



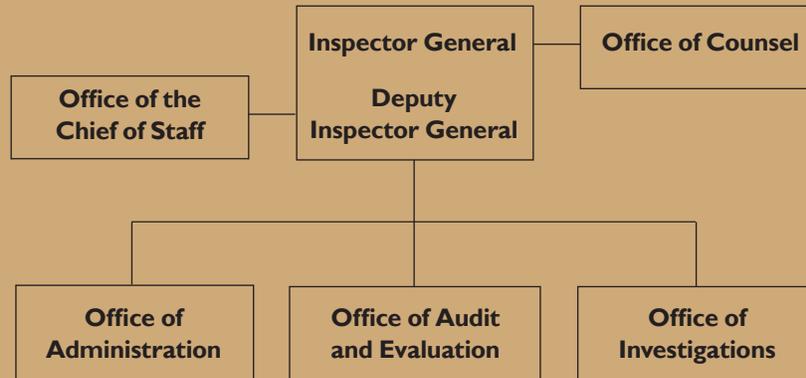
**U.S. Department of Commerce
Office of Inspector General**

Semiannual Report to Congress

March 2021



OFFICE OF INSPECTOR GENERAL



Oversight Areas

Office of the Secretary
 Bureau of Economic Analysis
 Bureau of Industry and Security
 U.S. Census Bureau
 U.S. Economic Development Administration
 First Responder Network Authority
 International Trade Administration
 Minority Business Development Agency
 National Institute of Standards and Technology
 National Oceanic and Atmospheric Administration
 National Technical Information Service
 National Telecommunications and Information Administration
 United States Patent and Trademark Office

OIG Main Number

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FROM THE INSPECTOR GENERAL

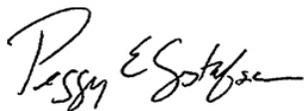
I am pleased to present the U.S. Department of Commerce Office of Inspector General's (OIG's) *Semiannual Report to Congress* for the 6 months ending March 31, 2021.

This report summarizes work that we initiated and completed during this semiannual period on a number of critical Departmental activities. Over the past 6 months—in addition to issuing our annual *Top Management and Performance Challenges Facing the Department of Commerce*—our office issued 20 products related to our audit, evaluation, inspection, and public investigative work. These products addressed programs and personnel associated with the Bureau of Industry and Security (BIS), U.S. Census Bureau, U.S. Economic Development Administration (EDA), First Responder Network Authority (FirstNet Authority), International Trade Administration (ITA), United States Patent and Trademark Office (USPTO), and the Department itself. This report also describes our investigative activities addressing programs and personnel associated with the National Oceanic and Atmospheric Administration (NOAA) and the Department itself.

In October 2020, we issued our annual report identifying what we consider, from our oversight perspective, to be the top management and performance challenges facing the Department in fiscal year (FY) 2021, a summary of which begins on page 2. We will continue to work closely with the Department and with Congress to meet these and other challenges facing Commerce.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021 provided more than \$6.6 billion to support the Department's response to the coronavirus disease 2019 (COVID-19) pandemic. As expected given the significance and associated funding, our office continues to provide oversight of the Department to ensure that (1) funds for assistance are timely and effectively distributed and used appropriately; (2) adequate and proper internal control procedures are in place; (3) program participants meet eligibility guidelines and properly comply with program requirements; and (4) Departmental bureaus establish effective compliance operations.

We thank former Secretary Ross, senior officials throughout the Department, and members of Congress and their staffs for their support of our work and for their receptiveness to our recommendations to improve Departmental programs and operations. In addition, we welcome Secretary Raimondo and we look forward to a productive partnership between her staff and our office to ensure sound operations Department-wide.



PEGGY E. GUSTAFSON

TOP MANAGEMENT AND PERFORMANCE CHALLENGES FACING THE DEPARTMENT OF COMMERCE

We are required by statute (see 31 U.S.C. § 3516(d)) to report annually the most serious management and performance challenges facing the Department. Below is a summary of our final report, issued October 15, 2020, on the Department's top management and performance challenges for FY 2021.

Challenge 1: Establishing a Solid Foundation for 2030 Decennial Research and Testing and Ensuring That the Census Bureau Adequately Vets Candidates for Employment

- Ensuring an accurate count
- Ensuring that lessons learned from the 2020 Census are an essential part of success in 2030
- Assessing 2020 Census successes and areas needing improvement
- Developing a testing schedule that ensures completion of tests as planned and anticipates funding needs
- Ensuring only candidates suitable for federal government employment are hired

Challenge 2: Addressing Risks and Progressing Toward a New Architecture for Satellite Systems

- Meeting launch readiness challenges of next-in-series polar and geostationary satellites
- Making progress toward a next-generation satellite system architecture
- Managing spectrum risks to observations, operations, and communications
- Establishing the Department's role in space traffic management

Challenge 3: Deploying a Nationwide Public Safety Broadband Network (NPSBN)

- Ensuring the successful performance of the indefinite-delivery, indefinite-quantity 25-year contract for the NPSBN
- Reinvesting capital effectively and efficiently to upgrade and modernize the NPSBN
- Maintaining effective engagement with public safety community

Challenge 4: Strengthening Confidence in Intellectual Property (IP) Rights

- Managing IP rights in a changing environment
- Managing impacts related to COVID-19
- Ensuring new technology delivers quality IP
- Improving management of information technology (IT) operations

Challenge 5: Continuing to Improve the Department's Cybersecurity Posture

- Implementing strong security measures to safeguard decennial census data
- Sustaining modernization priority of the Department's legacy systems to strengthen IT security posture
- Securing FirstNet to protect public safety
- Consistently implementing the Department's enterprise IT security policies and procedures

Challenge 6: Refining Processes for Trade Remedies Against Imports That Threaten to Impair National Security

- Evaluating and improving processes for adjudicating Section 232 exclusion requests (ERs)

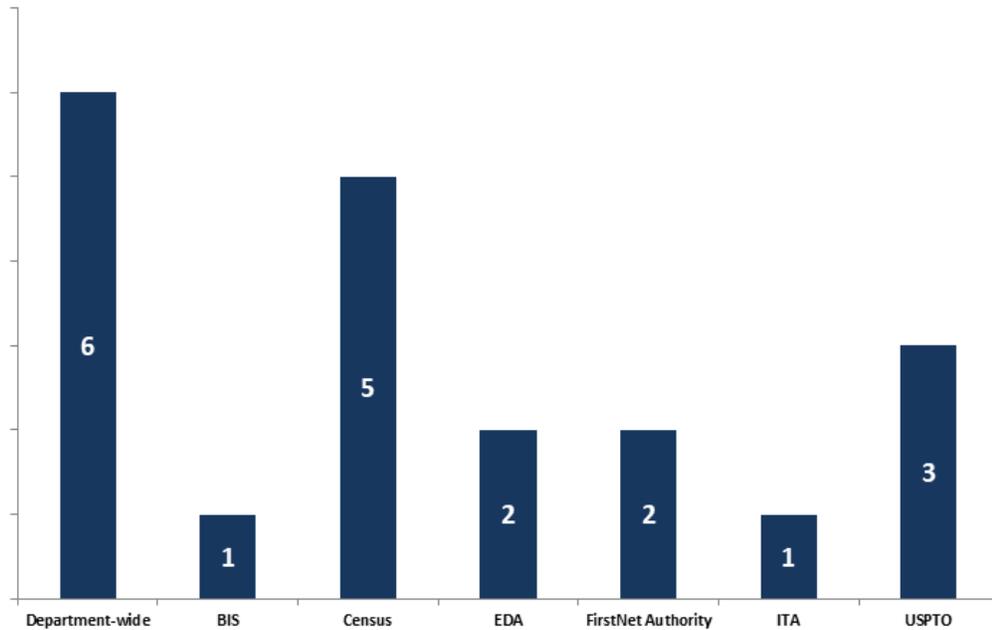
Challenge 7: Improving Management and Oversight of Contracts and Grants

- Ensuring effective oversight and monitoring of the Department's management of emergency and disaster relief funds
- Managing contract and program performance
- Developing and retaining a competent acquisition workforce to support the Department's mission

OVERSIGHT AREAS REPORTED ON THIS PERIOD

COMPLETED WORKS (BY OVERSIGHT AREA)

During this reporting period—in addition to issuing our *Top Management and Performance Challenges Facing the Department of Commerce* report—our office completed 20 products related to our audit, evaluation, inspection, and public investigative work.



DEPARTMENT-WIDE MANAGEMENT



The **U.S. Department of Commerce**'s mission is to create the conditions for economic growth and opportunity.

The Department promotes job creation and economic growth by ensuring fair trade, providing the data necessary to support commerce and Constitutional democracy, and fostering innovation by setting standards and conducting foundational research and development.

THE DEPARTMENT HAS MADE PROGRESS MEETING ITS RESPONSIBILITIES UNDER THE GEOSPATIAL DATA ACT BUT MUST IMPROVE CONTROLS TO ENSURE FULL COMPLIANCE (OIG-21-001-A)

Our objective was to assess the Department's progress toward compliance with the 13 covered agency responsibilities under section 759(a) of the Geospatial Data Act of 2018 (Pub. L. No. 115-254, H.R. 302).

We found the Department has made progress toward complying with the 13 requirements under section 759(a). In addition, we noted the need for improvements in the following areas:

- The Department should ensure its new geospatial data strategic plan aligns with the mission and design controls for adequate implementation.
- The Department should develop procedures to ensure compliance with its *Policy on Planned Geospatial Acquisitions*.
- Data harvesting issues are causing inconsistencies in Department metadata.
- Census Bureau should document compliance with metadata standards as part of its system of internal control for geospatial data.

We recommended that the Deputy Secretary of Commerce and the Senior Agency Official for Geospatial Information do the following:

- Ensure that the Department's geospatial data strategy aligns and integrates with the Department's mission and strategy.
- Define a system of internal control to ensure the geospatial data strategic plan is effectively implemented and that progress against it is appropriately tracked.
- Develop Department-wide procedures to ensure operating units consistently implement the *Department's Policy on Planned Geospatial Acquisitions*.
- Work with the U.S. Department of the Interior to design internal control to ensure metadata on GeoPlatform is both accurate and current.
- In the interim, work with the U.S. Department of the Interior to notify GeoPlatform users that some metadata may not be current.

We recommended that the Census Bureau's Chief of the Geography Division do the following:

- Assess geospatial data standards licensing needs and ensure the bureau adequately documents compliance with data and metadata standards.

REQUEST FOR INFORMATION TO ACTING DIRECTOR FOR HUMAN RESOURCES MANAGEMENT AND CHIEF HUMAN CAPITAL OFFICER FROM THE INSPECTOR GENERAL RE: POLITICAL APPOINTEES (OIG-21-006-M)

On October 28, 2020, the Inspector General issued a memorandum to the Associate Deputy General Counsel and Acting Director for Human Resources Management and Chief Human Capital Officer about recent political appointments across the Department.

To assist our ongoing oversight efforts, the Inspector General requested that the Department provide information regarding (1) all political appointments made since October 1, 2019, as well as (2) all political appointments in process at the time of our request, including:

- Title of position, including bureau or Departmental office to which the position was initially assigned
- Any subsequent bureau or Departmental assignment of the position
- Date(s) filled (including all appointments to a position since October 1, 2019)

- Appointing authority
- Name of all incumbents of the position since October 1, 2019
- Current first- and second-level supervisors
- Information regarding any detail of the position since October 1, 2019

The Inspector General requested that the Department provide the information to our office by November 2, 2020. The Department responded on November 3, 2020, to our original request for information, and provided an updated response on December 14, 2020.

DEPARTMENT OF COMMERCE FY 2020 CONSOLIDATED FINANCIAL STATEMENTS AUDIT (OIG-21-009-A, OIG-21-012-A)

KPMG, an independent public accounting firm, performed the audit in accordance with U.S. generally accepted auditing standards, standards applicable to financial audits contained in *Government Auditing Standards*, and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*.

In its financial statement audit report (OIG-21-009-A) of the Department, KPMG

- determined that the financial statements were fairly presented, in all material respects, and in accordance with U.S. generally accepted accounting principles;
- identified a significant deficiency in internal control over financial reporting related to IT general controls in the areas of access controls, configuration management, and security management; and
- identified no instances of reportable noncompliance with applicable laws, regulations, contracts, and grant agreements, as well as no instances in which the Department's financial management systems did not substantially comply with relevant requirements of the Federal Financial Management Improvement Act of 1996.

As part of this audit, KPMG evaluated general IT controls supporting the Department's financial reporting and issued a separate IT report (OIG-21-012-A). KPMG identified 21 findings related to security management, access controls, configuration management, and contingency planning, and made 36 recommendations for improvements in these areas.

INVESTIGATION INTO MULTIPLE ALLEGATIONS THAT SECRETARY OF COMMERCE WILBUR L. ROSS, JR., FAILED TO COMPLY WITH HIS ETHICS AGREEMENT AND VIOLATED CONFLICT OF INTEREST LAWS (18-0286)

On December 3, 2020, our office issued an investigative report which chiefly addressed allegations that members of both the U.S. Senate and the U.S. House of Representatives provided to our office on November 13, 2017, and June 27, 2018, respectively. In general, the allegations were related to the following:

- Former Secretary Ross's compliance with the terms of the ethics agreement he signed on January 15, 2017.
- Potential conflicts of interest related to the former Secretary's ownership of certain financial interests while performing the duties of the Secretary of Commerce.
- The former Secretary's short sale of Navigator Holdings Ltd. stock in October 2017.

Our review determined the following:

- Former Secretary Ross did not timely comply with certain divestiture obligations as agreed to in Sections 2 (Positions and Assets Related to Invesco) and 9 (Additional Assets to be Divested) of his Ethics Agreement, as required by 5 C.F.R. §§ 2634.802(b) and 2634.804(b).

- Former Secretary Ross's failure to timely comply with these divestiture obligations resulted in his making incorrect certifications or statements in Certifications of Ethics Agreement Compliance. Additionally, his continued ownership of certain assets caused him to incorrectly certify that information on his Nominee Office of Government Ethics (OGE) Form 278e, and his OGE Forms 278-T was complete and accurate.
- Former Secretary Ross did not violate the Ethics in Government Act of 1978, as amended.
- Former Secretary Ross did not participate on particular matters affecting his financial interests in violation of 18 U.S.C. § 208 and 5 C.F.R. § 2635.402; however, we determined that Secretary Ross violated the general principles of his basic obligation of public service in violation of 5 C.F.R. § 2635.101.
- Former Secretary Ross was required to and should have disclosed his direct ownership of Navigator shares on his Nominee OGE Form 278e; however, we did not find evidence to support a conclusion that former Secretary Ross intentionally failed to disclose these assets. Additionally, and based on several factors, we did not find former Secretary Ross to be in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Also, former Secretary Ross's initiation of a short against the box transaction of Navigator shares did not violate Section 9 of the Stop Trading on Congressional Knowledge Act. Finally—and although we did not find sufficient evidence that these actions benefited former Secretary Ross, his family, his affiliates, or Navigator—the former Secretary's actions created the appearance of a violation of 5 C.F.R. § 2635.702; and, moreover, these actions meet the “reasonable person” burden of proof to establish a violation of 5 C.F.R. § 2635.101(b)(14).

2021 ANNUAL LETTER TO OMB RE: GOVERNMENT CHARGE CARD ABUSE PREVENTION ACT OF 2012 (OIG-21-022-M)

The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) and OMB's implementing guidance require each OIG to perform annual risk assessments, as well as to submit semiannual reports to OMB, in coordination with the Department, of employee purchase or integrated card violations and the resulting actions taken. Where annual travel card spending for an agency exceeds \$10 million, the Charge Card Act and OMB M-13-21 require periodic audits or reviews of the agency's travel card program. In FY 2019, the Department had \$28.9 million in travel card expenses. OIGs must also submit an annual purchase and travel card audit recommendation status report to OMB. Below is a summary of the actions we took during FY 2020 to fulfill these requirements, as well as additional information on our related work.

We provided information regarding known and completed reviews and investigations of fraudulent use or abuse of purchase cards that resulted in fraud, loss to the government, or misappropriation of funds or assets for the Department's July 2020 and January 2021 reports to OMB. As of the date of this letter to OMB—i.e., January 29, 2021—there were no open recommendations concerning the use of government cards.

While we did not conduct a travel card audit or review of FY 2019 transactions, we did conduct a risk assessment for illegal, improper, or erroneous FY 2019 purchase card, travel card, and fleet card transactions. We based the risk assessment on an analysis of trends and variances from the previous year. We assessed each bureau, and the resulting scores determined the bureaus fell within a reasonable range of risk.

REVIEWS OF SINGLE AUDITS

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 C.F.R. Part 200) requires colleges, universities, state and local governments, Tribes, and non-profit organizations that expend \$750,000 or more a year in federal awards to obtain an annual independent financial audit, referred to as a “single audit” (2 C.F.R. § 200.501). We conduct

desk reviews on a judgmental sample of single audit reporting packages for which the Department is the oversight agency. The objectives of a desk review include identifying quality issues that may warrant follow-up work, revisions to the reporting package, or appropriate management official attention. During a desk review, we examine the audit reporting package, which includes financial statements, federal award expenditures, and auditors' reports, but not the underlying auditors' audit documentation, to determine whether it meets *Uniform Guidance*, *Generally Accepted Government Auditing Standards (GAGAS)*, and American Institute of Certified Public Accountants audit standards.

