i>	
<p>The purpose of this memorandum is to provide the United States Capitol Police response to the recommendations contained within the Office of Inspector General's (OIG's) draft report <i>USCP Library of Congress Division Special Events Reimbursement Process</i> (Report No. OIG-2013-06).</p>		
<p>The Department agrees with all of the recommendations with the clarification to Recommendation 4. It was presented at the Exit Conference that this recommendation was pertinent if we took on additional reimbursable work (especially from the public). If the Department would take funds from the public, we plan to accept credit card transactions only and not bill the public. If this should change and we do bill the public, we will certainly implement this recommendation as advised.</p>		
<p>As always we appreciate the opportunity to work with the OIG to further improve upon current policies and procedures currently in place. The Department will assign Action Plans to appropriate personnel regarding each recommendation in effect to achieve long term resolution of these matters.</p>		
<p>Thank you for the opportunity to respond to the OIG's draft report. Your continued support of the men and women of the United States Capitol Police is appreciated.</p>		
Very respectfully,		
 Kim C. Dine Chief of Police		
cc:	Richard L. Braddock, Chief Administrative Officer Daniel B. Malloy, Jr., Assistant Chief of Police Jay S. Miller, Director of Financial Management  USCP Audit Liaison	
This report is available to the public through the American Oversight Act of 2012 (www.americanoversight.org)		

Library Division Special Event Overtime Planning Process Plan of Action Approval and Payroll Code Generation



Source: LOC Division Program Specialist

Library Division
Special Events Over Time Planning Process



Source: LOC Division Program Specialist.

LOC DIVISION SPECIAL EVENTS REIMBURSEMENT PROCESS NARRATIVES

I. General Overview

A. USCP Mission

Congress established the United States Capitol Police (USCP) as a Federal law enforcement agency in 1828. USCP's primary responsibility is to protect and secure Congress, its Members, staff, and visitors, as well as the entire Capitol area, from threats of crime or disruption by designing, implementing, and administering security systems and modalities that enable Congress to fulfill its Constitutional responsibilities in a safe and open environment. The Committee on House Administration and the Senate Committee on Rules and Administration provide legislative oversight of USCP. Annual budget requests are made to the Subcommittee on Legislative Branch in the House and the Subcommittee on Legislative Branch in the Senate.

B. LOC Division Special Events Reimbursements

The USCP LOC Division provides law enforcement assistance for special events held at the Library when it requests assistance. The authority contained in section 1905, chapter 29, title 2 of the United States Code permits USCP to accept reimbursements for law enforcement assistance from any Federal, State or local government agency and credit them against the USCP appropriations. USCP receives reimbursements from LOC for labor costs incurred by USCP officers while working a Library event. USCP receives reimbursement from LOC in the form of an IPAC.

II. Budgeting and Planning for Core Mission Requirements

A. Budgeting

The authority contained in section 1905, chapter 29, title 2 of the United States Code permits USCP to accept reimbursements for law enforcement assistance from any Federal, State or local government agency and credit them against the USCP appropriations. The Budget Division loads the budget authority based on the collected amount of the reimbursement into [REDACTED] by program allocations based on the reimbursement transaction documentation. The funds are available until expended. The funds received for LOC Division Special Event Reimbursements are credited to an account identified as 1900 NOY 8534 NOY-REIMB OFM-300. The account is a general expense appropriation account but is not part of the traditional General Expense Appropriation for USCP and does not have any effect on the total money in the traditional General Expenses Appropriation. There are limitations to how the funds can be expended, and section 1905, chapter 29, title 2 of the United States Code states that the funds may be expended for any authorized purpose, including overtime pay expenditures relating to law enforcement assistance to any Federal, State, or local government agency, and the funds are generally used to offset salary expenditures. Funds are never moved from the appropriation, and expenditures are applied to the account instead.

III. LOC Division Special Events Reimbursement Process

Plan of Action Approval and Payroll Code Generation

The LOC Special Events Office holds a planning meeting every 2 weeks, which a Sergeant from LOC Division attends. The LOC Special Events Unit then sends a memo to LOC Division detailing estimated coverage for an event. The LOC Division Operational Commander reviews the memo to ensure adequate coverage is noted for the event and assign a Sergeant the responsibility of preparing a POA. A LOC Division Sergeant prepares the POA, which states all the event details, officers providing coverage, areas to be covered, and the hours of coverage and gives the POA to a LOC Division Program Specialist for review. A LOC Division Program Specialist reviews the POA and submits it to the LOC Division Operational Commander for approval. If approved, the Commander gives the signed/approved POA to the Program Specialist. If disapproved, it is given to a Program Specialist for revision. The Program Specialist submits the plan to the LOC Special events Office for approval. If approved by the LOC Special Events Unit, the plan is again returned to the Program Specialist. If disapproved, it is given back to the Program Specialist for revision. The LOC Division Program Specialist submits the POA to the USB Commander for approval and signature. If disapproved, the POA is given back to the Program Specialist for revision. The USB Commander submits the plan to the Chief of Police for approval. If approved, the Chief of Police then sends a request to OHR to generate a LOC special event code in [REDACTED] which OHR then generates and notifies the LOC Division by email. If disapproved, it is returned to the USB Commander for revision. The LOC event code in [REDACTED] is used to capture the overtime hours and dollars incurred by USCP covering each LOC event.