During this period, we conducted desk reviews of 23 single audit reporting packages. The audits were conducted by 23 different independent public accounting firms and covered \$325 million in total federal expenditures, including \$133 million in Department direct expenditures. Sixteen audit reporting packages (70 percent) fully met federal reporting requirements.

Seven audit reporting packages did not meet all requirements. Deficiencies included

- an audit where the *Schedule of Expenditures of Federal Awards (SEFA)* and Standard Form - Single Audit Collection (SF-SAC) did not accurately reflect the correct oversight agency;
- two audits where the Schedule of Findings and Questioned Costs did not accurately identify the major federal programs;
- an audit where the Schedule of Findings and Questioned Costs and SF-SAC did not correctly identify the dollar threshold that should have been used to distinguish between Type A and Type B programs;
- an audit where the SF-SAC did not accurately reflect a program's funding type as "Direct" as shown on the SEFA;
- two audits where the Notes to the SEFAs, as well as the Form SF-SAC notes section, did not include a note showing the figures used in the calculation of the EDA Revolving Loan Program federal expenditures; and
- an audit where *The Independent Auditor's Report* did not contain the required report language indicating whether the auditor conducted the audit in accordance with the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

For errors that potentially impacted the reliability of the audit reporting packages, we contacted the auditors and awardees for explanations of each of the potential errors. The auditors and awardees provided adequate explanations or additional information to demonstrate compliance with federal reporting requirements. We issued a letter to each auditor and awardee informing them of the results of our review and the actions needed to improve the quality and reliability of future audits. We also provided copies of the letters to each awardee's other federal funding agencies for their use in monitoring and oversight.

CORRESPONDENCE TO CONGRESS SUMMARIZING OIG ACTIVITIES RELATED TO THE FY 2020 SMALL BUSINESS INNOVATION RESEARCH PROGRAM

On February 23, 2021, the Inspector General sent letters to the House Committee on Science, Space, and Technology, the House Committee on Small Business, and the Senate Committee on Small Business and Entrepreneurship. In accordance with 15 U.S.C. § 638b(c), the letters reported on requested data and information regarding cases related to the Small Business Innovation Research (SBIR) program for FY 2020.

During FY 2020, we did not receive any complaints relating to the SBIR program. A multi-agency SBIR investigation that was initiated in 2015 was closed in FY 2020 and did not find credible evidence to substantiate that the subjects conducted any criminal activity in the performance of the two awarded SBIR contracts; however, restitution and debarment were being pursued by the

U.S. Department of Justice and other federal agencies for violations connected to their specific offices. Additionally, one hotline complaint that we received in FY 2019 was closed in FY 2020 due to lack of investigative merit.

We did not close any cases during FY 2020 in which fraud, waste, or abuse was “determined to have occurred” regarding an SBIR program investigation. Our estimated FY 2020 expenditures involving SBIR program investigations was \$3,827.84; no funds were recovered or saved as a result our SBIR-related activities.

SIX ADDITIONAL INDICTMENTS AGAINST MAJOR CHICKEN PRODUCERS IN ANTITRUST INVESTIGATION

On October 6, 2020, a federal grand jury in the U.S. District Court in Denver returned a superseding indictment charging six additional executives and employees at major broiler chicken producers for their participation in a conspiracy to fix prices and rig bids for broiler chicken products from at least 2012 until at least early 2019. The superseding indictment also added allegations against three previously charged defendants in the same conspiracy, and one defendant was charged with making false statements and obstruction of justice.

Broiler chickens are raised for human consumption and sold to grocers and restaurants. All 10 individuals charged were executives or employees of several different companies that supply broiler chicken products in the United States. This case is an ongoing federal antitrust investigation. Our office is a partner in this investigation due to the impact of these crimes on interstate commerce and free and open market competition.

ONE OF THE NATION'S LARGEST CHICKEN PRODUCERS PLEADS GUILTY; SENTENCED TO MORE THAN \$107 MILLION CRIMINAL FINE

On October 13, 2020, a federal grand jury in the U.S. District Court in Denver indicted Pilgrim's Pride Corporation (Pilgrim's)—a major broiler chicken producer based in Greeley, Colorado—for its role in a conspiracy to fix prices and rig bids for broiler chickens, a violation of the Sherman Antitrust Act. On February 23, 2021, Pilgrim's pleaded guilty and was sentenced to pay approximately \$107 million in criminal fines. Pilgrim's is the first company to plead guilty for its role in the conspiracy. This case is the result of an ongoing federal antitrust investigation into price fixing, bid rigging, and other anticompetitive conduct in the broiler chicken industry. Our office is a partner in this investigation due to the impact of these crimes on interstate commerce and free and open market competition.

BUREAU OF INDUSTRY AND SECURITY



The **Bureau of Industry and Security**'s mission is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership.

DECISIONS ON EXCLUSIONS FROM SECTION 232 TARIFFS WERE NOT TRANSPARENT AND BASED ON INCOMPLETE AND INACCURATE INFORMATION (OIG-21-020-A)

Our objectives were to determine whether (1) BIS and ITA adhered to the processes and procedures in place to review Section 232 product ERs and (2) ER decisions were reached in a consistent and transparent manner.

We found that

- U.S. companies were denied ERs based on incomplete and contradictory information, and
- the Section 232 ER review process lacked transparency.

We also noted separate matters for the auditees' attention with respect to timeliness, completion, and communications regarding ERs within an "Other Matters" section of the report.

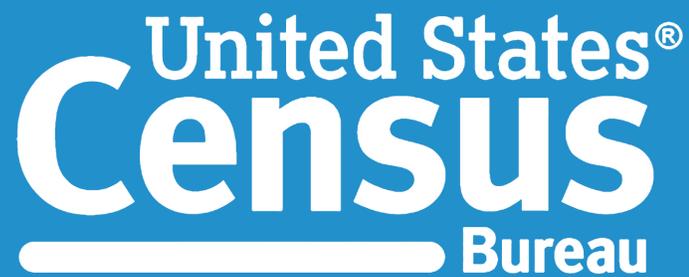
We recommended that the Under Secretary of Commerce for Industry and Security do the following:

- Reexamine the Section 232 ER review process to ensure decisions are based on complete and accurate information and are transparent. At a minimum: (a) require an objector that indicates it has confidential business information to provide a public summary of it in its objection form; (b) require personnel involved in the decision making process on whether ERs are granted or denied to document the reason for changes made to decision memoranda; and (c) protect spreadsheets that are used to track decision memoranda from unauthorized changes.

We recommended that the Under Secretary of Commerce for International Trade do the following:

- Reexamine the Section 232 ER review process to ensure recommendations are based on complete and accurate information and are transparent. At a minimum: (a) ensure evaluators properly consider an objector's capacity and current plant percentage utilization when determining whether there is a sufficient U.S. supply of a product; (b) ensure subject matter experts are able to obtain the appropriate information needed to make an informed decision regarding the U.S. availability of a product; (c) comply with the requirement that the objecting firm must be able to manufacture the product within 8 weeks to meet the demand identified in the ER; and (d) prepare and maintain complete documentation to support the rationale for determining the U.S. availability of a product.

U.S. CENSUS BUREAU



The **U.S. Census Bureau**'s mission is to serve as the nation's leading provider of quality data about its people and economy.

REQUEST FOR INFORMATION TO CENSUS BUREAU DIRECTOR STEVEN DILLINGHAM FROM THE INSPECTOR GENERAL RE: SECRETARIAL BRIEFINGS (OIG-21-004-M)

In order to assist our office with its ongoing oversight of the decennial census, the Inspector General issued a memorandum on October 23, 2020, to the Director of the Census Bureau requesting the transmittal of any and all materials used to brief the Secretary of Commerce or their staff during routine decennial census staff meetings.

To assist in our oversight of the decennial census, the Inspector General requested that the briefing materials be transmitted to our office for briefings given after October 12, 2020. The Census Bureau responded to our request, and continues to provide briefing materials to our office pursuant to this memorandum.

MANAGEMENT ALERT: THE BUREAU CANNOT ENSURE THAT ACCESS TO SENSITIVE BACKGROUND INVESTIGATION INFORMATION IS LIMITED TO INDIVIDUALS WHO HAVE A WORK-RELATED NEED TO KNOW (OIG-21-011-M)

On December 1, 2020, we issued a management alert to the Director of the Census Bureau regarding the Census Bureau's ability to safeguard sensitive background investigation information. The overall objective of our ongoing evaluation is to conduct a series of reviews to determine whether the Census Bureau's planning and execution of 2020 Census peak operations successfully reduce risk to decennial census data quality and costs. As part of this review, we assessed whether the Census Bureau limits access to its Census Hiring and Employment Check (CHEC) system and background investigation documentation to current staff with a work-related need-to-know in order to safeguard sensitive information.

In our management alert, we noted that the Census Bureau did not properly secure personally identifiable information of applicants to prevent unauthorized access. Specifically:

- CHEC help desk staff are able to access sensitive background investigation information, without a work-related need-to-know basis.
- CHEC help desk staff are able to grant, revoke, and modify user access improperly.
- Census Investigative Services does not restrict access to sensitive information until investigation requirements have been met.

The lack of internal controls increases the risk that unauthorized users will gain access to sensitive information.

The Census Bureau should implement or improve controls that (1) limit users' privileges to only those required to complete their assigned duties; (2) ensure actions to grant, modify, or revoke system access follow established procedures; and (3) restrict users' access to sensitive information until investigation requirements have been met.

2020 CENSUS ALERT: INABILITY TO FINISH NONRESPONSE FOLLOWUP REINTERVIEWS RAISES CONCERNS OVER THE QUALITY OF MORE THAN 500,000 CASES (OIG-21-015-M)

On December 28, 2020, we issued a 2020 Census alert memorandum to the Director of the Census Bureau regarding our concerns about the nonresponse followup (NRFU) reinterview (RI) operation. The NRFU RI quality control process follows up on completed enumerator interviews by having Census Bureau personnel conduct an independent RI on selected cases.

We identified that questions surround the effectiveness of the Census Bureau's RI program during NRFU operations. Specifically,

- the Census Bureau did not complete RIs—a critical quality control component of the NRFU operation—for the number of cases selected;
- RIs were not completed for more than 100,000 enumerators; and
- National Processing Center clerical resolution outcomes for more than 70,000 cases are questionable.

In addition, we identified that additional uncompleted high-risk cases selected after NRFU for RI indicate further data quality issues.

The 2020 decennial census has been affected by major events such as the COVID-19 pandemic and multiple adjustments to operational timeframes. Our previous work has expressed concerns over the quality of data collected during the NRFU operation—including not fully testing NRFU RI procedures, accelerating the NRFU schedule, and instituting a monetary awards program for enumerators based on the quantity of cases completed per hour and number of hours spent working, regardless of whether the work was completed accurately. Consequently, these events, coupled with our prior work and the concerns raised in this memorandum about the RI program's ability to provide sufficient quality assurance coverage, creates increased risk for a complete and accurate 2020 decennial census.

FUNDAMENTAL SECURITY SAFEGUARDS WERE NOT IN PLACE TO ADEQUATELY PROTECT THE IT SYSTEMS SUPPORTING THE 2020 CENSUS (OIG-21-018-A)

Our objective was to determine the effectiveness of security measures for select IT systems that supported the 2020 decennial census.

We found the following:

- The Census Bureau's inadequate risk management program left significant risks present in decennial IT systems.
- The Census Bureau's decennial census security operations center lacked fundamental capabilities during periods of decennial census data collection.
- The Census Bureau inadequately managed its Active Directory that supports decennial census operations.
- The Census Bureau had not fully enforced personal identity verification (PIV) in accordance with federal and Department requirements.

We recommended that the Director of the Census Bureau ensure that the Census Bureau's Chief Information Officer does the following:

- Develop and adhere to risk acceptance policies and procedures in accordance with the National Institute of Standards and Technology (NIST) risk management framework (NIST SP 800-37).
- Reassess all instances of security risks on the decennial IT infrastructure that were accepted without mitigation and ensure correct actions are taken to minimize existing security risks.
- Ensure critical security operations center capabilities are in place and operating as intended by immediately verifying (a) the implementation and operation of a file level encryption for all required resources; (b) the implementation of a technical solution for data loss prevention is fully functional; and (c) the implementation and complete vulnerability scanning coverage of all required databases.

- Regularly perform a thorough review of Active Directory configurations and ensure that all active accounts have the minimum access rights to fulfill operational requirements. Consider the feasibility of using specialized software tools to augment the Census Bureau's review of Active Directory configurations.
- Prioritize the enforcement of PIV and other forms of multi-factor authentication (MFA) by (a) establishing a process to validate the enforcement of federal PIV requirements for all users accessing Census Bureau resources via government-owned computers and (b) regularly verifying that all privileged access to the Census Bureau network or its resources for contractors working on-site at the Bowie Computer Center or Census Bureau headquarters in Suitland, Maryland, is protected with MFA in accordance with federal and Department requirements.

REQUEST FOR INFORMATION TO CENSUS BUREAU DIRECTOR STEVEN DILLINGHAM FROM THE INSPECTOR GENERAL RE: REPORT ON EXECUTIVE ORDER 13880 (OIG-21-019-M)

On January 12, 2021, the Inspector General issued a memorandum to the Director of the Census Bureau about a technical report relating to Executive Order 13880 that included data on documented and undocumented persons in the United States. Our office had learned that the Director of the Census Bureau directed his employees to produce a related report and designated this report as a "number one priority" with a deadline of January 15, 2021. Career employees informed us that they were under significant pressure to produce this technical report. We also understood that two political appointees at the Census Bureau were the driving forces behind this work.

We requested information from the Director to understand (1) how the Census Bureau would ensure the data quality of this report and (2) the reasons the Census Bureau prioritized this report. We asked the Director to provide the following information:

- What are the purposes and intended uses for this report?
- Did you direct the production of this report based on the advice or an order from other persons or entities? If so, who?
- What was or were the reason(s) for the requested deadline of Friday, January 15, 2021, for the report? How did you determine that deadline?
- What is the current deadline for this report?
- Do you intend to release this report before all business rules for data categorization are settled? If so, why?
- Will this report be consistent with Census Bureau standards for data quality and integrity? If not, why not?
- Do you intend to release this report if it does not receive the usual and customary internal reviews and approvals? If so, why?
- Why is the report "a number one priority," and, separately, who set the report as a priority for the Census Bureau?
- Are there other "number one priorities" for the Census Bureau? If so, name them in order of importance, including this directive.
- Has this directive taken staff off other priorities for the Census Bureau? If so, explain the impacts of any such shifts in resources.
- What is the impact of the prioritization of the technical report on the timeline for completing the apportionment count? Please explain any such impact. If you believe there is no impact, please explain.

We requested complete responses to the questions by close of business on January 14, 2021. The Director responded on January 13, 2021, to our request for information.

U.S. ECONOMIC DEVELOPMENT ADMINISTRATION



The **U.S. Economic Development Administration's** mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

EDA IS NOT FULLY COMPLYING WITH ALL ITS DISASTER RELIEF AWARD POLICIES (OIG-21-014-A)

Our objective was to determine whether EDA's process for awarding disaster relief grants to applicants is adequate. Specifically, we focused on whether (1) EDA awarded grants on a competitive and merit basis and (2) the extent of EDA's compliance with the requirements outlined in the Bipartisan Budget Act of 2018 as well as its own policies and procedures for determining which applicants should receive disaster relief funds.

We found that EDA is awarding grants on a competitive and merit basis. However, EDA does not always comply with its own policies and procedures for determining which applicants should receive disaster relief funds. Specifically, we found that EDA did not

- ensure all applications documented a clear nexus and resilience principles,
- always use priority order of funding recommendations, and
- always meet its own internal review goals.

We recommended that the Assistant Secretary of Commerce for Economic Development do the following:

- Direct the regional directors at the Atlanta and Philadelphia regional offices to utilize a standard and measurable assessment tool to guide and document the Investment Review Committee's evaluation of each application to ensure all applications meet the requirements of the *FY 2018 EDA Disaster Supplemental Notice of Funding Opportunity (NOFO)*.
- Direct the regional directors at the Austin and Philadelphia regional offices to comply with the *FY 2018 EDA Disaster Supplemental NOFO* requirements of awarding grants based on a priority order of funding recommendations and implement controls to ensure that the established processes and procedures for preparing the priority order of funding recommendations are monitored and consistently followed.
- Direct the regional directors at the Atlanta, Austin, and Philadelphia regional offices to (a) monitor application review time goals and (b) document and maintain written notifications and communications in grant files.