Event Coverage

The LOC Division Operational Commander reviews the memo from the Special Events Unit to ensure adequate coverage is noted for the event and to assign a Sergeant the responsibility of preparing a POA. The Commander then notifies Section Commanders of the number of officers from each section required to support the event. Section Commanders identify officers who will work OT and generate a draft list of officers to support each shift. Each Section Commander then posts a draft notice. Officers will either work call out or opt out of an event. If an officer calls out, it means the officer cannot make it in to work the event and the LOC Division OT official must then conduct an unscheduled overtime draft to select a replacement. If an officer opts out, the officer is requesting not to work an event and that another officer work the event in their place and the officer must then submit an [REDACTED]. Once officers work the event, the event Sergeant completes a special event reimbursable OT timesheet and submits it to the LOC Division Program Specialist. A Division Program Specialist reviews the sheet and processes the reimbursable. LOC Division time and attendance personnel input the time worked into [REDACTED]

The officers who work the event are paid using the special event code generated by OHR in [REDACTED]. For each special event, [REDACTED] generates a report in [REDACTED]. A LOC Division Program Specialist prints the [REDACTED] Report and verifies the project is within budget and that

time and attendance information is accurate. The LOC Division Program Specialist then reconciles the special event reimbursable overtime timesheet to the [REDACTED] Report. A LOC Division Program Specialist then submits the [REDACTED] report to OFM.

Invoice Preparation and Reimbursement Collection

Accounting in OFM receives an approved [REDACTED] Report, which displays the LOC event, officers that worked, hours worked, and dollars earned. Accounting then prepares the invoice and forwards it to the Program Specialist for a final verification. In case of any recent adjustments, the Program Specialist reviews the invoice and, if approved, submits the approved invoice to Accounting. Accounting sends the verified invoice to the LOC Special Events or Musical Events Office for payment. Accounting records the verified invoice in [REDACTED] scans, and then attaches the supporting documentation in [REDACTED]. The LOC Special Events or Musical Events Office sends USCP an IPAC (payment) for the invoiced amount. Accounting retrieves the IPAC from the Treasury System and records the payment in [REDACTED].

Accounting and Budget

Each month, Accounting reconciles paid and unpaid invoices along with a reconciliation of general ledger (GL) accounts related to reimbursements:

- GL Account No. 1021, Collections and Reimbursements
- GL Account No. 1310, Accounts Receivable
- GL Account No. 4210, Anticipated Reimbursements and Other Income
- GL Account No. 4251, Reimbursements and Other Income Earned Receivable
- GL Account No. 4252, Reimbursements and Other Income Earned-Collected
- GL Account No. 5200, Revenues from Services Provided

Accounting prepares a *Reimbursement/Collections Summary Memo*, attaches the backup documentation for the reimbursements, and sends it to a Budget Analyst. The Budget Analyst receives the memo along with the backup documentation for the reimbursements from Accounting and checks that all of the backup documentation is present and that the math for the reimbursement amounts listed on the memo is correct. The Budget Analyst creates an Appropriation Authority (AA) in [REDACTED] and attaches a copy of the backup documentation to the AA. The AA goes to the Budget Officer for approval and once approved the reimbursement amount is credited to the appropriation account: 1900 NOY 8534 NOY-REIMB OFM-300.

IV. Key Controls

- The memo from the LOC Special Events Unit is reviewed by USCP's LOC Division Operational Commander to ensure adequate coverage is noted for the event.
- A POA is prepared, which provides event details, including officers providing coverage, areas covered, and the hours of coverage.

- The POA must be approved by the LOC Division Operational Commander, LOC Special Events Office, USB Commander, and the Chief of Police.
- OHR generates a LOC event code in [REDACTED] which is used to capture OT hours and dollars incurred by USCP covering each LOC event.
- Once officers work an event, the event Sergeant completes a special event reimbursable timesheet and submits it to the LOC Division Program Specialist for review.
- A LOC Division Program Specialist reconciles the special event reimbursable overtime timesheet to the [REDACTED] detail in the [REDACTED] Report.
- Accounting sends invoices to the LOC Division Program Specialist for a final verification that names and hours are correct prior to sending the invoice to the LOC Special Events or Musical Events Office for payment.
- Verified invoices with attached supporting documentation and IPAC payments received from LOC are recorded by Accounting in [REDACTED]
- Each month, Accounting reconciles paid and unpaid invoices along with a reconciliation of G/L accounts related to reimbursements.
- The Budget Analyst receives the reimbursements memo along with the backup documentation for the reimbursements from Accounting and checks that all of the backup documentation is present and checks that the math for the reimbursement amounts listed on the memo is correct.
- The AA, which adds the collected reimbursement funds to an appropriation so that they can be expended in the future, in [REDACTED] must go to the Budget Officer for approval before the reimbursement amount is credited to the appropriation account.