EDA WAS EFFECTIVE IN IMPLEMENTING THE REQUIREMENTS FOR AWARDING FUNDS UNDER THE CARES ACT (OIG-21-017-1)

Our evaluation objective was to determine whether EDA implemented and followed the requirements of the CARES Act. Specifically, we determined (1) what steps EDA took in implementing the CARES Act, (2) challenges EDA faced during implementation, and (3) EDA's ongoing efforts in awarding funds under the CARES Act.

Overall, we found that EDA implemented and followed the requirements of the CARES Act. EDA has put in place measures to mitigate challenges resulting from employees working from home due to the COVID-19 pandemic, and it is on track to obligate all CARES Act funds before September 30, 2022. However, EDA still faces challenges in its workforce planning for emergency and disaster relief efforts.

FIRST RESPONDER NETWORK AUTHORITY



The **First Responder Network Authority**'s mission is to develop, build, and operate the nationwide, broadband network that equips first responders to save lives and protect U.S. communities.

REQUEST FOR INFORMATION TO FIRSTNET AUTHORITY EXECUTIVE DIRECTOR EDWARD PARKINSON FROM THE OFFICE OF INSPECTOR GENERAL RE: AT&T SUBCONTRACTORS (OIG-21-002-M)

On October 8, 2020, an Assistant Inspector General for Audit and Evaluation issued a request for information to the Executive Director of the FirstNet Authority about a complete list of AT&T subcontractors' attributes.

On August 21, 2020, we received an incomplete Excel file from FirstNet Authority with AT&T subcontractors' attributes. We reviewed the Excel file and found that the Supplier General worksheet with more than 900 vendors did not list any attributes. We also found that for the other two worksheets—i.e., “Top Suppliers” and “Suppliers \$1M to \$10M”—while they included most of the attributes we requested, they did not include the unique entity identifiers (DUNS number) or contract type for the subcontract award.

In order to assist our office in its oversight of FirstNet Authority, we requested the following documentation by October 22, 2020:

- The DUNS number for all subcontractors listed in the attachment to the memorandum, to the extent the subcontractor has received such an identifier.
- The contract type of the subcontract award for all subcontractors listed in the attachment to this memorandum.

If either the DUNS number or the contract type could not be provided, we requested an explanation of the omission. FirstNet Authority—coupled with information provided to it from AT&T—responded to our request, and the omissions were sufficiently explained.

CONTINUED FIRSTNET AUTHORITY MANAGEMENT ATTENTION IS NEEDED TO ADDRESS CONTROL ENVIRONMENT WEAKNESSES (OIG-21-016-I)

Our evaluation objective was to assess whether FirstNet Authority management took steps to address the concerns noted in our August 2019 management alert, *FirstNet Management Altered Contract Requirements Without Authorization*, and whether continued concerns still existed.

We found that FirstNet Authority took some actions to address the concerns included in our August 2019 management alert; however, we found that issues with FirstNet Authority's underlying control environment continue to exist.

We recommended that FirstNet Authority's Executive Director develop and implement a policy, which specifies how management and staff will be held accountable for noncompliance with established regulations, policies, and controls.

INTERNATIONAL TRADE ADMINISTRATION



INTERNATIONAL
T R A D E
ADMINISTRATION

The **International Trade Administration's** mission is to create prosperity by strengthening the international competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements.

THE U.S. & FOREIGN COMMERCIAL SERVICE 2018 OFFICER PROMOTION PROCESS DID NOT COMPLY WITH APPLICABLE CRITERIA (OIG-21-021-I)

Our objective was to determine whether ITA's U.S. & Foreign Commercial Service (US&FCS) adhered to applicable laws, regulations, and policies when conducting the 2018 officer promotion process.

We found ITA's 2018 US&FCS officer promotion process did not adhere to certain applicable laws, regulations, and policies. Specifically, we found the following:

- ITA did not determine the number of available promotion opportunities before selection boards convened.
- Board rankings and other sensitive information were improperly stored on an unsecured shared network drive.
- US&FCS incorrectly determined promotion eligibility.
- Discrepancies were identified in the rankings of one selection board.

We also noted a separate matter for the auditees' attention with respect to conflicts of interest.

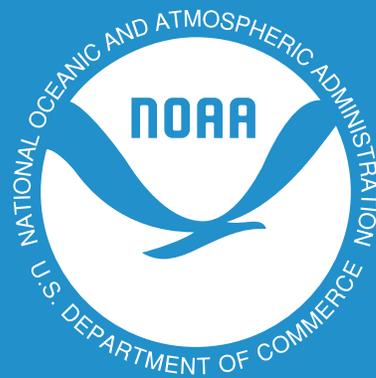
We recommended that the Under Secretary for International Trade do the following:

- Review the 2018 US&FCS officer promotion process and determine whether any selection boards should reconvene, in order to ensure the process was conducted fairly, with integrity and transparency.
- Ensure US&FCS establishes the number of promotion opportunities by officer class and provide those numbers via sealed communication to the American Foreign Service Association before selection boards convene.
- Require US&FCS to prepare and maintain complete documentation to support the number of promotion opportunities for each foreign service officer class before selection boards convene.
- Establish controls to comply with federal requirements for properly protecting sensitive promotion information and other sensitive federal records stored on shared network drives.

We recommended that the Assistant Secretary for Global Markets and Director General of US&FCS do the following:

- Define the appropriate bureau personnel records that should be used to determine and verify promotion eligibility based on the *Foreign Service Personnel Management Manual's* requisites and require applicable Office of Foreign Service and Human Capital officials to preserve adequate and proper records to support both the subject officer's and future determinations of their respective promotion eligibility.
- Ensure that the Office of Foreign Service and Human Capital requires future selection boards to adequately and properly document selection board rankings.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION



The **National Oceanic and Atmospheric Administration's** mission is to understand and predict changes in climate, weather, oceans, and coasts, to share that knowledge and information with others, and to conserve and manage coastal and marine ecosystems and resources.

COLLEGE OF STATEN ISLAND AGREES TO SETTLE CLAIMS RELATED TO RESEARCH MISCONDUCT

The College of Staten Island (CSI), a college within the City University of New York (CUNY), agreed to repay \$98,237.86 in federal assistance to resolve an investigation concerning alleged fabricated research results. In 2015, the Research Foundation of CUNY—on behalf of CSI—applied for and was awarded federal assistance pursuant to a cooperative agreement with NOAA to conduct a component of a research project to study the role of ocean eddies on the productivity of certain fish stock. The principal investigator for CSI was a professor who is no longer employed by the school. The work was required to be performed between September 2015 and August 2017. As a condition for receiving the funds, CSI certified, in part, that it was capable of managing the research project and ensuring that the required work was done.

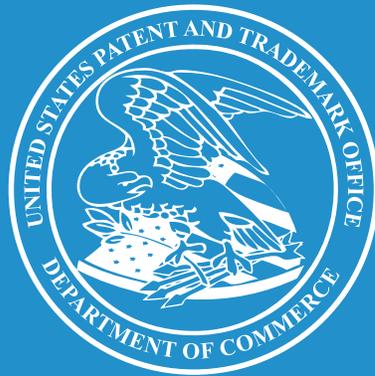
An investigation by our office and the U.S. Department of Justice confirmed the principal investigator did not conduct the work required under the cooperative agreement and fabricated results. It also concluded that CSI failed to ensure proper management and completion of the research.

In addition to repayment of the \$98,237.86 that CSI received under the cooperative agreement, CSI has agreed to modify its current policies and procedures concerning the supervision of federal-funded research projects to ensure that the work required under federal awards is completed and to safeguard against research misconduct and fraud.

NOAA SUBCONTRACTOR EMPLOYEE CHARGED WITH AND PLEADS GUILTY TO CLEAN WATER ACT VIOLATION

On January 25, 2021, an employee of a subcontractor working on a NOAA-funded project was charged with negligently causing an oil spill in waterways within the Chenier Ronquille Barrier Island in Louisiana within the Gulf of Mexico, which affected U.S. waterways, shorelines, and resources. On March 18, 2021, the subcontractor employee pled guilty to violating the Clean Water Act in connection with the oil spill.

UNITED STATES PATENT AND TRADEMARK OFFICE



The mission of the **United States Patent and Trademark Office** is to foster innovation, competitiveness, and economic growth, domestically and abroad, by providing high quality and timely examination of patent and trademark applications, guiding domestic and international IP policy, and delivering IP information and education worldwide.

USPTO FY 2020 FINANCIAL STATEMENTS AUDIT (OIG-21-008-A, OIG-21-013-A)

KPMG, an independent public accounting firm, performed the audit in accordance with U.S. generally accepted auditing standards, standards applicable to financial audits contained in *Government Auditing Standards*, and OMB Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*.

In its financial statement audit report (OIG-21-008-A) of USPTO, KPMG

- determined that the financial statements were fairly presented, in all material respects, and in conformity with U.S. generally accepted accounting principles;
- identified a significant deficiency in internal control over financial reporting related to IT general controls in the areas of access controls and configuration management; and
- identified no instances of reportable noncompliance with applicable laws, regulations, contracts, and grant agreements.

As part of this audit, KPMG evaluated general IT controls supporting USPTO's financial reporting and issued a separate IT report (OIG-21-013-A). KPMG identified four findings related to security management, access controls, and configuration management, and made five recommendations for improvements in these areas.

USPTO SHOULD IMPROVE ACQUISITION PLANNING AND VENDOR PERFORMANCE MANAGEMENT TO PREVENT SCHEDULE DELAYS AND UNNECESSARY COSTS RELATED TO THE SDI-NG CONTRACT (OIG-21-010-A)

Our audit objective was to determine whether USPTO provided adequate oversight of Software Development and Integration–Next Generation (SDI-NG) contracts.

We found that USPTO did not provide adequate oversight of the SDI-NG Bridge contract. Specifically, we found the following:

- USPTO did not timely plan and compete a follow-on SDI-NG contract.
- USPTO did not adequately document and use vendor performance information.

We recommended that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Director of the Office of Procurement to do the following:

- Strengthen requirements for documentation of significant decisions and changes to milestones for key procurement actions, such as submission of procurement request package and release of solicitation.
- Establish specific conditions and justifications that govern the use of alternative competition methods in the *Patent and Trademark Acquisition Guidelines (PTAG)*.
- Develop policies and procedures to restrict the use of bridge contracts, including: adequate justification for use and length of bridge contracts, management review and approval of contract and extensions, and planned actions to award a follow-on contract.
- Revise the *PTAG* to consider past performance when awarding task orders under SDI-NG Bridge and follow-on contracts.
- Revise the Acquisition File Documentation form to document consideration of vendor performance prior to exercise of option periods.
- Revise the Contractor Performance Assessment Rating System policy to ensure that it complies with requirements of the Federal Acquisition Regulation (FAR).

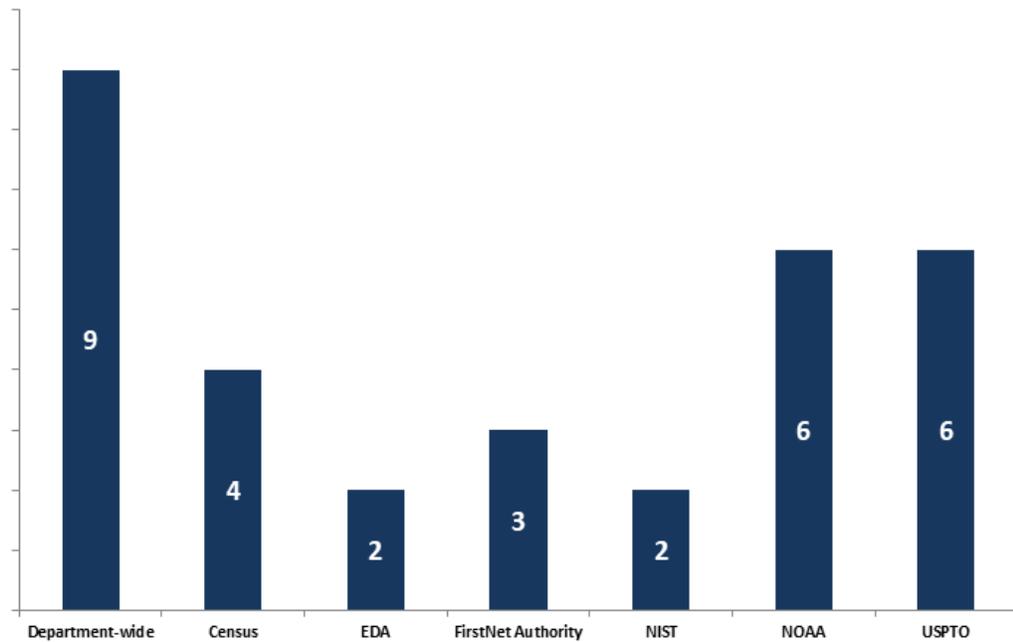
We recommended that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Chief Information Officer to do the following:

- Modify policies, procedures, and related staff training materials on vendor performance monitoring to clarify the purpose and requirements for each of USPTO's performance monitoring tools.
- Ensure vendor performance monitoring tools are able to document and report vendor performance information in accordance with USPTO policies and the FAR.
- Develop a comprehensive vendor performance evaluation report that aggregates vendor performance information from Vendor Management Division tools and other sources as appropriate.

WORK IN PROGRESS

WORK IN PROGRESS (BY OVERSIGHT AREA)

During this reporting period, 32 OIG audit, evaluation, and inspection projects were initiated or underway.



DEPARTMENT-WIDE

Audit of Enterprise Services Performance in Managing and Overseeing Accenture Blanket Purchase Agreement No. DOCSS130116BU0004 and Subsequent Call Orders

To determine whether Enterprise Services effectively and efficiently managed contractor performance of the Accenture Federal Services, LLC, blanket purchase agreement DOCSS130116BU0004 and subsequent call orders in accordance with federal regulations and Department policy.

Audit of the Department of Commerce and NIST Working Capital Funds (WCFs)

To monitor the independent public accounting firm contracted to determine whether (1) the Department and NIST WCF billing methods used to allocate costs for internal Department support services are valid, reasonable, and consistently applied in accordance with applicable Department policies and (2) the internal Department support services costs billed through the WCFs are reasonable, allowable, and supported with documentation in accordance with applicable laws, regulations, and policies.

Audit of the Business Applications Solution Program

To assess the Department's management and implementation of the Business Applications Solution program.

Audit of the Department of Commerce's System Security Assessment Process

To assess the effectiveness of the system security assessment and continuous monitoring program to ensure security deficiencies are identified, monitored, and adequately resolved.

Evaluation of the Department's FY 2020 Compliance with Improper Payment Requirements

To assess the Department's compliance with the Payment Integrity Information Act of 2019, which sets forth improper payment reporting requirements, including an annual compliance report by federal inspectors general.

Evaluation of Calendar Years 2019–2020 Cybersecurity Information Sharing Act (CISA)

To assess actions taken by the Department during calendar years 2019 and 2020 to carry out CISA requirements.

Audit of FY 2021 Department of Commerce Consolidated Financial Statements (will result in 2 separate reports)

To monitor the independent public accounting firm contracted to determine whether the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles; to consider the Department's internal control over financial reporting and test compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the financial statements.

Audit of the Department's FY 2021 Digital Accountability and Transparency Act of 2014 Reporting

To monitor the independent public accounting firm contracted to (1) assess the completeness, accuracy, timeliness, and quality of the financial and award data submitted for publication on USASpending.gov and (2) assess the Department's implementation and use of the government-wide financial data standards established by OMB and the U.S. Department of the Treasury.

Audit of FY 2021 Federal Information Security Modernization Act Compliance

To assess the effectiveness of the Department's information security program and practices.

U.S. CENSUS BUREAU

Evaluation of 2020 Census Peak Operations

To conduct a series of reviews to determine whether the Census Bureau's planning and execution of 2020 Census peak operations successfully reduces risk to decennial census data quality and costs.

Evaluation of 2020 Census Data Quality Processes

To assess the adequacy of the Census Bureau's quality control processes to ensure the data collected during the 2020 decennial count was complete and accurate.

Audit of the U.S. Census Bureau's Incident Response Process

To assess the adequacy of the Census Bureau's process to respond to cybersecurity incidents according to federal and Departmental requirements.

Audit of the U.S. Census Bureau WCF

To monitor the independent certified public accounting firm contracted to determine whether budgetary controls over the WCF are adequate including whether the Census Bureau (1) appropriately determines its rates (including overhead charges), (2) appropriately accounts for advances and carryover balances, and (3) equitably distributes costs to the Census Bureau's customers in accordance with applicable laws, regulations, and policy.

U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

Evaluation of EDA's Grant File Maintenance

To determine whether EDA is properly maintaining grant files during the COVID-19 pandemic.

Evaluation of EDA's Administering of CARES Act Funding Through Its Revolving Loan Fund Program

To determine whether EDA followed federal and Departmental guidelines to award and disburse CARES Act funding through its Revolving Loan Fund Program.

FIRST RESPONDER NETWORK AUTHORITY

Audit of FirstNet Authority's Reinvestment Process

To determine whether FirstNet Authority's process for reinvesting fee payments is effective and consistent with established practices, procedures, and regulations.

Evaluation of the NPSBN's Security Architecture and Risk

To assess the NPSBN's security risks resulting from its security architecture.

Audit of FirstNet Authority's Engagement with the Public Safety Community

To determine whether FirstNet Authority is effectively engaging with the public safety community and addressing its concerns.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

Evaluation of NIST's Implementation of CARES Act Funding

To determine (1) steps NIST took to implement and comply with the CARES Act, (2) challenges NIST faced during implementation, and (3) NIST's status in processing applications and awarding funds under the CARES Act.

Audit of the NIST WCF

To monitor the independent public accounting firm contracted to determine whether budgetary controls over the WCF are adequate, including whether the NIST WCF is (1) recovering the full cost of reimbursable services, (2) appropriately accounting for advances, (3) appropriately accounting for carryover balances, and (4) maintaining a reasonable fund balance, in accordance with applicable laws, regulations, and policy.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Evaluation of NOAA's Ship Fleet Requirements Management Processes

To determine the adequacy of NOAA's ship fleet requirements management processes.

Audit of Western Pacific Sustainable Fisheries Fund Grants to the Western Pacific Regional Fishery Management Council

To determine whether the Western Pacific Regional Fishery Management Council (1) claimed allowable, allocable, and reasonable costs under the grant awards, and (2) received the goods and services paid for by the grant awards; to determine whether NOAA provided adequate oversight and monitoring.

Audit of Geostationary Operational Environmental Satellite-R Series (GOES-R) Program in Achieving Launch Readiness for the GOES-T Mission

To assess the program's progress in achieving launch readiness for the GOES-T mission.

Evaluation of NOAA's Implementation of CARES Act Funding

To determine (1) what steps NOAA took in implementing the requirements for awarding funds, (2) challenges NOAA faced during implementation, and (3) NOAA's current status in processing applications and award funds under the CARES Act.

Audit of NOAA's Management of Its Active Directory

To determine whether NOAA has adequately managed its Active Directory to protect mission critical systems and data.

Audit of the Next-Generation Satellite System Architecture Planning and Implementation

To assess NOAA's progress planning and implementing its next-generation satellite system architecture.

UNITED STATES PATENT AND TRADEMARK OFFICE

Evaluation of the Patent Term Adjustment (PTA) and Patent Term Extension (PTE) Processes

To determine whether USPTO (1) calculates and awards PTA and PTE in compliance with relevant statutes, regulations, and case law; (2) has adequate internal controls to ensure the proper calculation and award of PTA and PTE; and (3) uses valid and reliable data to calculate PTA and PTE.

Evaluation of the Patent Trial and Appeal Board (PTAB) Operations

To (1) assess PTAB's processes; (2) identify risk areas within PTAB; and (3) identify any internal and external challenges PTAB faces, and the significance and impacts of these challenges.

Audit of USPTO's Efforts to Improve the Accuracy of the Trademark Register

To determine whether USPTO's trademark registration process is effective in preventing fraudulent or inaccurate registrations.

Audit of USPTO's Efforts to Retire Patent Legacy Systems

To assess (1) the cost, schedule, and capabilities of select patent legacy systems and (2) ongoing activities to transition from the legacy systems to next generation systems.

Evaluation of USPTO's Patent Examination Process

To (1) assess whether patents are examined in compliance with applicable statutes, regulations, and case laws; (2) identify deficiencies within the examination process impacting the quality of patents granted; and (3) identify areas for improvement within the examination process to increase its effectiveness and efficiency.

Audit of FY 2021 USPTO Financial Statements (will result in 2 separate reports)

To monitor the independent public accounting firm contracted to determine whether the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles; to consider USPTO's internal control over financial reporting and test compliance with certain provisions of laws, regulations, and contracts that could have a direct and material effect on the financial statements.

STATISTICAL DATA

The Inspector General Act of 1978, as amended, (IG Act) requires us to present the statistical data contained in the following:

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10-b. Description of Certain Closed and Non-Public Investigations	67

TABLE I. OFFICE OF INVESTIGATIONS STATISTICAL HIGHLIGHTS FOR THIS PERIOD

Investigative activities cover investigations opened and closed by OIG; arrests by OIG agents; indictments and other criminal charges filed against individuals or entities as a result of OIG investigations; convictions secured at trial or by guilty plea as a result of OIG investigations; and fines, restitution, and all other forms of financial recoveries achieved by OIG as a result of investigative action. Fines and other financial recoveries refer only to agreements that a judge accepted.

Allegations processed presents the number of complaints from employees, stakeholders, and the general public that were handled by our Compliance and Ethics unit. Of these, some resulted in the opening of investigations; others were referred to bureaus for internal administrative follow-up. Others were unrelated to Departmental activities or did not provide sufficient information for any investigative follow-up and so were not accepted for investigation or referral.

Allegations Received

Total hotline contacts	1,004
Contacts related to Departmental programs	820
Number of hotline referrals to Departmental management	600

Investigative Caseload

Investigations opened this period	18
Investigations closed/completed this period	23
Investigations in progress as of March 31, 2021	82 ^a

Reports

Total number of investigative reports issued during the reporting period	6
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Prosecutive Actions and Monetary Results

Total number of individuals or entities referred to the U.S. Department of Justice for criminal prosecution	12
Total number of entities referred to state/local prosecuting authorities	1
Indictments/Informations	8
Convictions	1
Monetary recoveries (Fines, Restitution, Settlements, Judgments, and Administrative Remedies)	\$108,022,210 ^b

Administrative Actions

Suspension/Debarment actions	0
Disciplinary actions	2

^a This figure excludes 62 investigations consisting of 22 pending prosecution or completion of judicial proceedings, 4 pending agency action, 15 preliminary investigations, and 21 requests for assistance.

^b This figure includes fines, restitutions, and recoveries in cases worked independently by our office, as well as our office's participation in multiagency investigations.

TABLE 2. RESOLUTION AND FOLLOW-UP

The IG Act requires us to present in this report information concerning reports issued before the beginning of the reporting period (October 1, 2020) for which no management decision had been made by the end of the period (March 31, 2021). No reports remain unresolved for more than 6 months for this reporting period.

Audit resolution is the process by which the Department of Commerce reaches an effective management decision in response to audit reports. **Management decision** refers to management's evaluation of the findings and recommendations included in the report and the issuance of a final decision by management concerning its response.

Department Administrative Order (DAO) 213-5, *Audit and Evaluation Resolution and Follow-up*, provides procedures for management to request a modification to an approved action plan or for a financial assistance recipient to appeal an audit resolution determination. The following table summarizes modification and appeal activity during the reporting period.

Report Category	Modifications	Appeals
Actions pending (October 1, 2020)	3	4
Submissions	9	0
Decisions	7	4
Actions pending (March 31, 2021)	5	0

TABLE 3. AUDIT AND INSPECTION STATISTICAL HIGHLIGHTS FOR THIS PERIOD

Audits comply with standards established by the Comptroller General of the United States for audits of federal establishments, organizations, programs, activities, and functions.

Inspections include evaluations, inquiries, and similar types of reviews that do not constitute an audit or a criminal investigation.

Questioned costs ^a	\$0
Value of audit recommendations that funds be put to better use ^b	\$0
Total potential monetary benefits	\$0
Value of audit recommendations agreed to by management ^c	\$14,354,642

^a **Questioned cost:** This is a cost questioned by OIG because of (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or 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 an expenditure of funds for the intended purpose is unnecessary or unreasonable.

^b **Value of audit recommendations that funds be put to better use:** This results from an OIG recommendation that funds could be used more efficiently if Department management took action to implement and complete the recommendation. Such actions may include (1) reductions in outlays; (2) deobligation of funds from programs or operations; (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (4) costs not incurred by implementing recommended improvements related to the Department, a contractor, or a grantee; (5) avoidance of unnecessary expenditures identified in pre-award reviews of contracts or grant agreements; or (6) any other savings specifically identified.

^c **Value of audit recommendations agreed to by management:** This is the sum of (1) disallowed costs and (2) funds to be put to better use that are agreed to by management during resolution. Disallowed costs are the amount of costs that were questioned by the auditors or the agency action official and subsequently determined—during audit resolution or negotiations by a contracting officer—not to be charged to the government.

TABLE 4. REPORTS WITH QUESTIONED COSTS

See table 3 for a definition of “questioned cost.” An **unsupported cost** is a cost that is not supported by adequate documentation at the time of the review. Questioned costs include unsupported costs.

Report Category	Number	Questioned Costs (\$)	Unsupported Costs (\$)
A. Reports for which no management decision had been made by the beginning of the reporting period	0	0	0
B. Reports issued during the reporting period	0	0	0
Total reports (A+B) requiring a management decision during the period	0	0	0
C. Reports for which a management decision was made during the reporting period ^a	0	0	0
i. Value of disallowed costs	0	0	0
ii. Value of costs not disallowed	0	0	0
D. Reports for which no management decision had been made by the end of the reporting period	0	0	0

^a In category C, lines i and ii do not always equal the total in line C because resolution may result in values greater than the original recommendations.

TABLE 5. REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

See table 3 for a definition of “recommendations that funds be put to better use.”

Report Category	Number	Value (\$)
A. Reports for which no management decision had been made by the beginning of the reporting period	1	14,354,642
B. Reports issued during the reporting period	0	0
Total reports (A+B) requiring a management decision during the period	1	14,354,642
C. Reports for which a management decision was made during the reporting period ^a	1	14,354,642
i. Value of recommendations agreed to by management	1	14,354,642
ii. Value of recommendations not agreed to by management	0	0
D. Reports for which no management decision had been made by the end of the reporting period	0	0

^a In category C, lines i and ii do not always equal the total in line C because resolution may result in values greater than the original recommendations.

TABLES 6, 6-A, 6-B, 6-C, 6-D, AND 6-E. REPORT TYPES FOR THIS PERIOD

Performance audits provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Inspections include evaluations, inquiries, and similar types of reviews that do not constitute an audit or investigation. An inspection is defined as a process that evaluates, reviews, studies, or analyzes the programs and activities of a department or agency to provide information to managers for decision making; makes recommendations for improvements to programs, policies, or procedures; and identifies where administrative action may be necessary.

Financial statement audits are primarily to provide an opinion about whether an entity's financial statements are presented fairly in all material respects in conformity with an applicable financial reporting framework. Reporting on financial statement audits performed in accordance with GAGAS also includes reports on internal control over financial reporting and on compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

Other public reports from this period are comprised of correspondence—including one memorandum to OMB, one management alert, one census alert, and four requests for information pursuant to the IG Act—as well as our annual top management challenges report. Management and census alerts are memorandums that our office issues as an interim mechanism for alerting the Secretary, Department heads, Congress, and other officials of significant preliminary findings or matters requiring urgent attention.

TABLE 6. SUMMARY OF REPORT TYPES FOR THIS PERIOD

Type	Number of Reports	Table Number
Performance audits	6	Table 6-a
Inspections/Evaluations	3	Table 6-b
Financial statement audits	4	Table 6-c
Published investigative reports	1	Table 6-d
Other public reports	8	Table 6-e
Total	22	

TABLE 6-A. PERFORMANCE AUDITS

Report Title	Report Number	Date Issued	Funds to Be Put to Better Use (\$)	Amount Questioned (\$)	Amount Unsupported (\$)
Bureau of Industry and Security					
<i>Decisions on Exclusions from Section 232 Tariffs Were Not Transparent and Based on Incomplete and Inaccurate Information</i>	OIG-21-020-A	01.25.2021	0	0	0
U.S. Census Bureau					
<i>Fundamental Security Safeguards Were Not in Place to Adequately Protect the IT Systems Supporting the 2020 Census</i>	OIG-21-018-A	01.07.2021	0	0	0
U.S. Economic Development Administration					
<i>EDA Is Not Fully Complying with All Its Disaster Relief Award Policies</i>	OIG-21-014-A	12.21.2020	0	0	0
Office of the Secretary					
<i>The Department Has Made Progress Meeting Its Responsibilities Under the Geospatial Data Act But Must Improve Controls to Ensure Full Compliance</i>	OIG-21-001-A	10.01.2020	0	0	0
<i>FY 2020 Federal Information Security Modernization Act Annual Report (nonpublic report; see table 10-A for summary)</i>	OIG-21-007-A	10.29.2020	0	0	0
United States Patent and Trademark Office					
<i>USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract</i>	OIG-21-010-A	11.19.2020	0	0	0

TABLE 6-B. INSPECTIONS/EVALUATIONS

Report Title	Report Number	Date Issued	Funds to Be Put to Better Use (\$)	Amount Questioned (\$)	Amount Unsupported (\$)
U.S. Economic Development Administration					
<i>EDA Was Effective in Implementing the Requirements for Awarding Funds Under the CARES Act</i>	OIG-21-017-I	01.05.2021	0	0	0
First Responder Network Authority					
<i>Continued FirstNet Authority Management Attention is Needed to Address Control Environment Weaknesses</i>	OIG-21-016-I	01.05.2021	0	0	0
International Trade Administration					
<i>The U.S. & Foreign Commercial Service 2018 Officer Promotion Process Did Not Comply with Applicable Criteria</i>	OIG-21-021-I	01.28.2021	0	0	0

TABLE 6-C. FINANCIAL STATEMENT AUDITS

Report Title	Report Number	Date Issued	Funds to Be Put to Better Use (\$)	Amount Questioned (\$)	Amount Unsupported (\$)
Office of the Secretary					
<i>FY 2020 Consolidated Financial Statements Audit</i>	OIG-21-009-A	11.13.2020	0	0	0
<i>Summary of Findings Related to Information Technology Controls in Support of the Fiscal Year 2020 U.S. Department of Commerce Consolidated Financial Statement Audit</i>	OIG-21-012-A	12.11.2020	0	0	0
United States Patent and Trademark Office					
<i>USPTO FY 2020 Financial Statements Audit</i>	OIG-21-008-A	11.12.2020	0	0	0
<i>Summary of Findings Related to Information Technology Controls in Support of the Fiscal Year 2020 USPTO Financial Statement Audit</i>	OIG-21-013-A	12.18.2020	0	0	0

TABLE 6-D. PUBLISHED INVESTIGATIVE REPORTS

Report Title	Report Number	Date Issued
<i>Investigation into Multiple Allegations That Secretary of Commerce Wilbur L. Ross, Jr., Failed to Comply with His Ethics Agreement and Violated Conflict of Interest Laws</i>	18-0286	12.03.2020

TABLE 6-E. OTHER PUBLIC REPORTS

Report Title	Report Number	Date Issued
<i>Request for Information to FirstNet Authority Executive Director Edward Parkinson from the Office of Inspector General re: AT&T Subcontractors</i>	OIG-21-002-M	10.08.2020
<i>Top Management and Performance Challenges Facing the Department of Commerce in FY 2021</i>	OIG-21-003	10.15.2020
<i>Request for Information to Census Bureau Director Steven Dillingham from the Inspector General re: Secretarial Briefings</i>	OIG-21-004-M	10.23.2020
<i>Request for Information to Acting Director for Human Resources Management and Chief Human Capital Officer from the Inspector General re: Political Appointees</i>	OIG-21-006-M	10.28.2020
<i>Management Alert: The Bureau Cannot Ensure That Access to Sensitive Background Investigation Information Is Limited to Individuals Who Have a Work-Related Need to Know</i>	OIG-21-011-M	12.01.2020
<i>2020 Census Alert: Inability to Finish Nonresponse Followup RIs Raises Concerns Over the Quality of More Than 500,000 Cases</i>	OIG-21-015-M	12.28.2020
<i>Request for Information to Census Bureau Director Steven Dillingham from the Inspector General re: Report on Executive Order 13880</i>	OIG-21-019-M	01.12.2021
<i>2021 Annual Letter to OMB re Government Charge Card Abuse Prevention Act of 2012</i>	OIG-21-022-M	01.29.2021

TABLES 7, 7-A, 7-B, AND 7-C. UNIMPLEMENTED AND UNRESOLVED RECOMMENDATIONS BY OPERATING UNIT

All tables concerning unimplemented or unresolved recommendations do not include recommendations from (a) classified or sensitive nonpublic reports, (b) recurring, annual audits (such as financial statement audits), or (c) single audits.

Recommendations from all performance audit, evaluation, and inspection reports issued prior to FY 2016 have been implemented.

Resolved but unimplemented recommendations are those for which (a) the operating unit(s) agreed to OIG recommendations and (b) OIG approved the action plan. Columns 2 through 5 of table 7 provide details on resolved but unimplemented recommendations.

Unresolved recommendations include those with no approved action plan as of March 31, 2021, or those for which the action plans are not due until after March 31, 2021. Columns 6 through 7 of table 7 provide details on “unresolved” recommendations.

Table 7-a provides details on FY 2016–2021 performance audit, evaluation, or inspection reports that have resolved but unimplemented recommendations. During this period, we issued 98 audits and evaluations (excluding financial statement audits). As of March 31, 2021,

- 25 of the 98 reports (26 percent) had resolved but unimplemented recommendations;
- 92 of 474 total recommendations (19 percent) were resolved but unimplemented; and
- 5 of these resolved but unimplemented recommendations had potential monetary benefits of \$321,518,101;

Table 7-b provides details on two performance audits and one inspection with 11 unresolved recommendations.

Table 7-c provides details on performance audit, evaluation, or inspection reports for which management took longer than 60 days to respond.

TABLE 7. SUMMARY OF UNIMPLEMENTED AND UNRESOLVED RECOMMENDATIONS BY OPERATING UNIT

Operating Unit	FY 2016–2018 Unimplemented Recs (Resolved)	Potential Monetary Benefits of FY 2016–2018 Unimplemented Recs	FY 2019–2021 Unimplemented Recs (Resolved)	Potential Monetary Benefits of FY 2019–2021 Unimplemented Recs	Unresolved FY 2021 Recs	Potential Monetary Benefits of Unresolved FY 2021 Recs
Bureau of Economic Analysis	0	0	0	0	0	0
Bureau of Industry and Security	0	0	0	0	1	0
U.S. Census Bureau	4	0	22	7,702,880	0	0
U.S. Economic Development Administration	2	3,124,732	2	0	3	0
First Responder Network Authority	0	0	0	0	0	0
International Trade Administration	0	0	0	0	7	0
Minority Business Development Agency	0	0	0	0	0	0
National Institute of Standards and Technology	0	0	0	0	0	0
National Oceanic and Atmospheric Administration	2	0	11	26,249,642	0	0
National Technical Information Service	0	0	0	0	0	0
National Telecommunications and Information Administration	0	0	0	0	0	0
Office of the Secretary	5	0	34	284,440,847	0	0
United States Patent and Trademark Office	0	0	10	0	0	0
TOTAL	13	\$3,124,732	79	\$318,393,369	11	\$0

TABLE 7-A. UNIMPLEMENTED RECOMMENDATIONS FROM AUDIT, EVALUATION, AND INSPECTION REPORTS

Table 7-a does not include recommendations from (a) classified or sensitive nonpublic reports, (b) recurring, annual audits (such as financial statement audits), or (c) those addressed to specific non-federal entities in connection with audits of financial assistance awards.

Recommendations from all performance audit, evaluation, and inspection reports issued prior to FY 2016 have been implemented.

- **FY 2016:** OIG issued 26 reports with a total of 109 recommendations. As of March 31, 2021, 6 recommendations (6 percent of FY 2016 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.
- **FY 2017:** OIG issued 20 reports with a total of 88 recommendations. As of March 31, 2021, 2 recommendations (2 percent of FY 2017 recommendations) were resolved but unimplemented. One unimplemented recommendation has potential monetary benefits of \$3,124,732 in funds to be put to better use.
- **FY 2018:** OIG issued 15 reports with a total of 87 recommendations. As of March 31, 2021, 5 recommendations (6 percent of FY 2018 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.
- **FY 2019:** OIG issued 12 reports with a total of 79 recommendations. As of March 31, 2021, 19 recommendations (24 percent of FY 2019 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.
- **FY 2020:** OIG issued 16 reports with a total of 76 recommendations. As of March 31, 2021, 45 recommendations (59 percent of FY 2020 recommendations) were resolved but unimplemented. There are four unimplemented recommendations, two with \$292,143,727 in questioned costs and two with \$26,249,642 in funds put to better use for \$318,393,369 potential monetary benefits.
- **FY 2021:** OIG issued 7 reports with a total of 32 recommendations. As of March 31, 2021, 15 recommendations (47 percent FY 2021 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.

The remaining 3 unresolved reports and their 11 recommendations are listed under table 7-b.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
04.18.2016	OIG-16-025, <i>The Census Working Capital Fund Lacks Transparency</i>	6	1	0

Objective(s)

The objective of this audit was to evaluate the budgetary controls over the Census Bureau's WCF.

Finding(s)

We found that the Census Bureau (1) could not provide support for its overhead rates, (2) lacks monitoring procedures to ensure WCF transparency and compliance with statutes, (3) may have used FY 2010 funds to improperly augment a survey sponsor's FY 2009 appropriation, (4) has not prepared the required financial reports for the WCF, and (5) lacks controls necessary to ensure that excess funds are returned to reimbursable survey sponsors promptly.

Unimplemented Recommendation(s)

Recommendation 2: We recommend that the Director of the Census Bureau obtain an opinion from the Department of Commerce Office of the General Counsel to determine whether funds from the Improving Operational Efficiency program, carried over in FY 2010 and FY 2011, are considered earned income and were carried over in compliance with appropriations laws (and, in addition, notify the Department's Chief Financial Officer and Assistant Secretary for Administration of the results—and, if noncompliance is noted, develop controls to track the original period of availability of Improving Operational Efficiency program funds).

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
08.04.2016	OIG-16-040 , <i>Review of IT Security Policies, Procedures, Practices, and Capabilities in Accordance with the Cybersecurity Act of 2015</i>	5	5	0
<p>Objective(s) The objective of this audit was to examine the IT security policies, procedures, practices, and capabilities—as defined in the Cybersecurity Act of 2015—for national security and personally identifiable information systems.</p>				
<p>Finding(s) The findings of this report are For Official Use Only, and not included in this publicly released <i>Semiannual Report to Congress</i>.</p>				
<p>Unimplemented Recommendation(s) The recommendations of this report are For Official Use Only, and are not included in this publicly released <i>Semiannual Report to Congress</i>.</p>				
04.27.2017	OIG-17-023 , <i>EDA Can Strengthen Its Policies and Procedures for Monitoring ULOs</i>	2	2	\$3,124,732 Funds to Be Put to Better Use
<p>Objective(s) Our objective was to evaluate the effectiveness of EDA obligation and deobligation practices as well as review policies and procedures that were implemented since the June 2013 audit report number OIG-13-026-A, <i>Monitoring of Obligation Balances Needs Strengthening</i>.</p>				
<p>Finding(s) We found that EDA has generally achieved the intent of our recommendations by reducing its unliquidated obligation (ULO) balance by approximately \$500 million since our last review. However, EDA has not established any bureau-specific deobligation policies and procedures as required by Departmental policy.</p>				
<p>Unimplemented Recommendation(s) (potential monetary benefits for unimplemented recommendation 1) Recommendation 1: We recommend the Assistant Secretary for Economic Development instruct the Director of EDA's Budget and Finance Division to follow up on the nine obligations identified in this report to ensure that, if no longer needed, appropriate action is taken. Potential monetary benefits: \$3,124,732 funds to be put to better use. Recommendation 2: We recommend the Assistant Secretary for Economic Development instruct the Director of EDA's Budget and Finance Division to develop and implement bureau-specific policies and procedures for conducting timely obligation reviews of all open balances.</p>				
04.30.2018	OIG-18-018 , <i>2020 Census: The Number and Location of Area Census Offices May Not Reflect NRFU Workload Demands and Will Not Result in Projected Cost Savings</i>	3	3	0
<p>Objective(s) Our objectives of this audit were to evaluate (1) the criteria and process for determining the number and locations of field offices; (2) the Census Bureau's plans for reducing costs associated with the fewer number of field offices as part of reengineered field operations; and (3) the planned process for collaboration between the Census Bureau and the General Services Administration (GSA) for implementing the area Census office (ACO) leasing program.</p>				
<p>Finding(s) We found that, while the Census Bureau developed a model for determining the number of ACOs, only six of the seven required criteria were defined, allowing us to test the Census Bureau's compliance with them. We also found that, although the estimated workload totals and staffing ratios informing the model changed, the number of ACOs required for field operations remained the same. In addition, several risks currently jeopardize ACO space acquisition, requiring enhanced risk planning to address cost and schedule implications, and the Census Bureau's initial "cost avoidance" estimates associated with the ACO space acquisition program are unsupported and unlikely to be realized.</p>				
<p>Unimplemented Recommendation(s) Recommendation 1: We recommend that the Director of the U.S. Census Bureau assess the impact the increased NRFU workload totals and enumerator ratios will have on the NRFU operation and document, monitor, and periodically validate the assumptions for ACO planning throughout the remaining 2020 Census planning activities. Recommendation 2: We recommend that the Director of the U.S. Census Bureau (a) reassess ACO space acquisition risk register items' cost and schedule impacts and risk ratings, and create contingency plans to effectively address risks and (b) formalize the roles and responsibilities of GSA and Census Bureau personnel tasked with ACO space acquisition activities. Recommendation 3: We recommend that the Director of the U.S. Census Bureau (a) ensure cost reduction estimates are reasonable and supportable and (b) identify and include potential cost overruns related to space acquisition activities as part of any contingency funding for the 2020 Census.</p>				

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
07.09.2018	OIG-18-021 , <i>Polar Follow-On: NOAA Must Maintain Cost Efficiencies and Refine Launch Strategy for JPSS-3 and JPSS-4 Missions</i>	7	2	0

Objective(s)

Our primary objective was to assess the Polar Follow-On program baselines established in December 2016.

Finding(s)

We found that (1) Polar Follow-On missions' system design depends on maturing the Joint Polar Satellite System (JPSS)-2 technical baseline and completing plans for a flexible launch strategy; (2) NOAA has not provided detailed polar satellite system development costs to Congress; and (3) NOAA has identified potential future satellite systems and continues to plan its next-generation space architecture, but goals and timelines for technology insertion are uncertain.

Unimplemented Recommendation(s)

Recommendation 2: In order to retain flexibility in the launch strategies for JPSS-3 and JPSS-4, we recommend that the Assistant Administrator for Satellite and Information Services ensures that the JPSS program completes storage plans and cost analyses for instruments and integrated satellites.

Recommendation 6: We recommend that the Under Secretary of Commerce for Oceans and Atmosphere ensures that NOAA provides Congress with satellite system estimated costs in accordance with requirements for its major satellite programs specified in annual appropriations laws.

10.30.2018	OIG-19-002 , <i>The Census Bureau Must Improve Its Implementation of the Risk Management Framework</i>	7	7	0
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Objective(s)

Our objective was to determine whether the risk management framework methodology adopted by the Census Bureau presents an accurate picture of cybersecurity risks, including risks associated with common controls, to Census Bureau management.

Finding(s)

We found that the Census Bureau did not follow its risk management framework process. Specifically, we found that (1) the Census Bureau had not continuously monitored critical security controls and failed to document the resulting risks, (2) authorizing officials lacked information about significant cybersecurity risks, and (3) the Census Bureau did not effectively manage common controls.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Census Bureau's Chief Information Officer update the Census Bureau's Risk Management Framework Methodology to include additional procedures that leverage automated reporting, to ensure that deviations from continuous monitoring plans are reported more timely to senior management designated as the authorizing official and to IT security management.

Recommendation 2: We recommend that the Census Bureau's Chief Information Officer ensure that management is informed when risks are omitted from Risk Management Program System (RMPS) reports.

Recommendation 3: We recommend that the Census Bureau's Chief Information Officer develop both manual and automated procedures to help ensure that complete descriptions of system security controls are entered into RMPS, reviewed, and approved as part of the system authorization process.

Recommendation 4: We recommend that the Census Bureau's Chief Information Officer ensure that assessment procedures include provisions (both manual and automated) for quality control associated with the validation of security control assessments.

Recommendation 5: We recommend that the Census Bureau's Chief Information Officer develop a strategy for periodically verifying the accuracy of common control inheritance within RMPS.

Recommendation 6: We recommend that the Census Bureau's Chief Information Officer ensure greater rigor in assessment of common control requirements, to include assessing the relationship between the security service provided by the common control requirement and the information system receiving the service.

Recommendation 7: We recommend that the Census Bureau's Chief Information Officer clearly document the rationale for common control decisions within RMPS.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
02.06.2019	OIG-19-008 , <i>2020 Census: Issues Observed During the 2018 End-to-End Census Test's Address Canvassing Operation Indicate Risk to Address List Quality</i>	6	3	0
<p>Objective(s) Our audit objectives were to (1) assess the performance of in-field address canvassing operations and (2) determine whether in-office address canvassing correctly identified blocks for the in-field address canvassing operation.</p> <p>Finding(s) We found (1) in-office address canvassing did not correctly identify blocks for in-field address canvassing at the Providence test site; (2) resolution of alerts indicating potential instances of low quality and fraud/abuse was sometimes untimely or non-existent; (3) the Census Bureau's ability to inform the 2020 Census address canvassing operation using the 2018 End-to-End Census Test faces some limitations; and (4) the Census Bureau is unsure of whether 26 Listers who updated addresses were qualified. In addition—and as part of our fieldwork—we conducted on-site observations of Listers during the test and observed instances of some Listers' noncompliance with procedures.</p> <p>Unimplemented Recommendation(s) Recommendation 1: We recommend the Director of the U.S. Census Bureau evaluate how the number of incorrectly categorized passive blocks will affect Census quality and how those errors may affect demographic groups. Recommendation 3: We recommend the Director of the U.S. Census Bureau include a nationally representative statistical sample of passive blocks in the 2020 Census in-field operation and report the estimated number of missed households. Recommendation 5: We recommend the Director of the U.S. Census Bureau assess the risks to the 2020 Census that have arisen as a result of the limitations identified during the 2018 End-to-End Census Test's address canvassing operation.</p>				
06.13.2019	OIG-19-014 , <i>Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk</i>	8	1	0
<p>Objective(s) Our objective was to determine whether USPTO has adequately managed its Active Directory to protect mission critical systems and data.</p> <p>Finding(s) We found that USPTO (1) inadequately managed its Active Directory, and (2) poorly protected its critical IT assets hosting Active Directory.</p> <p>Unimplemented Recommendation(s) Recommendation 4: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Chief Information Officer to ensure PIV card technology compatibility with on-going and future system development for USPTO next-generation applications, and switch PIV enforcement to a per-user basis, when technically feasible.</p>				
06.19.2019	OIG-19-015 , <i>The Census Bureau Must Correct Fundamental Cloud Security Deficiencies in Order to Better Safeguard the 2020 Decennial Census</i>	8	1	0
<p>Objective(s) Our objective was to determine the effectiveness of security processes and controls for select cloud-based IT systems supporting the 2020 Census.</p> <p>Finding(s) We found that (1) unsecured GovCloud root user keys caused severe risks to 2020 Census cloud environments; (2) unimplemented security baselines that document system settings and configurations left critical systems vulnerable; and (3) basic security practices were not fully implemented to protect Title 13 data hosted in the cloud.</p> <p>Unimplemented Recommendation(s) Recommendation 5: We recommend that the Chief Information Officer of the U.S. Census Bureau track all Title 13 data that are stored and processed in Census Bureau cloud environments. This must include coordination between cloud administrators, operational staff, and Office of Information Security personnel.</p>				

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
08.12.2019	OIG-19-022 , <i>Geostationary Operational Environmental Satellite—R Series: Program Success Requires Added Attention to Oversight, Risk Management, Requirements, and the Life-Cycle Cost Estimate</i>	11	3	0
<p>Objective(s) Our primary objective was to assess the adequacy of the GOES-R program’s satellite development and testing, and the transition of launched satellites into operations. Our second objective was to monitor the program’s progress on contracting actions and changes to minimize cost increases.</p>				
<p>Finding(s) We identified inadequacies in the development, testing, and operations of the satellites, specifically: (1) Advanced Baseline Imager issues highlight the need for increased oversight in technical, programmatic, and contractual areas; (2) GOES-R series magnetometers are less accurate than the previous series, revealing opportunity for NOAA to refine its threshold requirement; (3) the GOES-R program did not identify and manage risk to the availability of GOES-East and GOES-West orbital positions; and (4) ground system server replacement will increase the program’s life-cycle cost and presents risk management challenges.</p>				
<p>Unimplemented Recommendation(s) Recommendation 5: We recommend that the Deputy Under Secretary for Operations ensure that NOAA conducts analysis to determine distinct geomagnetic field measurement accuracy threshold and objective requirement specifications and ensure appropriately supported requirements are reflected in GOES-R program documents. Recommendation 6: We recommend that the Deputy Under Secretary for Operations ensure the NOAA Space Weather Prediction Center updates its geomagnetic field observation accuracy requirement validation documentation. Recommendation 7: We recommend that the Deputy Under Secretary for Operations ensure NOAA assesses whether GOES are the optimal satellites to achieve geomagnetic field observation requirements, using an analysis of alternatives or similar cost-benefit approach.</p>				
09.30.2019	OIG-19-026 , <i>The Department Needs to Improve Its Capability to Effectively Share Cyber Threat Information</i>	4	4	0
<p>Objective(s) Our audit objective was to determine the capabilities and practices of the Department to carry out cybersecurity information sharing.</p>				
<p>Finding(s) We found that (1) the Department lacked an internal automated sharing capability; (2) the Commerce Threat Intelligence Portal (CTIP) application was not accessible by all bureaus; and (3) the Department lacked adequate information sharing policies, procedures, and training.</p>				
<p>Unimplemented Recommendation(s) Recommendation 1: We recommend that the Chief Information Officer finalize CTIP licensing and interconnection agreements and utilize the CTIP Application Programming Interface to automate Department bureaus’ ingestion of cyber threat information. Recommendation 2: We recommend that the Chief Information Officer ensure that all Department bureaus have access to CTIP. Recommendation 3: We recommend that the Chief Information Officer ensure information sharing policies and procedures are compliant with the applicable documents that were created by the U.S. Department of Homeland Security, U.S. Department of Justice, Department of Defense, and the Office of the Director of National Intelligence. Recommendation 4: We recommend that the Chief Information Officer complete a comprehensive CTIP user guide and make it available to all Department bureaus.</p>				

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
10.29.2019	OIG-20-004, <i>Audit of the Department's Digital Accountability and Transparency Act of 2014 Submission for the First Quarter of Fiscal Year 2019</i>	4	4	0

Objective(s)

KPMG, an independent public accounting firm, conducted the performance audit to assess the (1) completeness, accuracy, timeliness, and quality of the Department's FY 2019, first quarter financial and award data (Files A, B, C, D1, and D2) submitted for publication on USASpending.gov; and (2) Department's implementation and use of the government-wide financial data standards established by the OMB and the U.S. Department of the Treasury.

Finding(s)

For objective 1, KPMG determined the Department submitted data of a higher quality. However, the Department did not submit certain data completely or accurately. Overall, for the 350 sampled transactions, KPMG tested 15,087 individual data elements and identified 2,163 errors, which resulted in the following error rates: completeness 3.46 percent, accuracy 10.29 percent, and timeliness 0 percent. Of the 2,163 errors identified, 765 were attributable to the Department, which resulted in the following error rates: completeness 0.81 percent, accuracy 4.74 percent, and timeliness 0 percent. As a result, KPMG identified certain internal control deficiencies over the Department's Digital Accountability and Transparency Act of 2014 (DATA Act) submission and proposed four related recommendations. Section IV contains details of KPMG's findings, identified internal control deficiencies, and related recommendations. The remaining 1,398 exceptions were attributable to third parties external to the Department. The "Analysis of Errors in Data Elements Not Attributable to the Department" section of the report details the third parties to which these errors were attributable.

For objective 2, KPMG determined that the Department implemented and used the government-wide financial data standards established by OMB and the U.S. Department of the Treasury under the DATA Act.

Unimplemented Recommendation(s)

Recommendation 1: KPMG recommends that Department management configure Grants Online to allow the modification number to properly interface with the Financial Assistance Broker System.

Recommendation 2: KPMG recommends that Department management evaluate the effectiveness of the automated logic test reports implemented in June 2019 to the Federal Procurement Data System – Next Generation data error checking system to determine if they are improving the quality of the DATA Act data elements, or if additional actions are needed.

Recommendation 3: KPMG recommends that Department management configure Budget Accounting Purchase System to record the Parent Award ID Number associated with contracts.

Recommendation 4: KPMG recommends that Department management evaluate the changes implemented in June 2019 to the contract writing system that maximize the number of data elements that are shared between the contract writing system and the Federal Procurement Data System – Next Generation, to determine if they are improving the quality of the DATA Act data elements or if additional actions are needed.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
11.12.2019	OIG-20-006 , <i>NOAA's Office of Marine and Aviation Operations Needs to Improve the Planning and Governing of Its Ship Fleet Recapitalization Effort</i>	7	3	\$11,895,000 Funds to be Put to Better Use

Objective(s)

Our audit objective was to determine whether NOAA's Office of Marine and Aviation Operations (OMAO) performed effective acquisition planning for its construction of new ships.

Finding(s)

We found that (1) schedule slippages have delayed ship construction and increased costs; (2) NOAA's ship fleet acquisition planning was not effectively governed; and (3) OMAO did not provide adequate oversight of fleet recapitalization funds.

Unimplemented Recommendation(s) (potential monetary benefits for unimplemented recommendation 1)

Recommendation 1: We recommend that the Director of NOAA Corps and OMAO develop a detailed contingency plan to reduce the risks associated with delays. The plan should address (a) capability and capacity gaps and (b) the cost of maintaining aging ships and utilizing alternatives. Potential monetary benefits: \$11,895,000 funds to be put to better use.

Recommendation 3: We recommend that the Under Secretary of Commerce for Oceans and Atmosphere and Assistant Secretary of Commerce for Oceans and Atmosphere and Deputy NOAA Administrator develop a detailed plan of program governance, which (a) delineates how OMAO will comply with applicable acquisition requirements, (b) clearly defines roles and responsibilities, (c) identifies stakeholder communication needs, and (d) defines a formal evaluation, approval, and decision follow-up process.

Recommendation 6: We recommend that the Under Secretary of Commerce for Oceans and Atmosphere and Assistant Secretary of Commerce for Oceans and Atmosphere and Deputy NOAA Administrator provide a reconciliation report of the \$3,387,714 unsupported costs to OIG.

01.27.2020	OIG-20-014 , <i>EDA Should Develop a Workforce Plan and Improve its Hiring Accountability to Successfully Award and Administer the Disaster Supplemental Funds Appropriated by the Bipartisan Budget Act of 2018</i>	2	2	0
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Objective(s)

Our audit objective was to determine whether EDA's workforce planning process for awarding and administering disaster supplemental funds was adequate and effective.

Finding(s)

We found that (1) EDA has not developed and implemented a comprehensive workforce plan to meet the current and future needs of the organization and (2) EDA's recruitment efforts are significantly behind its established milestones to ensure that EDA has adequate staff available to handle the increased workload.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that EDA's Assistant Secretary of Commerce for Economic Development direct appropriate EDA staff to develop and implement a comprehensive workforce plan to (a) determine optimal staffing levels needed (both at headquarters and in the affected regions), and (b) identify any potential staffing shortfalls or gaps.

Recommendation 2: We recommend that EDA's Assistant Secretary of Commerce for Economic Development direct appropriate EDA staff to develop and implement specific accountability metrics, in conjunction with Human Capital Client Services as applicable, including (a) transparent milestones, which can be used to measure the actual progress of the job opportunity announcements throughout the hiring process, and (b) performance metrics and training guidelines to ensure EDA staff are fully trained on the job opportunity announcement processing requirements.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
01.30.2020	OIG-20-016, 2020 Census: Some Decennial Census Data Quality Assurance Methods Were Not Tested or Did Not Work as Intended During the 2018 End-to-End Census Test	5	4	0

Objective(s)

Our audit objectives were to determine whether (1) the test included data quality components identified as success criteria in the test plan; (2) the Census Bureau designed the test to inform the 2020 Census; (3) NRFU systems are included in the test and function as designed; and (4) the Census Bureau performed non-ID processing and unduplicated responses in a timely manner to reduce the NRFU operation's workload.

Finding(s)

We found that (1) the Census Bureau has not fully tested some activities designed to ensure the quality of 2020 Census respondent data; (2) the Census Bureau's reengineered approach to NRFU closeout has not been adequately tested; (3) potentially unqualified field staff completed cases during NRFU; and (4) unresolved NRFU alerts may not help the Census Bureau maintain or improve the quality of decennial census data.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Director of the U.S. Census Bureau develop a strategy to immediately address quality assurance issues that may occur during the early stages of the self-response and NRFU operations.

Recommendation 2: We recommend that the Director of the U.S. Census Bureau determine the optimal time during NRFU to begin closeout procedures and ensure that systems support those procedures prior to the 2020 Census.

Recommendation 4: We recommend that the Director of the U.S. Census Bureau monitor the resolution of alerts at a national level to identify whether alerts are (a) resolved timely and (b) functioning correctly during the operation.

Recommendation 5: We recommend that the Director of the U.S. Census Bureau develop a strategy to remedy alert issues and communicate appropriate procedures and instructions to field staff if monitoring efforts identify issues.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
02.11.2020	OIG-20-018, <i>Failures in the Department's Security Program Resulted in Exposure of Sensitive Trade Information to Unvetted Foreign Nationals</i>	12	11	0

Objective(s)

Our audit objectives were to determine whether the (1) processes used to vet contract staff given administrative access to the Enterprise Web Solutions (EWS) system are adequate; (2) Department followed a sufficient process to identify the impact level of the EWS system; (3) the Office of the Chief Information Officer (OCIO) took appropriate actions to protect the information on the EWS system after it was granted an authorization to operate in 2018; and (4) contract used to procure EWS services and systems complied with Department acquisition regulations. Because of the serious nature of the cybersecurity issues identified, we determined that this audit report would address the first three objectives, while a separate, follow-on audit may address the fourth.

Finding(s)

We found that (1) the Department exposed sensitive data to unvetted foreign nationals working outside the United States; (2) unauthorized foreign nationals accessed and modified the EWS system after their contract had been terminated; (3) the Department mishandled the response to unauthorized access by foreign nationals; and (4) the Department failed to account for sensitive data on its systems.

Unresolved Recommendation(s)

Recommendation 1: We recommend that the Deputy Secretary of Commerce ensure that OCIO implements additional checks into contract policies and procedures to ensure all access to Department systems and data is properly vetted by the Department's Office of Security.

Recommendation 2: We recommend that the Deputy Secretary of Commerce ensure that OCIO conducts a thorough review of the contractor and subcontractor access granted to all Department systems and ensures this access is limited and appropriate based upon the purpose of the system, data contained on the system, and the contractor's level of required duties.

Recommendation 3: We recommend that the Deputy Secretary of Commerce ensure that OCIO establishes and implements a process that ensures the information system security officer(s) or other assigned system staff regularly validate that user access to Department systems is appropriate.

Recommendation 4: We recommend that the Deputy Secretary of Commerce ensure that OCIO fully documents its rationale, based upon the outcome of the Department's investigation, for not reporting the exposure of sensitive data from the former Secretary's briefing book as a major incident, as defined by OMB guidance.

Recommendation 6: We recommend that the Deputy Secretary of Commerce ensure that OCIO establishes and follows clear procedures when revoking access to Department systems, a process that should include the system owner, information system security officer, and contracting officer's representative, when appropriate.

Recommendation 7: We recommend that the Deputy Secretary of Commerce ensure that OCIO reviews and revises incident response procedures so that appropriate communication protocols are established and enforced to ensure timely and accurate information sharing.

Recommendation 8: We recommend that the Deputy Secretary of Commerce ensure that OCIO identifies staff with incident response and system recovery roles and ensure that they have regular training regarding their responsibilities, the role of the Enterprise Security Operations Center, and the use of system backups.

Recommendation 9: We recommend that the Deputy Secretary of Commerce ensure that OCIO includes an additional step to review the completed task when revoking system access, with a requirement for assignment of an individual responsible for ensuring all access has been removed.

Recommendation 10: We recommend that the Deputy Secretary of Commerce ensure that OCIO reviews and revises the process used for system impact analysis to ensure that it is sufficiently rigorous and has adequate checks to ensure the process produces accurate results.

Recommendation 11: We recommend that the Deputy Secretary of Commerce ensure that OCIO reassess all Office of the Secretary systems to ensure that the designated impact level analyses are accurate and appropriate to protect Department systems.

Recommendation 12: We recommend that the Deputy Secretary of Commerce ensure that OCIO determines if any systems outside of the Office of the Secretary produce data for the Secretary's briefing book and, if systems are identified, determines if these systems have accurate and appropriate system impact levels.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
04.30.2020	OIG-20-025 , <i>2020 Census: The Bureau Can Improve Oversight of Time-and-Materials Delivery Orders on the Integrated Communications Contract</i>	2	2	\$7,702,880 Questioned Costs

Objective(s)

Our audit objectives were to determine whether the Census Bureau is (1) administering time-and-materials and labor-hour delivery orders in accordance with FAR and *Commerce Acquisition Manual (CAM)* requirements and (2) effectively monitoring the contract to ensure schedules are met. If schedules were not met, we would determine if the Census Bureau is taking appropriate actions to mitigate the impact of delays.

Finding(s)

Regarding our first objective, we found that the Census Bureau did not follow the FAR and CAM. Regarding our second objective, we found that the Census Bureau has implemented controls to monitor contractor performance and schedules.

Unimplemented Recommendation(s) (potential monetary benefits for unimplemented recommendation 2)

Recommendation 1: We recommend that the Acquisition Division Chief of the U.S. Census Bureau develop a contractor surveillance plan for Census Bureau staff to follow for all applicable contracting actions.

Recommendation 2: We recommend that the Acquisition Division Chief of the U.S. Census Bureau require contracting officers to obtain the FAR-required supporting documentation from the contractor to meet the contract requirements and before authorizing payment of time-and-materials vouchers.

Potential monetary benefits: \$7,702,880 questioned costs.

06.02.2020	OIG-20-028 , <i>The Department Needs to Improve Oversight Practices to Close Out Contract Files by Complying with Federal Regulations and Departmental Requirements</i>	9	6	\$284,440,847 Questioned Costs
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Objective(s)

Our objective was to determine whether NIST, NOAA, and Census Bureau contracting personnel administered contract closeout procedures in accordance with federal and Departmental regulations.

Finding(s)

We found that (1) contracts were not closed within required timeframes; (2) contract files lacked evidence that key contract closeout steps were completed, resulting in approximately \$288.5 million that could not be verified; (3) NOAA and Census Bureau contract files were not always properly retained; (4) NIST improperly paid a contractor; and (5) NIST technical points of contact (TPOC) were not properly trained, certified, and appointed.

Unimplemented Recommendation(s) (potential monetary benefits for unimplemented recommendation 5)

Recommendation 2: We recommend that the NIST Director of Office of Acquisition and Agreements Management establish a periodic control to ensure that contracts are being closed timely and that closeout procedures are in compliance with federal and Departmental regulations.

Recommendation 4: We recommend that the Census Bureau Chief of Acquisition Division establish a periodic control to ensure that contracts are being closed timely and that closeout procedures are in compliance with federal and Departmental regulations.

Recommendation 5: We recommend that the NIST Director of Office of Acquisition and Agreements Management, NOAA Director of Acquisition and Grants Office, and Census Bureau Chief of Acquisition Division issue additional guidance and training on the contract closeout process to include clearly defining the requirements for adequate contract closeout file documentation.

Potential monetary benefits: \$284,440,847 questioned costs.

Recommendation 7: We recommend that the NOAA Director of Acquisition and Grants Office and Census Bureau Chief of Acquisition Division establish a periodic control to ensure that contracting officials follow records management requirements for contract files including, but not limited to, record retention and dispositioning procedures.

Recommendation 8: We recommend that the NIST Acquisition Management Division Chief conduct research to determine why the improper payment occurred and ensure that future improper payments are identified and recovered in a timely manner.

Recommendation 9: We recommend that the NIST Director of Office of Acquisition and Agreements Management ensure that (a) contracting officers appoint in writing properly trained and certified contracting officer representatives (CORs)/TPOCs prior to awarding contracts, and (b) all CORs/TPOCs meet their continuous learning requirements and are certified at the appropriate levels.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
07.20.2020	OIG-20-037, <i>Fleet Program Is Not Managed in Accordance with Fleet Management Requirements</i>	7	4	0

Objective(s)

Our audit objective was to determine whether the Department's fleet program operates in accordance with applicable federal fleet requirements for vehicle operations, acquisitions, and utilization.

Finding(s)

We found that the Department is not operating its fleet program in accordance with federal fleet requirements.

Unimplemented Recommendation(s)

Recommendation 2: We recommend that the Chief Financial Officer and Assistant Secretary for Administration update the *Personal Property Management Manual* to include guidance for Office of the Secretary commercial leasing. The Department should ensure other *Personal Property Management Manual* requirements do not similarly exclude Office of the Secretary.

Recommendation 4: We recommend that the Chief Financial Officer and Assistant Secretary for Administration update policies and procedures to include requirements for bureaus to maintain adequate documentation of vehicle usage.

Recommendation 6: We recommend that the Chief Financial Officer and Assistant Secretary for Administration direct Departmental/bureau fleet managers to perform and document an annual analysis of fleet utilization in accordance with Departmental policy and Congressional direction.

Recommendation 7: We recommend that the Chief Financial Officer and Assistant Secretary for Administration perform a vehicle allocation methodology study at least every 5 years, to produce a profile of its optimal fleet inventory, and periodically monitor results between vehicle allocation methodology studies.

09.01.2020	OIG-20-045, <i>USPTO Needs to Improve Its Small Business Contracting Practices</i>	4	4	0
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Objective(s)

The objectives were to determine whether USPTO (1) achieved its small business utilization goals, (2) contracting officials provided small businesses with adequate contract award opportunities, and (3) took appropriate actions to ensure contracting officials met small business contracting goals.

Finding(s)

Booth Management Consulting, LLC (BMC)—an independent firm—concluded that USPTO did not (1) meet its small business utilization goals, (2) provide small businesses with adequate contract award opportunities, and (3) take appropriate actions to meet small business contracting goals.

Unimplemented Recommendation(s)

Recommendation 1: BMC recommends that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Director of the Office of Procurement to ensure contract specialists verify small business eligibility prior to awarding small business contracts.

Recommendation 2: BMC recommends that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Director of the Office of Procurement to ensure contract specialists perform and appropriately document small business set-aside reviews.

Recommendation 3: BMC recommends that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Director of the Office of Procurement to ensure Historically Underutilized Business Zones small business consideration is included in its annual acquisition forecasting activities and marketing efforts to maximize contracting opportunities.

Recommendation 4: BMC recommends that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Director of the Office of Procurement to ensure the Office of Procurement uses the Forecasting and Advanced Acquisition Planning System and establishes clear lines of communication between the Office of Procurement, small business specialists, and contracting specialists for all procurement requests.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
09.10.2020	OIG-20-047 , <i>The Joint Polar Satellite System: Cost Growth and Schedule Delay of a Key Instrument Acquisition Highlight the Need for Closer Attention to Contractor Oversight</i>	5	5	\$14,354,642 Funds to Be Put to Better Use

Objective(s)

Our objective was to assess the cost, schedule, and technical performance of the JPSS Program's acquisition and development effort for selected instruments. To satisfy our audit objective, we determined the extent to which costs and schedules changed from original project baselines, and identified challenges to the projects' technical baseline.

Finding(s)

We found that (1) the JPSS Program exceeded contract definitization timelines and conducted late and abbreviated baseline reviews; (2) JPSS-2 Cross-track Infrared Sounder quality assurance did not adequately integrate contract risks into its surveillance activities; and (3) award-fee determinations did not motivate the contractor toward exceptional performance.

Unimplemented Recommendation(s) (potential monetary benefits for unimplemented recommendation 5)

Recommendation 1: We recommend that the NOAA Deputy Undersecretary for Operations require programs notify the Joint Agency Program Management Council before NOAA-funded National Aeronautics and Space Administration (NASA) contracts exceed definitization timelines.

Recommendation 2: We recommend that the NOAA Deputy Undersecretary for Operations require a Joint Agency Program Management Council assessment before an Integrated Baseline Review requirement is removed, abridged, or its timing adjusted, for NOAA-funded NASA contracts or major contract modifications requiring earned value management.

Recommendation 3: We recommend that the NOAA Assistant Administrator for Satellite and Information Services ensure the JPSS Program adequately incorporates contract risks and executes prevention-focused surveillance as part of its quality assurance activities.

Recommendation 4: We recommend that the NOAA Assistant Administrator for Satellite and Information Services coordinate with the Director of the NASA Goddard Space Flight Center to conduct a joint review of contractor performance evaluation practices and determine whether changes could more effectively motivate contractors to achieve desired outcomes for ongoing and future contract negotiations on NOAA-funded projects.

Recommendation 5: We recommend that the NOAA Assistant Administrator for Satellite and Information Services coordinate with the Director of the NASA Goddard Space Flight Center to establish a working definition of "significant" cost overrun to help inform strategies that progressively motivate contractors to improve before accumulating excessive cost and schedule performance deficits, for ongoing and future NOAA-funded NASA contracts.

Potential monetary benefits: \$14,354,642 funds to be put to better use.

10.01.2020	OIG-21-001 , <i>The Department Has Made Progress Meeting Its Responsibilities Under the Geospatial Data Act But Must Improve Controls to Ensure Full Compliance</i>	6	4	0
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Objective(s)

Our original objectives—in accordance with the Geospatial Data Act of 2018—were to review the Department's (1) compliance with the standards for geospatial data, including metadata for geospatial data established under section 757; (2) compliance with the requirements under subsection 759(a); and (3) compliance on the limitation on the use of federal funds under section 759A. We revised our audit objective to assess the Department's progress toward compliance with the requirements of subsection 759(a). Because the Department's National Geospatial Data Assets and management thereof reside within NOAA and the Census Bureau, we limited our scope to those two operating units and the activities of the Department's Senior Agency Official for Geospatial Information, Chief Data Officer, data governance board, and geospatial working group.

Finding(s)

We found the Department has made progress towards complying with the 13 requirements under section 759(a). In addition, we noted the need for improvements in the following areas: (1) the Department should ensure its new geospatial data strategic plan aligns with the mission and design controls for adequate implementation; (2) the Department should develop procedures to ensure compliance with its *Policy on Planned Geospatial Acquisitions*; (3) data harvesting issues are causing inconsistencies in Department metadata; and (4) Census Bureau should document compliance with metadata standards as part of its system of internal control for geospatial data.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Deputy Secretary of Commerce and the Senior Agency Official for Geospatial Information ensure that the Department's geospatial data strategy aligns and integrates with the Department's mission and strategy.

Recommendation 2: We recommend that the Deputy Secretary of Commerce and the Senior Agency Official for Geospatial Information define a system of internal control to ensure the geospatial data strategic plan is effectively implemented and that progress against it is appropriately tracked.

Recommendation 3: We recommend that the Deputy Secretary of Commerce and the Senior Agency Official for Geospatial Information develop Department-wide procedures to ensure operating units consistently implement the Department's *Policy on Planned Geospatial Acquisitions*.

Recommendation 6: We recommend that the Census Bureau's Chief of the Geography Division assess geospatial data standards licensing needs and ensure the Census Bureau adequately documents compliance with data and metadata standards.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
11.19.2020	OIG-21-010 , <i>USPTO Should Improve Acquisition Planning and Vendor Performance Management to Prevent Schedule Delays and Unnecessary Costs Related to the SDI-NG Contract</i>	9	5	0

Objective(s)

Our audit objective was to determine whether USPTO provided adequate oversight of SDI-NG contracts. To address this objective, we specifically assessed whether USPTO provided adequate oversight of (1) the acquisition planning process and (2) vendor performance.

Finding(s)

Overall, we found that USPTO did not provide adequate oversight of the SDI-NG Bridge. Specifically, we found that (1) USPTO did not timely plan and compete a follow-on SDI-NG contract, and (2) USPTO did not adequately document and use vendor performance information.

Unimplemented Recommendation(s)

Recommendation 2: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Director of the Office of Procurement to establish specific conditions and justifications that govern the use of alternative competition methods in PTAG.

Recommendation 5: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Director of the Office of Procurement to revise the Acquisition File Documentation form to document consideration of vendor performance prior to exercise of option periods.

Recommendation 7: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Chief Information Officer to modify policies, procedures, and related staff training materials on vendor performance monitoring to clarify the purpose and requirements for each of USPTO's performance monitoring tools.

Recommendation 8: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Chief Information Officer to ensure vendor performance monitoring tools are able to document and report vendor performance information in accordance with USPTO policies and the FAR.

Recommendation 9: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office direct the Chief Information Officer to develop a comprehensive vendor performance evaluation report that aggregates vendor performance information from Vendor Management Division tools and other sources as appropriate.

01.05.2021	OIG-21-016 , <i>Continued FirstNet Authority Management Attention is Needed to Address Control Environment Weaknesses</i>	1	1	0
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Objective(s)

Our evaluation objective was to assess whether FirstNet Authority management took steps to address the concerns noted in our August 2019 management alert and whether continued concerns still existed.

Finding(s)

We found that FirstNet Authority took some actions to address the concerns included in our August 2019 management alert; however, we found that issues with FirstNet Authority's underlying control environment continue to exist.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that FirstNet Authority's Executive Director develop and implement a policy, which specifies how management and staff will be held accountable for non-compliance with established regulations, policies, and controls.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
01.07.2021	OIG-21-018, <i>Fundamental Security Safeguards Were Not In Place to Adequately Protect the IT Systems Supporting the 2020 Census</i>	5	5	0

Objective(s)

Our audit objective was to determine the effectiveness of security measures for select IT systems that support the 2020 Census.

Finding(s)

We found that (1) the Census Bureau's inadequate risk management program left significant risks present in decennial IT systems; (2) the Census Bureau's Decennial security operations center lacked fundamental capabilities during periods of decennial census data collection; (3) the Census Bureau inadequately managed its Active Directory that supports decennial census operations; and (4) the Census Bureau had not fully enforced PIV in accordance with federal and Department requirements.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Director of the U.S. Census Bureau ensure that the Census Bureau's Chief Information Officer develop and adhere to risk acceptance policies and procedures in accordance with the NIST risk management framework (NIST SP 800-37).

Recommendation 2: We recommend that the Director of the U.S. Census Bureau ensure that the Census Bureau's Chief Information Officer reassess all instances of security risks on the decennial IT infrastructure that were accepted without mitigation and ensure correct actions are taken to minimize existing security risks.

Recommendation 3: We recommend that the Director of the U.S. Census Bureau ensure that the Census Bureau's Chief Information Officer ensure critical security operations center capabilities are in place and operating as intended by immediately verifying (a) the implementation and operation of a file level encryption for all required resources; (b) the implementation of a technical solution for data loss prevention is fully functional; and (c) the implementation and complete vulnerability scanning coverage of all required databases.

Recommendation 4: We recommend that the Director of the U.S. Census Bureau ensure that the Census Bureau's Chief Information Officer regularly perform a thorough review of Active Directory configurations and ensure that all active accounts have the minimum access rights to fulfill operational requirements. Consider the feasibility of using specialized software tools to augment the Census Bureau's review of Active Directory configurations.

Recommendation 5: We recommend that the Director of the U.S. Census Bureau ensure that the Census Bureau's Chief Information Officer prioritize the enforcement of PIV and other forms of MFA by (a) establishing a process to validate the enforcement of federal PIV requirements for all users accessing Census Bureau resources via government-owned computers and (b) regularly verifying that all privileged access to the Census Bureau network or its resources for contractors working on-site at the Bowie Computer Center or Census Bureau headquarters in Suitland, Maryland, is protected with MFA in accordance with federal and Department requirements.

TABLE 7-B. UNRESOLVED FY 2021 RECOMMENDATIONS FROM AUDIT, EVALUATION, AND INSPECTION REPORTS

Table 7-b includes audit, evaluation, and inspection reports with unresolved recommendations (i.e., OIG has not yet approved auditees' action plans). Either OIG is reviewing an action plan submitted or the action plan is not due until after March 31, 2021.

The three reports listed have a total of 11 unresolved recommendations.

Summaries of these reports appear in pages 13, 19, and 23.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Reason	Potential Monetary Benefits of Unresolved Recommendations
12.21.2020	OIG-21-014, <i>EDA Is Not Fully Complying with All Its Disaster Relief Award Policies</i>	3	OIG Reviewing Action Plan	0
Unresolved Recommendation(s)				
Recommendation 1: We recommend that the Assistant Secretary of Commerce for Economic Development direct the regional directors at the Atlanta and Philadelphia regional offices to utilize a standard and measurable assessment tool to guide and document the Investment Review Committee's evaluation of each application to ensure all applications meet the requirements of the <i>FY 2018 EDA Disaster Supplemental NOFO</i> .				
Recommendation 2: We recommend that the Assistant Secretary of Commerce for Economic Development direct regional directors at the Austin and Philadelphia regional offices to comply with the <i>FY 2018 EDA Disaster Supplemental NOFO</i> requirements of awarding grants based on a priority order of funding recommendations and implement controls to ensure that the established processes and procedures for preparing the priority order of funding recommendations are monitored and consistently followed.				
Recommendation 3: We recommend that the Assistant Secretary of Commerce for Economic Development direct the regional directors at the Atlanta, Austin, and Philadelphia regional offices to (a) monitor application review time goals and (b) document and maintain written notifications and communications in grant files.				
01.25.2021	OIG-21-020, <i>Decisions on Exclusions from Section 232 Tariffs Were Not Transparent and Based on Incomplete and Inaccurate Information</i>	2	Action Plan Due 03.26.2021 OIG Reviewing ITA Action Plan BIS Action Plan Not Yet Received	0
Unresolved Recommendation(s)				
Recommendation 1: We recommend that the Under Secretary of Commerce for Industry and Security reexamine the Section 232 ER review process to ensure decisions are based on complete and accurate information and are transparent. At a minimum (a) require an objector that indicates it has confidential business information to provide a public summary of it in its objection form; (b) require personnel involved in the decision making process on whether ERs are granted or denied to document the reason for changes made to decision memoranda; and (c) protect spreadsheets that are used to track decision memoranda from unauthorized changes.				
Recommendation 2: We recommend that the Under Secretary of Commerce for International Trade reexamine the Section 232 ER review process to ensure recommendations are based on complete and accurate information and are transparent. At a minimum (a) ensure evaluators properly consider an objector's capacity and current plant percentage utilization when determining whether there is a sufficient U.S. supply of a product; (b) ensure subject matter experts are able to obtain the appropriate information needed to make an informed decision regarding the U.S. availability of a product; (c) comply with the requirement that the objecting firm must be able to manufacture the product within 8 weeks to meet the demand identified in the ER; and (d) prepare and maintain complete documentation to support the rationale for determining the U.S. availability of a product.				

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Reason	Potential Monetary Benefits of Unresolved Recommendations
01.28.2021	OIG-21-021, <i>The U.S. & Foreign Commercial Service 2018 Officer Promotion Process Did Not Comply With Applicable Criteria</i>	6	Action Plan Due 04.12.2021	0

Unresolved Recommendation(s)

Recommendation 1: We recommend that the Under Secretary for International Trade review the 2018 US&FCS officer promotion process and determine whether any selection boards should reconvene, in order to ensure the process was conducted fairly, with integrity and transparency.

Recommendation 2: We recommend that the Under Secretary for International Trade ensure US&FCS establishes the number of promotion opportunities by officer class and provide those numbers via sealed communication to the American Foreign Service Association before selection boards convene.

Recommendation 3: We recommend that the Under Secretary for International Trade require US&FCS to prepare and maintain complete documentation to support the number of promotion opportunities for each foreign service officer class before selection boards convene.

Recommendation 4: We recommend that the Under Secretary for International Trade establish controls to comply with federal requirements for properly protecting sensitive promotion information and other sensitive federal records stored on shared network drives.

Recommendation 5: We recommend that the Assistant Secretary for Global Markets and Director General of US&FCS define the appropriate bureau personnel records that should be used to determine and verify promotion eligibility based on the *Foreign Service Personnel Management Manual's* requisites and require applicable Office of Foreign Service and Human Capital officials to preserve adequate and proper records to support both the subject officer's and future determinations of their respective promotion eligibility.

Recommendation 6: We recommend that the Assistant Secretary for Global Markets and Director General of US&FCS ensure that the Office of Foreign Service and Human Capital requires future selection boards to adequately and properly document selection board rankings.

TABLE 7-C. REPORTS FOR WHICH MANAGEMENT TOOK LONGER THAN 60 DAYS TO RESPOND

There were 0 instances before and during this semiannual period of an operating unit within the Department taking longer than 60 days to provide an establishment comment that addressed the recommendations of a report.

TABLE 8. REPORTS ON INVESTIGATIONS CONCERNING SENIOR GOVERNMENT EMPLOYEES

OIG Case No.	Narrative Description of Investigations Involving Senior Government Employees Where Allegations of Misconduct Were Substantiated ^a
18-0286	<p data-bbox="581 342 1425 583">On December 3, 2020, our office issued an investigative report which chiefly addressed allegations that members of both the U.S. Senate and the U.S. House of Representatives provided to our office on November 13, 2017, and June 27, 2018, respectively. In general, the allegations were related to the following: (1) former Secretary Ross's compliance with the terms of the ethics agreement he signed on January 15, 2017; (2) potential conflicts of interest related to the former Secretary's ownership of certain financial interests while performing the duties of the Secretary of Commerce; and (3) the former Secretary's short sale of Navigator Holdings Ltd. stock in October 2017. See pages 8–9 of this <i>Semiannual Report to Congress</i> for a summary of this report.</p> <p data-bbox="581 600 1425 867">Our investigation found that there was sufficient evidence that there was the appearance of a violation of the legal and ethical standards of 18 U.S.C. § 208, as explicitly prohibited by 5 C.F.R. § 2635.101(b)(14). In addition, our investigation found that the former Secretary did not timely comply with certain divestiture obligations, as agreed to in Sections 2 (Positions and Assets Related to Invesco) and 9 (Additional Assets to be Divested) of his Ethics Agreement, as required by 5 C.F.R. §§ 2634.802(b) and 2634.804(b). Furthermore, the former Secretary's continued ownership of certain assets caused him to incorrectly certify that the information he provided on his Certifications of Ethics Agreement Compliance, Nominee OGE Form 278e, and certain of his OGE Forms 278-T was complete and accurate.</p> <p data-bbox="581 884 1425 1066">Due to the nature and scope of the allegations, our office conducted liaison and deconfliction operations with the Federal Bureau of Investigation, the U.S. Securities and Exchange Commission, and the Financial Industry Regulatory Authority. Because we found evidence of potential violations of federal criminal law, our office coordinated with the U.S. Department of Justice, and referred the matter to that office on March 26, 2019. The U.S. Department of Justice declined on October 11, 2019, to open a criminal investigation into the allegations.</p>

^a In keeping with section 5(e)(1)(C) of the IG Act, this chart reports only closed cases.

TABLE 9. DESCRIPTIONS OF INSTANCES OF WHISTLEBLOWER RETALIATION

There were no instances of confirmed whistleblower retaliation during this semiannual period.

TABLE 10. DESCRIPTION OF CLOSED AND NON-PUBLIC INSPECTIONS, EVALUATIONS, AUDITS, AND CERTAIN INVESTIGATIONS

OIG is required to describe both (a) any inspection, evaluation, and audit conducted that is closed and not disclosed to the public and (b) any investigation conducted involving a senior government employee that is closed and not disclosed to the public (see tables 10-a and 10-b, respectively).

TABLE 10-A. DESCRIPTION OF CLOSED AND NON-PUBLIC INSPECTIONS, EVALUATIONS, AND AUDITS

During this semiannual period, we issued six products that were not disclosed to the public.

Date Product Issued	Title	Narrative Description
10.08.2020	<i>Evaluation of Census Preparedness for Restarting 2020 Operations</i>	<p>On June 18, 2020, we initiated an audit of the Census Bureau's preparedness for restarting 2020 Census field operations as a result of the COVID-19 pandemic. This was one of several projects discussed at an entrance conference on June 24, 2020, which related to our announcement <i>Evaluation of 2020 Census Peak Operations</i> (#2020-375). Our objective was to determine whether the Census Bureau provided a sufficient quantity of personal protective equipment (PPE) to each ACO in order to protect office and field staff from COVID-19. To accomplish our objective, we interviewed officials at Census Bureau headquarters in Suitland, Maryland, and staff at the National Processing Center in Jeffersonville, Indiana. To gain an understanding of the Census Bureau's planning process, we reviewed documents supporting PPE quantities needed. We also reviewed records showing PPE received for distribution to ACOs and field staff. Additionally, we considered the Census Bureau's oversight of PPE inventory and proper use of PPE by field staff.</p> <p>Based upon our review, we concluded that further work on this evaluation was not needed at this time. On October 8, 2020, we issued a memorandum to inform the Census Bureau that we had decided to close out this evaluation.</p>
10.29.2020	<i>FY 2020 Federal Information Security Modernization Act Annual Report</i> (OIG-21-007-A)	<p>To meet OIG obligations under the Federal Information Security Modernization Act, we completed an audit to assess the effectiveness of the Department of Commerce's information security program and practices against metrics developed by the U.S. Department of Homeland Security and OMB. Specifically, we reviewed a representative subset of 12 IT systems across the Department and its bureaus.</p> <p>Our assessments found that while the Department defined policies and procedures, it did not consistently implement those policies and procedures across the selected systems.</p>
12.11.2020	<i>Audit of FirstNet's Subcontract Oversight</i>	<p>On March 4, 2020, we initiated an audit of the FirstNet Authority's oversight of AT&T's subcontract management. Our objective was to determine whether FirstNet Authority's actions for overseeing AT&T's subcontract management were sufficient to meet federal laws, regulations, and contract provisions. To accomplish our objective, we interviewed FirstNet Authority staff and reviewed documentation.</p> <p>Based upon our review, we did not identify any reportable issues. We discussed our concerns with FirstNet Authority staff at an exit conference. We concluded that further work on this audit is not needed at this time. On December 11, 2020, we issued a memorandum to inform FirstNet Authority that we had decided to close out this audit.</p>

Date Product Issued	Title	Narrative Description
12.14.2020	<i>Review of Information Technology Controls in Support of the Fiscal Year 2020 U.S. Department of Commerce Consolidated Financial Statement Audit (OIG-21-012-A)</i>	<p>The Chief Financial Officers' Act of 1990, as amended by the Government Management Reform Act of 1994, requires the preparation of annual audited financial statements covering all accounts and activities for the 24 federal departments and agencies, including the Department of Commerce, which is audited at the Department level.</p> <p>KPMG, an independent public accounting firm, performed this audit on our behalf and performed procedures to determine whether general IT controls were properly designed and operating effectively to support the Department's financial reporting. KPMG identified 21 findings and made 36 recommendations.</p>
12.18.2020	<i>Review of Information Technology Controls in Support of the Fiscal Year 2020 USPTO Financial Statement Audit Test (OIG-21-013-A)</i>	<p>The Chief Financial Officers' Act of 1990, as amended by the Government Management Reform Act of 1994, requires the preparation of annual audited financial statements covering all accounts and activities of each office, operating unit, and activity of 24 federal departments and agencies, including the Department of Commerce, which is audited at the Department level. In addition, USPTO prepares separate stand-alone financial statements covering its accounts and activities, which are audited at the USPTO level.</p> <p>KPMG, an independent public accounting firm, performed this audit on our behalf and performed procedures to determine whether general IT controls were properly designed and operating effectively to support USPTO's financial reporting. KPMG identified four findings and made five recommendations.</p>
01.05.2021	<i>Evaluation of the U.S. Census Bureau's 2020 Census Address Canvassing Operation</i>	<p>On April 11, 2019, we initiated an audit of the Census Bureau's 2020 Census address canvassing operation. Our objective was to determine whether the Census Bureau implemented an effective strategy for completing the 2020 Census address canvassing operation and producing a complete and accurate address list. To accomplish our objective, we interviewed officials at Census Bureau headquarters in Suitland, Maryland. Additionally, we interviewed support staff and observed listers at various locations.</p> <p>We discussed our concerns with Census Bureau management and concluded that further work on this evaluation was not needed at this time. On January 4, 2021, we issued a memorandum to inform the Census Bureau that we had decided to terminate this evaluation. On June 18, 2020, we announced another evaluation that will follow up on these concerns.</p>

TABLE 10-B. DESCRIPTION OF CERTAIN CLOSED AND NON-PUBLIC INVESTIGATIONS

OIG Case No.	Narrative Description for Closed Cases of Investigations Involving Senior Government Employees Not Disclosed to Public
20-1084	On February 25, 2021, our office closed an investigation into alleged misconduct and interference of a criminal investigation surrounding the 2020 decennial census by a senior official in the Department. The allegations were unsubstantiated.
19-0529	On September 22, 2020, our office closed an investigation into an allegation of a conflict of interest by a USPTO PTAB judge. The allegation was unsubstantiated.

REPORTING REQUIREMENTS

The IG Act specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages of this report.

SECTION	TOPIC	PAGE(S)
4(a)(2)	Review of Legislation and Regulations	69
5(a)(1)	Significant Problems, Abuses, and Deficiencies	2–28
5(a)(2)	Significant Recommendations for Corrective Action	2–28
5(a)(3)	Prior Significant Recommendations Unimplemented	69
5(a)(4)	Matters Referred to Prosecutorial Authorities	35
5(a)(5) and 6(c)(2)	Information or Assistance Refused	69
5(a)(6)	Listing of Audit, Inspection, and Evaluation Reports	39–42
5(a)(7)	Summary of Significant Reports	2–28
5(a)(8)	Reports with Questioned Costs	38
5(a)(9)	Reports with Funds to Be Put to Better Use	38
5(a)(10)	Prior Reports with Unimplemented and/or Unresolved Recommendations	43–60, 69
5(a)(11)	Significant Revised Management Decisions	70
5(a)(12)	Significant Management Decisions with Which OIG Disagreed	70
5(a)(13)	Department Compliance with the Federal Financial Management Improvement Act	70
5(a)(14) and 5(a)(15)	Results of Peer Review	70
5(a)(16)	Peer Reviews Conducted by OIG	70
5(a)(17)	Investigative Reports Issued and Referrals for Criminal Prosecution and Indictments	35
5(a)(18)	Description of Metrics Used for Determining the Data in 5(a)(17)	71
5(a)(19)	Reports on Investigations Concerning Senior Government Employees	62
5(a)(20)	Description of Whistleblower Retaliation Instances	63
5(a)(21)	Description of Establishment Interference Attempts	N/A
5(a)(22)	Description of Closed and Non-Public Inspections, Evaluations, Audits, and Certain Investigations	64–67

The following section includes information required under the IG Act that is not otherwise addressed in this report, along with supplemental information on select reporting topics:

SECTION 4(a)(2): REVIEW OF LEGISLATION AND REGULATIONS

This section requires the inspector general of each agency to review existing and proposed legislation and regulations relating to that agency's programs and operations. Based on this review, the inspector general is required to make recommendations concerning the impact of such legislation or regulations on (1) the economy and efficiency of the management of programs and operations administered or financed by the agency or (2) the prevention and detection of fraud and abuse in those programs and operations. Some of OIG's audits examine compliance with existing laws, regulations, and other legal requirements. OIG's reports of such audits describe findings and include recommendations on any action necessary to address such findings. Additionally, OIG has coordinated with the Department's Office of Legislative and Intergovernmental Affairs to track relevant legislation and regulations affecting the Department. OIG is also a participant in the Council of Inspectors General on Integrity and Efficiency (CIGIE) and its regular review of legislative and regulatory items that affect the inspector general community at large and individual departments. Further, during this reporting period, OIG reviewed legislation and regulation—including, but not limited to—S. 5008, Federal System Incident Response Act of 2020, H.R. 7936, Federal Employee Access to Information Act, H.R. 4382, Integrity Committee Transparency Act of 2020, H.R. 6395, National Defense Authorization Act for FY 2021, H.R. 23, Inspector General Protection Act, and relevant FAR cases.

SECTION 5(a)(3): PRIOR SIGNIFICANT RECOMMENDATIONS UNIMPLEMENTED

This section requires identification of each significant recommendation described in previous semiannual reports for which corrective action has not been completed. Refer to table 7-A, "Unimplemented Recommendations from Audit, Evaluation, and Inspection Reports," which includes significant recommendations for reports OIG-20-006, OIG-20-028, and OIG-20-047 for which corrective action had not been completed as of the previous semiannual period. In addition, section 5(b) requires that the Secretary transmit to Congress statistical tables showing the number and value of audit reports for which no final action has been taken, plus an explanation of why recommended action has not occurred, except when the management decision was made within the preceding year.

SECTIONS 5(a)(5) AND 6(c)(2): INFORMATION OR ASSISTANCE REFUSED

These sections require a summary of each report to the Secretary when access, information, or assistance has been unreasonably refused or not provided. There were no reports to the Secretary during this semiannual period.

SECTION 5(a)(10): PRIOR REPORTS WITH UNIMPLEMENTED AND/OR UNRESOLVED RECOMMENDATIONS

This section requires (1) a summary of each audit, inspection, and evaluation report issued before the beginning of the reporting period for which no management decision has been made by the end of the reporting period (including the date and title of each such report); (2) an explanation of why a decision has not been made; and (3) a statement concerning the desired timetable for delivering a decision on each such report. There are no audit, inspection, and/or evaluation reports that are more than 6 months old for which no management decision has been made.

This section also requires a summary of each audit, inspection, and evaluation report issued before the beginning of the reporting period (1) for which there was no comment returned within 60 days of providing the report to the establishment and (2) for which there are any outstanding unimplemented OIG recommendations, including the aggregate potential cost savings of such recommendations. For criteria (1), see table 7-C, "Reports for Which Management Took Longer Than 60 Days to Respond," for summaries of zero instances before and during this semiannual period of an operating unit within the Department taking longer than 60 days to provide an establishment comment that addressed the recommendations of a report (as required by DAO 213-5). For criteria (2), see table 7-A, "Unimplemented Recommendations from Audit, Evaluation, and Inspection Reports," for summaries of unimplemented OIG recommendations, which include aggregate potential cost savings of such recommendations.

SECTION 5(a)(11): SIGNIFICANT REVISED MANAGEMENT DECISIONS

This section requires an explanation of the reasons for any significant revision to a management decision made during the reporting period. DAO 213-5, *Audit and Evaluation Resolution and Follow-up*, provides procedures for revising a management decision. During this semiannual period, there were no significant revised management decisions.

SECTION 5(a)(12): SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREED

This section requires information concerning any significant management decision with which the inspector general disagrees. DAO 213-5 provides procedures for elevating unresolved audit recommendations to higher levels of Department and OIG management, including their consideration by an agency resolution council. During this period, no audit issues were referred.

SECTION 5(a)(13): DEPARTMENT COMPLIANCE WITH THE FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT

The Department is in compliance with the Federal Financial Management Improvement Act.

SECTION 5(a)(14) AND 5(a)(15): RESULTS OF PEER REVIEW

On March 23, 2021, our Office of Audit and Evaluation (OAE) received official notification of its peer review of its audit operations by the OIG for the U.S. Small Business Administration (SBA). SBA OIG's System Review Report of our audit operations is available on our website. We received a *pass* rating, the highest available rating.

On May 30, 2019, our OAE received official notification of its peer review of its inspection and evaluation operations by the OIGs of GSA and the Federal Deposit Insurance Corporation (FDIC), conducted in accordance with CIGIE Inspection and Evaluation Committee guidance. GSA-FDIC OIG assessed the extent to which our office met seven required *CIGIE Quality Standards for Inspection and Evaluation* standards. GSA-FDIC OIG determined that our policies and procedures generally met the seven standards. We received one recommendation for when we review and revise our *Audit Directives 2014*: the revision should include policies and procedures for safeguarding confidential information and ensuring that inspection and evaluation work is *CIGIE Blue Book* compliant prior to the reporting stage. We have completed our updates to most of the OAE policies, including the implementation of GSA-FDIC OIG's recommendation for process and policy improvements. We anticipate issuing the revised policy for the final chapter by May 31, 2021.

On September 20, 2017, our Office of Investigations received official notification that the system of internal safeguards and management procedures for OIG's investigative function was in compliance with the quality standards established by CIGIE and the applicable Attorney General Guidelines. The Peace Corps OIG, with assistance by the computer forensic staff from NASA OIG, conducted the peer review.

SECTION 5(a)(16): PEER REVIEWS CONDUCTED BY OIG

On December 29, 2020, we completed our peer review of the inspection and evaluation operations of the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). We determined that the SIGTARP's policies and procedures generally met the seven required *CIGIE Blue Book* standards. Of the two reports reviewed, both generally met the *Blue Book* standards and complied with *SIGTARP Evaluations Policies and Procedures Manual* internal policies and procedures. We issued a letter of comment, scope, and methodology that set forth specific observations, suggestions, and best practices identified during the peer review. There were no findings of noncompliance and/or recommendations.

SECTION 5(a)(18): DESCRIPTION OF METRICS USED FOR DETERMINING THE DATA IN 5(a)(17)

The metrics used for the statistical data referenced in table 1, *Office of Investigations Statistical Highlights for This Period*, include the following: ensure data input is completed accurately; obtain data extraction via reports generated in our case management system; and complete quality assurance with supporting documentation in the case files and discussions with individual investigative personnel.

ACRONYMS AND ABBREVIATIONS

ACO	area Census office	EDA	U.S. Economic Development Administration
BIS	Bureau of Industry and Security	ER	exclusion request
BMC	Booth Management Consulting, LLC	EWS	Enterprise Web Solutions
C.F.R.	Code of Federal Regulations	FAR	Federal Acquisition Regulation
CAM	<i>Commerce Acquisition Manual</i>	FDIC	Federal Deposit Insurance Corporation
CARES Act	Coronavirus Aid, Relief, and Economic Security Act	FirstNet Authority	First Responder Network Authority
Charge Card Act	Government Charge Card Abuse Prevention Act of 2012	FY	fiscal year
CHEC	Census Hiring and Employment Check	GAGAS	<i>Generally Accepted Government Auditing Standards</i>
CIGIE	Council of Inspectors General on Integrity and Efficiency	GOES	Geostationary Operational Environmental Satellite
CISA	Cybersecurity Information Sharing Act	GSA	General Services Administration
COR	contracting officer representative	ID	identification
COVID-19	coronavirus disease 2019	IG Act	Inspector General Act of 1978, as amended
CSI	College of Staten Island	IP	intellectual property
CTIP	Commerce Threat Intelligence Portal	IT	information technology
CUNY	City University of New York	ITA	International Trade Administration
DAO	Department Administrative Order	JPSS	Joint Polar Satellite System
Department	U.S. Department of Commerce	MFA	multi-factor authentication
		NASA	National Aeronautics and Space Administration
		NIST	National Institute of Standards and Technology

NOAA	National Oceanic and Atmospheric Administration	SDI-NG	Software Development and Integration—Next Generation
NOFO	<i>Notice of Funding Opportunity</i>	SEFA	<i>Schedule of Expenditures of Federal Awards</i>
NPSBN	Nationwide Public Safety Broadband Network	SF-SAC	Standard Form - Single Audit Collection
NRFU	nonresponse followup	SIGTARP	Office of the Special Inspector General for the Troubled Asset Relief Program
OAE	Office of Audit and Evaluation	TPOC	technical points of contact
OCIO	Office of the Chief Information Officer	U.S.	United States
OGE	Office of Government Ethics	U.S.C.	United States Code
OIG	Office of Inspector General	ULO	unliquidated obligation
OMAO	Office of Marine and Aviation Operations	Uniform Guidance	<i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i>
OMB	Office of Management and Budget	US&FCS	U.S. & Foreign Commercial Service
Pilgrim's	Pilgrim's Pride Corporation	USPTO	United States Patent and Trademark Office
PIV	personal identity verification	WCF	working capital fund
PPE	personal protective equipment		
PTA	Patent Term Adjustment		
PTAB	Patent Trial and Appeal Board		
PTAG	<i>Patent and Trademark Acquisition Guidelines</i>		
PTE	Patent Term Extension		
RI	reinterview		
RMPS	Risk Management Program System		
SBA	U.S. Small Business Administration		
SBIR	Small Business Innovation Research		

REPORT

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